



Presidio Real Estate

Policy and Procedure

Manual



CONGRATULATIONS, AND WELCOME!

On behalf of the leadership team and Presidio Real Estate, we would like to welcome you and wish you the very best of success here!

We are excited to assist in your success and hope your experience will be rewarding, challenging, fun and educational. We are confident this will be an incredible opportunity for you as you invest in yourself and become an active participant in the features and benefits Presidio Real Estate provides. Please do not hesitate to reach out with any questions or concerns you may have. Again, welcome!

Sincerely,

Jennifer Yeo
Owner / CEO / Principal Broker
Presidio Real Estate

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THE COMPANY POLICIES AND PROCEDURES MANUAL

This manual is to establish a uniform system of daily conduct when dealing with each other, other members of PRESIDIO REAL ESTATE COMPANY, dba PRESIDIO REAL ESTATE (“Company”), our clients, and members of the public. You are responsible to read and review this manual and to comply with its policies and procedures. If you have any questions, please ask the principal broker, branch / managing broker or executive team.

When reviewing these office policies, keep in mind we work in a changing, regulated industry. Because of that, these office policies will change to address best practices or new regulations. The principal broker, and or executive team retains the right to make decisions involving policy changes as needed in order to conduct work in a manner that is beneficial to employees, agents, customers, and the Company. This office policy manual replaces any and all prior handbooks, policies, procedures and practices of the Company.

Agents in the Company are Independent Contractors, and they have a contractual relationship according to their Independent Contractor Agreement (“ICA”), and any Addenda to the ICA, with the Principal Broker. Agents are not employees of the Company and are not entitled to any employee benefits. However, agents must abide by the office policies and must strictly adhere to all Federal, State, and local Fair housing laws, the laws and rules governing real estate agents, MLS policies and procedures, and professional and ethical standards in the most current version of the National Association of REALTORS® Code of Ethics. Failure to comply with Company policies or procedures, local and state laws, MLS policies and procedures, or the REALTORS® Code of Ethics may result in the end of the contractual relationship. The Principal Broker shall maintain adequate supervision of each licensee and unlicensed staff member directly or indirectly with the assistance of branch / managing brokers, leadership staff and the executive team of the Company. This supervision shall occur, but not limited to the following: Phone calls, emails, text messages, trainings and meetings, coaching, continuing education, policy, and procedures, live and prerecorded video conferences/trainings, division, and code of ethics trainings and through the Company used transaction management systems and software. The principal broker, branch / managing brokers and or executive team will be involved in meetings, coaching and trainings for the purpose of collaborating, training, and updating independent contractors and the company with new policy and procedures and licensee issues.

These policies in no way are intended to modify or amend the terms and conditions of the ICA. Nothing in these policies is intended to alter the right of either party to terminate the Independent Contractor Agreement, with or without cause, with advance notice as set forth in the Independent Contractor Agreement. Neither the policies contained in this manual, nor any other written or verbal communication by the principal broker, branch / managing broker, or executive team are intended to create a contract of employment or a warranty of benefits. The policies contained herein may be added to, deleted or changed by the Company in its sole discretion, except that will not modify the policy regarding the parties’ independent contractor relationship in any case. No officer, employee, or other representative of the Company is authorized to enter into an agreement – express or implied – with any agent for employment without written authorization from the owner / CEO. The Independent Contractor shall follow all Federal, State, and local Fair Housing laws, Division of Real Estate (DRE) Administrative Rules and Code, NAR Code of Ethics, local MLS policies and procedures and company policies and procedures.

ADVERTISING POLICY (OVERALL)

The Company is authorized, at its sole discretion, to advertise any and all listings in any form, media, or place the Company deems appropriate. The specific procedures for advertising properties with the Company may be found in other training materials. These procedures, such as where and when properties are advertised, are subject to change. The policies stated here primarily regard to the legal and risk reduction aspects of advertising. Agents are required to follow all federal, state, and local laws regarding the advertising, and must do their due diligence to ensure compliance, specifically those stated in R162-2f-401h of the state administrative rules, NAR Code of Ethics and Company Policies and Procedures.

The following policies apply to all property contracted with PRESIDIO REAL ESTATE.

1. Advertising Defined: It is the policy of the Company, that the term “advertising” is to be broadly interpreted to include any communication, whether oral or written, via video or through social media, between an agent and the public
2. The Agent shall identify the Company name in all advertising as registered with the Division of Real Estate, including but not limited to email, voicemail, all social media and electronic advertising, radio, billboards, etc.
3. Necessity of Signed Listing Agreement: No property will be advertised in any way without a signed written listing agreement on file with the Company. The listing agreement in the hands of the agent is not sufficient. If a listing agent has a listing, and would like to advertise the property, the original or a copy (pdf/faxed copy) of the original must be in the hands of the broker, branch/managing broker or executive staff. This can be accomplished by uploading a Fully Executed Contract into Presidio’s Back End System / Transaction Management System (“TMS”) within Five (5) days of execution.
4. Changes: No price changes or other substantive changes to the listing will be processed unless the change of price or other appropriate information has been authorized by the seller in writing and the written authorization is received by the broker, branch/managing broker, executive staff, and or uploaded into the company’s TMS.
5. Advertising Features As “New”: Features of the property desiring to be advertised as "new" shall be substantiated by written receipts or other evidence of payment from the owner showing the date the work was done. The agent is responsible for verifying this information and if they do, then the agent will be permitted to advertise the featured item as “new” with the appropriate date. If the verification is not completed by the listing agent, then the agent must use other words such as "newer" or "recent" to describe the feature. If an agent does not follow this policy regarding any information sheets or other documentation/advertising the agent prepares, the agent will be solely liable for any errors or omissions which later cause any losses.
8. “Personal Advertising”: Personal advertising by individual agents is encouraged. Any personal advertising must be approved by the broker, branch/managing broker, or executive staff. Utah Rules of Administration Rule 162-2f-401h requires all advertisements to include the name of the brokerage. Furthermore, all sign panels that are customized, personalized either for an individual agent or a team, must be in the colors of the brokerage themes. (Black, Gray/Silver, Gold for Luxury) If you use a name in your real estate business which is different from the name on your real estate license certificate (which should be your legal name), you may be in violation of the Real Estate License Law.

For example, suppose your full legal name is Wayne Gretzky, but you prefer to go by “The Great One” in connection with your real estate business. Your advertisements in the local home’s magazine, newspaper

and on the web, simply say, “For all your real estate needs, think “The Great One!” Likewise, your business cards and sign riders identify you only as “The Great One.”

This method of identification is insufficient under the law even if your ads, cards, and stationery include your company name, address, and phone number. The name under which you do business should be enough to identify you legally and to assure that you are not misleading the public as to your identity. By using only “The Great One,” you are engaging in business under a name not legally your own, and thus effectively concealing your identity. While you may not intend to deceive, you do so by not using your legal name.

First Names

Nicknames have always been common, and you can certainly use one in place of your legal first name. The key is to remain readily identifiable to the public and to the Real Estate Commission. Some nicknames are short versions of a longer name and are commonly known. For example, William may go by “Will” or “Bill,” Robert by “Rob” or “Bob,” and Elizabeth by “Liz,” “Beth,” or even “Betsy.” In these kinds of situations, you may use a nickname because your actual name can be easily determined. Similarly, a nickname involving the use of initials in place of your given name is acceptable, as when Thomas Joseph Jefferson goes by “T. Joseph Jefferson” or even “T.J. Jefferson.”

Other nicknames are not logically associated with the user’s first name. For example, if your name is John Smith and you use a nickname like “Smitty” a member of the public would have no way of knowing that you are actually “John Smith.” In order to assure that you can be easily identified, your business cards and correspondence should include your full name together with your nickname. This can be done in various ways. For example, your business card might read, “John” ‘Smitty’ Smith, Broker,” and your newspaper ad could say, “For all your real estate needs, call Smitty! (J. Smith, Broker).”

Last Names

On the other hand, using a surname that is not your own is not allowed. If you have an awkward or lengthy surname, you may wish that you could shorten or simplify it only in connection with your real estate business. While the goal is understandable, the result is misleading if you haven’t legally changed your name. For instance, if your surname is “Alexander”, you can’t simply call yourself “Mr. Alex” or “Mr. Xander” in your brokerage activities, so long as your legal name remains Alexander. If you want to become “Alex” or “Xander,” you should legally change your name. The most straightforward way to do this is to go through a judicial name change proceeding before the clerk of court in the county where you reside.

If you don’t want to go to the trouble of changing your name legally, then you should use your legal name in all aspects of your business. You cannot avoid the problem by filing an assumed name registration in the office of the register of deeds. That procedure is only for business names--not for personal name changes.

9. Regulation “Z”: Any advertising containing financial terms of the offering must comply with federal Truth-in-Lending laws, also known as “Regulation Z.” Regulation Z requires that all of the terms of the financing be stated if any "triggering terms" are used. "Triggering terms" are terms such as the amount of down payment ("10% down"), the amount of any payment ("Only \$595 per month"), the period of repayment ("40-year loan available") or the number of payments ("Only 48 monthly payments).

If any of these terms are used, the following disclosures are required:

- a. Amount or percentage of down payment.
- b. Terms of repayment.
- c. Annual Percentage Rate, stated and calculated as such.

Use of any interest rate in advertising is not allowed. Only the Annual Percentage Rate, stated and calculated as such, is allowed. Therefore, a property cannot be advertised as having a "7% assumable VA loan."

Not all terms trigger Regulation Z disclosure. Some examples of terms which can be used without triggering Regulation Z disclosure are "No down payment", "Financing Available", "Special Financing", or "Assumable Loan".

Internet Advertising

- a. All agent-created or -utilized online advertisements, Web pages, domain names, sponsorships, links, frames, blogs, videos and other electronic media (referred to as "Internet advertising") must conform to state and federal law and to Company identity standards.
- b. All Internet advertising must be approved by company management before going online. This policy covers personal Websites, blogs, video's and listings posted on any site other than the Company's Web site.
- c. Any contract for Internet advertising must be reviewed and approved by Company management before the agent signs it.
- d. All Internet advertising must contain appropriate content and shall not contain links to any inappropriate content nor be sponsored by any person or entity that has not been specifically approved by Company management. (Examples of inappropriate content include racial or ethnic "hate" content, content that is excessively violent, and sexually explicit content.)
- e. The agent will be responsible for all costs of the Internet advertising that he or she has contracted for. The agent may not enter into any contracts for Internet advertising in the Company's name; instead, the agent must enter into such contracts in his or her own name. If the Company becomes liable for an agent's Internet advertising contract, the agent will promptly reimburse the Company the costs of the advertising and/or the Company will have the right to deduct such costs from any pending commissions due to the agent.

