



**OFFICE POLICY AND  
BEST PRACTICES MANUAL**

Confidential

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## SECTION ONE: INTRODUCTION

### WELCOME

Welcome to Windermere Real Estate dba Windermere Real Estate Southern California (“the Company”) licensed by the California Bureau of Real Estate, CA DRE Lic. #02018113. For more than 50 years, Windermere has put integrity and professionalism at the heart of our business. This, along with our commitment to building thriving communities, is what has helped Windermere grow into one of the largest and most respected real estate brands in the country, with more than 300 offices and 7,000 agents throughout the Western U.S. and Mexico.

### ALL IN FOR YOU

John Jacobi founded Windermere Real Estate in 1972 with a vision for the way real estate should work: anticipate and respond to the needs of buyers and sellers and support the communities you serve. While other real estate companies were focused on size and sales, his goal was to earn the respect of the communities where he and his Associates worked and lived. More than four decades later, John Jacobi’s humble beginnings have gone from a single office with eight Associates to a network of 300 offices and more than 7,000 Associates throughout the Western United States and Mexico. The Company has always focused on three basic principles: hire the best people, give them the best tools; and to create thriving communities.

The Company is a member of NAR, CAR, SDAR, NSDCR, SRCAR, CDAR, GPSAR, BBAOR, Rim O’ the World AOR, The MLS/CLAW.

### THE PURPOSE OF THIS MANUAL

This confidential manual contains information about the Company’s policies, practices and/or procedures. This manual is meant to be a guide to help provide quality service to our clients and avoid disputes with and liability to others. **It is not a contract and may not be interpreted as a contract regarding policies, procedures, or practices.**

The purpose of this policy and procedures manual is to establish systems of advised daily conduct by and between us when dealing with each other, other members of the company, our clients, and members of the public. Associates and the Company each agree to engage in business in compliance with the real estate laws in an honest, professional manner to create positive client relations, goodwill, and profits.

The policies, practices and procedures described in this manual supersede any previous oral or written policies, practices, and procedures on the same subjects.

The Company reserves the right to revise this manual, its policies, procedures and/or practices at its discretion.

If you do not understand any portion, or you perceive discrepancies in this manual, please bring it to the attention of your Broker of Record, Managing Broker, or Broker’s Designated REALTOR®. This is a reference source for you. Keep it handy and refer to it as necessary.

### ASSOCIATE QUALITIES

All Associates of the Company are expected to actively contribute to the success of the Company through the effective performance of their responsibilities and duties, and to do so within organizational, ethical, and legal guidelines. Associates are expected to be dedicated and committed to the Company.

## SECTION TWO: ASSOCIATE RELATIONS AND PRACTICES

### CONDITIONS OF ASSOCIATE RELATIONSHIP

Associates are responsible for furnishing or satisfactorily passing the following:

- Proof of current licensure as required by law and Company' policy for position held;
- Valid social security number or other documentation to authorize work in the U.S.;
- Current address and telephone number;
- Copies of Incorporations Documentation if Associate is paid Commissions as a Corporation.
- Failure to provide the information requested, satisfactorily pass the requirements, or falsifying any information may be grounds for withdrawal of the Associate relationship offer or immediate termination of the Associate relationship.

An individual with a record of criminal activity may be denied a contractual relationship with the Company if the circumstances of the conviction make that individual unqualified for his/her job. The Company is prohibited from contracting with, under any circumstances, any person convicted of certain classes of crimes. During the Associate relationship with the Company, Associates should report any new felony or misdemeanor convictions to Broker of Record, Managing Broker, or Risk Management. Failing to provide information or providing inaccurate or incomplete information to the Company regarding your conviction record, is grounds for immediate termination of the Associate relationship.

Associates should notify Broker of Record, Managing Broker or Risk Management immediately of any changes in licensure, certification or registration status. Compliance with this policy is a necessary condition for continued Associate relationship.

### 3-STRIKE POLICY

If Associate has not complied with Windermere Brokerage, C.A.R., N.A.R., DRE, and/or MLS Compliance, Laws, Regulations and other Guidelines in any transaction, and that non-compliance has led to potential or actual legal exposure of the Brokerage, or any of its clients, and/or Associates or employees, the Associate agrees to adhere to the three (3) Strike rule Policy.

First Strike: Associate to begin Mentoring with the Education Manager for three consecutive sale transactions through completion. The Associate will pay the Mentor 10% from each of the three transactions.

Second Strike: Associate agrees to present ALL transaction paperwork to either Broker of Record, Managing Broker, Branch Manager or Education Manager prior to presenting to cooperating broker or client for a period of three transactions, or until such time that WRE Leadership determines the Associate is in proper compliance.

Third Strike: Leadership will review the individual circumstance and determine the next course of action. Disciplinary, further mentoring or disengagement with the brokerage and company.

## SECTION THREE: WORKPLACE PRACTICES

### DISABILITY ACCOMMODATION

The Company is committed to complying fully with the Americans with Disabilities Act (ADA) by ensuring equal opportunity in the Associate relationship for qualified persons with disabilities. Qualified individuals with disabilities may make a request for reasonable accommodation to Broker of Record, Managing Broker, or Risk Management.

### DISCRIMINATION & HARASSMENT

The Company is committed to providing an environment free of harassment and discrimination. Any Associate who feels that he or she has been discriminated against is encouraged to bring it to the attention of Management immediately. Likewise, anyone who observes conduct that violates this policy is required to report the matter immediately to Management. California's Discrimination and Harassment brochures are attached as **Appendix 1**.

The Company is committed to prohibiting behavior that unlawfully differentiates between individuals, whether in favor of or against, based on bias, behavior or other differential treatment. Refer to brochures in **Appendix 1**.

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 DRE or other governmental agencies for further investigation and disciplinary action. Your independent contractor agreement with the Company may also be terminated.

In the event an Associate feels that he or she has been harassed, the Associate must immediately report the incident to the Company. The Company 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 Manager, an outside investigator may be retained. Retaliation against complainants is strictly prohibited. Any employee, Associate or staff found guilty of engaging in harassment may be subject to disciplinary action up to and including reprimand, counseling, suspension, and termination.

Harassment includes, but is not limited to unwanted verbal, physical or visual conduct relating to an individual's race, color, religion, gender, age, national origin, ancestry, veteran status, disability, sexual orientation or any other basis that either interferes with work performance or creates an intimidating, offensive, or hostile environment.

The Company does not tolerate this behavior and any violations of this policy may result in disciplinary action up to and including immediate termination.

### SEXUAL HARASSMENT

Sexual harassment is defined as unwelcome sexual advances or visual, verbal or physical conduct of a sexual nature which creates an offensive, intimidating, or hostile work environment. The Company



prohibits sexual advances, requests for sexual favors, and all other verbal or physical conduct of a sexual or otherwise offensive nature where:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of the Associate relationship;
2. Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's Associate relationship (i.e., performance appraisals, compensation, advancement, training or any other term or condition of the Associate relationship or career development); or;
3. Such conduct has the purpose or effect of creating an unlawful working environment.
4. Examples of the types of conduct expressly prohibited by this policy include but are not limited to offensive comments; sexual advances or visual, verbal or physical conduct of a sexual nature which creates an offensive, intimidating, or hostile work environment. The following items further describe but are not limited to prohibited communication and/or conduct that may constitute sexual harassment and that is prohibited:
  - a. Requests for sexual favors, sexual comments, suggestions, and jokes, slurs, letters, poems, email or voicemail messages regarding race, color, religion, sex, national origin, age, mental or physical disability, sexual orientation, citizenship, or any other legally protected status.
  - b. The use of The Company's electronic mail or computer systems to display or transmit images or text of a discriminatory or harassing character or nature, including, but not limited to, pornography and items of a sexually oriented nature.
  - c. Sexually oriented or explicit remarks, including written or oral references to sexual conduct, gossip regarding one's sex life, body, sexual activities, deficiencies or prowess.
  - d. Unwanted or offensive questions about one's sex life, preference or experiences.
  - e. Repeated unwelcome sexual flirtations or repeated unwelcome requests for dates.
  - f. Suggestive, sexually explicit or pornographic displays, such as posters, books, magazines, calendars, photographs, graffiti or cartoons.
  - g. Inappropriate touching, such as rubbing or massaging someone's neck or shoulders, stroking someone's hair, brushing against another's body, grabbing, groping, kissing or fondling.
  - h. Leering or stalking.
  - i. Sexual favors in return for the Associate relationship rewards, or threats if sexual favors are not provided.
  - j. Sexual assault.

## HOW TO REPORT DISCRIMINATION OR HARASSMENT

The Company does not tolerate actions that create a hostile working environment. A hostile working environment is one where the actions of one person make another feel unwelcome by a reasonable person's standard. This may include but is not limited to racial and/or sexual context. If you believe you have been subjected to discrimination, including harassment by anyone, including co-workers, clients, or any other visitor to the workplace, you are encouraged, but not required, to immediately tell the person that the conduct is unwelcome and ask the person to stop the conduct. A person who receives such a request should immediately stop the behavior and should not retaliate or seek revenge against you for rejecting the conduct.

Any Associate who feels he or she has been a victim of discrimination or harassment should report the information to the Company immediately.

An individual who violates the Discrimination or Harassment Policy may be subject to the appropriate corrective actions, which could include immediate termination.

Each Associate who is in a manager or supervisor role is responsible for ensuring that all Company policies are enforced and may be required to participate in mandatory training classes. This responsibility includes making each staff member aware of the Company policies on discrimination and harassment, and maintaining a work area free from conduct that causes or reasonably could be considered to cause a hostile work environment.

Any Associate who is determined to have violated this policy, or *any* of the Company policies, may be subject to corrective action, up to and including immediate termination of the Associate relationship.

#### ANTI-RETALIATION

The Company strictly prohibits any form of retaliation against any staff member for filing a good faith complaint concerning discrimination, harassment, or for truthful, good faith assistance in a complaint investigation. Any staff member who believes he or she has been subjected to retaliation should immediately report the retaliation to the Broker of Record or Managing Broker.

#### OPEN DOOR POLICY

The Company promotes an atmosphere whereby Associates can speak freely with members of the management staff. Associates are encouraged to openly discuss their problems with management so appropriate action may be taken. The Company is interested in all our Associates' success and happiness. We, therefore, welcome the opportunity to help Associates whenever feasible.

#### SECURITY

Maintaining the security of Company property and office space is every Associate's responsibility. Develop habits that ensure security as a matter of course. For example:

1. Always keep personal property, cash, checks properly secured. If you are aware that personal property, cash, checks are insecurely stored, immediately inform the person.
2. Know the location of all alarms and fire extinguishers and familiarize yourself with the proper procedure for using them, should the need arise.
3. When you leave the Company's premises, make sure that all entrances are properly locked and secured.

#### RETURN OF THE COMPANY'S PROPERTY

Associates are responsible for returning any property of the Company in their possession or that has been assigned to them, including, but not limited to keys, materials, office supplies, equipment, laptop/computers, electronic devices, office signs. Deductions for the cost of replacement or repair for property lost or damaged while in the Associate's possession may be deducted from fees earned or otherwise charged to the Associate, as permitted by law.

#### E-MAIL, AND INTERNET POLICY - COMPANY PROVIDED COMPUTERS

Every Company Associate is responsible for using email, and the Internet system properly and in accordance with this policy.

The Internet system on company provided computers are the properties of the Company. These systems are provided by the Company for use in conducting company business only. All

communications and information transmitted by, received from, or stored in this system are company records and property of the Company. Use of voicemail, email, or Internet system for personal purposes is prohibited.

Although the Company recognizes that the Internet may have useful applications to Company' business, Associates should only engage in Internet use for a specific business purpose. Absent such business purposes, Associates may not access the Internet using the Company computer systems at any time or for any reason. "Surfing the Net", engaging in personal distraction for personal entertainment is not a legitimate business purpose.

Associates have no right of personal privacy in any matter stored in, created, received, or sent over Internet. The Company, in its discretion as owner of the Internet systems, reserves and may exercise the right to monitor, access, retrieve, and delete any matter stored in, created, received, or sent over these systems, for any reason, without the permission of any Associate and without notice.

