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ABOUT GOLD ASSOCIATES

Gold Associates is a locally owned Independent Real Estate Brokerage with a “client first” mentality focusing on education for both agents and the public.

POLICY MANUAL

General Purpose

The Broker Policy Manual (also called “Policy” or “Policies”) applies to Salespersons and Broker-Associates who are affiliated with Gold associates. Please review these Policies carefully. The purpose of this Broker Policy Manual is to:

- Establish a system of daily conduct when dealing with each other, other members of the Company, our clients, and members of the public. We each agree to engage in business in compliance with the real estate laws in an honest, professional manner in order to create positive client relations, goodwill, and profits;
- Provide you with policies and guidelines to help provide quality service to our clients and avoid disputes with and liability to others; and
- Provide an orderly system of conflict resolution.

Whenever you have any questions about these Policies, please ask your Manager. This includes suggested changes for improvement.

Incorporated Items

Other organizations have issued various standards, rules, and guidelines that the Company follows and expects you to follow as you carry out your business. Please take the time to obtain, review, and incorporate the following externalities into your regular business habits as if they originated from the Company:

- The Code of Ethics and Standards of Practice of the National Association of REALTORS® (“NAR”);
- NAR’s Fair Housing Handbook; and
- The local MLS Rules for each local association of which you are a member.

If NAR or your MLS association changes and/or updates the foregoing, the Company may alert you through your Manager or educational outreach. Ultimately, however, the responsibility of staying up to date is yours and doing so will be a cornerstone of your successful, ethical, and competent business practices.

The Company also expects you to conduct your business in a lawful manner at all times. While the laws, regulations, and rules applicable to a real estate agent are complex, the Company has in place a number of programs and practices designed to assist you with compliance. These include your weekly business meetings, Coffee With the Co-Brokers, and more.

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Changes to Manual

The Company may change this Broker Policy Manual may be changed from time to time. Changes can be made at any time and will be distributed periodically. The Company will require your signed acknowledgment of such changes as a condition of ongoing affiliation.

ASSOCIATE LICENSING, INSURANCE, AND AFFILIATION REQUIREMENTS

Licensing Maintenance & Insurance

The Company requires that you accomplish the following at your own expense:

- Maintain your real estate license in good standing;
- Meet all Continuing Education (CE) requirements as established by the DRE. Proof of CE compliance and license renewal shall be provided to your Manager no later than 15 days prior to the applicable renewal date; and
- Maintain automobile and general liability insurance. Regarding automobile insurance, you are required to add the Company as an additional insured with your automobile insurance carrier. For your convenience, a form by which to do this is provided to you in your welcome packet. Regarding general liability insurance, you are required to obtain coverage in the amounts of (a) \$500,000 for combined single limit liability; (b) \$500,000 for more than one person arising out of a single incident or transaction; and (c) \$100,000 for property damages. In many cases, you may obtain general liability insurance through your automotive insurance carrier.

Office Administrators will check the status of every Associate's license in their respective branches twice a year. Your Office Administrator or Manager will contact you if your license is expired or otherwise not listed as "active."

Professional Association Membership

The Broker is a member in every local REALTOR® association in which the company operates. Company membership is subject to change. If you aren't sure whether the Company is a member of a certain local association, ask your Manager.

Unless you are a member of the Company LFRO, you agree to become a member of your local association of REALTORS® at your own cost and abide by any ethical or local rules they adopt, including those pertaining to the MLS. If you would like to have the Company join a local association of which it is not a member, the Company will do so if you pay for the Company's dues for the first year of its membership. Whether the Company will pay its own dues after the first year will depend on your productivity level in that market area.

You also agree to become a member of the California Association of REALTORS® ("CAR") and NAR and to be responsible for paying all applicable dues and fees in a timely manner.

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INDEPENDENT CONTRACTOR RELATIONSHIP

Overview

You have chosen to enter into an Independent Contractor Agreement (“ICA”) with the Company and are associated with the Company as an independent contractor. You do not have an employer-employee relationship with the Company. The Company, however, has the responsibility under California law to supervise the conduct of its Associates operating under the Company license. You are considered to be an independent contractor for federal and state tax purposes. You are also considered an independent contractor for statutory purposes including, but not limited to, unemployment insurance. The Company will provide workers’ compensation insurance for you as required by law.

Your ICA with the Company and various addenda and exhibits attached to it collectively set forth the rights and obligations of both parties. Please read and review them carefully. The agreement and attachments include important terms and requirements, such as:

- The terms of compensation for services performed during the time of your association with the Company or for any work still in progress but not yet completed prior to disassociation with the Company;
- After disassociation with the Company, the disposition of all active listings, pending sales, and buyer agency agreements that you obtained during your association with the Company; and
- As required by law, your delivery of all files and documents pertaining to listings, leads, and transactions to the Company on an ongoing basis, including upon the Company’s request and upon disassociation.

Tax Filing Requirements

The Company does not make your deductions of Social Security, income, or unemployment taxes for any brokerage sales and related income. You are responsible for maintaining all business and financial records necessary for purposes of reporting income as required by state and federal agencies and for reporting income as required by law. The Company’s obligation is limited to providing a 1099 Miscellaneous Income form to you and to government agencies as required. The Company recommends that all Associates consult with a tax professional and consider filing quarterly.

Limitations on Associate Activity

As an LFRO member, you may only provide the activities stated in your ICA. As a sales associate, you may only perform licensed activities related to the listing, selling, and leasing of real property in a salesperson’s capacity, even if you’re a Broker-Associate. Please take note of the following particular activities, which is not an exclusive list. When in doubt, always consult with your Manager.

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Short Sales. You may act as a buying or listing agent for short sale properties; however, you may not engage in negotiating short sales with lenders or mortgage holders unless you (1) hire a short sale negotiator or (2) have or obtain the necessary educational designation to competently negotiate (for example, “Certified Distressed Property Expert” or “Short Sales and Foreclosure Resource”).

Property Management. You may not engage in property management, even if you have a broker license, absent the express written consent of the Company and modification of your ICA.

Advance Fees. Collecting advance fees from clients for any activity is strictly prohibited.

Lending Activities. You may not engage in lending activities, even if you have a Mortgage Loan Origination (“MLO”) endorsement on your real estate license, absent the express written consent of the Company and modification of your ICA.

Project or Construction Management. You may not engage in project or construction management activities, such as assisting with the design of or managing contractors working on an investment property.

Simultaneous Affiliations. If you are a Broker-Associate, you may not associate with another broker or company or engage in real estate brokerage transactions in your own name instead of the Company’s name.

No Binding Authority. Broker-Associates do not have the authority to bind the Company contractually in any respect. The capacity to contract and cancel a contract, including but not limited to listing agreements of any kind, is the exclusive province of a Company executive, Broker of Record, or Manager.

GENERAL OFFICE PROCEDURES

Business Hours

The Gold Associates branch location is open Monday through Friday, 8:30 a.m. to 5:00 p.m. We are closed on the following recognized holidays: New Year’s Day, Martin Luther King Day, President’s Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving, day after Thanksgiving, and Christmas.