ADVERTISING POLICY (INTERNET)

1. All advertising, web pages, domain names, sponsorships, links, frames, blogs and other electronic media (referred to as "Internet advertising") must conform to state and federal law and to any identity standards which the company or the company's franchise has or may have in the future.
2. All Internet advertising must be approved by company management before the advertising begins. This includes personal websites, blogs, and any postings of listings on any site other than the company's website, the company's franchise's website, or REALTOR®.com.
3. All contracts for Internet advertising must be reviewed and approved by company management before the licensee enters the contract.
4. All Internet advertising must contain appropriate content and shall not contain links to any inappropriate content, nor be sponsored by any person or entity which has not been specifically approved by company management.
5. The licensee shall be responsible for all costs of Internet advertising which has been contracted for by the licensee. The licensee will not enter any contracts for Internet advertising in the company's name and shall enter such contracts in the licensee's individual name. If the company becomes liable for any contracts entered for Internet advertising entered by the licensee, the licensee will promptly reimburse the company for the costs of the advertising and/or the company will have the right to deduct such costs from any pending commissions due the licensee.

ADVERTISING POLICY (SOCIAL MEDIA)

Presidio Real Estate values social media. Its proper use creates awareness of our purpose and mission. It is also a great communication and marketing tool. As a representative of Presidio Real Estate, what you share on the Internet is (or may be interpreted to be) representative of the Company and, in any event, must be approached with caution. The written word is easily misunderstood and misinterpreted, especially REALTOR® or staff members are held to a higher standard by others. The Company respects your right to interact and communicate about non-association related matters using the Internet. To protect the Company from the posting of comments and information that may have a harmful effect on its reputation and/or its employees and REALTOR's® the following policy has been developed. For the purpose of this policy, “engaging in social media” means posting or uploading content to any type of interactive electronic communication including but not limited to websites, blogs, social networks, discussion boards, and any other platform.

- 1) Be sure to follow the NAR Code of Ethics and refrain from posting anything that could be construed as discriminatory, reckless, or that may damage the reputation of a competitor.
- 2) Since the Internet is public space, you must refrain from engaging in social media that may disparage or harm the image or reputation of the Company, its employees, other REALTORS®, violate the NAR Code of Ethics, or Division Rules, and any other protected class.
- 3) You assume all risks associated with engaging in social media.
- 4) Before engaging in social media, know The Companies position on issues. Be sure your opinion and views expressed are yours alone and that any statements, opinions, and beliefs do not necessarily reflect the views of the Company.
- 5) When engaging in social media, be vigilant to ensure that you do not disclose any information that is confidential or proprietary to the Company or to any third party that has disclosed information to us. This includes but is not limited to the Companies financials or audit reports.
- 6) Use caution when posting photos of leadership, staff, and members from REALTOR® events. Posting pictures of meetings can come across in a harmful way to the Company.
- 7) When engaging in social media, do not expect your comments to be private. Even comments posted in private groups can easily be shared publicly.
- 8) When it comes to political advocacy and candidate campaigns, represent, and conduct yourself online as a member of the Realtor® Party, which supports real property rights regardless of political affiliation.
- 9) RPAC investments should not be solicited in any online public forum.
- 10) Do not share or publicly post any decisions that are confidential. This includes Company matters, personnel, staffing, any real estate related decisions and financial information.
- 11) In the event a negative or controversial post about the Company or our industry is made on social media, consult with the Company Executive Team to determine what sort of response, if any, is warranted.
- 12) Avoid participating in discussions or even “liking” a comment / post on Facebook or other social media outlets that could be viewed as anti-competitive, disparaging or otherwise harmful to a competitor's business or anyone else. Antitrust violations (i.e., price fixing, boycotts, etc.) are not permitted.

AGENCY POLICY

The Company adopts this written policy identifying and describing the relationships in which the licensees of PRESIDIO REAL ESTATE may engage with buyers, sellers, landlords, or tenants.

The Company acts as seller's agents (and/or landlord's agents) or as buyer's agents (and/or tenant's agents) through written listing agreements or written buyer (and/or tenant) agency agreements or other written agreements for brokerage services with sellers (and/or landlords) or buyers (and/or tenants). The Company will not represent a buyer, seller, landlord or tenant without a written agency agreement. To establish agency, a written agreement shall be put in place by using the appropriate Exclusive Right To Sell Listing Agreement and or Exclusive Buyer Broker Agreement as stated in this policy and procedures manual. All parties on title to the property, or Trustees of the Trust, or Manager of the entity, or assigned power of attorney (POA), shall be required to execute all agreements, including all addenda (if applicable), disclosures, closing documents, etc.

LIMITED AGENCY POLICY: Limited Agency means the informed consent and representation of each of the principals in the same transaction to negotiate a mutually acceptable agreement. This representation requires the Contractor to act as a neutral third party while continuing to maintain their fiduciary duties to both parties. In addition to being a neutral third party as the Contractor, the following fiduciary duties become limited in a limited agency situation, loyalty, confidentiality, and full disclosure. Because of this challenge, the Company requires approval from the broker, or branch/managing broker before a Limited Agency relationship is created. It is the Company policy for all Limited Agency Agreements to be signed by broker, branch/managing broker, or executive staff.

If a represented buyer desires to purchase a company listing (in-house sale), the Company will act as a Limited agent in the transaction with the consent of all parties to the transaction. Written consent of all parties to a Limited Agency transaction is required before the Company will act as a Limited agent. Consent to act as a Limited agent shall be obtained from seller and buyer clients prior to the time of entering into a Real Estate Purchase Agreement "REPC". All though Limited Agency is disclosed in the Exclusive Right to Sell Listing Agreement and the Exclusive Buyer Broker Agreements, a separate Limited Agency Agreement must be fully executed between buyer and seller before Limited Agency will be accepted by the Company.

UNREPRESENTED BUYER POLICY: The Company will work with unrepresented buyers (and/or tenants) to sell its listings or will work with those buyers (and/or tenants) to sell listings of other brokers as subagents of those brokers when offers of cooperation and compensation are offered to subagents, either through written offers of Sub-Agency or through unilateral offers of Sub-Agency made in any multiple listing services in which the Company participates. Licensees of the Company engaging in Sub-Agency must comply with applicable laws and rules regarding disclosure of Sub-Agency to the buyer (and/or tenant).

AGENCY POLICY (DISCLOSURE)

Complementing the agency policy chosen by the company is the Utah Administrative Rules & Procedure R162-2f-401a. The Company maintains a policy promoting discussion of agency relationships at the first reasonable opportunity with a customer or a client.

Utah Law also requires that in every real estate sales transaction, a broker representing a buyer shall disclose to the seller or seller's agent, at the initial contact with the seller or seller's agent, that the broker represents the interests of the buyer. Additionally, the broker shall, no later than the time of delivery of an offer to the seller or seller's agent, provide the seller or seller's agent with a written confirmation disclosing that they represent the interests of the buyer.

Considering the increasing emphasis in the industry on agency relationships, the Company, prefers and urges that each agent discuss agency relationships with customers and clients at the earliest possible time in the relationship to avoid later misunderstandings. All agents must disclose no later than the time periods required by law.

Completed Agency Disclosure Forms are to be sent to the branch sales manager for further processing and retention by the company. If a prospective buyer or seller refuses to complete the signature panel, the agent should set forth, sign and date a written explanation of the facts of the refusal. Any written explanations of this type must be forwarded to the branch sales manager for further processing and retention by the company.

ANTITRUST POLICY

The Company maintains a strong policy against any antitrust involvement by the company, its agents, or employees. Few obligations can be taken more seriously than in this area. The Company requires each person associated with the company to participate in antitrust education and acknowledge their understanding of these principles. Two areas are the primary antitrust focus.

1. Price Fixing: Price fixing means any agreement, setting, consent to, suggestion or implication with a competitor regarding a fee to charge. This includes fees charged to the public, fees split among brokers and fees paid to agents. "Agreement" can be overt, covert, express or implied. It is very broad based and can even be suggested or implied by casual conversation with any competitor.

Accordingly, the Company, its agents and staff are prohibited from discussing with any competitor any aspect of the fees the company charges or how total fees are split. The Company determines its charges based on the company's own independent internal analysis of its expenses, its revenue, and its desired profit level and its choice of service it desires to provide.

In any discussion with a member of the public about our charges (such as a listing appointment), the only acceptable answer about why the company charges what it does is the foregoing explanation, is "Commissions are negotiable in the state of Utah. There is no standard commission rate / percentage." Do not be drawn into a discussion about company fees as "the standard rate," "the Board rate," "the typical rate" or the like. If questions arise about another company's fees, suggest that the potential client call several competitors and ask about their rates.

2. Boycotting Competition: It is also a violation of federal law to make any agreement, express or implied, with a competitor to boycott or otherwise not deal with a third competitor. For example, assume Discount Realty opens an office. Then assume Bob Broker, a contractor with Big Bucks Broker, and Alice Agent, a

contractor with Just as Big Broker are having lunch one day and discuss the competitive impact of Discount Realty. Bob and Alice agree that Discount is a danger to their large listing portfolios and further agree that individually they will not show Discount's listings because "Something has got to be done about that price-cutting monger." This simple agreement with two contractors is an illegal boycott. Even if it were implicit and not overt, it could be construed as an illegal boycott, and is strictly prohibited.

BROKER SUPERVISION / COMMUNICATION POLICY

The Company provides broker support, supervision, and updates on a regular basis. This support, supervision, and updates occur through, but not limited to the following resources: Office visits from Executive Staff, regular staff / broker meetings, Company trainings, Company online University, Company CE trainings, social media updates and advertising, emails, telecommunications / broker hotline, transaction management systems "TMS", Company endorsed events, coaching and training sessions, and Company software (Lonewolf, Zoho, etc.) for monitoring Contractor's license status.

CANCELLATION OF CONTRACTS POLICY

Unless otherwise authorized by broker, Contractor shall not withdrawal / cancel an Exclusive Agency Agreement with the client(s). The contractor acknowledges the Company may attempt to reconcile the relationship with the client(s) by assigning a different contractor to work with them.