Even if Associates use a password to access the Company's email, or Internet systems, Associate's confidentiality of any message or other information stored in, created, received, or sent from these the Company's systems does not exist. Use of passwords or other security measures does not in any way diminish the Company's rights to access materials on any of these systems or create any privacy rights of Associates in the messages, information, and files on these systems. Any password used by Associates on the Company's systems should be revealed to the Company at the time it is created or modified.

The email and Internet systems may not be used to solicit for religious or political causes, commercial enterprises, outside organizations, or other non-job-related solicitations.

The email system and Internet system should not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization from the Company. Associates, if uncertain about whether certain information is copyrighted, proprietary, or otherwise inappropriate for transfer, should resolve all doubts in favor of not transferring the information and consult with management/Broker.

Associates should not act as official representatives of the Company. Associates posting information should include a disclaimer in that information stating, "Views expressed by the author do not necessarily represent those of the Company."

Because email and messages may be subject to discovery in litigation, the Company's Associates are expected to avoid making statements in emails that would not reflect favorably on the Associate or the Company, if disclosed in litigation or otherwise.

#### DISCLAIMER OF LIABILITY FOR USE OF THE INTERNET.

The Company is not responsible for material viewed or downloaded by users from the Internet. The Internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of these pages include offensive, sexually explicit, and inappropriate material. In general, it is difficult to avoid at least some contact with this material while using the Internet. Even innocuous search requests may lead to sites with highly offensive content. In addition, having an email address may lead to receipt of an unsolicited email containing offensive content.

#### DUTY NOT TO WASTE COMPANY COMPUTER RESOURCES.

Associates should not deliberately perform acts that waste computer resources or unfairly monopolize resources to the exclusion of others. These acts include but are not limited to, spending excessive amounts of time on the Internet, playing games, printing multiple copies of documents, or otherwise creating unnecessary network traffic.

#### MONITORING COMPANY COMPUTER USAGE.

The Company has the right, but not the duty, to monitor all the aspects of its computer system, including, but not limited to, monitoring sites visited by Associates on the Internet, monitoring chat, and news, reviewing material downloaded or uploaded by users to the Internet.

The Company may use software to identify inappropriate or sexually explicit Internet sites. Such sites may be blocked from access by the Company networks. In the event, you nonetheless encounter inappropriate or sexually explicit material while browsing on the Internet, immediately disconnect from the site, regardless of whether the site was subject to company blocking software.

#### PROHIBITED ACTIVITIES.

Material that is fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful, inappropriate, offensive (including offensive material concerning sex, race, color, national origin, religion, age, disability, or other characteristic protected by law), or volatile of the Company's equal Associate relationship opportunity policy and its policies against sexual or other harassment may not be downloaded from the Internet or displayed or stored in the Company's computers. Associates encountering or receiving this kind of material should immediately report the incident to their supervisors or Human Resources. The Company policies against sexual or other harassment apply fully to the use of the Internet and any violation of those policies is grounds for discipline up to and including immediate termination. A non-exclusive list of prohibited computer use is as follows:

1. Sending or posting obscene, discriminatory, harassing or threatening messages or images.
2. Using the Company's time and resources for personal gain not related to real estate transactions in which the company will participate.
3. Stealing, using or disclosing someone else's code or password without authorization.
4. Copying, pirating, or downloading software and electronic files without permission.
5. Sending or posting confidential material, trade secrets, or proprietary information outside of the company.
6. Violating copyright law.
7. Failing to observe licensing agreements.
8. Engaging in unauthorized transactions which may incur a cost to the company or initiate unwanted Internet services and/or transmissions.
9. Sending or posting messages or material that could damage the company's image or the reputation of the company, its employees, transaction coordinator or sales Associate.
10. Participating in the viewing or exchange of pornography or obscene materials.
11. Sending or posting messages that defame or slander other individuals.
12. Attempting to break into the computer system of another organization or individual.
13. Refusing to cooperate with a security investigation.
14. Sending or posting chain letters, solicitations or advertisements not related to business purposes or activities.
15. Using the Internet for political causes or activities, religious activities, or any sort of gambling.
16. Jeopardizing the security and/or integrity of the company's electronic communications systems.

17. Sabotaging, altering, deleting, damaging or destroying any computer system, computer network, computer program, or computer database.
18. Sending or posting messages that disparage another organization's products or services.
19. Passing off personal views as representing those of the company and/or its owners or management.
20. Sending or posting anonymous e-mail messages.
21. Engaging in any illegal activity involving the Internet

#### GAMES AND ENTERTAINMENT SOFTWARE.

Associates may not use the Company's Internet connection to download games or other entertainment software, including wallpaper and screensavers, or to play games over the Internet.

#### ILLEGAL COPYING.

Associates may not illegally copy material protected under copyright law or make that material available to others for copying. You are responsible for complying with copyright law and applicable licenses that may apply to software, files, graphics, documents, messages, and other material you wish to download or copy. You may not agree to a license or download any material on Company systems without the approval of Management.

#### ACCESSING THE INTERNET.

To ensure security and to avoid the spread of viruses, Associates accessing the Internet through a computer attached to the Company's network should do so through an approved Internet firewall. Accessing the Internet directly by the modem is strictly prohibited unless the computer you are using is not connected to the Company's network.

#### VIRUS DETECTION.

Files obtained from sources outside the Company including files downloaded from the Internet, newsgroups, bulletin boards, or other online services; files attached to an email; and files provided by customers or vendors may contain dangerous computer viruses that may damage the Company's computer network. Associates should never download files from the Internet, accept email attachments from outsiders, without first scanning the material with Company-approved virus checking software. If you suspect that a virus has been introduced into the Company's network, notify Management immediately.

#### REQUESTS FOR INFORMATION

If an Associate receives a letter, subpoena or telephone call from an attorney, news reporter, outside agency or other legal entity in reference to any claim relating to the Associate's activities with the Company, the Associate should immediately notify Management who will address, guide or redirect the matter on behalf of the Company. The Associate should not communicate with or take any further action after reporting it to Management without specific direction from the Company.

#### REFERENCES

All references will be handled by the Broker of Record or Managing Broker. Without advance written approval by the Company, no Associate is authorized to give any references regarding Associates or

former Associates of the Company. If you receive a request for a reference, you are not authorized to respond in any manner and must refer the request to the Management.

## SECTION FOUR: STANDARDS OF PRACTICE

The Company takes its standard of service to its clients very seriously. As members of the National Association of REALTORS®, we agree to abide by a strict code of ethics that is based on professionalism and consumer protection. To further reinforce our commitment to our clients, Windermere has built upon the REALTOR® Code of Ethics by establishing what we call our Windermere Standards of Practice. Within these Standards of Practice is an outline of how we believe our clients deserve and expect to be treated. It is intended to provide total transparency about how we do business while letting our clients know that Windermere Associates hold themselves to an even higher level of competence and accountability.

Our commitment to these standards is part of what sets Windermere apart and strengthens our resolve. They draw a clear picture of our culture and what our clients, colleagues, and community can expect from us. In turn, we trust this translates into a more satisfying real estate experience and peace-of-mind for our clients, knowing that doing right by them is our highest priority.

### STANDARDS OF PRACTICE.

1. The Windermere Standards of Practice embody the Company's commitment to the highest standard of service to clients and to respectful relationships with all brokers. Windermere expects you to set personal business standards that project the highest level of professionalism.
2. Associates shall maintain their own current real estate license in good standing.
3. Associates shall meet all Continuing Education (CE) requirements as established by the DRE.
4. Associates are to renew their license on eLicensing online system – [dre.ca.gov](https://dre.ca.gov).
5. Associates agree to maintain membership in the local Association of REALTORS®, C.A.R and NAR and is responsible for paying all applicable dues, including MLS and lockbox key fees in a timely manner.
6. Associates agree to maintain current knowledge of all applicable laws and Code of Ethics governing licensed real estate salespersons and brokers and always agree to strict adherence. No Associate may conduct real estate activities under their own license or under any other broker's license during the term of this Agreement, absent advance, express and written approval from Broker.
7. Always use current forms. Always check with Risk Management to ensure that you are not using out-of-date forms and to ensure you are using the correct C.A.R. forms relative to the transaction and situation.
8. 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.
9. Broker does not allow Associates to hold open houses for outside brokerage listings. Associate understands that holding open houses for outside Brokerage listings and that the same could result in a claim (demand letter and/or litigation) and it's plausible that the Company's E&O carrier would deny the claim outright due to the other entity not being an additional insured and/or for other reasons.
10. Outside Brokerage Associates are not allowed to hold open houses for WRE listings



11. The Company and Associate agree to observe and abide by all applicable local, state, and federal laws, rules and regulations, the Code of Ethics and Bylaws of the Local, State and National Associations of REALTORS® (NAR), the governing rules and regulations of the DRE, and the MLS.
12. Client interests always come before self-interest.
13. Understand and observe all duties, obligations, and limitations of your business relationships.
14. Keep in touch regularly and expeditiously. Educate your client about agency law and how our business works. Get agreements in writing. In the absence of a written agency agreement, the client's choice of a broker will be respected. The client should have the freedom to choose.
15. Directly ask the client if they have an existing relationship with another broker. It is in everyone's interest to actively encourage and support client loyalty to a broker.
16. Respect legitimate requests by clients for termination of a working relationship, whether a written agreement exists. Termination should be in writing.
17. Broker relationships are the foundation of a successful transaction. Respect your colleagues.
18. Honesty is owed to all parties, and timely delivery of information is important, especially written/contractual paperwork. Observe the duties, obligations and limitations of the client in your interaction with other brokers.
19. Respect all contractual relationships—listing, purchase and sale, and buyer broker agreements—and do not interfere with them directly or indirectly. Follow MLS rules and NAR Code of Ethics (articles 15 & 16).
20. Whenever possible make presentations face-to-face with other brokers and/or their clients.
21. Communicate when mistakes and misunderstandings occur.
22. Recognize that there are different communication styles and that all experiences have more than one viewpoint. Talk to the other broker involved as soon as possible, pinpoint the facts and issues, and work toward a viable solution. If you make a mistake, try to rectify it.
23. Seek assistance from management when necessary and discuss the dispute and details of the transaction only with those directly involved.
24. Only involve the client when necessary. Always remember client confidentiality.
25. Recognize the limits of your own knowledge and expertise. Always ask yourself: "What is best for the client?" and act accordingly. Follow the Windermere guidelines for expertise.
26. Keep yourself fully informed on real estate issues and changes, such as license law, legal and local issues, finance, current trends, MLS rules and regulations, and the current NAR Code of Ethics.
27. Respect and follow fair housing laws, and provide equal professional service regardless of race, color, religion, sex or sexual orientation, familial status, disability, national origin, and other legally protected classes. All advertising and marketing materials must be non-discriminatory.
28. Respect all Windermere marketing materials, logo and sign standards, and follow all guidelines for personal websites. Recognize that social networking is public in nature. Be mindful when using these sites for business purposes. Review Windermere guidelines. The consistent Windermere branding differentiates us from all other companies and reinforces our reputation for unparalleled service.
29. Actively encourage full compliance with the spirit of Windermere guidelines.
30. Lead by example and treat others as you wish to be treated yourself.
31. Take responsibility for your own actions. Involve Management and cooperate in a respectful manner when violations of the Windermere guidelines are alleged.
32. When concrete evidence suggests wrongdoing without remorse, apology or restitution, use the Windermere Grievance Procedures in a timely manner.

## SECTION FIVE: STANDARDS OF CONDUCT IN THE WORKPLACE

Standards of conduct are guidelines for all Associates to follow to help create a safe, comfortable and productive work environment. Disciplinary action up to and including immediate termination may result from violations of these standards. The Company expects Associates to conduct business in accordance with the letter, spirit and intent of all relevant laws and to refrain from any illegal, dishonest or unethical conduct. If you know of or suspect a violation of applicable laws, regulations, or the Company's policies, you should immediately report that information to the Broker of Record or Managing Broker.