Professional Dress and Appearance

Gold Associates maintains a professional atmosphere in its locations. When you are serving clients in the public on behalf of the Company, the Company encourages you to dress appropriately.

Smoking

Smoking is not permitted in or around Company premises.

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Substance Use

Drugs and alcohol, except for prescription drugs necessary for you to perform in your profession or alcoholic beverages as provided by the Company at a special event, are prohibited on Company grounds.

For reasons of safety and capacity to contract, under no circumstances should you perform your services with a client who is substance impaired. In the event you suspect that your client is under the influence, you should cease transacting business and resume only when the client is no longer apparently under the influence.

Business Meetings

Your Manager will hold regular meetings with all of your fellow Associates. The purpose of these meetings is to provide a format for the exchange of market opinions and ideas, helpful anecdotes, market statistics, recent sales, new listings, mortgage news, training, and any other information deemed valuable to you. These meetings are voluntary in nature, but your attendance is encouraged.

Office and Personal Expenses

You are responsible for the costs of office supplies you use.

The Company is not responsible for paying any business expenses that you may incur, absent the prior written consent of your Manager. Business expenses include, but are not limited to, any expenses relating to clients, transactions, entertainment, and your personal promotion and advertising.

Sign Policy

You are responsible for the purchase of your A-frames, yard signs, riders, and other onsite marketing items. Due to the real estate law requirements, trademark prohibitions, and other laws, it is your responsibility to assure that the signs meet Company format and legal requirements.

All signage must comply with advertising laws and the regulations in effect in each community. IF THE COMPANY IS FINED DUE TO YOUR IMPROPER USE OF SIGNAGE, THEN THE COMPANY WILL COLLECT A REIMBURSEMENT CHARGE FROM YOU, INCLUDING BY WAY OF A DEDUCTION FROM YOUR COMMISSION CHECK(S).

“Pending Sale” or similar signs may be posted, with the seller’s permission, after acceptance of an offer. If a listing agreement expires or is cancelled, a For Sale sign should not be left on the property. Such signs must be removed within two days after expiration or cancellation.

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Fees and Commissions

As provided by law, all fees and commissions must be made payable to the Company. You will be paid out of the fees and commissions earned by you based on the Compensation Schedule published separately by the Company or described in your ICA and commission addendum. Payment to you, less expenses and offsets, is conditioned upon actual receipt of the compensation by the Company.

Commission Check Deductions

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

Trust Fund Handling

Trust Fund Log. The Company does not maintain a trust fund bank account for earnest money deposits received in connection with the purchase of property, or any other client-sourced funds. At every Company office or branch, there is a trust fund log in a binder. Whenever you touch a check, you must log the touch in the binder, supplying information relating to (1) date received; (2) name of issuer; (3) check addressee/destination; (4) amount of check; and (5) date delivered.

Deposits. All checks received from the offeror must be made payable to the escrow holder. If the buyer's deposit is in a form other than a personal check, the form of the deposit must be specified in the purchase agreement. If the offeror makes a representation in the purchase agreement that the offer is made with a deposit, then it is extremely important that you, as the listing agent, receive that deposit. If the purchase agreement states that a deposit was received, then you as the listing agent must have possession of the deposit before you present the offer to your client(s).

The date on the deposit check and receipt of the deposit check should be the same date as that of the purchase agreement. An exception to this rule is when the same check is being used for a subsequent offer. A deposit check may only be used for a subsequent offer after the initial offer is rescinded, canceled, or expired and if authorization has been obtained from the offeror to use the same check.

Occasionally, the initial deposit check will be replaced by a new check (increased deposit) or cashier's check. In this situation, the seller and you, as the seller's agent, must acknowledge and approve, in writing, that the initial check is being replaced. This is typically done on a counteroffer. Copies of the initial deposit check and new check must be retained in the transaction file.

After the offer is accepted, you, as the listing agent, must forward the deposit check to escrow within three business days after acceptance. Acceptance means when the final counteroffer is signed by both parties.

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Safe Work Environment

The Company is committed to providing a safe work environment. If you observe any situation or condition which could pose a health or safety risk to employees, fellow Associates, clients or members of the public on any of the Company's premises, promptly notify the appropriate Office Administrator or Manager.

The Company has implemented an Injury and Illness Prevention Program in compliance with Labor Code § 6401.7, et seq. A copy of the Injury and Illness Prevention Program is on file with the Company and may be reviewed upon request.

If you are injured on the Company's premises or during a work-related activity, please report your injury to your Manager at the earliest possible time.

Safe Driving

You are expected to keep your automobile properly maintained and in safe operating condition at all times. You are responsible for damage or injury caused while driving. It is your obligation to drive in a safe, responsible and alert manner.

Under California law, drivers are generally prohibited from using a wireless telephone, except a hands-free telephone, and from reading, writing or sending a text message while driving.

Leaves of Absence and Vacations

The Company does not control your time off. Before departing on a leave of absence or vacation, however, please discuss with your Office Administrator and Manager who will be handling any ongoing business you might have during your time away.

For regulatory and licensing reasons, if you plan to be absent for any significant period of time, you must inform your Manager, particularly if there are any transactions in progress. If your absence is uncommunicated, a substitute Associate approved by a Manager may be assigned to cover your transactions and share your commissions.

Antitrust Guidelines

Avoid engaging in any verbal or written conversations with colleagues or competitors that could be construed as an antitrust violation, including, but not limited to, the following:

- The setting of commissions, charges, or other fees to the public;
- Boycotting or not doing business with a particular person or entity; and/or
- The setting of rates or percentages of compensation to be paid to cooperating brokers.

You're advised to read the NAR Guide "You Said What? An Antitrust Compliance Brochure", located at <https://www.nar.realtor/sites/default/files/BROCHURE.PDF>

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Transaction Coordinators

The Company employs transaction coordinators (“TCs”) to serve you. A TC can assume many roles. At Gold Associates the TC functions as an unlicensed assistant:

- Reviews all agreements and documents to determine if all signatures have been obtained;
- Calendars all dates;
- Monitors compliance with contractual requirements;
- Originates Broker escrow files;
- Interfaces with outside affiliates such as lenders, mortgage brokers, and inspection companies, professional reporting companies, escrow companies and title companies; and
- Reports deficiencies, delinquencies or problems to the Associate and Broker.

The Company’s TCs are available for your use as part of an optional, but highly recommended risk management platform. Please consult with your Manager for details.

PERSONAL SAFETY PRACTICES

Client Appointments

We are concerned about your safety and the safety of your clients. Therefore, the following are highly recommended as best practices:

- Ask buyers to initially meet you at the office for appointments and not at a property. Get to know clients before being alone with them. When buyers arrive at the office, introduce them to others there, who can give a visual description as needed.
- Verify buyers’ identities when meeting them for the first time: things such as name, phone number, car license plate number, and etc. Make a photocopy of buyers’ driver’s licenses and ensure they see the copy handed to another person in the office rather than just placed into a folder. If buyers refuse to identify themselves, Associates should explain that office policy requires it. If the refusal persists, Associates are advised against working with them as a potential safety concern.
- Always carry your cell phone with you and ensure it is charged and with reception. Program 911 into speed dial and don’t hesitate to call for help.
- Enter your itinerary into a log: where you’re going, with whom you’re going, the times of your showings, and when you’re expected back. Don’t carry a lot of cash or wear expensive watches or jewelry when showing property.
- In some cases, it’s not practical for buyers to meet first at the office. If buyers call and say they’re at the property and want you to meet them, have someone go along with you.