COMMERCIAL E-MAIL POLICY

It is the Company policy to comply with the Non-Solicited Pornography and Marketing Act of 2003, more commonly known as the "CAN-SPAM Act of 2003" (the "Act"). The Act does not ban commercial e-mails but rather outlines a series of practices that must be followed when sending them. All agents and employees of the Company are required to comply with this policy.

1. Requirements for commercial email messages. The Act defines "commercial electronic mail message" as "any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service." Commercial email messages must include the following:

- a. A clear and conspicuous notice that the message is an advertisement or solicitation (unless the recipient has given prior consent to the sender to receive commercial emails)
- b. A functioning e-mail address or other mechanism that allows the recipient to send a message requesting that the sender stop sending commercial e-mails to the recipient
- c. A clear and conspicuous notice of the recipient's opportunity to opt-out of future messages
- d. A valid physical postal address for the sender
- e. The brokerage name as it is registered with the division, must be included in the email.

E-mails sent to individuals or firms with whom an agent or employee has an existing business relationship are not exempted under the Act and must contain the information listed above *unless* they are “transactional or relationship messages.” (See below for more on “transactional or relationship messages.”)

If a recipient makes a request to not receive commercial e-mail messages from the Company or its sales associates, the sender has 10 business days to stop sending commercial emails to them and may not sell or otherwise transfer the recipient’s email address to another party. A recipient who has opted out may thereafter be contacted *only* if he or she subsequently gives the Company and its sales associates permission to send commercial e-mails.

2. Exemptions. The Act exempts from its requirements “transactional or relationship messages.” For a real estate agent, a transactional or relationship message would be an e-mail to a client addressing an ongoing transaction or related to the agent’s representation of the client. For example, e-mails sent by a listing agent to a seller who has listed their home for sale or by an agent to a buyer client probably would be considered transactional or relationship messages. On the other hand, emails that solicit sellers or buyers who are not presently Company clients probably would not be considered transactional or relationship messages.

COMMISSION POLICY

As consideration for agency with the Broker, contractor agrees to pay Broker a brokerage fee which is a portion of the commissions earned according to the terms set in the ICA, Addendum to the ICA (if applicable), Fees Schedule and this policy and procedure manual. This brokerage fee will be calculated based on transactions. A transaction for the purpose of defining when a Contractor shall be obligated to pay the Broker a fee for services rendered, will occur anytime the Contractor earns or is entitled to a commission based on, but not limited to, any and all Exclusive or Non-Exclusive Agency Agreements, any and all referral agreements, consultation and retainer agreements, lease agreements, seller-finance agreements, property management agreements, Broker Price Opinions (“BPO”), transaction coordination agreements, cancellation of agency agreements. In addition, “double-ender” or “double-sided” transactions constitutes two (2) transactional sides and will be processed as two (2) transactions. All fees, splits / commissions, will be processed equally and according to each transaction. For example: In the event the contractor represents both the buyer and seller (“double-ender”) on the same transaction, two (2) Secondary Brokerage Fees will be due, one for each side of the transaction. The secondary brokerage fee shall be collected from the client at closing. If not, the contractor shall be responsible for the payment of the fee.

Dispute of commission. In the event two (2) or more Contractors participate on the same side of a closed transaction, unless agreed otherwise by written agreement, the commission and all fees for said side of the closed transaction shall be split equally between each Contractor.

The Company recommends the following rates and prices (brokerage fee) to be charged for services to the public. Any other commissions would need to be approved by Broker. Listings shall be charged a minimum of six percent (6%) of the contract sales price plus the Secondary Brokerage Fee. When working with Buyers, the brokerage fee shall be three percent (3%) of the contract sales price plus the Secondary Brokerage Fee.

COMPUTER USAGE POLICY

1. The Company expects agents to provide their own personal computing device to be used with their day-to-day activities. The Company may provide Computers that are open to all agents and are not intended for the day-to-day use of any particular agent. Computers provided by the Company in the offices or otherwise generally are for business use only.
2. Agents and employees may use a Company computer for personal word-processing and Internet browsing only if no one else in the office needs the computer for business purposes. If someone needs the computer for a business reason, the person using it for personal tasks must stop and give the business user immediate access.
3. Personal data and files (including those created pursuant to section 2) may not be stored on Company computers.
4. Internet usage:
 - a. Computers provided by the Company may be used for business-related Internet browsing (also called “surfing”). Generally, agents and employees should not use Company computers for recreational or personal Internet browsing.
 - b. The occasional use of Company computers for recreational or personal Internet browsing is permitted on the same conditions as the use of Company computers for personal purposes. (See sections 2 and 3 above.)
 - c. Under no circumstances may Company computers be used for browsing Web sites containing inappropriate content. (Examples of inappropriate content include racial or ethnic “hate” content, content that is excessively violent, and sexually explicit content and or pornographic.)
 - d. Under no circumstances may Company computers be used for communications with other individuals or communication methods provided by Web sites containing inappropriate content. (For examples of what content would be considered inappropriate, see section 4c above.) “Communications” and “communication methods” include any type of use of the computer to communicate; examples are “chat,” “chat rooms,” “instant messaging,” discussion groups, servers, E-mail, etc.
5. E-mail usage:
 - a. It is against the Company policy for any agent or employee to store personal emails on Company computers. If an agent or employee maintains e-mail files on Company computers, those files are not considered private or confidential and may be reviewed by Company management at the Company’s discretion.
 - b. Agents and employees will provide, at the request of the Company, copies of any e-mail communications they possess regarding any client, customer or transaction involving the Company or its sales associates.
 - c. Agents and employees may not defame any person in any e-mail communication.
 - d. Agents and employees may not use inappropriate language in any e-mail communication. (“Inappropriate language” includes profanity, “hate” speech, and sexually explicit speech.)
 - e. Agents and employees who, via e-mail communication, obligate them to any contract, will be solely responsible for those actions. If the Company becomes liable for a contract made by an agent or employee in an e-mail communication, the agent or employee will promptly reimburse the Company for the costs and or litigation arising from the contract and/or the Company will have the right to deduct such costs from any pending commissions due the agent or salary due the employee.
 - f. All e-mail communications must conform to state and federal laws. (See the Company’s Commercial E-Mail Policy for more on the federal CAN-SPAM law, which regulates commercial e-mail.)

6. Any communications transmitted, or communication methods used via a company computer must be appropriate and within all applicable local, state, and federal laws. Under no circumstances may Company computers be used to communicate any type of inappropriate content or language. (For examples of what would be considered inappropriate content and language, see sections 4c and 5d above. For the definition of “communications” and “communication methods,” see section 4d above.)

7. Agents and employees must obey all applicable laws and regulations in their business and personal use of Company computers; this includes use for e-mail and Internet browsing. Applicable areas of the law may include but shall not be limited to copyright, trademark, defamation of character, libel, slander, fraud, and misrepresentation.

8. Privacy:

- a. Because the computers and communication systems (including all networking systems) are Company-owned, all material, communications, information, and usage may be monitored and regulated by the Company in any way, method or manner deemed necessary and appropriate.
- b. No agent or employee shall retain, maintain, or own any rights to any information or communication stored on or routed through Company computers.
- c. No agent or employee shall have any privacy rights regarding any information accessed or created, communication transmitted, or activity conducted using Company computers, regardless of the reason for the computer use.

CONTRACTOR REQUIRED DUTIES / FIDUCIARY DUTIES

The Company and Principal Broker shall uphold all fiduciary duties as stated in R162-2f-401a of the Utah Administrative Code. (Loyalty, Obedience, full disclosure, confidentiality, reasonable care, and diligence, holding safe and accounting for any money or property entrusted to the agent and any additional duties created by the agency agreement.) An example under the duty of Full Disclosure, Contractor has a fiduciary duty to accurately market the property and disclose any known defects that could materially affect the property. This information may include but is not limited to, square footage of the property, room counts, lot size, taxes, new roof, included or excluded items, or updates to the property. Contractors should take careful note of these areas and be particularly diligent in the accuracy of this information. Any defect known by Contractor must be disclosed.

All agents shall:

(1) Uphold the following fiduciary duties in the course of representing a principal:

- (a) Loyalty, which obligates the agent to place the best interests of the principal above all other interests, including the agent's own;
- (b) Obedience, which obligates the agent to obey all lawful instructions from the principal;
- (c) Full disclosure, which obligates the agent to inform the principal of any material fact the agent learns about:

- (i) the other party; or
- (ii) the transaction;

- (d) Confidentiality, which prohibits the agent from disclosing, without permission, any information given to the agent by the principal that would likely weaken the principal's bargaining position if it were known, but excepting any known material fact concerning:
 - (i) a defect in the property; or
 - (ii) the client's ability to perform on the contract;
- (e) Reasonable care and diligence, which requires that an agent competently represent clients using superior skill and knowledge. If an agent is unfamiliar with a certain type of real estate transaction (*i.e.*, commercial, agricultural, industrial) the agent must either refer the client to an agent who is familiar with that type of transaction or associate with such agent;
- (f) Holding safe and accounting for all money or property entrusted to the agent; and
- (g) Any additional duties created by the agency agreement;
- (2) For the purpose of defining the scope of the individual's agency, execute a written agency agreement between the individual and the individual's principal, including:
 - (a) seller(s) the individual represents;
 - (b) buyer(s) the individual represents;
 - (c) buyer(s) and seller(s) the individual represents as a limited agent in the same transaction pursuant to this Subsection (4);
 - (d) the owner of a property for which the individual will provide property management services; and
 - (e) a tenant whom the individual represents;
- (3) In order to represent both principals in a transaction as a limited agent, obtain informed consent using the approved Limited Agency Consent form. Remember that if agents for the Company are working on both sides of a transaction, you need to have all parties sign the Limited Agency Consent;
- (4) When acting under a limited agency agreement:
 - (a) act as a neutral third party; and
 - (b) uphold the following fiduciary duties to both parties:
 - (i) obedience, which obligates the limited agent to obey all lawful instructions from the parties, consistent with the agent's duty of neutrality;
 - (ii) reasonable care and diligence;
 - (iii) holding safe all money or property entrusted to the limited agent; and
 - (iv) any additional duties created by the agency agreement;
- (5) Prior to executing a binding agreement, disclose in writing to clients, agents for other parties, and unrepresented parties:
 - (a) the agent's position as a principal in any transaction where the agent operates either directly or indirectly to buy, sell, lease, or rent real property. Disclosure is required if the agent has any ownership interest in a company which is a principal in the transaction;
 - (b) the fact that the agent holds a license with the division, whether the license status is active or inactive, in any circumstance where the agent is a principal in an agreement to buy, sell, lease, or rent real property;
 - (c) the agent's agency relationship(s);
 - (d)
 - (i) the existence or possible existence of a due-on-sale clause in an underlying encumbrance on real property; and
 - (ii) the potential consequences of selling or purchasing a property without obtaining the authorization of the holder of an underlying encumbrance;
- (6) In order to offer any property for sale or lease, make reasonable efforts to verify the accuracy and content of the information and data to be used in the marketing of the property;
- (7) In order to offer a residential property for sale, disclose the source on which the agent relies for any square footage data that will be used in the marketing of the property:
 - (a) in the written agreement, executed with the seller, through which the agent acquires the right to offer the property for sale; and
 - (b) in a written disclosure provided to the buyer, at the agent's direction, at or before the deadline for the seller's disclosure per the contract for sale
 - (c) Where possible, agents must obtain the square footage information from third party sources. Agents are not authorized to rely on their personal square footage measurements;
- (8) Upon initial contact with another agent in a transaction, disclose the agency relationship between the agent and the client;