#### SUBSTANCE ABUSE (DRUG FREE WORKPLACE)

It is the Company's desire to provide a healthy, safe, and drug-free workplace. The use of drugs or alcohol affects job performance and can create an unsafe environment for Associates and clients. The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in the workplace is prohibited. Violations of this prohibition may result in immediate termination.

While on company premises and while conducting business-related activities off company premises, no Associate may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. Reporting to work under the influence of drugs or alcohol is strictly prohibited by the Company and may result in immediate corrective action up to and including immediate termination. Such violations may also have legal consequences. Upon suspicion that an Associate may be abusing a drug or under the influence of a substance, an investigation may be conducted, including drug testing. If deemed appropriate, immediate termination may follow.

The term "drug" includes alcohol, illegal substances, over-the-counter medications, prescription drugs and controlled substances that may adversely alter an Associate's behavior or judgment. Violation of the substance abuse policy includes reporting to work under the influence or the use, possession, manufacture, purchase, transfer or sale of a controlled or illegal substance or possession of drug paraphernalia on Company premises. Be advised that the use of a legal drug not prescribed by a licensed physician to the Associate may be considered an illegal substance.

It is an Associate's responsibility to report if he or she is taking any medication, prescribed or over-the-counter, which may alter behavior or judgment. The Associate should report the treatment information to their supervisor to avoid being suspected of violating the substance abuse policy. Associates are encouraged to seek, by their own means, voluntary treatment once they realize they have a substance abuse problem and before it reaches the corrective action stage.

In some circumstances, an Associate's use of a legal drug can pose a significant risk to the safety of the Associate or others. The use of, or being under the influence of, any legally obtained drug while at work, on Company property, or on Company business is prohibited if such use or influence may affect the safety of the Associate, co-workers, or members of the public.

An Associate who has reason to believe that the use of a legal drug may present such a safety risk should report the drug use to the Company to determine the best way to address the issue. The Company may require the Associate to take a leave of absence or immediate termination.

The Company reserves the right to question Associates and all other persons entering or leaving Company premises, and to conduct personal inspections for illegal drugs or alcohol on Company property. Inspections may include searches of an Associate's person or property, including, but not limited to, the Associate's vehicle, briefcase, clothing, lunch box, cooler, purse, parcels, packages, and any similar items or containers carried to and from Company property. In addition, the Company reserves the right to inspect any Associate's office, desk, files, locker, or any other area or article on



Company premises. In this regard, it should be noted that all offices, desks, files, lockers, and so forth are the property of the Company and are provided for the use of Associates only during their Associate relationship with the Company. Any illegal substances found during such inspections may be turned over to the appropriate law enforcement agency and may result in criminal prosecution and immediate termination.

#### SOLICITATION OR DISTRIBUTION

Solicitation and distribution of literature, pamphlets, leaflets, notices of any kind, or other materials for anything that is not approved by the Company in writing is strictly prohibited. Solicitation includes, but is not limited to, requests for signatures, contributions for charities, support of political or organizing activities, and merchandise purchases.

Solicitations or distributions from non-Associates are prohibited and should be referred to Management.

An official Company bulletin board will be maintained at each Company branch office to inform Associates of official notices that are required by law and other important communications of the Company. All material posted on bulletin boards should be neatly displayed and no material should be posted unless approved by Management.

#### COMPANY PROPERTY

The Company believes that a professional workplace is essential to the growth and overall well-being of the Company, its employees, and Associates. The workplace reflects our professionalism. Therefore, it is expected that all Associates will act responsibly in the care of the workplace. Buildings, equipment and supplies are the property of the Company. Cooperation is expected when Associates are asked to share this property. Company property is not to be removed at any time for personal use. As a citizen of the community and an Associate of the Company, it is the responsibility of each Associate to help keep costs to a minimum and to assist in maintaining the quality of the building, furniture and equipment by following the “housekeeping rules” that are promulgated from time to time. Cleanliness of surroundings is also enjoyed by all Associates. Housekeeping is everybody's job, and it is essential for workplace safety.

#### WORK PRODUCT OWNERSHIP

All Company Associates should be aware that the Company retains legal ownership of the product of their work, including copyrights. No work product created while employed by the Company can be claimed, construed, or presented as property of the individual, even after the Associate relationship by the Company has been terminated or the relevant project completed. This includes written and electronic documents, audio and video recordings, system code, and any concepts, ideas, or other intellectual property developed for the Company, regardless of whether the intellectual property is used by the Company. Although it is acceptable for an Associate to display and/or discuss a portion or the whole of certain work product as an example in certain situations, one should bear in mind that information classified as confidential remains so even after the end of the Associate relationship, and that supplying certain other entities with certain types of information may constitute a conflict of interest. In any event, it should always be made clear that work product is the sole and exclusive property of the Company.

#### PERSONAL DRESS AND APPEARANCE

An Associate's manner of dress, grooming and personal cleanliness speaks for the Company when he or she is in contact with clients, guests and Company team members. The standards as to what constitutes acceptable or suitable professional attire are subject to change, but the following guidelines are provided:

1. Neatness, cleanliness and good personal hygiene are important. Heavily scented perfumes, aftershave and/or cologne are prohibited. Hair and nails should be clean and groomed. Facial hair should be neat and trimmed. Nail and hair color should be business professional, as defined by the Company.

## WORKPLACE VIOLENCE

The Company expressly prohibits any acts or threats of violence by any staff member or former staff member against any other staff member in or about Company communities or elsewhere at any time. The Company does not condone any acts or threats of violence against staff members, clients or visitors on Company premises at any time, or while engaged in business with or on behalf of Company, on or off Company premises.

Associates who engage in violence, including verbal threats, methods of intimidation and physical threats, are subject to disciplinary action up to and including immediate termination. The Company may support and/or seek criminal prosecution against Associates who commit acts of violence on Company' property.

Associates should report any incident or fear of violence to Management.

## POLITICAL ACTIVITY

The company realizes that Associates have rights and responsibilities in terms of voting, campaigning for or against political issues, holding public office and acting as an election judge. No Associate may exploit clients or co-workers in the writings, addressing or distributing of political materials nor may he/she use the work setting as a political forum to impose his/her personal political views. Associates should not impose their thoughts and beliefs on clients or coworkers.

Failure to desist from engaging in conduct found to be contrary to this policy would constitute grounds for disciplinary action, up to and including immediate termination.

## CONFIDENTIAL & PROPRIETARY INFORMATION

Information regarding the Company' finances, operations, documents, computer systems, educational materials, clients or personnel is considered confidential and proprietary information for the exclusive use of authorized personnel for matters related to Company' operations, only.

Associates are required to sign a confidentiality agreement due to their access to proprietary information through the regular course of their Associate relationship. Associates should take responsibility in protecting the Company by abiding by this agreement and keeping any known information private. Associates who are uncertain as to whether information is confidential should consult the Broker of Record, Managing Broker or Risk Management for clarification.

## RECORDS DISCLOSURE

Associate records are the property of the Company and will remain confidential. Only those Associates who are authorized may have access to these records on a “need to know” basis. All inquiries regarding current or former Associates from an internal or external source should be channeled through Management. Associates are strictly prohibited from the unauthorized release of any confidential information.

## PERSONAL INFORMATION AND DATA CHANGES

The Associate is responsible for ensuring that his or her personal information is always up to date. The Associate should promptly notify Accounting of any changes in name, telephone number, and address.

## SECTION SIX: SAFETY

In addition to the items below, Associates have access to an Injury & Illness Prevention Program manual in each Company branch office. It is the policy of the Company that injury and illness prevention shall be considered of primary importance in all phases of operations and administration.

It is our policy that everything possible will be done to protect Associates, employees, customers and visitors from accidents. Our Company objective is a safety and health program that will reduce the number of injuries and illnesses to an absolute minimum.

It is the intention of the Company to provide safe and healthy working conditions and to always establish and insist upon safe practices by all Associates and to comply with all laws. To do this, we must constantly be aware of conditions in all work areas that can produce injuries. No Associate is required to work at a job they know is not safe or healthy.

The prevention of injury and illness is an objective affecting all levels of the Company and its activities. It is, therefore, a basic requirement that Management make the safety of Associates an integral part of their regular management function. It is equally the duty of each Associate to accept and follow established safety practices and compliance procedures. Unsafe conditions must be reported. Fellow Associates that need help should be assisted.

Everyone is responsible for the housekeeping duties that pertain to their jobs. Any injury that occurs on the job, even a slight cut or strain, must be reported to Management as soon as possible. In no circumstance, except in an emergency, should an Associate leave without reporting an injury that occurred.

## REALTOR SAFETY – BEST PRACTICES

The Company is committed to ensuring Associates are made aware of best practices to help keep them safe on the job. The goal of NAR’s REALTOR® Safety Program is to educate members about the potential dangers you face on the job, so you are not only aware, but also prepared to keep yourself safe and reduce the risks, so you come home safely to your family every night. This is done by creating and implementing a Safety Strategy that you follow every day, with every client, every time.

NAR has compiled tips and best practices from subject matter experts, law enforcement, and industry veterans to help keep REALTOR® safe. View the resources on the [REALTOR® Safety Tips from NAR](#) webpage. Some examples include:

- Always meet new clients at the office or in a neutral location, like a coffee shop.
- Share your schedule with a colleague, assistant, or family member.
- Communicate safety concerns on your listing (poor cell phone signal, etc.).
- Do not overshare your personal life.
- Do not host open houses alone.
- Check your cell phone battery and signal before heading to an appointment.
- Direct clients to walk in front of you when touring a property, do not lead them.
- Never go into attics, crawl spaces, or garages where you could be trapped.

## DRIVER'S LICENSE, RECORD AND SAFETY

Each Associate is responsible for his or her own transportation. Associates who drive their privately-owned (or leased) vehicle, a customer vehicle in connection with the rendering of their Associate services, are required to maintain a valid state driver's license, registration and vehicle insurance that is required by the Company.

**Automobile Liability Insurance:** Associate agrees to always maintain automobile liability and property insurance, with limits not less than \$250,000/\$500,000/\$100,000 or \$500,000 combined single limit, covering all vehicles which Associate may use in business. Associate agrees to have Broker named as additional insured and shall provide Broker with proof of coverage immediately upon request. Associate shall notify Broker promptly of any accident, loss or incident likely to result in a claim against such policies.

Associates must use vehicle seat belts as required by law. Associates are also expected to drive safely and show appropriate courtesy to other drivers and pedestrians. It is also the responsibility of the Associate to ensure all safety features are in good working order prior to driving any such vehicle. Company assumes no responsibility for traffic citations received by any Associate while driving. Accordingly, any such citations received become the immediate responsibility of the driver.

## SAFE DRIVING TIPS

### 1. Inspect the Vehicle

Driver safety begins before turning the ignition key. Associates should inspect the vehicle before heading out. This includes checking the lights, gauges, tires, and fluid levels and adjusting the steering wheel, seat, and mirrors. In addition, he or she should ensure that the vehicle has emergency supplies, such as a first-aid kit, flashlight, blankets, emergency phone numbers, and any other items that may be helpful if the Associate becomes stranded.

### 2. Secure Cargo

Any sudden crash or driving maneuver can cause loose personal items or cargo to slide around or fly off a vehicle, injuring the driver, passengers, or other road users. Associates need to secure loads, equipment, and other objects that could become a hazard while being transported.

### 3. Use a Seat Belt

According to the National Highway Traffic Safety Administration (NHTSA), seat belts are the single most effective means of reducing deaths and serious injuries in traffic crashes. Anyone not wearing a seat belt during a crash may slam into the steering wheel, windshield, or other parts of the interior, or even be ejected from the vehicle. The Company Associates are required to always use a seat belt when operating or riding in a motor vehicle.

### 4. Drive Defensively

Each time Associates get behind the wheel, they should have a defensive driving mind-set. The

Company incorporates the following habits:

- Check the driving conditions before heading out.
- Avoid driving in inclement weather.
- Activate the low-beam headlights during the day.
- Keep a safe following distance.
- Don't speed, and slow down in poor driving conditions.
- Use caution at intersections and interchanges.
- Look ahead in traffic for situations requiring quick action.