Associate ID Form

For the purposes of emergencies, the Company will keep on file your address, emergency contact(s), and vehicular information.

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MAINTAINING FILES

Broker Review

The Company uses SkySlope, a digital transaction management system, to store, manage, and review all listing and sales documentation. You may utilize SkySlope independently or with the assistance of a TC. You or your TC begins the process by uploading a transactional document as it's created for every transaction, from listing or purchase agreements to the close of escrow. If you decide to personally upload your transactional documents, be prompt by completing your upload within 24 hours of having a completed and/or fully signed document in your possession.

Listings. Listings are populated in SkySlope within 24 hours of your or your TC's upload of a fully-executed listing agreement bearing your clients' signatures. The listing documents are then queued to a digital checklist (as further described below).

Checklist Documents. The Company exercises its broker supervision via SkySlope in part by selecting which transactional documents are REQUIRED to be present in every transaction.

Regardless of whether or not a transaction successfully closes escrow, you are responsible for uploading transactional documents into SkySlope on a timely basis.

File Requirements for Legal Compliance

Your transaction files must contain an accurate, comprehensive telephone log and journal of your activities relative to each transaction, including those that did not successfully close escrow. This can be accomplished through SkySlope, which generates a unique email address associated with every transaction that, when copied on email correspondence, automatically logs and stores emails and attachments.

Always use SkySlope to document the following:

- The name of any person you spoke with;
- The date and time of the conversation or activity;
- The subject matter of the conversation or activity;
- Any significant decision or discussion not documented elsewhere in writing;
- A checklist and calendar of important information and deadlines;
- Copies of all correspondence and significant emails to and from your client and anyone else participating in the transaction such as lenders and loan brokers, escrow officers, vendors and contractors, and cooperating agents;
- Copies of all offers and counteroffers and contract addenda; and
- Copies of all disclosures and reports or any other writing delivered to your or your client.

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As set forth above under Broker Review, you are required to use SkySlope to maintain transaction files. To the extent the above bullet points are not documented by email or otherwise took place over a telephone conversation, you should create a note, handwritten or electronic, that memorializes communications and activities with regard to each transaction and upload it to the applicable transaction in SkySlope. You are advised to record and upload such communications and activities as soon as possible, if not immediately, while they are still fresh in your memory.

Be sure all documents contain signatures of all parties required to sign. Whenever your client receives a written document regarding the transaction, you must provide a copy to the client and retain a copy of the same document for your file using SkySlope.

Your Manager may have a sample file for your use as a guide for proper record keeping. If you are not sure how to maintain a proper file, get help from your Manager.

Get It in Writing

As a general rule, all real property and commission agreements must be in writing. In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss anything with any party or another broker/agent, always confirm your discussions and understanding with a written followup to that party or broker/agent. Never sign anything on behalf of your client, another agent, or anyone else.

The Listing/Management/Commission Agreement

California law requires that a compensation agreement be in writing and signed by the party to be charged in order to be enforceable. If you represent a buyer in a for-sale-by-owner (FSBO) transaction and the buyer is to pay a commission, you must have a written agreement with the buyer to pay that commission, such as a buyer-broker agreement.

If seller has not signed (or will not sign) a listing agreement, and if the seller is to pay the commission, you must have a written agreement with the seller, such as a single party compensation agreement.

Make sure that you obtain all necessary signatures to be able to sell the property.

Unless approved in advance by your Manager, all listings will be "Exclusive Authorization and Right to Sell" listings. All listing and management agreements will be taken on the most current CALIFORNIA ASSOCIATION OF REALTORS® or AIR CRE® standard forms. Avoid using other forms unless your Manager reviews and approves their use.

Do Not Use Outdated Forms

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

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Restricted Licensees

The Company hires people with a restricted real estate license on a case-by-case basis. Only a Designated Officer or other Company executive may hire a restricted licensee. A careful review of the administrative action, which is publicly available in connection with the restricted licensee's DRE profile, should always occur as part of the interview process.

Before a hiring decision is made, the interviewer should account for the nature and circumstances of the license restriction and evaluate whether and to what extent additional or special broker supervision of the restricted licensee will be required if hired. Examples include: (1) assigning the restricted licensee a dedicated TC and/or (2) requiring weekly check-ins or some other status report with a Manager.

For each restricted licensee hired, a plan should be formulated and implemented toward supporting the restricted licensee's journey toward an unrestricted license.

HANDLING CLIENTS

Confidential Information

Treat all client information as confidential, including your client's contact information. You have a duty to your clients and should never use any information learned during the course of your representation of your clients in any manner adverse to their interests. Of course, this does not override the requirement to disclose material facts or to be honest. If there is an issue with a client instructing you to commit fraud or not to disclose material facts, contact your Manager immediately.

If you're engaged in commercial transactions, you should consider using a Confidentiality or NonDisclosure Agreement that requires agents and principals to treat all information shared in a transaction, such as financial statements, confidentially. Consult with your Manager as to how to obtain and use such a contract.

Agency Relationships and Duties

Duties and Standards of Conduct. When you represent a client in a transaction, you have the duties of care, integrity, honesty and loyalty in dealings with your client. All of these duties are rolled into what's called a fiduciary duty. What this duty means, essentially, is that your client's interests in the transaction are always first in priority. For instance, your fiduciary duty prevents you from telling a buyer that your seller is selling his or her home because of a divorce, because that information could compromise your seller's negotiating power.

Duties also extend to people in the transaction whom you don't represent. If you're the listing agent and your only client in the transaction is your seller, for example, you still owe an important duty to a buyer: disclosure of known facts materially affecting the value or desirability of the property that the buyer might not be in a position to observe or learn on his or her own.

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Agency Disclosure Requirements. The agency disclosure law applies to sales, exchanges, and leases for more than one year, involving real property improved with one-to-four dwelling units and residential 5+ properties, stock cooperatives, vacant land, mobile homes, and commercial property. The law applies whether the property is owner-occupied. You must provide a statutory disclosure form entitled “Disclosure Regarding Real Estate Agency Relationships” (California Association of REALTORS® form AD or similar form) in every applicable transaction.

If you represent the seller, you must provide the disclosure form to the seller BEFORE entering into the listing agreement. Inform the seller of our policy regarding agency as set forth above. Get a signed “Acknowledgment of Receipt.”

If you represent the buyer, the law requires that you must provide the buyer with an agency disclosure as soon as practicable BEFORE executing an offer to purchase. Don’t forget to get a signed acknowledgment of receipt.

Delivery may be made in person, by mail, or by electronic means.