- (9) When executing a binding agreement in a sales transaction, confirm the prior agency disclosure:
 - (a) in the currently approved Real Estate Purchase Contract; or
 - (b) in a separate provision with substantially similar language incorporated in or attached to the binding agreement;
- (10) When executing a lease or rental agreement, confirm the prior agency disclosure by:
 - (a) incorporating it into the agreement; or
 - (b) attaching it as a separate document;
- (11) If the agent desires to act as a sub-agent for the purpose of showing property owned by a seller who is under contract with another brokerage, prior to showing the seller's property:
 - (a) notify the listing brokerage that sub-agency is requested; and
 - (b) enter into a written agreement with the listing brokerage with which the seller has contracted:
 - (i) consenting to the sub-agency; and
 - (ii) defining the scope of the agency;
 - (c) obtain from the listing brokerage all available information about the property; and
 - (d) uphold the same fiduciary duties outlined in this Subsection (1);
- (12) Provide copies of a lease or purchase agreement, properly signed by all parties, to the party for whom the agent acts as an agent;
- (13)(a) In identifying the seller's brokerage in paragraph 5 of the approved Real Estate Purchase Contract, use:
 - (i) the principal broker's individual name; or
 - (ii) the principal broker's brokerage name; and
- (b) personally fulfill the agent's agency relationship with the client, notwithstanding the information used to complete paragraph 5;
- (14) Timely inform the agent's principal broker or branch broker of real estate transactions in which:
 - (a) the agent is involved as agent or principal;
 - (b) the agent has received funds on behalf of the principal broker; or
 - (c) an offer has been written;
- (15)
 - (a) Disclose in writing to all parties to a transaction any compensation in addition to any real estate commission that will be received in connection with a real estate transaction; and
 - (b) ensure that any such compensation is paid to the agent's principal broker;
- (16) In negotiating and closing a transaction, an agent may fill out those forms approved by law;
- (17) Use an approved addendum form to make a counteroffer or any other modification to a contract;
- (18) In order to sign or initial a document on behalf of a principal in a sales transaction:
 - (a) obtain prior written authorization in the form of a power of attorney duly executed by the principal;
 - (b) retain in the file for the transaction a copy of said power of attorney;
 - (c) attach said power of attorney to any document signed or initialed by the individual on behalf of the principal;
 - (d) sign as follows: "(Principal's Name) by (Agent's Name), Attorney-in-Fact;" and
 - (e) initial as follows: "(Principal's Initials) by (Agent's Name), Attorney-in-Fact for (Principal's Name);"
- (19) In order to sign or initial a document on behalf of a principal in a property management transaction:
 - (a) obtain prior written authorization executed by the principal which specifically identifies the actions that are authorized to be taken on behalf of the principal;
 - (b) retain in the file for the transaction a copy of the written authorization;
 - (c) sign as follows: "by (Agent's Name), on behalf of Owner;" and
 - (d) initial as follows: "by (Agent's initials), on behalf of Owner;"
- (20) If employing an unlicensed individual to provide assistance in connection with real estate transactions, adhere to the provisions of Section R162-2f-401g;
- (21) Strictly adhere to advertising restrictions as outlined in Section R162-2f-401h;
- (22) As to a guaranteed sales agreement, provide full disclosure regarding the guarantee by executing a written contract that contains:
 - (a) the conditions and other terms under which the property is guaranteed to be sold or purchased;
 - (b) the charges or other costs for the service or plan;
 - (c) the price for which the property will be sold or purchased; and
 - (d) the approximate net proceeds the seller may reasonably expect to receive;
- (23) Immediately deliver money received in a real estate transaction to the principal broker for deposit; and

(24) When notified by the division that information or documents are required for investigation purposes, immediately notify the principal broker then respond with the required information or documents in full and within ten business days.

CONTRACTOR PROHIBITED DUTIES

Agents may not:

- (1) Engage in any of the practices described in Section 61-2f-401 et seq., whether acting as agent or on the agent's own account, in a manner that:
 - (a) fails to conform with accepted standards of the real estate sales, leasing, or management industries;
 - (b) could jeopardize the public health, safety, or welfare; or
 - (c) violates any provision of Title 61, Chapter 2f et seq. or the rules created thereunder;
- (2) Require parties to acknowledge receipt of a final copy of any document prepared by the agent prior to all parties signing a contract evidencing agreement to the terms thereof;
- (3) Make a misrepresentation to the division:
 - (a) in an application for license renewal; or
 - (b) in an investigation.
- (4)(a) Propose, prepare, or cause to be prepared a document, agreement, settlement statement, or other device that the agent knows or should know does not reflect the true terms of the transaction; or
 - (b) knowingly participate in a transaction in which such a false device is used;
- (5) Participate in a transaction in which a buyer enters into an agreement that:
 - (a) is not disclosed to the lender; and
 - (b) if disclosed, might have a material effect on the terms or the granting of the loan;
- (6) Use or propose the use of a double contract;
- (7) Place a sign on real property without the written consent of the property owner;
- (8) Take a net listing;
- (9) Sell listed properties other than through the listing broker;
- (10) Subject a principal to paying a double commission without the principal's informed consent;
- (11) Enter or attempt to enter into a concurrent agency representation when the agent knows or should know that the principal has an existing agency representation agreement with another agent;
- (12) Pay a finder's fee or give any valuable consideration to an unlicensed person or entity for referring a prospect, except that:
 - (a) a agent may give a gift valued at \$150 or less to an individual in appreciation for an unsolicited referral of a prospect that results in a real estate transaction; and
 - (b) as to a property management transaction, a agent may compensate an unlicensed employee or current tenant up to \$200 per lease for assistance in retaining an existing tenant or securing a new tenant;
 - (c) An inducement gift is permissible and is not an illegal sharing of commission if the agent offering the inducement gift to a buyer or a seller complies with the underwriting guidelines that apply to any loan in the transaction for which the inducement has been offered.
 - (d) A closing gift is permissible and is not an illegal sharing of commissions.
- (13) Accept a referral fee from:
 - (a) a lender; or
 - (b) a mortgage broker;
- (14) Act as a real estate agent or broker in the same transaction in which the agent also acts as a:
 - (a) mortgage loan originator, associate lending manager, or principal lending manager;
 - (b) appraiser or appraiser trainee;
 - (c) escrow agent; or
 - (d) provider of title services;
- (15) Act or attempt to act as a limited agent in any transaction in which:
 - (a) the agent is a principal in the transaction; or
 - (b) any entity in which the agent is an officer, director, partner, member, employee, or stockholder is a principal in the transaction;
- (16) Make a counteroffer by striking out, whiting out, substituting new language, or otherwise altering:
 - (a) the boilerplate provisions of the Real Estate Purchase Contract; or

- (b) language that has been inserted to complete the blanks of the Real Estate Purchase Contract;
- (17) Advertise or offer to sell or lease property without the written consent of:
 - (a) the owner of the property; and
 - (b) if the property is currently listed, the listing broker;
- (18) Advertise or offer to sell or lease property at a lower price than that listed without the written consent of the seller or lessor;
- (19) Represent on any form or contract that the individual is holding client funds without actually receiving funds and securing them;
- (20) When acting as a limited agent, disclose any information given to the agent by either principal that would likely weaken that party's bargaining position if it were known, unless the agent has permission from the principal to disclose the information;
- (21) Disclose, or make any use of, a short sale demand letter outside of the purchase transaction for which it is issued;
- (22) In a short sale, have the seller sign a document allowing the agent to lien the property; or
- (23) Charge any fee that represents the difference between:
 - (a) The total concessions authorized by a seller and the actual amount of the buyer's closing costs; or
 - (b) In a short sale, the sale price approved by the lender and the total amount required to clear encumbrances on title and close the transaction.

CONFIDENTIALITY POLICY

One of the most important duties of an agent is to maintain the confidentiality of the client, whether buyer or seller. Agents should pay particular attention not to make unauthorized or offhand comments about a client's situation or a client's property in a way that could be considered a violation of the duty of confidentiality. The following areas are considered of particular importance:

Confidentiality, prohibits the agent from disclosing, without permission, any information given to the agent by the principal that would likely weaken the principal's bargaining position if it were known, but excepting any known material fact concerning:

- a. A defect in the property; or
- b. The client's ability to perform on the contract;
- c. Reasonable care and diligence;
- d. Holding safe and accounting for any money or property entrusted to the agent; and
- e. Any additional duties created by the agency agreement

If Limited agency is offered, it is particularly important for each agent to realize that they must hold confidential the information of both buyer and seller, regardless of which party the agent is working with, in accordance with the agency agreements, the Code of Ethics, and the Administrative Rules with the Division.

- a. You must have a Limited Agency Agreement signed by both principals in the transaction before limited agency can occur. This agreement discloses to each party that they are waiving their right to undivided loyalty, absolute confidentiality, and full disclosure from the licensee.
- b. You must inform the parties as a limited agent, you as the licensee will act in a neutral capacity to advance the interest of each party.

In offering designated agency, the company and all its associates must be sensitive to confidential information within the office and among the associates of the company. The following procedures and policies are intended to protect the confidentiality of the company's clients.