### **5. Avoid Distractions**

According to police-reported crash data, about 17 percent of all crashes involve some form of distraction. There are many types of distraction, such as talking with occupants; talking on the phone, texting; dropping objects; pets and insects; adjusting the radio or controls; eating, drinking, or smoking; watching events on the roadside; and daydreaming. Countless distractions and pressure to multi-task often tempt drivers to forget that safe driving is their primary responsibility. The Company requires Associate's full attention and should avoid distractions.

### **6. Avoid Impairment**

There's no question that alcohol, certain prescription and over-the-counter medications, and illegal drugs can affect an employee's ability to drive safely. These substances can decrease alertness, concentration, coordination and reaction time. Because a driver makes numerous decisions per mile, it's critical that a driver make the decision to drive alert before getting behind the wheel. The Company prohibits Associates from driving if they are impaired.

### **7. Avoid Drowsy Driving**

Drowsy driving can affect anyone, and many adults surveyed by the National Sleep Foundation have reported falling asleep while driving. The Company advises the following:

- Get a full night of rest before driving.
- Stop every two hours to stretch, if driving long distances.
- Stop to take a short nap if tired, if driving long distances.
- Set realistic goals for daily distances.
- Avoid medications that cause drowsiness.

### **8. Avoid Aggressive Driving**

Traffic congestion — just saying the phrase may bring frustration to Associates who travel on business. The Company encourages Associates to limit the dangers of aggressive driving with these tips:

- Be patient with other drivers.
- Plan routes to avoid congestion and construction zones.
- Allow plenty of time to reach the destination.
- Accept lateness, especially when it is beyond the driver's control.
- Avoid aggressive behaviors.
- Move out of an aggressive driver's way.

### **9. Take Security Measures**

In-transit security is also important to ensure the physical safety of the driver and to reduce and prevent vehicle and cargo theft and damage. The Company requires the following precautions to lower risks:

- Locking vehicle doors and keeping windows rolled up.
- Avoiding secluded, poorly lit parking lots.
- Staying alert when walking to the vehicle.
- Applying cargo seals or locks.
- always carry vehicle information.

## OFF DUTY ACCESS

The Company recognizes Associates who may occasionally need access to the Company offices during off duty hours. As a result, the Company will supply Associates with a key or card key to acquire such access. With this privilege, however, there exists a corresponding responsibility to make sure that the offices are always secure by activating the security system.

The Company and its insurance carrier will not be liable for the payment of workers' compensation benefits for any injury which arises out of an Associate's voluntary participation in any off-duty recreational, social or athletic activity which is not a part of the Associate's work-related duties. Mere use of Company facilities for recreational, social or athletic activity is not considered a basis for claiming a work-related injury. Associates who use Company facilities for such purposes do so at their own risk.

## SMOKING

The Company has a restricted smoking policy motivated and governed by three operational conditions: (a) fire insurance premiums and costs related to fire damage, including the potential for business delays and interruptions; (b) the long-term health, comfort and safety of Associates; and (c) the cleanliness and comfort to others visiting Company premises, including, in part, Company' image, created by a neat, clean and generally appealing environment.

For the above reasons, it is the Company's policy that all Associates always refrain from smoking in all Company-owned or leased buildings and/or offices. Associates desiring to smoke may do so outside at least 50 feet from any building entrance.

Associates are reminded that while this policy applies to Company Associates, it also applies to customers, vendors and other visitors, who should be politely and discreetly informed of these restrictions with the view that they will respect and cooperate with the policy.

## PERSONAL BELONGINGS

The Company is not responsible for the personal belongings of Associates. Associates are encouraged to place valuables under lock, including valuables located in a car. Never leave personal medications, either prescribed or over the counter, unlocked or unattended. Associates must have personal property insurance on all personal property.

**Personal Property Insurance:** Associate understands that Broker's property insurance does not cover Associate's personal office equipment and belongings. Associates agree to hold Broker harmless for damages or losses because of storms or other natural disasters, thefts or other mysterious disappearances of equipment and other personal items belonging to Associate. Associates are encouraged to purchase his/her own insurance at his/her own expense.

## PACKAGES

Packages or bundles may not be brought into the workplace without permission of management. Packages brought into and taken from the workplace are subject to inspection by management.

## COMMUNICABLE DISEASES

Associates should report to management any communicable disease or illness. This includes, but is not limited to infections, open sores, excessive sneezing, nausea, vomiting, fever, and diarrhea. Associates

who have contact with clients and/or other staff may be referred to their physician for diagnosis and treatment for the protection of the health of everyone in the community. The Associate may return to work when a physician's release indicates there is no longer a threat of infecting others. An independent medical evaluation in connection with a communicable disease or infection may be required at the discretion of Management and at Company' expense. All medical information pertaining to an Associate will be kept in a confidential file.

## INFECTION CONTROL

The spread of communicable diseases and infections is an issue that Company strives to avoid. All Associates should perform their duties utilizing universal (standard) precautions that protect clients, Associates, and visitors from cross infection.

## SECTION SEVEN: ASSOCIATE ASSISTANT GUIDELINES

### BUSINESS CARDS.

Business cards will be paid for by the Associate employing the assistant.

- a. Approved format for assistant business cards is as follows:
  1. Assistant's Name: Joe Assistant
  2. Title
    - a. *unlicensed*: Assistant to Mary Associate.
    - b. *licensed*: Licensed Assistant to Mary Associate along with the appropriate contact information (and include DRE required license(s)).

### WEBSITES.

Assistants will not appear on the office roster of Windermere websites.

### ADVERTISING.

Assistants' names, email address and/or phone numbers are not to be listed in property advertisements.

### WORKSPACE

The Managing Broker or Branch Manager will determine the location for an assistant if space is available. Desk space in the office may be available for use and may be shared or used with others unless otherwise agreed between Associate and the Company Manager. You are responsible for keeping any desk you use and the area immediately around it in a neat and professional appearance.

Assistants are not guaranteed a separate phone or office work desk. Assistants and Associates may work from home, but not conduct personal consultations with Company clients at home. Remember that the Broker is required to supervise Associate's activity. For legal compliance, be sure that all listings, transactions, files and documents that you work on in your home are promptly uploaded into the Company transaction management system and accessible for review by the Risk Management Department.

### UNLICENSED AND LICENSED ASSISTANT



Unlicensed and Licensed Assistant(s) must sign the California Association of Realtors (C.A.R.) forms TPA and PAC, along with the *suggested* addendum shown on **Appendix 2**.

## TAX FILING REQUIREMENTS

Associates shall be responsible for all payroll reporting requirements related to their assistant(s) and/or transaction coordinators. In addition, the Company is not responsible or liable for deduction of Social Security, income or unemployment taxes for any brokerage sales and related income. Each Associate is responsible for maintaining all business and financial records necessary for the 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 Associates and to government agencies as required.

## SECTION EIGHT: ASSOCIATE ASSIGNMENT OF INCOME TO A CORPORATION

Associates may prefer to have income earned from working with the Company paid to a corporation or other entity owned by the Associate. For those situations, the Associate should complete the Assignment of Income to a Corporation Form attached as **Appendix 3**.

## SECTION NINE: CYBERCRIME AND CYBER FRAUD ADVISORY, AWARENESS & PREVENTION

### Associate agrees to the following practices:

Real Estate transactions involve the use of email communications between agents, clients, service providers and others. Once a Criminal hack any one of these email accounts, they can create imposter email addresses. These imposter email addresses are then used to provide incorrect wiring instructions to the buyer or to escrow.

### HOW DO YOU PROTECT YOUR CLIENTS FROM BECOMING CYBER VICTIMS?

- Provide the **C.A.R. Form WFA – Wire Fraud Advisory** to all buyers and sellers by making it an attachment to the RPA.
- Provide your buyer with the **NAR's Cyber Fraud Video** prior to buyer wiring their Earnest Money Deposit to escrow. Copy and paste the link in your email: <http://www.realtor.org/videos/wire-fraud-alert-for-buyers>
- Add the **following verbiage** and the NAR's Cyber fraud video link into your email signature as an additional preventative measure for your clients:

**ATTENTION: Be aware! Online banking fraud is on the rise. If you receive an email containing WIRE INSTRUCTIONS, call your escrow officer to verify the information prior to sending funds. I will never request you wire or send funds or personal information through an email. If you receive such an email, please notify me immediately before taking any action.**

**COMMUNICATE AND EDUCATE.** From the very start of any transaction, be sure to speak with your clients regarding Cybercrime and Cyber fraud issues in real estate transactions, and share resources the Company has provided.



## **BEST EMAIL PRACTICES**

Free email accounts such as Gmail, Yahoo, Hotmail and more, are open doors to cyber criminals. Follow these guidelines to help reduce cybercrime. It is never guaranteed that following these guidelines will avoid Cybercrime or Cyber fraud.

- **DO NOT** ever request escrow to send you wiring instructions for a pending transaction on behalf of the client. Escrow will send encrypted instructions directly to the client.
- Avoid the use of these free email services.
- Use two-step verification when available.
- Make certain that your email service provider has Enterprise level encryption and security.
- Avoid sending sensitive information via email – if you know certain information can get into the hands of cyber criminals, it should not be in an email.
- Never trust contact information in unverified emails.
- If an email looks even slightly suspicious, do not click on any links in it, and do not reply to it.
- Clean out your email account regularly. You can always store important emails on your hard drive.
- Do not use **free** Wi-Fi to transact business.
- Use strong passwords – random, complex and long (suggest a capital letter, symbols, numbers, more than 10 characters in length).
- Change your password regularly.
- **Instruct your client to pick up the telephone and call Escrow prior to sending the funds to verify the wiring instructions.**
- Stay informed. Educate your clients. Keep up to date on scams. Know how to identify phishing.

## **BEST BUSINESS PRACTICES: ENSURING DATA SECURITY**

- Create, maintain and follow a comprehensive Data Security Program for your personal computer(s).
- Avoid storing clients' personally identifiable information for longer than necessary. When you no longer need it, delete it.
- It is the Sales Associate responsibility to use a firewall to protect their computer from hacker attacks while it is connected to the Internet. A firewall is software or hardware designed to block hackers from accessing your computer. A properly configured firewall makes it tougher for hackers to locate your computer and get into your programs and files.
- Password Management – Use strong passwords. The longer the password the better. Mix letters numbers and characters.
- Log off your computers when not in use.

## **RESOURCES**

**There are many online sources which can provide useful information on this topic, including the following:**

- The Federal Bureau of Investigation @ [www.fbi.gov](http://www.fbi.gov)
- The Internet Crime Complaint Center @ [www.ic3.gov](http://www.ic3.gov)
- The National White Collar Crime Center @ [www.nw3c.org](http://www.nw3c.org)
- On Guard Online @ [www.onguardonline.gov](http://www.onguardonline.gov)
- Department of Homeland Security: <https://www.dhs.gov/stophinkconnect>

If you receive unsolicited e-mail offers or spam, forward the messages to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov).

**To report potential e-scams, or you or someone you know is a victim of Cybercrime or fraudulent activity, contact:**

- Federal Bureau of Investigations via their Internet Crime Complaint Center. More information [here \(link is external\)](#).

**Associates should report** any fraudulent activity to their **state or local REALTOR® association** so they can send out alerts or take other appropriate action, including contacting NAR.

## SECTION TEN: DO NOT CALL LIST COMPANY POLICY

### POLICY.

Review the Federal Trade Commissions Do Not Call Registry online, which became effective October 1st, 2003. <https://telemarketing.donotcall.gov/faq/faqbusiness.aspx>

### EXEMPTIONS.

The following exemptions apply, in which you do not need to consult the Federal Do Not Call Registry:

- a. In some cases, you may still make telemarketing calls to people whose numbers are on the national registry. The new rules do not apply to calls that were invited, calls made to persons with whom you have a personal relationship, or calls made to persons with whom you have an “established business relationship.”
- b. If anyone asks to be removed from your calling list, you must honor that request.
- c. The “established business relationship” exception has two different parts.
  1. First, you may call customers with whom you have had business dealings in the previous 18 months (from October 1, 2003). Although the application of this rule to real estate Associates is not clear, either an agency relationship or a transaction is probably required to satisfy the 18-month rule. You do not have an established business relationship with parties who are represented by other Associates, people who merely show up at an open house or sign calls. The customer must take some action to create a relationship with you.
  2. Second, you may call a prospective customer within 3 months of their making an inquiry even if they are on the national do-not-call list. However, this exemption applies only if the caller would reasonably expect a follow-up call and should be limited to the subject of the inquiry.