Dual Agency. Dual agency matters because it means that an agent owes a fiduciary duty to both sides of a transaction. The simplest dual agency is when you’re representing both the buyer and the seller in the same transaction. The Company allows this form of dual agency. But a dual agency can be created through the Company. For example, if you’re the listing agent and a fellow Associate is the buying agent, there is still dual agency. This is because both agents are affiliated with RE/MAX Gold. Gold Associates. In such a case, you and your fellow Associate simultaneously represent the buyer and the seller. As a consequence, you owe a fiduciary duty to the buyer, too. So, for another example, if you learn something sensitive about the buyer that might affect his or her bargaining power, then you can’t relay that information to your seller— even though the seller is your “original” client.

The Company does NOT allow you to represent multiple buyers in competition for the same property. If you encounter an unrepresented buyer who is in need of representation, refer them to a fellow Associate or inform your Manager.

Whenever you are unsure of whether a transaction involves a dual agency relationship, be sure to involve your Manager at the earliest possible time.

Agent-Owned Property. Any property in which you have, attempt to have, or will acquire an ownership, financial, or other legal or other interest, either wholly or partially, is “Agent-Owned Property.” The purchase, sale, or lease of Agent-Owned Property is business belonging to the Broker, unless otherwise agreed in writing. You must comply with the same contract, disclosure, and other requirements for Agent-Owned Property as you do with any other transaction. The Company requires that, even for Agent-Owned property transactions, you must always use standard CAR (or AIR CRE for commercial transactions) forms so long as the Company is the broker on any such transaction.

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The Company forbids the following practices with regard to your Agent-Owned Property, each of which is a conflict of interest:

- Representing the buyer of a property you own when you're representing yourself as the seller. The correct course of action in this scenario is to refer the buyer to a colleague.
- Representing yourself as the buyer of a property you're listing with your seller. The correct course of action in this scenario is to inform your seller that you want to buy his or her home, withdraw from representing your seller, and connect your seller with a colleague who can become your seller's replacement listing agent.

In all transactions in which you're acting as a principal, either as a seller or buyer, you are to notify your Manager at the outset of any such transaction.

Listing Presentations

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

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

- BE PROMPT!
- Prepare a Market Analysis for the seller's review and use.
- Always provide a copy of any signed contract with the seller.
- Be confident, positive, and truthful. Don't exaggerate or mislead.
- Leverage the strength of the RE/MAX brand and the size of the Company.

Taking Listings

Consistent with legal requirements, all listings belong to the Company. Any exclusive listing agreement (including an exclusive agency or an exclusive buyer-broker agreement) must include a definite, specified date of final and complete termination. The claiming of compensation under an exclusive agreement which does not contain a definite, specified termination date can lead to revocation or suspension of a real estate license by the DRE.

You must have all owners of a property sign the listing agreement before you begin marketing the property. If someone signs on behalf of another, you must have written evidence of the authority to act, such as a power of attorney or letter of administration. If a party refuses to sign the listing agreement, notify the signing parties in writing that it is Company policy not to market the property until all parties have signed the agreement.

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Before taking the listing, search the MLS to determine whether the property is currently listed with another broker. If the property has previously been listed, be sure to ascertain whether there are any persons that should be excluded due to an express statement/claim by the previous company. Check with your Manager in the event of any questions on this. It is this Company's policy to not take a new listing until the existing listing has expired. NOTE: With the approval of your Manager, and subject to Article 16 of NAR's Code of Ethics, you may enter into a listing agreement now which will not become effective until after expiration of the prior listing agreement.

If the property is in escrow, continue marketing the property unless the seller agrees otherwise in writing.

Make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing.

The Company, as your supervising broker, has the right to reassign a listing upon request of the seller if the listing has not been handled properly or the Company otherwise deems it in the best interest of the client to do so. Any decision by the Company to reassign a listing is conclusive and you will have no right to a commission upon the sale unless agreed to by your Manager.

Negotiating Commissions

Amount of Commission. While commissions are negotiable, the Company reserves the right to set minimum acceptable commissions on listing agreements. Before you negotiate substantially downward from industry standard commissions, be sure to involve your Manager and receive your Manager's explicit permission to do so.

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

Conducting Open Houses

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

- Prepare and take sufficient property flyers and information about you and the Company;
- Prepare and take a list of comparable sales and properties for sale in the immediate area of the open house;
- Suggest that the sellers not be present and that they lock away all valuables that could be targets of theft;
- Place your A-Frames in strategic but permissible locations designed to route in as much traffic as possible;

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- Open the house, turn on the lights, and make the house look fresh and inviting;
- Have a sign-in sheet;
- Greet visitors in a friendly manner;
- Be aware of your personal safety. Let someone know where you are and have a plan if a visitor starts to make you feel uncomfortable or threatened;
- Accompany visitors through the property, especially in furnished properties; and
- When the open house is over, close up the home, making sure that all doors and windows are locked.

Showing Properties

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

- Whenever possible, call the listing agent to alert the seller before showing;
- Follow instructions in the MLS that relate to showings;
- Give the seller reasonable time to make the property ready for you and your client;
- Listing agents should give the seller an estimated time frame within which you expect to arrive. Be prompt. If you will be considerably late, call the seller or listing agent;
- If you have not heard from the seller before arriving, or if you are using the lockbox, go to the door first without your client;
- If the seller is home, explain the situation and ask for access;
- When using a lockbox, always ring the doorbell and/or knock and allow time to respond. Lockboxes are only there for the purpose of marketing the property or as permitted by the seller;
- Enter the property first and verify that no one is there. Open curtains and turn on lights as necessary;
- Allow enough time for your client to view each room and the exterior lots. Be mindful to look for any potential red flags about the property that may require discussion and disclosure;
- Do not leave your client unattended in or around the property. You don't want to be blamed if there is any damage or any items that are missing from the property later;
- When you are finished, leave your business card inside the property in a conspicuous place and return the property to its original state (turn off appropriate lights, reset any alarms, close windows, and/or lock the doors); and
- If for some reason you don't show the property, call the listing agent as soon as possible to cancel.

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Drafting and Negotiating Contracts

When preparing an offer to purchase on a purchase agreement form, or completing an addendum or counteroffer form, make sure of the following:

- Any inserted written language can be clearly understood by someone who is not familiar with the discussions you may have had with your client. Do not draft contractual language on your client's behalf;
- Review the document considering all prior offer terms, addenda and/or counter offers to make sure that there are no ambiguities or conflicts between the various terms; and
- Review the document to be sure it reflects your client's wishes prior to asking them to read and sign it.

Remember, as a listing agent, you must present all offers to the seller, even if the property is in escrow, unless the seller has given you written instructions to the contrary. Upon receiving the offer, review it thoroughly for completeness, accuracy, and clarity. Pay close attention to time limits set out in the offer, ESPECIALLY the time within which the seller must respond. Make an appointment as soon as possible to present the offer.

As with all contracts, you must obtain all parties' signatures. If a party signs on behalf of another, you must have evidence of that person's authority to do so in writing. If you must present an offer missing a signature, you must disclose this fact to the seller or listing agent. Be sure to condition the offer on obtaining any missing signature(s).

If your clients receive a counteroffer, be sure the terms are clear and complete. Be sure to review it against the original offer to purchase and all previous counter offers. Act expeditiously to present the counteroffer for consideration, signature, and timely delivery to the other agent.