1. Associates should not discuss confidential information of the client between or among themselves.
2. Comments at sales meetings should not reveal confidential information of the client without the client's permission.
3. Office files of listings and pending sales are confidential and may not be accessed except for authorized staff and the agent involved in the listing or transaction.
4. Fax transmissions are confidential. Office staff will distribute faxes in a manner to protect confidentiality.
5. Telephone messages with confidential information will be distributed in a confidential matter.
6. Contracts, offers, counteroffers or other transactional documents will be delivered to the person addressed in a confidential manner. Persons other than the addressee are not authorized to access such documents.
7. Visitors, including contractors' family members and friends, should visit in the reception/lobby areas or conference rooms and avoid individual offices or workspaces. All visitors should enter the offices through the reception/lobby area.
8. Upon separation from the affiliation with the Company, contractors shall deliver to the Broker any and all confidential information, including all copies of forms tied to a transaction.

COOPERATION AND COMPENSATION POLICY

Cooperation/Compensation of Listing and Buyer Agents: The Company believes it is in the best interests of the Seller(s) to give each property the widest possible exposure of possible showings. Because both listing and buyer agents conduct showings in the market, the Company cooperates and compensates both listing and buyer agents and follows the clear cooperation agreement set by the NAR as its policy. All agents in the company are required to follow this standard.

In all cases, before entering into a listing and or buyer broker agreement, the listing and buyer agents are ethically obligated to disclose to the clients:

1. The company's policy regarding cooperation and the amount of any compensation that will be offered as the Buyers Agency Commission (BAC) on the MLS.
2. Establish agency by having a signed written agreement and explain the compensation that will be shared with a cooperating brokerage across the MLS and
3. Any potential for the Company to be a Limited agent, if Limited agency is permitted.

The Company maintains a strong policy that no unlicensed person will be paid for any real estate activity requiring a license. The real estate licensing law (Utah Code Ann. § 61-2f-201; Utah Rules of Administration Rule 162-2f-401b) makes it clear that an unlicensed person may not be paid for acts which require a real estate license. Any exception to this rule will be defined in the administrative rules with the division of real estate.

The Company encourages agents to list properties at a minimum of 6% but allows for the discretion of each agent with their client in deciding what to charge. There is a strict policy that regardless of how much an agent charges for their commission, the Company Brokerage Fee under no circumstance will be impacted by a reduction of the commission by the Contractor. If the Contractor chooses to reduce the commission, the Company Brokerage fee will remain the same if on a flat fee structure. If the Contractor is on a Split Structure, Presidio's Brokerage Fee will be based on a minimum of a 2.5% commission per side and calculated of the purchase price, in addition to the Secondary Brokerage Fee as defined in the Fees Schedule.

During the term of this Agreement, Contractor will be paid within ten (10) days of the closing date of the transaction or (10) days from when all required paperwork is received by the Brokerage/Branch for which the commission/brokerage fee was earned. The Division of Real of Estate requires that any contract is turned into the brokerage within 5 (Five) days from the execution of any contract (buyer/broker and/or listing agreement) If your paperwork is not turned into the Company within 5 days, the Company reserves the right to **dock \$5** from the Contractors check every day the paperwork is not uploaded into the company transaction management system prior to closing..

In addition, the Company is obligated to pay it's Contractors in a timely manner after a completed file is received by the Company and a transaction has closed. A completed file consists of all required files and notes associated with the transaction to be uploaded into the Companies transaction management system "TMS" (Skyslope, Dotloop, etc.). If upon closing, and no later than fourteen (14) days after closing, if the completed file is not uploaded into the TMS, the Company may assess a daily File Completion Late Fee according to the Fees Schedule, for each day the file is not completed after closing.

The Company compensation structure is outlined in the Fees Schedule and or the Contractors Addendum to the ICA. This compensation structure shall also include additional fees such as but not limited to the "Secondary Brokerage Fee", "TC Fee", "Ledger Balances", etc.

DRESS CODE

Although the Company does not require a specific dress code, as representatives of PRESIDIO REAL ESTATE, the Company expects its agents to avoid risqué and inappropriate apparel and styles that would detract from the professionalism of the Company and instead create a style of dress that promotes a professional image and reflects well on the agent(s) and the Company.

EARNEST MONEY DEPOSITS

Agents shall strictly comply with the terms governing Earnest Money as agreed to by the buyer and seller in the REPC. Agents shall only remit Earnest Money for deposit after the REPC is fully executed. Prior to remitting the Earnest Money for deposit, the agent shall scan and save a copy of the Earnest Money check in to the transaction's Loop. Agents must notify the Company and other agents within 24 hours of an Earnest Money deadline passing without receipt of earnest money. Effective 2/1/2022 the company will no longer accept Earnest Money for mobile / manufactured home transactions.

Transfer of Earnest Money. If a client requests that Earnest Money be transferred from one transaction to another, the agent must obtain written approval from the client and file the approval on both transactions into the company transaction management system. This may also be processed by the company, but the responsibility lies with the agent.

Non-Sufficient Funds (NSF) Earnest Money Checks. If an Earnest Money check is returned as insufficient funds, the Company will notify the agent as soon as possible. The agent will then need to notify the client and the other agent of the issue within 24 hours of being notified. If an Earnest Money check is returned as insufficient funds, the Company will charge the client an NSF fee, (see ICA Fee Schedule). Agent is responsible for communicating the NSF fee to the client.

Release of Earnest Money. Company will only release Earnest Money after a condition authorizing disbursement under the REPC has occurred or as authorized by a separate agreement signed by all parties. The Earnest Money will be released to the party entitled thereto as described in the REPC or separate agreement. The Company will only issue one earnest money refund check, with all parties listed as payees. The Company will not issue a check to a single party when multiple people or entities are listed as a party. Company holds Earnest Money checks for a minimum of 10 days prior to release.

Earnest Money Disputes. If there is a dispute, the Company cannot take sides. Instead, the Company will advise the parties to the transaction that they both need to reach an agreement in writing as to how the earnest money deposit should be allocated. Failing that, the Company will advise the parties involved in the transaction that the Company will file an interpleader action with the Court to allow the Court to determine who is entitled to the earnest money deposit.

Earnest Money when REPC Cancelled Prior to Deposit. Agent shall create a loop, scan the earnest money check, and give written notice to all parties and agents that the REPC was cancelled prior to deposit of the earnest money. The agent shall then return the check to the buyer.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the Company policy to provide equal employment opportunities without regard to race, color, religion, sex (including pregnancy, sexual orientation, or gender identity), age, national origin, handicap, or status as a Vietnam era veteran, to all qualified employees and applicants for employment. This policy applies to all areas of employment, job assignment, training, promotion, transfer, compensation, discipline, and discharge. The company abides by all federal and state laws regarding employment practices, including, but not limited to the Americans with Disabilities Act.

FAIR HOUSING POLICY

The Company believes that fair housing policies are not just the law of the land but simply the right thing to do. The Company maintains a strong policy upholding all federal and state fair housing laws and Article 10 of the REALTOR Code of Ethics and the NAR Code of Fair Housing Practices. In addition, the Company requires each agent and staff member to participate in fair housing education.

Accordingly, the Company prohibits any agent from discriminating against any person in the provision of any of the company's services based on race, color, national origin, religion, sex (including gender identity and sexual orientation, familial status, or handicap).

Among the prohibited practices which against this policy and the law are:

1. Refusing to show, sell or rent based on a person being a member of a protected class.
2. Different treatment/disparate treatment to persons of a protected class.
3. Steering: A person shall not encourage or discourage another from moving into any area because of the race, color, religion, sex, handicap, familial status, or national origin of the present residents.
4. Discriminatory advertising that "expresses" a preference for buyers or tenants of a particular race, color, religion, sex, handicap, familial status, or national origin
5. Harassment (i.e., coercion, intimidation, threats, or interference with a person's fair housing rights or because a party is abiding by fair housing law)
6. Applying more burdensome criteria to applicants of protected classes
7. Blockbusting: A person is prohibited from inducing or attempting to induce another to sell or rent a property by making any express or implied representations regarding the entry or prospective entry into a neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status or national origin.

Agents and staff should be aware that persons with AIDS are considered handicapped and "familial status" means families with children.

The Company supports the Fair Housing Partnership Resolution adopted by the National Association of REALTORS® and the U.S. Department of Housing and Urban Development and encourages its agents to be guided by the principles contained in the REALTOR® Fair Housing Declaration developed by NAR and HUD as one means of promoting fair housing to the public and within the company itself. Each agent and staff member of the Company is required to participate in Board and/or company education regarding the Partnership.

GOVERNMENT OFFICIALS—INQUIRIES/VISITS/SUBPOENAS

Any inquiry by a government official, whether by telephone, letter or in person, should immediately be forwarded to the broker / branch broker. In the absence of the broker / branch broker, the name of the official and agency or department they represent should be obtained. Then, the President or other executive officer of the company should be contacted. If none of these individuals are available, the person receiving the inquiry should immediately contact the company's legal counsel by phone and request guidance. In situations where neither the broker / branch broker nor an officer of the Company are available and the inquiry is of an in-person nature, the person receiving the inquiry should not allow any representative from a local, state or federal office to see any files or any information maintained in the office unless presented with a valid search warrant signed by a federal judge or a judge of the county in which the office is located, or unless the government official is a representative of the Utah Real Estate Commission. The person should refuse to answer any questions of such a representative official unless the company's legal counsel has authorized the person to answer.

If a process server appears in the office with a subpoena for the Company, no agent should accept it. Only the registered agent of the company may do so. If that person is not in the office, the person receiving the inquiry should not volunteer any information about the person requested and should not give out home phone numbers or home addresses, even if asked. Refer the inquiry to the broker / branch broker immediately.

HARASSMENT / SEXUAL HARASSMENT POLICY

Any harassment of an associate, whether agent, employee, or applicant, because of race, color, sex, religion, national origin, pregnancy, sexual orientation, age, military status, or handicap is clearly prohibited and will not be tolerated. The Company specifically prohibits harassment for any discriminatory reason. It will not tolerate sexual or other unlawful discrimination or harassment in the workplace or in any other settings in which employees, customers and clients may find themselves in connection with their employment or agent-related business. The Company will also not tolerate any retaliation against anyone complaining of harassment or anyone who has cooperated in an investigation of harassment in accordance with this policy.

Sexual harassment is one form of discrimination which is illegal and violates the company's long-standing equal employment opportunity policy. The Company maintains a strong policy prohibiting any form of sexual harassment. No agent, employee, staff member, customer, or vendor, male or female, may sexually harass an employee, agent or other person associated with the company by;

1. Making unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexually suggestive nature; or
2. Making submission to or rejection of such conduct the basis for employment, continued employment or any other employment decision affecting the employee; or
3. Creating an intimidating, hostile or offensive working environment by such conduct.