### NON-EXEMPT POLICY

You need to consult the Do-Not-Call-Registry for all other calls that do not fall into the exempt status, which include For Sale by Owner and Expired Listings. An Associate must cross-check with the Do-Not-Call-List. Associate agrees to comply with The Company Policy regarding the Do-Not-Call Registry.

## SECTION ELEVEN: ERRORS & OMISSIONS (E&O) COVERAGE

Broker maintains E&O Insurance covering claims arising from Associate's conduct in the provision of professional real estate services while Associate is licensed to Broker. On an annual basis, the Broker renews its existing policy or purchases a new one. Associate agrees that the policy in effect upon execution of this agreement is incorporated herein as if fully set forth. Associate further agrees that each renewal or new policy shall be incorporated automatically herein. Associate understands that each policy is a claims-made policy, which means that only claims made and tendered during the same policy period as when a claim is first asserted by a Claimant are subject to potential coverage under that policy. Associate is required to and agrees they shall timely report all claims, disputes, made to Associate by any client, other agent, person or entity relating to Associate's activities through the Company, to the Broker within 48 hours of receipt of any such claim or notice. Each new policy may not afford the same coverage, claims made under a new policy may not be covered. Unless agreed otherwise in writing, Associate shall indemnify Broker for the full amount of the applicable E&O deductible (Broker's E&O Deductible) set forth in the policy. **Refer to 'Schedule C' below repeated from the Independent Contractor Agreement between Broker and Associate Licensee.**

### **SCHEDULE 'C'**

For claims covered by Errors and Omissions ("E&O") Insurance, Associate is responsible for the first Ten Thousand Dollars (\$10,000.00) of the deductible for each claim which arises out of a transaction involving Associate and/or any other claims arising out of Associate's professional conduct ("Associate's Share of Deductible"). An Associate's Share of the Deductible can be increased at any time to any amount as Broker shall choose, subject to Brokerage providing Associate with thirty (30) days' notice of the increase. Associate's obligation to pay Associate's Share of Deductible shall be in addition to any other obligations which Associate may have of any nature whatsoever. Brokerage and /or Brokerages; E&O carrier shall have the right to designate defense counsel, settle or compromise claims, and control all aspects of the litigation and/or resolution of the claims. Among other things, Brokerage has the right to waive all commissions related to any transaction and Associate hereby agrees that Associate has no right of any nature to any commission or other compensation, if Broker chooses to waive any portion of any commission.

Associate's share of the deductible shall be reduced by 50%, **only** if the Associate performs all the following: **a)** attends two Risk Management workshops as designated by Broker during each calendar year; **b)** Associate uses C.A.R. approved forms, **c)** Associate uses the Brokerage transaction management platform, and **d)** the Associate uses the services of the Broker's approved Licensed Transaction Coordinator.

**In the event: a) a claim is uncovered and/or denied by an insurance carrier; and/or b) Associate has failed to comply with the terms of this Agreement; and/or c) Associate has failed to comply with any rules, requirements, requests, guidelines, policies and/or procedures of Brokerage; and/or d) Associate has failed to comply with any terms of Broker's E&O policy, Associate shall fully and completely indemnify Broker and Brokerage for any and all fees, expenses, awards, damages, judgments, settlement and/or any other sums of money which arise out of or are in any manner**

**related to any such claim, whether such claims are made against Associate, Broker or anybody affiliated with Broker. It is expressly understood that all such sums shall be paid entirely by Associate.**

Associate may retain counsel, at Associate's sole expense, but if Associate and/or Associate's counsel interferes with Broker's and/or Broker's E&O carrier's handling of the claims, then Associate shall indemnify Broker for all damages, including, without limitation, awards, judgments, settlements, attorney's fees, and expenses incurred by Broker as a result of or relating to such interference.

Brokerage may choose to advance deductible on Associates behalf. Associate authorizes Broker to advance the referenced fees and Associate's share of the deductible whenever Broker deems it necessary, and Associate authorizes Broker to deduct the fees and deductible share from Associate's commissions and/or any other sums owed to Associate. If no commissions become available after Broker's advancement of fees and/or deductible share, then Associate shall reimburse Broker no later than thirty (30) days after the fees are advanced, whether Associate is licensed with Brokerage. Failure to pay such sums to Broker in the time specified will entitle Broker to recover all costs incurred in pursuing the payment, along with interest at the highest rate permitted by law.

Associate's obligations herein apply whenever the claim arises from or relates to a) Associate's professional conduct and/or b) any transaction involving Associate in any manner. Associate's obligation herein applies whether Associate is named as a defendant or the target of a claim.

Broker's E&O Policy is a claims-made policy, which means that all actual or potential claims (collectively "claims") must be tendered to the E&O carrier when any insured person becomes aware of the claim. Failure to report such claims in a timely manner can result in denial of coverage. Associate shall be responsible for reporting to the Broker of Record, Managing Broker, Risk Management all claims and/or potential claims, in writing and in a timely manner. If Associate's failure to timely report a claim results in denial of the claim, then Associate shall indemnify Broker in accordance with the Agreement and this Schedule C.

Associate shall be familiar with and shall comply with all terms of Broker's E&O policy. The broker will make the policy available for Associate's review. Associates understand that certain types of conduct and claims (including, without limitation, intentional misconduct or fraud) are routinely excluded from coverage and that exclusions and endorsements may change when E&O policies are renewed or changed. Broker has the sole right to choose any E&O carrier and policy it deems appropriate at Broker's discretion. Further, Broker has the sole right to choose what terms, conditions, endorsements, and/or other provisions shall be included in any insurance policy at Broker's unfettered discretion.

Associate understands that Broker's E&O insurance does not cover, among other things, Associate's conduct or activities as, in connection with, or on behalf of mortgage brokers, lenders, title companies, settlement service providers assisting with procuring financing, or providers of other types of related real estate services. Associate shall not enter into any agreement, contract, or relationship for which compensation in any form relating to such real estate services is paid directly or indirectly to Associate. Further, before entering any transaction other than a standard sale of a residential one to four-unit

property, it is Associate's responsibility to make sure the services Associate will provide are covered by E&O insurance. Failure to do so shall be a further trigger of all the indemnity provisions from Associate to Broker contained in this Exhibit C.

When Associate is a principal in a transaction, the provisions of this Schedule C do not apply and are superseded by the provisions of the Associate Representation in Principal Transactions, which is referenced in Section 11 of the Independent Contractor Agreement and provided in the Broker's Office Policy Manual below. Further some E&O policies limit, condition or otherwise alter coverage when a transaction involves an Associate as a principal. Such limitations and/or conditions and/or alterations are incorporated in this Agreement and Schedule C.

The terms of this Schedule C and the agreement governing claims and indemnity shall survive beyond the time when the Associate leaves the Company.

#### ASSOCIATE REPRESENTATION IN PRINCIPAL TRANSACTIONS

Associate shall not **represent** himself or herself as a principal in the sale of any real property transactions absent advance, express and written approval from Broker. Associate understands that this provision has been included in this Agreement because of substantially higher liability associated with such transactions, and because Broker's E&O insurance may not cover such principal transactions. Accordingly, in the event Broker grants permission for Associate to represent himself or herself (or a Spouse, Domestic Partner, Co-Owner/Business Partner, Father, Mother, Brother, Sister, Aunt, Uncle and/or cousin), Associate agrees to indemnify Broker for Broker's full E&O deductible (unless agreed otherwise in writing) in all covered claims arising from or related to such transactions. For all non-covered or denied claims, Associate shall indemnify Broker for all Broker's legal costs, expenses, settlements and/or judgments arising from or relating to such transactions.

If Broker does not consent to Associate representing himself or herself, Associate shall be represented by another Associate assigned by Broker and approved by Associate. Associate **shall not** represent any other principal party, such as a buyer, to such a transaction. Additional instructions and requirements are provided in Broker's Office Policy Manual.

Associate shall comply with all rules imposed by Broker and Broker's E&O provider, which rules are incorporated herein by reference. Such rules may include but are not limited to the doubling of the deductible, requirement to use specific disclosure forms, placement of an approved Home Warranty and the completion of a physical inspection by a certified and approved Inspection. If Associate fails to comply with this paragraph and/or the referenced rules, then Associate shall indemnify Broker for all costs and expenses incurred by Broker pertaining to any claim arising from or related to Associate's conduct and/or role in the transaction.

For purposes of this section and the referenced rules, the definition of Associate includes, without limitation, all limited liability companies, corporations, partnerships, and/or other entities in which Associate is an officer, shareholder, member, partner, etc. Additionally, for purposes of this section, costs and expenses include, without limitation, litigation costs and expenses, attorney fees, settlements, judgments, fines, and awards.

***Sale/Purchase of Associates Primary Principal Residence:*** The Company will waive 50% of its Company Dollar when agent sells or purchases ***their primary principal residence*** (this does not include vacation homes, income properties, vacant land, and any relatives' property or the first three transactions after joining the company). Fees and costs due from Associate shall continue to apply. To qualify for the reduction, Associate must be financially in good standing with the company.

#### GUIDELINES FOR ASSOCIATES SELLING THEIR PERSONAL PROPERTY

Associate can list their personal residence subject to the following E&O requirements:

1. You **cannot** represent the buyer.
2. You must use CAR forms.
3. You must complete all mandated/statutory disclosure forms.
4. The buyer must have a licensed home inspection...or a buyer signed waiver.
5. The buyer must have a home warranty.... or a buyer signed waiver.
6. You must disclose in the MLS confidential remarks that the listing agent is the owner and in the SCO that you are an agent licensed in the state of California. If there is no SCO, this wording would need to be in the RPA, so let the selling agent know.
7. You need to offer 2.5% or 3% to the CBB.
8. Your commission with WRE would be equal to what WRE would get based on your split with the Company, and (one-half of your) commission split based on a 2.5% commission (unless otherwise approved by the Broker). \*\*\***(NOTE: the "one-half of your commission" arrangement does NOT apply to personal properties where-in you are NOT residing in the home (no "investment" properties).**

#### SECTION TWELVE: OUTSIDE YOUR MARKET – ASSOCIATE GUIDELINES

Increased Opportunities = Increased Responsibility and Risk

There are several factors that contribute to business opportunities outside your normal territory: for example, Realtor associations are signing agreements giving ready access to listings in more than one Multiple Listing Service (MLS); Windermere's growth gives buyers and sellers the impression you can help them everywhere; and Windermere's Internet site allows Associates and the public to search for Windermere listings and meet Windermere Associates in several states.

What may appear as an attractive opportunity may also create unwieldy problems because information about a listing does not automatically bring with it knowledge of the market. Lack of market knowledge will most certainly increase your legal risk and liability. And more important, market knowledge and first-hand customer service is what every Windermere client expects and deserves.

It is, therefore, essential that we NEVER let dollars rule our decisions and interfere with the most important question, "What's best for the client?" The answer will generally dictate one of two opinions:

1. Referring the business to the local Windermere office when one is available -- to another company if one is not.
2. Establish a cooperative working relationship with a Windermere office or with another well-respected brokerage if a Windermere office is not available.

Experience has shown that avoiding involvement of a local Windermere broker is rarely in the best interest of the client and significantly increases the risk of lawsuits. Putting the client's interests ahead of your own is critical to your success and can lead to future referrals.

Code of Ethics – Standards of Practice #11-1

#### REFERRALS AND WORKING RELATIONSHIPS – FEES

Expect to pay for information, support and assistance. Extend the same courtesy to Windermere colleagues as you would to others. Though circumstances vary greatly, the following is a general guide to Windermere's payment schedules:

- a. Referral fee: 20% or more depending on the quality of the referral.
- b. Consulting fee: 25% or more depending on extent of assistance/information/guidance needed about the market, available listings, etc.
- c. Cooperative working relationship: 50% or more depending on distribution or workload between Associates.