Even if you may be a qualified professional in the financial or legal fields, you are strictly prohibited from giving any tax or legal advice or legal opinions in regard to a real estate transaction in which you're acting as an agent. If questions of a legal or tax nature arise, you should advise the client to consult with his or her own tax advisors or legal consultants.

Real Estate Settlement Procedures Act

No Kickbacks Allowed. The Real Estate Settlement Procedures Act (RESPA) generally prohibits a settlement provider (real estate agent, lender, title company, etc.) from giving or receiving cash or anything else of value for the referral of business or in expectation of the receipt of future business, pursuant to a pre-existing agreement. One exception is a referral fee paid between real estate brokers (but not mortgage brokers) for the referral of clients, in which case referral fees are allowed. RESPA generally applies to transactions involving properties with one-to-four residential units with a federally related mortgage loan (this includes most institutional loans). You may not, personally or on behalf of the Company, offer to give to, or accept from, any person without a real estate license a fee or thing of value for the referral of a client pursuant to a pre-existing agreement. In some cases, even if accepted these must be appropriately disclosed. If you have any questions as to whether to pay or accept such a fee or anything of value, contact your Manager.

The foregoing doesn't preclude you from giving gifts to your clients at closing and other times. But gift giving and receiving should be unconnected with referrals from unlicensed persons and vendors.

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No Arbitrary “Administrative” or “Transaction” Fees. Another important aspect of RESPA is that it prohibits real estate agents, among others, from charging fees for services not performed. Practically speaking, this means you cannot charge additional fees to your clients for things you didn’t do when you’re already collecting a commission. For example, charging a vague “administrative” or “transaction” fee simply because you encountered an unusually difficult or lengthy transaction is strictly prohibited. Additionally, you cannot charge such “fees” as an opaque way to cover your costs put into a deal, such as transaction coordination fees or marketing expenses. If you would like to recover your costs separate from earning a commission, you must specifically identify the costs to which you claim a right of reimbursement in your listing and/or buyer representation agreement. This includes your costs incurred from using Company transaction coordinators through TMS or Transaction Platform.

Referrals or Referral Only (LFRO) Associates

General. All referral fee agreements must be in writing, signed by the agent paying the referral fee, to be enforceable. When you have a client to refer to another real estate agent for whatever reason, the Company encourages you to do so bearing in mind a fellow an Associate within” Gold Nation”.

If your client needs to transact outside of the “Gold Nation” footprint, we encourage you to use a RE/MAX agent. If you need a suggestion for an agent to whom you may refer, we encourage you to ask your Manager for assistance.

Intra-Broker Referrals. For purposes of this Policy, “intra-broker referral” means a referral between Associates under the same broker license number. For example, if your license is affiliated with Auric Corp., and you intend to make a referral to a colleague whose license is also affiliated with Auric Corp. then you are making an intra-broker referral. We encourage you to use the referral form found on the Company website. The CAR form Referral Fee Agreement does NOT have a place for agent signatures; only broker or manager signatures. Because of this, the Company requires BOTH agents’ signatures somewhere on the document to show that both agents are acknowledging in writing the referral and the referral fee to be paid. And as a best practice, the Company strongly recommends is memorializing a referral by email. Along these lines, the referring Associate should always be sure to email the recipient Associate and document the client being referred, the property address (if the referral will involve a listing), and the percentage of the referral fee. Always involve your Manager in referrals to ensure their proper documentation.

Vendor Referrals

Never refer a vendor, contractor, or tradesperson to your client unless you have personally verified the current licensure of vendor, contractor, or tradesperson to be referred. If you cannot complete this verification for any reason, then you must advise your client that you have not verified licensure status and instruct the client to not proceed with hiring until the client is satisfied that the professional is properly licensed.

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Powers of Attorney

It is Company policy that you never act as an attorney-in-fact under a power of attorney for your clients. If your clients will not be available to sign documents related to a transaction, they should secure someone, other than you or someone connected with the Company, to act on their behalf. Prior to executing any listing agreement with a client who has designated an attorney-in-fact to act on the client's behalf with regard to the listing, be sure to closely involve your Manager, who will take the necessary steps to vet the power of attorney with General Counsel or another risk-management executive of the Company.

Loan Pre-Approval Letters

Even if a lender or mortgage broker provides you with an editable pre-approval letter for use with your clients' offers, do not edit such a document without expressly receiving the lender or mortgage broker's approval as to the nature and scope of your contemplated edits.

PERSONAL ASSISTANTS

Unlicensed and Licensed Assistants

The Company's policy is that your assistant is to be used in a support role to your real estate business. UNDER NO CIRCUMSTANCES should you authorize or allow your assistant to engage in acts for which a real estate broker or salesperson's license is required, EVEN IF your assistant holds a real estate license. The Company will not follow any instructions or contracts (including CAR form Personal Assistant Contract) purporting to require commission splitting between you and your assistant.

Payment/Tax Reporting

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

Associate-Personal Assistant Contract

As a best practice, you should have a written agreement with your personal assistant that expresses the nature of the relationship and each party's duties and responsibilities. Make certain you give a copy of the agreement to your Manager. In the event your legal and tax advisors recommend an employer-employee relationship between you and your assistant, the CAR form Personal Assistant Contract (PAC) is available to document this kind of relationship.

Supervision

You are responsible for supervising all activities of your personal assistant, including ensuring that your assistant is not performing activities for which a real estate license is required on a Company transaction.

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Indemnification for Assistant Acts or Omissions

YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD THE COMPANY HARMLESS FROM ALL CLAIMS, DEMANDS, LIABILITIES, JUDGMENTS, COSTS, FEES, AND AWARDS TO WHICH THE COMPANY IS SUBJECTED OR INCURS IN CONNECTION WITH YOUR ASSISTANT OR ARISING FROM AN ACT OR OMISSION BY YOUR ASSISTANT.

Workers' Compensation

No Workers' Compensation insurance is provided by the Company for assistants hired by Associates. Associates who hire assistants shall be responsible for providing Workers' Compensation insurance for those assistants when required. Associates should discuss this matter with independent counsel, a Workers' Compensation insurance representative, and/or check the State of California Division of Workers' Compensation website at: <http://www.dir.ca.gov/dwc/>.

ADVERTISING

General

For purposes of this Policy, "advertising" includes, but is not limited to, the following:

- All display advertising
- All classified advertising with any publication including newspapers and magazines
- All mass mailings and faxes
- Promotional/marketing emails and newsletters
- Internet postings
- Social media posts
- Televised advertisements
- Flyers
- Postcards
- "For Sale" signs and riders
- Billboards
- Business cards

The Company expects all Associates to comply with the DRE's Real Estate Advertising Guidelines, available at <https://dre.ca.gov/files/pdf/re27.pdf>. While the Company and/or your Manager may discuss periodic changes or updates to the Guidelines that the DRE might make, it is ultimately your responsibility to be knowledgeable of their most current iteration. For DRE compliance purposes, all advertising must be pre-approved by your Manager prior to publication or otherwise going live.

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You may only advertise property listed for sale or lease by the Company. Any time you advertise property you must include the term “Broker,” “agent,” “licensee” or “REALTOR®.” The NAR Code of Ethics requires that in any advertisement, the REALTOR® must disclose the name of the REALTOR®’s firm (the Company) in a reasonable and readily apparent manner. (Standard of Practice 12-5).