Any agent who has been found to have sexually harassed another agent or employee will be subject to appropriate discipline action which may include termination of their ICA Agreement with the Company.

HARASSMENT PREVENTION.

It is the policy of the Company to provide a work environment free from discrimination and harassment based on race, religion, national origin, color, sex, age, disability, pregnancy, sexual orientation, gender identity, or protected activity or class under state or federal law. This policy seeks to regulate behaviors that are harassing, discriminatory, or retaliatory regardless of whether the behavior would constitute a violation of applicable state or federal laws. This policy applies equally to any work-related sexual harassment by or to both men and women employed by or associated with the Company or who deal with the Company in our business, and it is not limited to supervisor/employee or manager/agent relations or to conduct occurring on premises or during working hours. Any agent who believes that they are being or have been sexually harassed by another agent or employee should promptly notify the broker / branch broker, or executive staff immediately.

Process Defined:

- (1) Workplace harassment includes the following subtypes:
 - (a) conduct in violation of this section that is unwelcome, pervasive, demeaning, ridiculing, derisive, or coercive, and results in a hostile, offensive, or intimidating work environment;
 - (b) conduct in violation of this section that results in a tangible employment action against the harassed employee.
- (2) An employee may be subject to disciplinary action for violating workplace policies, even if:
 - (a) the conduct occurs outside of scheduled work time or work location; or
 - (b) the conduct is not sufficiently severe to constitute a violation of law.
- (3) Once a complaint has been filed, the accused may not communicate with the complainant regarding allegations of harassment.

HARASSMENT RETALIATION.

No person may retaliate against any employee/contractor who opposes a practice forbidden under this policy, or has filed a charge, testified, assisted, or participated in any manner in an investigation, proceeding or hearing, or is otherwise engaged in protected activity. If you believe that some adverse employment consequence may result from your discussions with that person, or if the harassment continues, go to a higher level of supervision including ownership / executive staff of the Company. You may be required to state in writing the specific details of the harassing behavior including date, time, place, and witnesses, if any.

HARASSMENT COMPLAINT PROCEDURE.

Management will permit employees who allege workplace harassment, retaliation, or both to file complaints and engage in a review process free from bias, collusion, intimidation, or retaliation. Complainants shall be provided with a reasonable amount of work time to prepare for and participate in internal complaint processes. An investigation of any complaint will be undertaken immediately. All complaints will be handled in a prompt, confidential manner insofar as the investigation permits. There will be no adverse

action directed toward any complaining agent or employee or witness because of making or supporting the complaint, unless there clearly was bad faith.

(1) Employees who feel they are being subjected to workplace harassment, retaliation, or both should do the following:

- (a) document the occurrence;
- (b) continue to report to work; and
- (c) identify a witness(es), if applicable.

(2) An employee / contractor may file an oral or written complaint of workplace harassment, retaliation, or both with their immediate broker/branch broker, any other broker/branch broker within the Company, or the owner/executive staff.

- (a) Complaints may be submitted by any employee, contractor, witness, volunteer or other individual.
- (b) Complaints may be made through either oral or written notification.

(c) Any broker/branch broker who has knowledge of workplace harassment, retaliation, or both shall take immediate, appropriate action in consultation with the owner and or executive staff.

(3) All complaints of workplace harassment, retaliation, or both shall be acted upon following receipt of the complaint.

(4) If an immediate investigation by ownership / executive staff is deemed unwarranted, the complainant shall be notified.

HOLIDAYS AND HOLIDAY HOURS / OFFICE HOURS

The Company closes on the following days:

1. New Year's Day (January 1st)
 - a. Close at 3:00 PM on New Year's Eve
2. Memorial Day (Last Monday in May)
3. Independence Day (July 4th)
4. Labor Day (First Monday in September)
5. Thanksgiving Day (Last Thursday in November)
6. Day After Thanksgiving (Last Friday in November)
7. Christmas Day (December 25th)
 - a. Close at noon on Christmas Eve
8. One Floating Holiday determined by the Company.

Agents with access to the Company's office building may use the premises during holidays and after regular business hours. Any agent doing so must ensure that the building is secure, and lighting (except lighting for security) is turned off if no one else is present when leaving the building.

The Main office hours are 9 a.m. to 5 p.m. Monday through Friday. On Saturdays, the office can be accessed with agent keys and/or key fob. All other offices and pilot offices will be made available by key or key fob. Please contact each branch broker for access outside of business hours.

INDEPENDENT CONTRACTOR/EMPLOYEE AGREEMENT

The Company has a policy of associating with its licensees as independent contractors. Each agent will be required to sign a written agreement setting out the relationship as an independent contractor. While the exact terms of the relationship are covered in the contract, a few reminders about being an independent contractor follow.

1. **Income Taxes:** All income taxes, federal and state, are the responsibility of the independent contractor / agent. The Company does not withhold or pay Social Security taxes on commission earnings. Self-employment tax must be paid by the independent contractor / agent.

2. **Unemployment Taxes:** As an independent contractor, the agent is not covered under state or federal unemployment laws. Independent contractor real estate agents are exempt from the unemployment laws by Utah statute. Accordingly, the Company does not pay unemployment taxes on the earnings of its agents.

3. **Worker's Compensation:** It is the policy of the Company for its agents to obtain their own workers' compensation insurance policy to ensure that they are protected in the event of an on-the-job injury to an agent sustained by accident. It is encouraged by the Company that each agent provides the Company with proof of workers' compensation insurance prior to commencing work with the Company.

4. **Automobile Insurance:** Each agent should carry adequate automobile insurance to protect not only the agent but also the customer or client. In today's legal climate, liability coverage of \$100,000 per person/\$300,000 per accident should be obtained. Any lesser amounts could cause unnecessary exposure of personal assets. Consult carefully with your insurance agent. The agent must name PRESIDIO REAL ESTATE, as an additional insurer, and provide the company with a certificate reflecting that status prior to commencing work with the Company.

5. **Expenses:** As an independent contractor, each agent is expected to be in business for themselves. Generally, the expenses of that business will be the responsibility of the agent. The Company will provide general office space for agents and if available, provide office space for rent at the expense of the agent.

Unless specifically stated otherwise in the agent's contract with the Company, the agent will be expected to pay for all items identified in the Fees Schedule and as follows: Advertising, telecommunications, continuing education, CRM database, signs, business cards, Lockboxes, electronic signature platforms, office rental, leads, etc.

LISTING, BUYERS, RECORDS, CORRESPONDENCE AND FORMS PROCEDURES

The Company has certain processes in place and you as the independent contractor are required to ensure such policies are followed. Part of these policies are the forms you are required to use. The Company provides these forms to ensure the Company's approach and philosophy of each transaction is followed. If a Company form exists, you are required to use it first. If no Company form exists, you are to use the forms available in the company transaction management system, or the forms library on the MLS or from the local Board of REALTORS®. If you have any questions or concerns about the appropriate use of a form, you should contact the principal broker, branch broker, or risk management broker for clarification. In addition, it is against the administrative rules to strike out, white out, substituting new language, or otherwise alter the boilerplate provisions of the Real Estate Purchase Contract and you are strictly prohibited from doing so. This could be considered an unauthorized practice of law. The UAR maintains a clause library that you should consult for language for typical situations. You are not authorized to modify

these clauses either without authorization from your broker. If the need to draft an addendum arises, it should be written in simple language as dictated by the customer or client and should include guidance from your broker / branch broker.

Unless otherwise authorized by broker in writing, Contractor is required to use the Exclusive Right to Sell Listing agreement and or the Exclusive Buyer Broker Agreement provided by the Company or located on the MLS Forms for all transactions. Net listings are illegal in Utah and will not be permitted.

Addressing repair items. The most up to date UAR repairs addendum should be used to address repair items between buyer and seller when items are unable to be repaired prior to the expiration of the due diligence deadline. This agreement will be required to be given to the lender and must comply with underwriter guidelines and approval. Under NO circumstances may agents draft side agreements, including letters to be signed by the parties, when addressing items to be repaired in connection with a real estate transaction. This is considered a double contract / fraud and is strictly prohibited.

Likewise, any amendments or supplements to sale contracts must be written on the addenda available from the UAR. These forms provide for most typical amendments and changes to sale contracts. If an agent requires unusual language, they must consult company management who will consult with legal counsel to determine the appropriate language to be used.

If a client proposes an agreement to engage Company and Agent as their real estate professional that is not an MLS, Board, or Company approved form, Contractor shall obtain the Company's prior approval before signing any such agreement.

All listing and buyer agency agreements are the exclusive property of the Broker for the term the agreements are in effect. Contractor shall deliver to Broker the following documents, by way of the Company transaction management system, no later than **two (2) days** after such documents have been fully executed by all parties to the contract: Listing Agreements, Buyer Broker Agreements, Real Estate Purchase Contracts, Referral Agreements, Lease Agreements, Seller-Finance Agreements, Property Management Agreements, BPO Agreements, WFRMLS Change Forms, or any other MLS Change Form, and any and all documents signed by Sellers, Buyers, Lessees, Lessors, Optionees and Optionors.

The Company at its sole discretion is authorized to advertise any and all listings in any form, platform, media source, or location deemed appropriate by broker.

MENTOR PROGRAM POLICY

(THE COMPANY AT ITS SOLE DISCRETION MAY CHOOSE TO IMPLEMENT THIS PROGRAM OR NOT. IF IMPLEMENTED, THEN THIS PARAGRAPH SHALL APPLY, OTHERWISE IT SHALL NOT.) Contractors will be required to participate in the Company Mentor Program if the Contractor is new or is transferring to the Company and has 3 transactions or less in the last 18 months. Please note that the Mentor program protects the Contractor, the Public and the Company. The Company maintains that this mentoring program is paramount in catapulting your career in creating success within our industry. Statistics have shown within our industry that more than 85% of new agents leave the industry within their first year. We have statistically proven within our mentor program that new agents have longer lasting careers and more success faster than any other brokerage. The compensation structure will be calculated based on the terms of the ICA, Addendum to the ICA and or Fees Structure. If the Contractor terminates the ICA agreement before successfully completing the three (3) transaction requirement, then a early termination fee as stated in the Fees Schedule, will be owed to the Brokerage.