#### LOCAL BROKER INVOLVEMENT

In the unusual situation where you might need to participate personally in an out-of-area transaction, which must be approved by the Broker of Record and/or Risk Management, follow these common-sense Do's and Don'ts:

##### **DO'S:**

1. **FIRST**, have your Managing Broker contact the out-of-area broker so that you understand the local policies and guidelines in working with that office.
2. Have both parties' written agreement on the working relationship and fee agreement in writing to avoid misunderstandings. (Referral Agreements require Broker signatures.)
3. **ASK** for support, don't automatically expect it. Courtesy/hospitality by local broker doesn't automatically include rights and privileges.
4. Find out when and how to best accomplish your objective.
5. Use the same courtesy before sending a client to another Windermere office to use equipment: i.e., call ahead, ask permission, etc.

##### **DON'T:**

1. Don't assume you are welcome to use another office's resources without notice. Use common sense and common courtesy.
2. Don't show up unannounced and expect help.
3. Don't expect someone to teach you about the market and give you time for free. The local broker's written policy statement or these guidelines will be used if a dispute or arbitration results.
4. Don't ask for another's MLS key. Lockbox access is a privilege to members and a violation if shared with others.
5. Don't incur costs unless you've made arrangements for repayment. The local broker has the right to bill you for repayment through your broker.

##### **BEWARE OF:**

1. Technical differences: for instance, timeshares and farm sales require specialized expertise.
2. Differing MLS rules. It could cost you a commission in arbitration, and/or you could incur a fine for certain violations.
3. Local customs. You could alienate the listing Associate, costing you the transaction.
4. Legal hazards. Local ordinances and required disclosures can vary considerably. Local broker support can avoid a potential lawsuit.

## SECTION THIRTEEN: REAL ESTATE ASSOCIATE TEAM NAMES AND ADVERTISING STANDARDS

### **SUMMARY OF DRE REGULATIONS REGARDING TEAM NAMES AND FICTITIOUS BUSINESS NAMES**

A salesperson can use a “team name” without obtaining a fictitious business name from the county recorder and without registering that team name with the DRE if the team’s name meets the following requirements:

1. The team’s name includes the surname of at least one of the agents on the team. If you do not qualify under the team’s name requirements (using a surname), then you MUST register for a fictitious business name with the county recorder AND the DRE BEFORE using the fictitious business name in any capacity.
2. The team’s name is used by **two or more active real estate licensees** who work together to provide licensed real estate services. (No unlicensed assistant qualifies as a team if there is only one licensee)
3. The name does not include any term or terms, such as “real estate broker”, “real estate brokerage”, “broker” or “brokerage”, or any other term that would lead a member of the public to believe that the team is offering real estate brokerage services independent of a responsible broker.
4. The team’s name may include the term “Realty” or “Real Estate” ONLY IF the other requirements are met – for example, the “Smith Real Estate Team” would be allowed because the surname is included.
5. The terms “associates”, “group” or “team” are acceptable if there are **at least two licensed** real estate agents that are part of the team.

### **ADVERTISING STANDARDS**

All first point of contact solicitation materials must include:

1. The name and DRE number of the licensee and the responsible broker’s “identity,” meaning the name under which the broker is currently licensed by the DRE and conducts business in general or is a substantial division of the real estate firm.



2. There is no longer an exception for advertisements in print or electronic media, or for newspapers and magazines. However, “for sale,” “open house,” rent, lease, and directional signs that contain no licensee information or only the broker’s information are OK.
3. The purpose of this law is to create uniform advertising standards across a variety of media and types.

A Licensee must disclose on all solicitation materials intended to be the first point of contact with consumers both their name and license number, and additionally, the solicitation must contain the responsible broker’s “identity,” meaning the name under which the broker is currently licensed by DRE and conducts business in general or is a substantial division of the real estate firm.

The new law also eliminates most of the exceptions and broadens the types of advertising it applies to including:

- Business cards
- Stationery
- Advertising flyers
- Advertisements on television, in print, social media and electronic media
- “For sale,” “open house,” lease, rent or directional signs when any licensee identification information is included
- Any other material designed to solicit the creation of a professional relationship between the licensee and a consumer.

#### **Limited Exception**

However, the new law retains an exception for “for sale,” rent, lease, “open house” and directional signs. These signs need not include the agents’ or associate brokers’ names or license numbers as long as either:

- 1) The responsible broker’s identity appears (which includes the broker’s name, but the broker’s license number is optional – WRE suggests broker’s license #02018113 be added). Under this exception there can be no reference on the sign to an associate broker or licensee. *or*
- 2) There is no licensee identification information at all.

Keep in mind that under the N.A.R. Code of Ethics Standard of Practice 12-5, any advertisement of real estate services or listed property in any medium must disclose the name of the firm in a reasonable and readily apparent way.

So even though a licensee who is not a REALTOR may post under the new law a completely generic “for sale” sign, REALTORS should, at the very least, include the name of the firm on a “for sale” sign. The “responsible broker’s identity” is defined to mean the name under which the responsible broker is currently licensed by DRE and conducts business in general or is a substantial division of the real estate firm. The inclusion of the responsible broker’s license identification number is optional. (WRE recommends Associate includes DRE license #02018113).

## **SECTION FOURTEEN: TRANSACTION COORDINATOR & ASSOCIATE RESPONSIBILITIES**

**The following are Windermere Real Estate – WRE SoCal Inc. (the “Company”) guidelines for TC’s role and Associate’s (agent/licensee) role.**

The role of the TC is to function as a liaison between the Company Associates, cooperating Associates and TC's, clients, escrow, title, home warranty and mortgage brokers during the process of a real estate sale. TC's duties are to assist the Associate and the Company in various aspects of a real estate transaction, including communications, paperwork, compliance issues, and processing the real estate file.

- A. TC shall NOT perform acts in an Associate capacity. TC shall NOT answer contractual questions (challenges/obstacles/negotiations). TC shall NOT write up any documents for Associate. TC shall NOT provide advice to an Associate, or any parties involved.**
- A.** TC is typically not involved with the listing agreement if Associate represents the seller.
- TC is responsible for the file once a Purchase Agreement is accepted.
  - TC will have a complete file submitted to the Company's transaction management system ("**TMS**") for final review.
- B.** TC is required to self-train in the TMS, as well as the TC responsibilities. It is not the Company's responsibility to train the TC.
- C.** All communication and documents will be sent electronically between TC, Associate, and other parties (unless the Associate and/or client requests otherwise). Associates must approve the TC to communicate and send correspondence directly to the client (the principal).

## GENERAL POLICIES - BROKERAGE

- 1. Associates who are new to real estate sales** must be enrolled in our Mentor Program and use the Company's approved Transaction Management System (TMS) - Skyslope for all transactions.
- 2. Associates who have closed less than 4 transactions over the last 12 months** must use one of the Company's approved TC's for all sale transactions.
- All Associates who are not newly licensed and have had more than 4 transactions over the last 12 months are advised to hire the services of the approved Company TC's. This limits liability for our Broker, the Associate, and E&O Insurance Carrier.
- Our policy is that an outside TC must have no less than two years TC experience, more than 200 transactions, hold a current CA RE License, and will need to be vetted by the Company.
- The TC must have a written TC agreement with the Broker prior to being allowed to work on any transactions for the Company.
- All documents prepared for members of the public for which a California real estate license is required, are to be turned in for review in SkySlope as required by California law. At a minimum, files must be reviewed no less than:
  - within 4 days of escrow opening;
  - when a change in terms is negotiated between the parties;
  - 3 days prior to the close of escrow for final review.

## TC RESPONSIBILITIES

**Once the agent has an accepted contract, TC is recommended to do the following as part of their responsibilities:**

- Within 48-72 hours after contract acceptance, go to Associate's listing (if applicable) in the TMS and change to a pending transaction.
- Review Purchase Agreement:
  - Assure understanding of the terms.
  - Confirm that vital signatures and dates were not missed.
  - Be sure the correct DRE Lic. # for each agent is on all documents.

- Alert Associate and/or broker of inaccuracies and/or omitted items AS SOON AS POSSIBLE.
- Send an introduction email to cooperating Associate/TC involved, Escrow, and other parties.
- Enter all data pertaining to the transaction in the TMS. (include Seller, Buyer, Title, Escrow, NHD Coop Broker, Lender, and Home Warranty).
- Generate a timeline to be distributed to the agent, cooperating agent and TC, client, escrow officer, title officer and lender- (if we represent the buyer, so the Lender is aware of timelines).
- Open escrow by forwarding Purchase Agreement, Counter offers, if applicable, client information, etc.
- Send all disclosures requiring signatures/initials to applicable parties.
  - NOTE: **\*\*Agent must advise if clients are comfortable with eSignatures, and if not, Agent will make other arrangements for delivery.**
- Order Natural Hazard Report (if representing the seller). TC to check with Associate to see if they ordered the NHD report with the listing.
- Order a Home Warranty (if applicable).
- Collect all documents from both agents, review them to assure they are completed correctly, and fully signed and dated.
- Share all completed documents with the cooperating agent to maintain an updated and complete file.
- Email weekly reminders to the Agent (s) of upcoming contingency removal dates and incomplete documents, as needed.
- Submit documents as received for final review in the TMS; update any changes to sales price, close of escrow date, commissions, contacts etc.
- You must upload Commission Instructions to the TMS at least 7 days prior to COE. Enter any pertinent commission information into the TMS Commission tab. Make any changes/notes prior to closing in the commissions tab, i.e., credits, referrals, etc.
- If a transaction cancels, change the status to Withdrawn/Canceled in the TMS.
- When a file is closed, upload Final Closing Statement and SOLD MLS Agent report within 3-5 days, and be sure all information is correct (MLS COE, sales price, etc.). **NOTE:** The complete file will always be available in the TMS. A copy of the file can be provided to the client in several ways. For example, documents are available to share within the TMS; share a file in Google Drive; or create a Dropbox and share that file with the client.

**Please note, if Associate TC'd their own file, they are required to perform all duties indicated under the TC Job Responsibilities, as well as Agent Responsibilities.**

## TC FEE & POLICY

Basic TC fees are established between the TC and Associate. The TC fee is payable upon close of escrow directly from the Associate to the Transaction Coordinator. **\*\*** As a courtesy to the Associate, the brokerage will instruct escrow to deduct the TC fee from the Associate's commission check and pay the TC directly from escrow; or TC may invoice escrow directly.

**\*\*1099's** should be distributed from the Associate to the TC in January of each year for tax filing purposes.

## ASSOCIATE DUTIES ARE AS FOLLOWS

**When you represent the seller and have the *fully* executed listing documents, you must do the following:**

- Create a listing in your TMS account **WITHIN 48-72 HOURS OF CONTRACT SIGNING.**
- You must enter the MLS #, or if the property is excluded from the MLS, enter the property address (i.e., 123MainStr) in the MLS box in the Transaction tab (do not leave MLS box blank).
- Email required documents directly to the transaction email address in the TMS, or upload the documents in the TMS within 48 hours. **NOTE:** *Refer to detailed instructions below.*
- Order NHD report and Preliminary Title Report.

**\*\*\*\*\*NOTE: ANY REDUCTION IN LISTING COMMISSION IS SUBJECT TO BROKER AND MANAGEMENT APPROVAL.\*\*\*\*\***

- All terms of the listing agreement are subject to management approval within 3 days of execution.
- It is the policy of the Broker to always use CAR Form (RLA) “Residential Listing Agreement-Exclusive” for residential listings. Use of any other agreement must be approved in advance by the Broker.