DBAs

A “dba” is a separate business name by which an entity or person conducts business. In real estate, dbas are required to be registered with the DRE. The Company expects all Associates to remain in DRE compliance with respect to their registration and use of dbas. Do not include unregistered dbas in transactional documents or advertising.

If you would like to register a dba, start that process by consulting your Manager.

Legal and Ethical Considerations

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

All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any advertisement that the Company deems to be false or misleading may immediately be withdrawn by the Company without notice to you. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make materially false statements or material omissions in an advertisement. Additionally, you may face disciplinary action by the DRE.

Finally, licensees who place listings in the MLS in expectation of compensation may be responsible for the truth of all representations in such listings, of which the licensee had knowledge, or reasonably should have had knowledge.

REALTOR® Trademark

The use of the name REALTOR® must be used in compliance with NAR guidelines governing the use of that name and mark. Those guidelines are available on-line at: <https://www.nar.realtor/>

National “Do Not Call” List

The Company is registered business with the “National Do Not Call Registry.” This means that the Company has access to the nationwide “do not call” list that is maintained and enforced by the Federal Trade Commission. If cold-calling or telemarketing is a part of your business generation and development, speak with your Manager so that you can obtain access to and consult the “do not call” list. Avoid beginning any cold-calling or telemarketing campaign without first involving your Manager. If you purchase leads through a third-party provider, RE/MAX Gold requires that you refrain from calling any leads who are flagged as “do not call” or equivalent.

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Even if a number is present on the registry, you may still place a phone call if you have (1) written permission, (2) an established business relationship, or (3) a personal relationship. “Written permission” means the person being called has given prior express permission to call as evidenced by a signed, written agreement to be contacted at a specific number (e.g., CAR’s Consent for Communications form). “Established business relationship” means a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a residential subscriber on the basis of either:

- The consumer’s business transaction with the Company in the past 18 months; or
- The consumer’s inquiry or application regarding the Company’s services within the past three months.

“Personal Relationship” means any family member, friend, or acquaintance of the person making the call.

Other procedures for your protection are as follows: Do not initiate calls to home or cell phone numbers without checking the latest “National Do Not Call Registry.” If you call a number that isn’t flagged, but the person called asks you to refrain from future calls, be sure to make a note of the date and the name (if provided) and number of the person called. The law requires such a person’s request to be honored for five years.

Ultimately, it is your responsibility to adhere to telemarketing laws. YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD THE COMPANY HARMLESS FROM ALL CLAIMS, DEMANDS, LIABILITIES, JUDGMENTS, COSTS, FEES, AND AWARDS TO WHICH THE COMPANY IS SUBJECTED OR INCURS IN CONNECTION WITH YOUR TELEMARKETING ACTIVITIES.

Regulation Z

You are required to adhere to the requirements of federal Truth-in-Lending laws (also known as “Regulation Z”) for advertising certain credit transactions or financial terms. Under Regulation Z, if an advertisement states a specific finance charge, the charge must be expressed as an annual percentage rate (APR).

If any of the following terms are used in an advertisement...

- The amount or percentage of the down payment
- The amount of any installment payment
- The amount of any finance charge
- The number of installment payments
- The period of repayment

...then the advertisement MUST include all the following specific terms

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- The amount or percentage of the down payment
- The terms of repayment, reflecting the obligations over the full term of the loan, including any balloon payment
- The annual percentage rate, using the phrase “annual percentage rate”; and if the annual percentage rate may be increased after the transaction is consummated, that fact also must be included.

The Company does not allow any advertising which refers to specific commission rates, fees, rebates, or discounts (for example, “list with me for 1%” or “call me about my discounted rate”).

Any long-term advertising that cannot be retracted, such as Yellow Pages advertisements or neighborhood directories, must be approved by your Manager prior to publication.

Fair Housing in Advertising

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

Federal law states that a broker may not print, publish or make any discriminatory notice, statement or advertisement which indicates a preference, limitation or discrimination in the sale or rental of a dwelling. The prohibition against discriminatory advertisements applies to all oral and written statements, the latter of which include flyers, brochures, signs, banners, posters, and billboards used in the sale of a dwelling.

Be aware that the selective use of words, phrases, symbols, visual aids, and media in the advertising of real estate may indicate preferences held by the advertiser and lead to allegations of discriminatory housing practices. For example, words in a real estate advertisement which indicate a particular race, color, sex, disability, familial status, national origin, religion, creed, age, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income, or genetic information may violate the Federal Fair Housing Act and/or the California Fair Employment and Housing Act and may not be used in Company advertisements at any time.

Email Accounts

If you ever receive threatening, harassing or improper communications from a client, employee, or fellow Associate, then immediately report this development to your Manager. All emails involving real estate transactions should be treated carefully and, when appropriate, encrypted to prevent fraud.

Websites

The Company maintains a website featuring all of its Associates and their respective listings. Upon affiliation, you are free (and encouraged) to have or maintain you own website. If you maintain your own website, ensuring that it complies with privacy laws, accessibility laws, DRE regulations, local association requirements, and the NAR Code of Ethics is solely your responsibility. **YOU AGREE TO INDEMNIFY AND HOLD THE COMPANY HARMLESS FROM ALL CLAIMS, DEMANDS, LIABILITIES, JUDGMENTS, COSTS, FEES, AND AWARDS TO WHICH THE COMPANY IS SUBJECTED OR INCURS IN CONNECTION WITH YOUR WEBSITE.**

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Software and Tech Equipment Insurance

You are responsible for acquiring and maintaining all software and hardware needed to provide professional real estate services, such as a computer, printer, computer faxing software, and C.A.R. forms software.

The Company doesn't ensure your personal property. Each Associate should purchase coverage on their personal computer or laptop, printer, and other equipment and gadgets as deemed appropriate. Check with your insurance agent for more information.

Internet Usage

Internet communications may not be secure. The Internet should not be used for communications that require confidentiality or involve financial transactions without ensuring the security of the communication via an accepted mechanism and procedures (e.g., encryption, two factor authentication when appropriate).

Suggestions to avoid cybercrime:

- Use secure, encrypted WIFI connections and be skeptical of unsecured, public WIFI;
- Be careful when using social media. Do not provide your location information on social networks or check-in sites because criminals often find potential victims using this shared information; and
- Use email cautiously. Enable two factor authentication. Check access details regularly to ensure no compromises have occurred. Your email service may offer alerts to notify you of unusual activity, so you should activate this service if available. Think carefully before clicking on an embedded link and select only those from a confirmed legitimate source or destination you recognize. When in doubt, contact the sender to confirm the email is legitimate, or delete the email entirely. Avoid sending personal information in emails or texts. If you need to send personal information, use an encrypted email service.

DISCRIMINATION POLICY

Fair Housing Laws

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

It is illegal to discriminate against any person because of age, race, creed, color, religion, sex, disability, familial status, or national origin:

- In the sale or rental of housing or residential lots;
- In advertising the sale or rental of housing;
- In the financing of housing;
- In the provision of real estate company services;

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- In the appraisal of housing; and
- “Blockbusting,” or inducing or attempting to induce, for profit, a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes
- In the appraisal of housing; and
- “Blockbusting,” or inducing or attempting to induce, for profit, a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.