PERSONAL ASSISTANTS / TRANSACTION COORDINATORS

The Company will allow agents to take on the services of an unlicensed or licensed personal assistant as long as you obtain written permission from the principal broker before employing the individual and comply with the Utah Administrative rules R162-2f-401g. Agents will be responsible for the supervision of their personal assistants with respect to all compliance issues including all federal, state and local laws and the Company's policies and procedures and keep the principal broker informed of the licensed or unlicensed assistants real estate activities and duties. The agent must ensure the assistant complies with and follows all company policy and procedures, risk management protocols, and timely update and upload documents and correspondence into the company's transaction management system (Ex: SkySlope/ Dotloop). Agents are responsible to ensure compliance with any Worker's Compensation laws, labor laws, and payroll taxes and withholdings, and are solely responsible for the consequences associated with the failure to comply with these laws.

A licensed personal assistant will be required to hang their license with the Company and if the compensation agreement for the licensed personal assistant is based on commissions, they must be paid directly by the Company. Additionally, the Company requires a licensed personal assistant to maintain membership in good standing with a local board of REALTORS®.

Any MLS fees due because of a personal assistant shall be borne by the Agent. If a personal assistant works for multiple Agents, each Agent is personally and severally liable. If an MLS fee is not paid on behalf of an unlicensed assistant by the due date, then the service for the assistant may be terminated. If an MLS fee is not paid on behalf of a licensed assistant and the Company is required to pay the MLS fee for the assistant, then a minimum 30% surcharge will be added to the Agent's ledger.

The Agent agrees to follow the following state administrative rules: To employ an unlicensed individual to aid in connection with real estate transactions, the agent shall:

(1) Supervise the assistant to ensure that the duties of an unlicensed assistant are limited to those that do not require a real estate license, including the following:

(a) Performing clerical duties, including making appointments for prospects to meet with real estate agents, but only if the contact is initiated by the prospect and not by the unlicensed assistant.

(b) At an open house, distributing preprinted literature written by a agent, where a agent is present and the unlicensed person provides no additional information concerning the property or financing, and does not become involved in negotiating, offering, selling or completing contracts;

(c) Acting only as a courier service in delivering documents, picking up keys, or similar services, so long as the courier does not engage in any discussion or completion of forms or documents;

(d) Placing brokerage signs on listed properties;

(e) Having keys made for listed properties; and

(f) Securing public records from a county recorder's office, zoning office, sewer district, water district, or similar entity;

(2) Compensate a personal assistant at a predetermined rate (salary or hourly wage) that is not:

(a) Contingent upon the occurrence of real estate transactions; or

(b) Determined through commission sharing or fee splitting; and

(3) Prohibit the assistant from engaging in telephone solicitation or other activity calculated to result in securing prospects for real estate transactions, except as provided in this Subsection (1)(a).

The Company may provide Transaction Coordinator (TC) services for a fee. This fee shall be paid by the agent, upon the close of a transaction. These Transaction Coordinators are only available through the Company and no other Transaction Coordinators may be used without authorization. In addition, under no circumstances will a Transaction Coordinator be allowed to perform licensed or unlicensed activities for any agent outside of the brokerage. Within the brokerage, the Transaction Coordinator shall be permitted to perform licensed activities to agents located within the brokerage, and all compensation received for such activities shall be paid by the broker only. If at any time the Transaction Coordinator chooses to no longer perform these TC duties on behalf of the Broker, Transaction Coordinator will no longer be eligible to perform any TC duties for any agent within the brokerage.

PROFESSIONALISM POLICY

Professionalism is often defined as the state or practice of doing one's job with skill, competence, ethics, and courtesy. Professionalism is the expected behavior of all agents and staff who work for or are affiliated with the Company. In sticking with the goal of the Company to "Raise the Bar", all those who are part of the Company shall treat others with respect and professional courtesy and when in doubt, follow the golden rule and treat others as you would like to be treated.

RESPA COMPLIANCE POLICY

As an agent affiliated with this Company you are required to comply fully with the Real Estate Settlement Procedures Act ("RESPA") at all times.

RESPA prohibits kickbacks, referral fees, receiving unearned fees or receiving a "thing of value" for the referral of business related to a real estate transaction. RESPA also prohibits the splitting of any settlement charge except for paying for actual services rendered at fair market value. A RESPA violation can occur whenever there is a thing of value that is to be given in exchange for a settlement service referral. The agreement can be implied from the circumstances or from historical patterns and practices. An oral agreement to provide a referral fee to a settlement provider is a violation of RESPA just as a written agreement to do so would be. As a member of the Company, you are not permitted to accept any form of incentive from any person affiliated with any settlement service. This would include the settlement service provider agreeing to pay costs that you normally would incur as part of your brokerage activities (*e.g.*, advertising costs, event fees). Likewise, you cannot provide any gifts, bonuses, or incentives to any settlement service providers as well.

It is particularly important to contact your principal broker, branch / managing broker, or executive staff if you have, or are considering having, any affiliated business arrangements, as such arrangements raise issues with respect to RESPA compliance.

If you ever are in doubt or have a question regarding whether proposed conduct might violate RESPA, you are required to immediately contact your principal broker, branch / managing broker, or executive staff to discuss this issue.

RISK MANAGEMENT POLICY

The Company advocates and encourages the concept of risk reduction. Most claims filed against real estate agents and brokers allege some misrepresentation or fraud. To avoid such issues, the Company has the following policies regarding risk reduction and disclosure.

1. **Compliance With All Laws, Rules, and Regulations:** As an agent of the Company, each person assumes the obligation of strict compliance with all laws, rules and regulations which govern real estate licensees in the State of Utah.
2. **Compliance With This Policy Manual:** As an agent of the Company, each person agrees to comply with all policies as stated in this manual and the additions, changes, and amendments as from time to time may occur. Failure to comply with the policies herein subjects the agent to disciplinary action, which may include termination of the ICA with the Company.
3. **Physical Condition of The Property:** In accordance with the REALTOR Code of Ethics, Utah Administrative Rules, and the Utah Code, the policy of PRESIDIO REAL ESTATE, is to disclose to all appropriate parties any known material facts of a property. This applies whether PRESIDIO REAL ESTATE is the listing broker, or buyer's broker.
4. **"Meth Houses":** Utah law makes the manufacture of "meth" a Class C felony, and prohibits related criminal activity surrounding its manufacture, distribution, and sale. The Utah Department of Health and Human Services ("DHHS") has created rules establishing decontamination standards for certain properties to assure they are reasonably safe for human habitation. The contractor is advised to instruct the client to consult with DHHS with regards to any issues resulting from Meth Contamination.
5. **Documentation Of Disclosure:** As is apparent, the Company advocates full disclosure in appropriate circumstances. In addition, documentation is critical when issues arise. For this reason, the Company strongly encourages contractors to keep updated records to minimize discrepancies. Recommendation of this may be from, but not limited to emails, voicemails, text messages, contractor personal notes of issues during the transaction and or signed documents. All these records shall be uploaded into the Company transaction management system.
6. **Use of Experts & "Recommendations":** The Company maintains a strong policy that an agent does not go beyond their area of expertise regarding a transaction. The company strongly recommends that an agent advises all clients to use an expert in situations where appropriate. Staying within your scope of professionalism includes not practicing real estate in an area that you are unfamiliar with. The Company has in-house agents that may specialize in other areas, for instance, commercial, property management and more. It is strongly recommended that you contact your broker for recommendations on specialists in any field that you are not competent in. Another example, if questions arise with a buyer about the adequacy of the electrical system, the agent should advise that a building inspector, engineer, or licensed electrician be consulted. In addition to this process, an equally strong policy exists in NOT recommending any inspector, engineer, electrician, or other expert. While advising that AN expert be used is a good risk reduction technique, the benefits of this technique are lost if a specific expert is recommended. Recommendation of a specific expert could lead to liability if the expert fails to do their job and the agent was negligent in recommending that person. The policy of the Company is to give the names of three experts in each field whenever asked for a recommendation. In addition, advise the client to do their own research when searching for experts. Do not fall into the trap of responding to a customer/client who insists you make a specific recommendation. The agent should be firm in having the customer/client makes the choice. Also, the Company prohibits the Contractor from scheduling services for and on behalf of the customer/client. By scheduling these services, this could subject the Contractor and Company to liability. If Contractor violates this policy, Contractor assumes all liability.

7. Training: As stated in other parts of this manual, training and education are integral parts of any risk reduction and professionalism program. Though not required to do so, all agents are strongly encouraged to take advantage of Company, board, and association education programs.

8. Use of Legal Counsel: Whenever an agent believes they require legal assistance, the broker / branch broker should be contacted. The Company has legal counsel for appropriate legal questions and problems. The earlier a legal question or problem is brought to the attention of management, the earlier the problem can be solved. The Company's position is that wisely spent legal fees early in a problem can save many thousands of dollars if a formal complaint or lawsuit arises. In addition, the UAR provides a legal hotline for assistance to its members. Although this hotline does not constitute legal advice, it is a tool and resource.

9. Errors and Omissions Insurance: The Company carries errors and omissions insurance that competes with market standards. In the event a Claim is needed to be filed, the Contractor shall be responsible for the Deductible for each infraction. The Contractor will be obligated to pay this deductible upon request from the insurance company.

Errors and omissions insurance generally covers the negligent acts of the insured. It does not cover all possible damages for which the company could be liable. For example, no errors and omissions insurance covers punitive damages or interference. In these events, the Contractor would be responsible for the total cost and or expense arising out of any lawsuit denied by the insurance company. For other exceptions, contact the broker / branch broker for a copy of the policy.

Notification of possible claim. The Company policy is that each agent must notify the broker / branch broker as soon as the agent is aware of a possible claim against the agent/broker. "Possible claim" means the potential of a disagreement which could lead to a lawsuit against the Company or agent. Only in this way can the Company properly invoke the errors and omissions coverage, if necessary. If such notice is not given to the Company, the claim may be denied by the insurance company.

10. Earnest Money: Several concerns regarding earnest money are involved. First is the "how much" issue. The company cannot maintain a policy that requires any specific amount of earnest money, as the Company and agent are not parties to the contract. However, if the Company represents the seller, the advice to the seller will be that sufficient earnest money is very important in that it shows how "earnest" a buyer is. The Company has seen many cases where low earnest money has resulted in a buyer simply defaulting on the contract and forfeiting the low amount of earnest money, banking on the fact that it is unlikely that a seller would sue. It has also seen many cases where sufficient earnest money has kept an anxious buyer in a contract to closing because of the prospect of losing a substantial amount of earnest money. If the Company represents the buyer, the classic approach to buyer representation might suggest recommending the lowest possible earnest money in every case. However, the agent is cautioned that this may not serve the best interests of the buyer in all cases. For example, because earnest money indicates how "earnest" a buyer is, or how "strong" an offer is, a buyer may be put at a competitive disadvantage if low earnest money is offered in a situation where the buyer's offer is competing with one or more other offers. As in all other situations, if the Company represents the buyer, its job is to give the buyer the best of the agent's and company's expertise, advice and talent which may include advice which on first impression does not follow the "typical" rules.