**When Associate has an accepted offer (whether it’s listing side or buyer side):**

- Email the fully executed contractual and applicable supporting documents to TC **within 48-72 hours** of RPA acceptance (This includes Shorts Sales and Probate, waiting for bank and court approval).
- Email fully executed seller disclosures to TC for distribution to other parties.
  - Provide the TC the MLS Agent Preferred printout showing the same date as the purchase agreement; must show the CBB %. This needs to be uploaded into the TMS file.
- Order all inspections and email the completed reports to TC for further distribution to other parties.
- Provide TC with contractual documents if there are revisions to the terms of the agreement during the transaction.
- To ensure all communications pertaining to the transaction end up in the Log for that property, always CC the TC and transaction file email (or email to the TC and they can upload docs to the file).
- You will need to be sure all mandated disclosures and documents required by the broker, by law & by regulation are sent to TC or upload yourself if TC’ing your own file.
- In the instance where disclosures have been provided to the cooperating broker and have not been executed and returned, an attempt to retrieve disclosures shall be documented at least three times via email with the cooperating broker and uploaded into the TMS line item it pertains to.
- We suggest you create a file in your email for each transaction and file all correspondence accordingly. All email messages to a cooperating broker, escrow, title, lender, TC’s, etc. relating to the transaction should always have the TMS property address copied.
- Listing Agents: Complete MLS closing information in the MLS accurately within 24 hours after closing.

***A reminder that Associates are responsible for the transaction and file, even if using the services of a TC.***

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## RENTAL CHECKS & EMD DEPOSITS

**RENT AND/OR SECURITY DEPOSITS:** When there is an accepted Lease, the security deposit and rent are required to be sent directly from the Tenant to the Property Owner (“Owner”) and the commission amount payable to the brokerage(s). Agents should never accept funds (checks) from a Tenant.

**GOOD FAITH DEPOSIT (“EMD”):** In order to ensure secure handling of client’s funds and to minimize potential fraud or identity theft, it is the company policy to advise our buyer(s) to have their EMD wired directly from their banking institution to the escrow holder or title company. The client is to contact escrow directly to confirm the routing/bank account number. If the buyer chooses not to wire the deposit, the buyer is to personally deliver the funds to the escrow holder within three (3) days.

#### SETTING UP AND ORGANIZING THE BROKER FILE

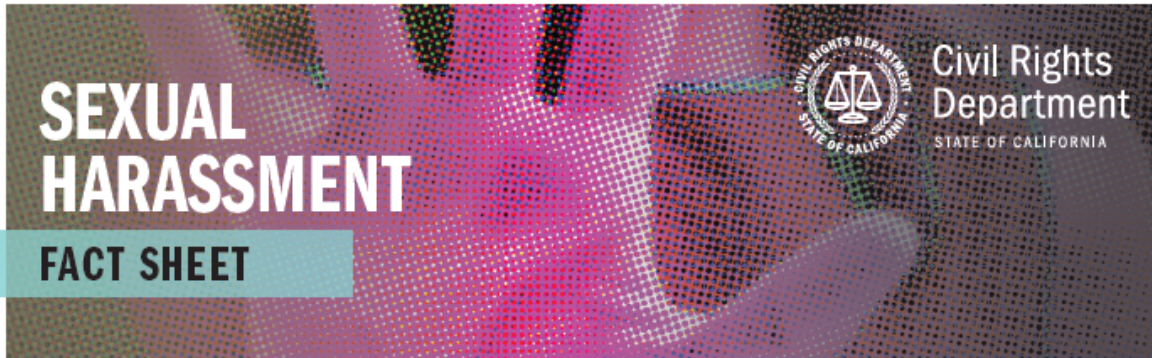
1. Forward all contractual accepted documentation to your TC within 24-48 hours of acceptance; Provide the following information:
  - a. Complete the appropriate data and all contact information in SkySlope;
  - b. Email the MLS Agent Preferred printout showing the same date as the purchase agreement. Cooperating broker and CBB %.
2. You will need to be sure all mandated disclosures and documents required by the broker, by law & by regulation are sent to TC or uploaded yourself if TC’ing your own file.
3. In the instance where disclosures have been provided to the cooperating broker on the other side of the transaction and have not been executed and returned, an attempt to retrieve disclosures shall be documented at least three times via email with the cooperating broker.
4. We suggest you create a file in your email for each transaction, and file all correspondence accordingly. All email messages to cooperating broker, escrow, title, lender, TC’s, etc. relating to the transaction should always be copied into the Transaction Management system email address (@skyslope.com)

#### SECTION SIXTEEN: CLOSING

**We trust this Office Policy and Best Practices Manual has answered most of your questions. With a clear understanding of these obligations and responsibilities, we will all benefit from a productive relationship. If you have questions regarding any of the information contained within this manual, please contact Broker of Record, Managing Broker, Branch Manager or Risk Management.**

**NOTE: Appendix’s and Acknowledgement of Receipt Signature page below**





Sexual harassment is a form of discrimination based on sex/gender (including pregnancy, childbirth, or related medical conditions), gender identity, gender expression, or sexual orientation. Individuals of any gender can be the target of sexual harassment. Unlawful sexual harassment does not have to be motivated by sexual desire. Sexual harassment may involve harassment of a person of the same gender as the harasser, regardless of either person's sexual orientation or gender identity.

### THERE ARE TWO TYPES OF SEXUAL HARASSMENT

**1. "Quid pro quo"** (Latin for "this for that") sexual harassment is when someone conditions a job, promotion, or other work benefit on your submission to sexual advances or other conduct based on sex.

**2. "Hostile work environment"** sexual harassment occurs when unwelcome comments or conduct based on sex unreasonably interferes with your work performance or creates an intimidating, hostile, or offensive work environment. You may experience sexual harassment even if the offensive conduct was not aimed directly at you.

The harassment must be severe or pervasive to be unlawful. A single act of harassment may be sufficiently severe to be unlawful.

### SEXUAL HARASSMENT INCLUDES MANY FORMS OF OFFENSIVE BEHAVIORS

BEHAVIORS THAT MAY BE SEXUAL HARASSMENT:

1. Unwanted sexual advances
2. Offering employment benefits in exchange for sexual favors
3. Leering; gestures; or displaying sexually suggestive objects, pictures, cartoons, or posters
4. Derogatory comments, epithets, slurs, or jokes
5. Graphic comments, sexually degrading words, or suggestive or obscene messages or invitations
6. Physical touching or assault, as well as impeding or blocking movements

Actual or threatened retaliation for rejecting advances or complaining about harassment is also unlawful.

Employees or job applicants who believe that they have been sexually harassed or retaliated against may file a complaint of discrimination with CRD within three years of the last act of harassment or retaliation.

CRD serves as a neutral fact-finder and attempts to help the parties voluntarily resolve disputes. If CRD finds sufficient evidence to establish that discrimination occurred and settlement efforts fail, the Department may file a civil complaint in state or federal court to address the causes of the discrimination and on behalf of the complaining party. CRD may seek court orders changing the employer's policies and practices, punitive damages, and attorney's fees and costs if it prevails in litigation. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed with CRD and a Right-to-Sue Notice has been issued.

### EMPLOYER RESPONSIBILITY & LIABILITY

All employers, regardless of the number of employees, are covered by the harassment provisions of California law. Employers are liable for harassment by their supervisors or agents. All harassers, including both supervisory and non-supervisory personnel, may be held personally liable for harassment or for aiding and abetting harassment. The law requires employers to take reasonable steps to prevent harassment. If an employer fails to take such steps, that employer can be held liable for the harassment. In addition, an employer may be liable for the harassment by a non-employee (for example, a client or customer) of an employee, applicant, or person providing services for the employer. An employer will only be liable for this form of harassment if it knew or should have known of the harassment, and failed to take immediate and appropriate corrective action.

Employers have an affirmative duty to take reasonable steps to prevent and promptly correct discriminatory and harassing conduct, and to create a workplace free of harassment.

A program to eliminate sexual harassment from the workplace is not only required by law, but it is the most practical way for an employer to avoid or limit liability if harassment occurs.

# SEXUAL HARASSMENT

## FACT SHEET



Civil Rights  
Department  
STATE OF CALIFORNIA

### CIVIL REMEDIES

- Damages for emotional distress from each employer or person in violation of the law
- Hiring or reinstatement
- Back pay or promotion
- Changes in the policies or practices of the employer

### ALL EMPLOYERS MUST TAKE THE FOLLOWING ACTIONS TO PREVENT HARASSMENT AND CORRECT IT WHEN IT OCCURS:

1. Distribute copies of this brochure or an alternative writing that complies with Government Code 12950. This pamphlet may be duplicated in any quantity.
2. Post a copy of the Department's employment poster entitled "California Law Prohibits Workplace Discrimination and Harassment."
3. Develop a harassment, discrimination, and retaliation prevention policy in accordance with 2 CCR 11023. The policy must:
  - Be in writing.
  - List all protected groups under the FEHA.
  - Indicate that the law prohibits coworkers and third parties, as well as supervisors and managers with whom the employee comes into contact, from engaging in prohibited harassment.
  - Create a complaint process that ensures confidentiality to the extent possible; a timely response; an impartial and timely investigation by qualified personnel; documentation and tracking for reasonable progress; appropriate options for remedial actions and resolutions; and timely closures.
  - Provide a complaint mechanism that does not require an employee to complain directly to their immediate supervisor. That complaint mechanism must include, but is not limited to including: provisions for direct communication, either orally or in writing, with a designated company representative; and/or a complaint hotline; and/or access to an ombudsperson; and/or identification of CRD and the United States Equal Employment Opportunity Commission as additional avenues for employees to lodge complaints.
  - Instruct supervisors to report any complaints of misconduct to a designated company representative, such as a human resources manager, so that the company can try to resolve the claim internally. Employers with 50 or more employees are required to

include this as a topic in mandated sexual harassment prevention training (see 2 CCR 11024).

- Indicate that when the employer receives allegations of misconduct, it will conduct a fair, timely, and thorough investigation that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected.
- Make clear that employees shall not be retaliated against as a result of making a complaint or participating in an investigation.

4. Distribute its harassment, discrimination, and retaliation prevention policy by doing one or more of the following:

- Printing the policy and providing a copy to employees with an acknowledgement form for employees to sign and return.
- Sending the policy via email with an acknowledgment return form.
- Posting the current version of the policy on a company intranet with a tracking system to ensure all employees have read and acknowledged receipt of the policy.
- Discussing policies upon hire and/or during a new hire orientation session.
- Using any other method that ensures employees received and understand the policy.

5. If the employer's workforce at any facility or establishment contains ten percent or more of persons who speak a language other than English as their spoken language, that employer shall translate the harassment, discrimination, and retaliation policy into every language spoken by at least ten percent of the workforce.

6. In addition, employers who do business in California and employ 5 or more part-time or full-time employees must provide at least one hour of training regarding the prevention of sexual harassment, including harassment based on gender identity, gender expression, and sexual orientation, to each non-supervisory employee; and two hours of such training to each supervisory employee. Training must be provided within six months of assumption of employment. Employees must be trained every two years. Please see Gov. Code 12950.1 and 2 CCR 11024 for further information.

### TO FILE A COMPLAINT

#### Civil Rights Department

[calcivilrights.ca.gov/complaintprocess](http://calcivilrights.ca.gov/complaintprocess)

Toll Free: 800.884.1684

TTY: 800.700.2320

CRD-185-ENG / September 2022

REV.09/2022





Civil Rights  
Department  
STATE OF CALIFORNIA

# CALIFORNIA LAW PROHIBITS WORKPLACE **DISCRIMINATION & HARASSMENT**

The California Civil Rights Department (CRD) enforces laws that protect you from illegal discrimination and harassment in employment based on your actual or perceived:

- ANCESTRY
- AGE (40 and above)
- COLOR
- DISABILITY (physical, developmental, mental health/psychiatric, HIV and AIDS)
- GENETIC INFORMATION
- GENDER EXPRESSION
- GENDER IDENTITY
- MARITAL STATUS
- MEDICAL CONDITION (genetic characteristics, cancer, or a record or history of cancer)
- MILITARY OR VETERAN STATUS
- NATIONAL ORIGIN (includes language restrictions and possession of a driver's license issued to undocumented immigrants)
- RACE (includes hair texture and hairstyles)
- RELIGION (includes religious dress and grooming practices)
- REPRODUCTIVE HEALTH DECISIONMAKING
- SEX/GENDER (includes pregnancy, childbirth, breastfeeding and/or related medical conditions)
- SEXUAL ORIENTATION





# CALIFORNIA LAW PROHIBITS WORKPLACE DISCRIMINATION & HARASSMENT

## THE CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT AND ITS IMPLEMENTING REGULATIONS PROTECT CIVIL RIGHTS AT WORK.