In addition to the protected classes described above, the California Fair Employment and Housing Act and other state laws also prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on other grounds. Therefore, based upon the federal and state laws when considered together, discrimination is prohibited based upon: race; color; national origin or ancestry; religion; sex; familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18); disability; sexual orientation; gender identity and gender expression (a person’s gender-related appearance and behavior whether or not stereotypically associated with the person’s assigned sex at birth); marital status; ancestry; breastfeeding and any medical conditions connected to breastfeeding; age; medical condition (including HIV status); victim of domestic violence; source of income; religious grooming or clothing practices; genetic information; immigration status or the absence of immigration or citizenship documentation; citizenship; primary language; or any arbitrary classification.

NAR and the U.S. Department of Housing and Urban Development (“HUD”) developed a REALTOR® Fair Housing Declaration, a guideline of general fair housing principles, to which the Company firmly subscribes. Under the fair housing principles, you agree as follows:

- Provide equal professional service without regard to the race, color, religion, sex, handicap, familial status or national origin of any prospective client, customer, or of the residents of any community;
- Keep informed about fair housing law and practices, improving your clients’ and customers’ opportunities and your business;
- Develop advertising that indicates that everyone is welcome, and no one is excluded, expanding your clients’ and customers’ opportunities to see, buy or lease property;
- Inform your clients and customers about their rights and responsibilities under the fair housing laws by providing brochures and other information;
- Document your efforts to provide professional service, which will assist you in becoming a more responsive and successful REALTOR®;
- Refuse to tolerate non-compliance;
- Learn about those who are different from you and celebrate those differences;
- Take a positive approach to fair housing practices and aspire to follow the spirit as well as the letter of the law; and

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- Develop and implement fair housing practices for your firm to carry out the spirit of this declaration.

Source: National Association of REALTORS® at <https://www.nar.realtor/divweb.nsf/Pages/fairhousdec?OpenDocument>

All Associates of the Company will adhere to the process as outlined in NAR's Fair Housing Handbook.

Client Letters

Letters from potential purchasers of property to sellers are risky because they may invite knowing or unknowing discriminatory conduct by sellers. If you are a listing agent, Company policy requires that you refrain from advising your seller to collect buyer letters from prospective purchasers of the property. If your seller raises the issue, gently explain to him or her that Company policy disallows your participation in collecting and distributing buyer letters, with reference to CAR form Fair Housing & Discrimination Advisory (FHDA) at paragraph no. 8.

If you are a buying agent, then you should always refrain from proposing to your buyer that he or she prepares a buyer letter for the seller's review. If your buyer suggests or offers a letter, then you should respectfully decline to do so, with reference to Company policy and CAR form FHDA.

Discrimination and Harassment Prevention and Investigation

The Company rejects discrimination, implied or express, in all forms and expects its Associates to respect statuses including, but not limited to, race, ethnicity, religion, gender, gender identity, sexual orientation, familial status, or military service. 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 ICA with the Company may also be terminated.

Professional behavior is a requirement around your fellow Associates, Managers, Company employees, staff and customers. Harassment is strictly prohibited in this Company. There are many categories of harassment, some of which are included as follows. Descriptions are by way of example and not limitation:

Sexual Harassment. Displaying power over a man or a woman because of gender through disparaging gender-related remarks and threatening behavior. Unnecessary touching, unwelcomed jokes of a sexual nature, inappropriate gestures or use of suggestive materials, intimidating or otherwise inappropriate behavior, such as asking for, or offering, sexual favors, homophobic remarks, threats to disclose sexuality, and intimate questions about sexual activity.

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

Bullying. Bullying can be physical or psychological. Examples of psychological bullying include unmerited criticism, isolation, shunning, gossip, essential information withheld, making fun of another's personal appearance or circumstance, or behavior that is otherwise intimidating or demeaning.

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Harassment of Disabled Persons. The discussion of the effects of a disability on an individual's personal life, uninvited touching or staring, and inappropriate comments or questions about the impact of someone's disability.

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

Stalking. Stalking can be physical or psychological. Examples include leaving repeated or alarming messages on voicemail or email, following people home, or approaching others to ask for someone's personal information.

RISK MANAGEMENT AND LEGAL MATTERS

Your Manager

Your Manager or Managing Broker will always be your first point of contact for asking any questions or reporting any problems. You're required to immediately report to your Manager any problem that pertains to:

- Automobile accidents involving property damages or personal injury to you or others while you're engaged in Company business;
- Physical injuries on or around Company property or while otherwise participating in real estate activities;
- Any and all criminal charges brought against you, excepting minor traffic offenses;
- Any and all civil lawsuits brought against you;
- Any contact initiated by the DRE, a local association of realtors, CAR, NAR, or the MLS for any matter that may pertain to an alleged infraction, dispute, or disciplinary action;
- Threatened legal or administrative actions involving your real estate transactions on behalf of the Company;
- Acts you perceive as potentially discriminatory or harassing behavior that is committed by a fellow Associate or principal to a transaction; and
- Unresolved and or escalated disputes between you and a fellow Associate.

Broker (Designated Officer)

The Broker (or Broker of Record) is the person identified as the Designated Officer of a real estate corporation. The Broker is legally responsible for supervising the real estate activities of all Company Associates. The Company has delegated some of the Broker's supervisory responsibility to Managers and File Reviewers.

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Pre-Close Transactional Challenges

You may need help with resolving a transactional question or issue while a deal is still pending. The Company employs a tiered approach to transactional challenge resolution to facilitate clear communication and predictable procedures.

(1) **Start with your Manager.** Your Manager is always the starting point for your questions as to how to deal with a transactional challenge. If you are confronted with a problem before the close of escrow that you aren't sure how to solve, involve your Manager at the earliest opportunity. Many problems can be solved or avoided with early intervention.

(2) **Your Manager may involve the Director of Compliance and Office Development.** Your Manager might wish to confer with the Director of Compliance and Office Management to resolve your challenge. Do not bypass your Manager by raising a challenge or issue directly with the Director of Compliance and Office Management.

Post-Close Claims and Defense Litigation

In the event you are the subject of a post-closing claim, such as one introduced by an attorney's demand letter (on behalf of a former client) or a lawsuit by becoming a named defendant in a complaint arising from one of your transactions, immediately report and provide the claim or complaint to your Manager.

The Company has the right to make all decisions concerning the defense of the claim, including whether to hire counsel and choice of counsel to be hired. In the event you object to any decision made by the Company, including whether to settle a claim or the amount of the potential settlement, or fail to cooperate with the Company's litigation strategy in any respect, the Company has the right to require that you retain your own attorney at your own expense.

Settlements

If a dispute arises pertaining to a past or present transaction involving the Company which...