### HARASSMENT

1. The law prohibits harassment of employees, applicants, unpaid interns, volunteers, and independent contractors by any person. This includes a prohibition against harassment based on any characteristic listed above, such as sexual harassment, gender harassment, and harassment based on pregnancy, childbirth, breastfeeding, and/or related medical conditions.
2. All employers are required to take reasonable steps to prevent all forms of harassment, as well as provide information to each of their employees on the nature, illegality, and legal remedies that apply to sexual harassment.
3. Employers with 5 or more employees and public employers must train their employees regarding the prevention of sexual harassment, including harassment based on gender identity, gender expression, and sexual orientation.

### DISCRIMINATION/REASONABLE ACCOMODATIONS

1. California law prohibits employers with 5 or more employees and public employers from discriminating based on any protected characteristic listed above when making decisions about hiring, promotion, pay, benefits, terms of employment, layoffs, and other aspects of employment.
2. Employers cannot limit or prohibit the use of any language in any workplace unless justified by business necessity. The employer must notify employees of the language restriction and consequences for violation.
3. Employers cannot discriminate against an applicant or employee because they possess a California driver's license or ID issued to an undocumented person.
4. Employers must reasonably accommodate the religious beliefs and practices of an employee, unpaid intern, or job applicant, including the wearing or carrying of religious clothing, jewelry or artifacts, and hair styles, facial hair, or body hair, which are part of an individual's observance of their religious beliefs.
5. Employers must reasonably accommodate an employee or job applicant with a disability to enable them to perform the essential functions of a job.

### ADDITIONAL PROTECTIONS

1. The law provides specific protections and hiring procedures for people with criminal histories who are looking for employment.
2. Employers with 5 or more employees and public employers must provide up to 12 weeks of job-protected leave to eligible employees: to care for themselves, a family member (child of any age, spouse, domestic partner, parent, parent-in-law, grandparent, grandchild, sibling) or a designated person (with a blood or family-like relationship to employee); to bond with a new child; or for certain military exigencies.

3. Employers must provide job-protected leave of up to 4 months to employees disabled because of pregnancy, childbirth, or a related medical condition, as well as require employers to reasonably accommodate an employee, on the advice of their health care provider, related to their pregnancy, childbirth, or a related medical condition.
4. Employers, employment agencies, and unions must preserve applications, personnel records, and employment referral records for a minimum of four years.
5. Employment agencies must serve all applicants equally, refuse discriminatory job orders, and prohibit employers and employment agencies from making discriminatory pre-hiring inquiries or publishing help-wanted advertisements that express a discriminatory hiring preference.
6. Unions cannot discriminate in member admissions or dispatching members to jobs.
7. The law prohibits retaliation against a person who opposes, reports, or assists another person to oppose unlawful discrimination, including filing an internal complaint or a complaint with CRD.

### REMEDIES/FILING A COMPLAINT

1. The law provides remedies for individuals who experience prohibited discrimination, harassment, or retaliation in the workplace. These remedies can include hiring, front pay, back pay, promotion, reinstatement, cease-and-desist orders, expert witness fees, reasonable attorney's fees and costs, punitive damages, and emotional distress damages.
2. If you believe you have experienced discrimination, harassment, or retaliation, you may file a complaint with CRD. Independent contractors and volunteers: If you believe you have been harassed, you may file a complaint with CRD.
3. Complaints must be filed within three years of the last act of discrimination/harassment/retaliation. For those who are under the age of eighteen, complaints must be filed within three years after the last act of discrimination/harassment/retaliation or one year after their eighteenth birthday, whichever is later.

If you have been subjected to discrimination, harassment, or retaliation at work, file a complaint with the Civil Rights Department (CRD).

### TO FILE A COMPLAINT

Civil Rights Department  
[calcivilrights.ca.gov/complaintprocess](http://calcivilrights.ca.gov/complaintprocess)  
Toll Free: 800.884.1684 / TTY: 800.700.2320  
California Relay Service (711)

Have a disability that requires a reasonable accommodation?  
CRD can assist you with your complaint.

The Fair Employment and Housing Act is codified at Government Code sections 12900 - 12999. The regulations implementing the Act are at Code of Regulations, title 2, division 4.1.

Government Code section 12950 and California Code of Regulations, 966 2, section 11023, require all employers to post this document. It must be conspicuously posted in hiring offices, on employee bulletin boards, in employment agency waiting rooms, union halls, and other places employees gather. Any employer whose workforce at any facility or establishment consists of more than 10% of non-English speaking persons must also post this notice in the appropriate language or languages.

## APPENDIX 2

### ASSOCIATE AGREEMENT ASSISTANT ADDENDUM (SAMPLE)

***(This is an example of an agreement between Associate and Assistant)***

The following is part of the Broker/Sales Associate Agreement Associate \_\_\_\_\_ and \_\_\_\_\_ (“Assistant”). Because Associate has employed or intends to employ one or more persons (“the Assistant”) to assist the Associate, it is agreed between Associate as follows:

**1. GUIDELINES, RULES AND REGULATIONS.** Broker issues guidelines or rules and regulations pertaining to the use of Assistants. Associate agrees to abide by them as adopted and modified from time to time by the Broker.

**2. PRIOR APPROVAL.** Broker shall approve an Assistant prior to commencing work with the Associate; thereafter, Broker may withdraw its approval at its sole discretion by giving written notice to Associate. Notwithstanding the fact that the Assistant is the employee of the Associate, a licensed Assistant shall also be required to execute a Broker/Sales Associate Agreement and an Addendum to that agreement clarifying their limited role and responsibilities prior to commencing work as an Assistant for Associate.

**3. LIMITATION OF ACTIVITIES.** The Associate agrees that the Assistant hired shall limit his/her activities according to the type of Assistant described and checked below. Associate must check one of the following: (A, B, or C)

\_\_\_\_\_ **A. Unlicensed Assistant who shall NOT:**

1) engage in nor perform the activities and functions of an active Sales Associate, but rather will be limited in his/her activities performed on behalf of the Associate to functions that are strictly administrative and clerical in nature, and that do not require a license by the state’s licensing authority.

Associate agrees to provide a computer with MLS access at Associate’s expense within the Associate’s personal workspace. There shall be no commission sharing with an unlicensed assistant. Associate understands and agrees that all compensation shall be paid by Associate and must be on a W-2 form with the appropriate taxes and other deductions withheld.

\_\_\_\_\_ **B. Licensed Assistant who shall NOT:**

- 1) market him/herself as an Associate;
- 2) list properties for sale;
- 3) prepare any contracts except in a clerical manner under the supervision of the Associate;
- 4) present and/or negotiate a contract;
- 5) show properties to prospects that have not already been shown by the Associate.

Associate understands and agrees that the licensed assistant is an employee of the Associate and is considered as an independent contractor to the Broker. Associate participating in commission sharing with his/her licensed assistant agrees to pay assistant via a 1099 form and shall pay at least the equivalent of minimum wage (40 hours per week) to satisfy federal IRS requirements and employee/employer relationship status.

Licensed Assistants shall sign a complete Broker/Associate Sales Agreement prior to working in any WHE office. Associate agrees to provide a computer with MLS access at Associate’s expense within the Associate’s personal workspace.

**4. REGISTRATION AND EMPLOYMENT TAXES.** Associate shall comply with all laws, rules and regulations of federal, state and local governmental authorities pertaining to the employment of employees including, but not limited to, making proper registrations and applications with governmental authorities, and making necessary arrangements for withholding and payment of payroll taxes and employment taxes or fees such as federal income tax withholding, FICA, FUTA, Unemployment Compensation and Worker’s Compensation/Industrial Insurance payments, and shall submit all reports, returns and forms required thereby. Associate shall provide Broker with proof of compliance with these requirements upon request by Broker.

**5. GUARANTEE OF PAYMENT OF ASSISTANT’S FEES.** An Assistant who is actively licensed with Broker will be responsible for payment of required multiple listing dues, membership fees with the Association of Realtors, and other fees and expenses charged to all Broker’s Associates. Associate agrees to guarantee to Broker the payment of Assistant’s dues, fees and expenses. If the Associate fails to make such payment within ten (10) days of contract, Associate authorizes Broker, at Broker’s sole discretion, to deduct any such unpaid fees, dues or expenses of Assistant from commissions first available to either Associate or Assistant. In the event, it should become necessary for Broker to retain legal assistance in connection

with the recovery from Associate of any unpaid expenses, Associate agrees to pay Broker's reasonable legal costs and expenses, including attorney fees.

**6. PROHIBITION – COMMISSIONS AND FEES.** Associate acknowledges that the payment of referral fees or commissions by Associate to an Assistant, directly or indirectly, would constitute a violation of state law, and agrees not to make any such payments except as permitted by licensing laws.

**7. SUPERVISION BY ASSOCIATE.** Associate shall be responsible for the supervision of the activities of an Assistant and for seeing that an Assistant conforms to the Broker's guidelines, rules and regulations pertaining to Assistants, as they may be adopted and modified from time to time by Broker.

**8. INDEMNITY.** Associate agrees to indemnify, defend and hold harmless Broker from all liability, claims, loss or damages, including costs and reasonable attorney's fees, costs, judgments, settlements and/or awards arising from or out of any acts of an Assistant employed by Associate.

**Except as expressly modified in this Addendum/Agreement, all other terms and conditions of the Broker/Sales Associate Agreement remain unchanged.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Associate Signature

Dated: \_\_\_\_\_

\_\_\_\_\_  
Assistant Signature

**APPENDIX 3**

**ASSIGNMENT OF INCOME TO A CORPORATION**

**DATED:**

**TO:** WRE So Cal Inc. dba Windermere Real Estate Southern California, 296 N. Palm Canyon Drive, Palm Springs CA 92262

**RE:** Assignment of Income to a Corporation

Attention: Windermere Real Estate

You are hereby authorized and directed to pay all my future real estate commission income to my wholly owned corporation \_\_\_\_\_, to which I hereby assign my right to receive such income.

ASSOCIATE NAME PRINTED: \_\_\_\_\_

ASSOCIATE SIGNATURE: \_\_\_\_\_ DATED: \_\_\_\_\_



**(REVISED – 7/2023) OFFICE POLICY MANUAL ACKNOWLEDGEMENT OF RECEIPT**

I understand that the Manual contains important information about the Company’s general office policies. I know I am expected to read, understand, and adhere to the Company policies. I understand that, from time to time, the Company may, in its sole and absolute discretion, change any policies, benefits, or practices in the Manual, with or without prior notice.

INITIAL \_\_\_\_\_

Furthermore, I understand that I am an Independent Contractor and that my association with the Company is not for a specified term. I understand that the Manual is not an express or implied contract of employment. Accordingly, either I or the Company can terminate the independent contractor agreement at any time, with or without cause.

INITIAL \_\_\_\_\_

Furthermore, I acknowledge that the Manual contains this Company’s Policy Against Harassment. I agree to comply with all aspects of the policy against any forms of harassment. I understand that if I violate any aspect of the Company’s Policy Against Harassment, I may be subject to disciplinary action, including disassociation with the Company.

INITIAL \_\_\_\_\_

My Associate (“Associate”) relationship with the Company cannot be changed by this Manual or by any other means unless it is in writing signed by the Owner/Broker of the company. This Manual is an overview of the Company’s policies, procedures and best practices by which all the Company Associates are guided.

INITIAL \_\_\_\_\_

I understand the Manual from time to time, the Company may, in its sole and absolute discretion, change any policies, benefits or practices in the Manual, with or without prior notice, and that any future changes will supersede and be controlling. Accordingly, I understand that this Manual supersedes and replaces any previously issued Manuals, policies, bulletins or summaries.

INITIAL \_\_\_\_\_

I understand that the Manual is the sole property of the Company, that its content is confidential, and that I may not copy or give any part of it to others outside the Company during my association with the Company or upon termination.

**THIS IS TO ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THE OFFICE POLICY AND BEST PRACTICES MANUAL.**

**ASSOCIATE'S NAME** \_\_\_\_\_ **ASSOCIATE'S SIGNATURE** \_\_\_\_\_

**DATE**