- cannot be resolved by negotiations between the parties and the real estate licensees involved; or
- the Company determines that it is in the best interest of the Company to resolve the matter rather than risk a potential claim or litigation after close or for any other reason;

...then the Company has the right to negotiate a resolution of the dispute on its own behalf, and on your behalf as an Associate. **DO NOT OFFER SETTLEMENTS UNLESS YOU DECIDE TO PERSONALLY PAY THE SETTLEMENT FROM YOUR OWN COMMISSION OR FUNDS. THE COMPANY WILL NOT HONOR A SETTLEMENT YOU NEGOTIATED ON YOUR OWN THAT PURPORTS TO INCLUDE THE COMPANY. ONLY AN EXECUTIVE TEAM MEMBER CAN BIND THE COMPANY TO A SETTLEMENT AGREEMENT.**

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Communication with Attorneys

The Company's attorney-client privilege may apply between communications between an Associate and General Counsel or outside litigation counsel pertaining to a transaction or other Company matters. When communicating with inside or outside counsel in writing, never forward these written exchanges to persons or entities outside of the Company, including your clients. To the extent your communication is verbal, never describe the contents of your phone call to persons or entities outside of the Company, including your clients. **DO NOT STORE EMAIL EXCHANGES WITH ATTORNEYS REPRESENTING THE COMPANY AND/OR YOU IN SKYSLOPE.**

Litigation as a Claimant or Plaintiff

The Company shall have no obligation to bring a legal action, mediation, or arbitration on your behalf to pursue any claim or matter.

DRE Investigations or Inquiries

If you receive a letter or email from a DRE investigator inquiring about one of your transactions or otherwise seeking information and/or documents relating to it, notify your Manager immediately. **DO NOT** unilaterally respond to the investigator's requests without consulting with your Manager.

RESOLUTION OF DISPUTES

Disagreements Between the Company and an Associate

The Company's core mission is to support you and your business and assist you with becoming the best possible real estate agent you can be. In the unlikely event you take issue with the Company in any respect, the Company is committed to resolving your grievance in a respectful manner and consistent with its policies, the law, and ethical considerations. The starting point to resolution will be reaching out to your Manager. Depending on the nature of the issue, the Company may involve other persons, including executives, as it deems appropriate.

If the dispute or disagreement is not internally resolvable, then the Company may seek your cooperation to voluntarily initiate mediation

Disagreements Between Associates

It is the Company's policy to prevent or limit involvement of the clients/customers in any dispute between Associates. First, you must try to come to an acceptable resolution yourself. Be professional in your dealings with your fellow Associate over a disagreement.

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In the event you and the Associate(s) with whom you have a dispute cannot be independently resolved among yourselves, you are required to participate in the Company's internal conflict resolution process, which entails the following.

Manager involvement and review. You should bring the dispute to the attention of your Manager. Your Manager will attempt to facilitate fair resolution between you and your fellow Associate(s), perhaps in the process working with the Manager(s) of your fellow Associate(s) as appropriate.

Dispute resolution panel. In the event Manager intervention is unsuccessful, inappropriate, or impractical, your Manager(s) will refer the dispute to the Company's dispute resolution panel, which consists of the Director of Compliance and Office Development and a Market Vice President. In the event you or a fellow Associate feels like one or more of the panelists are not in a position to render an impartial decision, the Broker will replace the panelist with a Manager who doesn't have a working relationship with any of the participating Associates.

You and your fellow Associate(s) will then be required to submit any documents or communications you feel are relevant to the panel's analysis of the dispute. The panel will hold an informal hearing, during which time the panel will discuss the dispute with all parties involved. After this hearing occurs, the panel will make its decision in writing and share it with you and your fellow Associate(s). This entire process is confidential and will not be disclosed to other Associates not party to the dispute or to persons outside of the Company.

THE COMPANY'S OBJECTIVE WITH THIS INTERNAL DISPUTE RESOLUTION PROCESS IS TO CONFIDENTIALLY DE ESCALATE AND RESOLVE INTERNAL CONFLICTS. CONSISTENT WITH THIS OBJECTIVE, ASSOCIATES, BY VIRTUE OF THEIR AFFILIATION WITH THE COMPANY, AGREE TO REPRESENT THEMSELVES AT THE HEARING AND BE BOUND BY THE PANEL'S DECISION. ASSOCIATES FURTHER AGREE TO REFRAIN FROM FILING A COURT OR ARBITRATION ACTION ARISING FROM OR RELATING TO THE DISPUTE OR THE PANEL'S DECISION AGAINST EACH OTHER OR THE COMPANY IN ANY RESPECT.

Disputes with Outside Agents

Local associations of REALTORS® are the Company's preferred means of resolving any disputes that might arise between its Associates and agents who are affiliated with other companies. In the event you have an ethics or other complaint lodged against you with a local association, inform your Manager immediately. The Director of Compliance and Office Development and your Manager are together responsible for representing you and the Company at any and all matters before a local association of REALTORS®.

In the event you are considering filing an ethics or other complaint with an association against an outside agent, avoid doing so without discussing and clearing the matter in advance with your Manager.

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CONFIDENTIALITY

You must safeguard the privacy and personal information of clients in compliance with federal and state laws. Personal information includes, but is not limited to, email addresses, phone numbers, residence addresses, employer identity and/or place of business, and etc. You must be sensitive to confidential information within the office and among the Associates of the Company. Confidential information includes, but is not limited to, personal or business income information, property development, purchase, or selling plans, and etc. The following procedures and policies are intended to protect the privacy of the Company's clients and the confidentiality of their affairs:

- You should never sell or disclose your clients' personal or confidential information to any third party without consent.
- The Company's listings and transaction files are to be kept confidential and are not to be accessed by other Associates aside from those directly involved in the listing or transaction.
- Emails, faxes, letters, text messages, and other writings arising from or relating to a client's transaction should be logged in the transaction file (SkySlope) and treated with confidentiality.
- The sending of transactional documents for review and/or signature, if not done digitally through platforms such as DocuSign, ZipForms, and/or SkySlope, should be done in a manner that preserves confidentiality and ensures that only the intended recipient(s) will receive and review.

DISASSOCIATION

Grounds

Your ICA with the Company is terminable by either party, with or without cause, at any time and with or without notice. As a general matter, however, the Company may terminate an ICA upon an Associate's violation of Company policy, MLS rules, NAR Code of Ethics, criminal conviction, civil judgment or administrative penalty, violation of Real Estate Law, dishonesty, or conduct that's inconsistent with the Company's core values.

Charges and Compensation upon Disassociation

Listings. Listings are the property of the Company, which has the right to retain listings with client consent. If you leave the Company in good standing, however, listings may go with you to the extent each listing client consents to moving to your new brokerage. Listings may not be released if you are terminated for cause by the Company or if you have outstanding fees. In certain circumstances, listings will be released to you (provided the Seller chooses to move his/her listing with the Associate) upon the execution of a Referral Fee Agreement with your new brokerage. If your client insists that the listing stays with the Company, then the listing will be assigned to another Associate.

Pending Transactions. All pending transactions (pending sales, pending accepting back ups, pending subject to court approval, pending short sale contingent, and pending with a release clause), whether Buyer or Seller side, stay with the Company. Commissions will be paid to you as described below.

Fee Calculations. Upon disassociation, an Associate's fees paid to the Company are based on the program the Associate is on at the time of departure and/or consistent with your Commission Addendum