11. Transaction Management and File Storage System / Software: The Company shall use a transaction management system "TMS", that may change from time to time. This software shall have the ability to store all the files pertaining to all transactions initiated by any independent contractor working with the Company. Although this may change, the software that ends up being used by the Company shall have the ability for file storage, and maintenance of all documents as required under R162-2f-401k of the Division Administrative Rules. The Company shall have the capacity and will retain the file storage for as long as required by state law. This system will also serve as one of the Companies and Principal Brokers resources to actively manage and supervise each licensee and unlicensed staff. This system will also serve as the

primary method for the licensee to timely inform the Principal Broker, branch broker or managing broker of all real estate transactions.

12. **Complaint Handling Procedures:** One of the simplest and most cost-effective risk reduction methods is a good complaint handling process. Accordingly, the Company, establishes the following procedures for handling complaints:

- a. If the complaint comes to an agent involved in a transaction, the agent will be the primary contact person to handle the complaint with whatever management assistance the agent requires. At a minimum, the agent should notify the broker / branch broker of the complaint and the agent's progress with the complaint.
- b. If the complaint comes in without specifying an agent, the broker / branch broker will handle the complaint. If a specific management person is requested (such as "I want to speak to the President!"), the person answering the call should courteously direct the call to the requested person, if available, or the broker / branch broker in the requested person's absence. The caller should ALWAYS be assisted in some way. The person taking the call should not say "Oh, she isn't here right now." or "You'll have to call him later." or "Please call her office." It is very important to handle an aggravated or upset caller with the utmost courtesy and care.
- c. Whoever takes the complaint, the key factor in handling the call is to LISTEN to what the caller's complaint is. The most appropriate and helpful thing the call handler can do is give the person filing the complaint a full and fair airing of the grievance. Many times, simply listening to the complaint does much to alleviate the caller's frustration. Sometimes, being listened to is all the person really wants. ACTIVE LISTENING is critical.
- d. Usually, the most successful way to handle the initial complaint call is to validate the caller's concerns. In general, it is best not to challenge the caller or become defensive. GET THE FACTS!! Simply try to get all necessary information from the caller's perspective, even if the complaint handler knows it may not be 100% accurate. Remember to document the conversation in writing. Make notes or write a memo about the conversation as soon as possible.
- e. Usually, the call can be ended by assuring the caller that the matter will be investigated. The complaint handler should tell the caller what they can expect. For example, "Mr. Smith, you can understand I need to do some research. I will look into the matter, discuss it with Suzie and get back to you by Tuesday." The caller should always be told what the complaint handler will do and by when. Then make sure you follow through and do what you said you would do.

The basic risk reduction techniques in this manual can contribute significantly to the safe and successful practice of the real estate business for the Company and each agent. The company appreciates each agent's and staff member's enthusiastic endorsement of these concepts.

SIGNATURES

- a. **Spousal Signatures:** If both husband and wife are on record title to the property, each spouse must ALWAYS sign a listing agreement unless a waiver of marital rights given by the non-signing spouse exists (e.g., separation agreement, prenuptial agreement), a copy of the waiver has been given to the Company, and legal counsel for the Company, has confirmed that the agreement constitutes a valid waiver of the non-signing spouse's rights. Most often, these questions come up when the property is titled only in the "selling" spouse's name and the "non-selling" spouse claims that they have no interest in the property. Typical situations are a widowed person who has remarried or a divorced person who has remarried.

- b. **Property In Estate:** When property is in an estate, ALL heirs AND spouses must sign. If a Personal Representative (Executor) has been named, it is possible that the Personal Representative has authority to sell the property. The agent must secure a copy of the part of the will or court decree which empowers the Personal Representative to sell property. The power of sale granted the Personal Representative by a will may not be acceptable until after a certain period has passed following the date that the Personal Representative has been appointed. In this situation, the executive staff for the Company will consult with legal counsel to determine if the power to sell in the will is acceptable.
- c. **Trustees:** If a property is held by a trust, the trustee will normally be empowered to sell. However, the agent must secure a copy of the part of the trust which empowers the trustee to sell because some trusts require the signatures of more than one trustee to sell as in the case of an individual and corporate trustee (bank). The trustee's spouse does not sign the listing agreement because the trustee is acting in a representative capacity.
- d. **Seller Incapacitated:** If a seller is not mentally competent to sell, a guardian must be appointed by the Court and the guardian must obtain a court order to sell the property. Until such time, the property cannot be sold even if a child, sister, niece, nephew, etc. is also on the title. Also, if a property is jointly owned in this fashion, the spouse of the "second signer" (child, sister, niece, nephew, etc.) must also sign the listing contract. It is possible that a properly drawn Durable Power of Attorney may provide a means to sell this type of property. However, before relying on the Durable Power of Attorney, Company management will consult with legal counsel to determine whether the existing Durable Power of Attorney is acceptable.
- e. **Divorces:** A person is NOT legally divorced until a court so orders. A person "in the process of divorce" cannot sign the listing agreement alone. The spouse must also sign, regardless of whether the spouse is living on the premises, or the couple has a "legal separation," unless a valid waiver of marital rights exists (see section on Spousal Signatures above). Once divorced, the person may sign alone. However, if the county records continue to show the property in both names, the agent must secure a copy of that part of the divorce decree which awards the property to the signing spouse for the Company, files.
- f. **Powers-of-Attorney:** A Power-of-Attorney authorizing the sale of real estate is acceptable for signature on a listing contract. However, not all powers-of-attorney authorize the sale of real estate. A copy of the recorded Power-of-Attorney authorizing the sale of real estate must be secured for the files of the Company.

SMOKING POLICY

Smoking is prohibited in any office of the Company, including private offices, conference rooms, restrooms and areas not normally accessible to the public. Smoking is only permitted on Company property outside and in accordance with the Utah Clean Air Act.

TEAMS POLICY

Contractors shall have the ability to create teams with written Company approval. All Team members are independent contractors with the Company and in addition to the support of the principal broker, shall also be under the supervision and management of the Team Lead for the team. All Team Leader(s) and Team members are under the same requirements of following all federal, state laws, division administrative rules (i.e. advertising rule R162-2f-401h(5), and the NAR Code of Ethics. The Team Leader(s) shall supervise and manage the team member(s) and keep the principal broker informed of all the activities and duties performed by the team member. This may include, but not limited to complying with and following all company policy and procedures, risk management protocols, and timely inform the principal broker through communication, verbal and written, update and upload documents and correspondence into the Company's

TMS. To create a recognized team with the Company, the team leader(s) and team member must execute a contract between them with the following provisions (“Team Contract”):

- Written Authorization from the Company to form a team;
- Either the Team Leader(s) or the Team Member may terminate their Team Contract at any time. (The compensation terms of the Team Contract shall still apply for outstanding leads / pending transactions, by the Team Member.) Details of the termination of the team member / team leader relationship shall include:
 - Ownership of any and all outstanding Leads;
 - Ownership of any and all outstanding Listings;
 - Ownership of any and all outstanding Buyer(s), / Buyer Broker Agreement(s);
 - Referral Fees;
 - Any other fees;
- Commission structure between the Team Leader and Team Member. (This is in addition to the ICA and Fees Schedule with the Company);
- Authorization to pay the Team Leader(s) and Team Member according to the terms of the “Team Contract”;
- Any changes to the team compensation structure be communicated to the Company in writing, with written acknowledgment by both parties, and an effective date of the change. (This effective date of this change will not be able to be effective until AFTER the Company has received a copy of the written acknowledgement.);
- An acknowledgement that the Company will strictly follow the Team Contract in the event of a dispute;
- Agreement to hold the Company harmless, defend the Company, and indemnify the Company in the event of any disputes.

Team Member will automatically revert to the Company Default Compensation Structure, which is identified by the Company, in the event of the termination of the Team Contract.

Team leader(s) or team member(s) may not solicit Company employees for employment with the team.

TELEPHONE SOLICITATION POLICY

It is the policy of the Company to comply with federal and state telemarketing rules regulating the telephone solicitation activities of its agents and employees. A “telephone solicitation” is a telephone call or message to any residential telephone subscriber “...for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services...” Callers attempting to obtain a listing from a FSBO seller or a seller whose listing was with another company and now has expired are covered under this definition. All agents and employees of the company are required to comply with this policy.

Before Soliciting Business by Telephone:

1. If a number comes back “Registered,” you may NOT call the number UNLESS:
 - One of the exceptions set forth in Section 2 below applies AND
 - The number does not appear on the Company “Do Not Call” list (see 1a. below).
 - If a number comes back “Not Registered”, you may call the number UNLESS it appears on the Company “Do Not Call” list (see 1a. below).

- a. Company “Do Not Call” List. The Company is required to maintain its own list of people who have specifically requested that the Company or its sales associates not call them. You may NOT under any circumstances call any number appearing on the Company list, even if one of the exceptions set forth in Section 2 below applies. **Agents and employees of a company should always be working from an up-to-date version of the company list, which may not be more than 30 days old. The names of people who have requested that the company or its sales associates not call them must be added to the company List as soon as possible and in no event more than 30 days from the date of the request. A do-not-call request must be honored for five years from the date the request is made.**
 - b. Document the date and time you checked the Lists to help prove your attempt to comply with telemarketing laws.
 - c. You may only use the Lists for the purposes set forth in this policy, and you may not provide access to or copies of any of the Lists to anybody outside the Company.
2. Exceptions. You may place a telephone solicitation to a number listed on the Federal “Do Not Call” Registry in certain instances UNLESS the number also appears on the Company “Do Not Call” list. The exceptions are as follows:
- You may call a FSBO seller on behalf of a buyer client who has an interest in the property.
 - You may NOT call a FSBO seller to attempt to obtain a listing or to otherwise attempt to “sell” your services as a real estate professional.
 - You may call people with whom you have a “personal relationship”, defined as a family member, friend, or acquaintance.
 - You may call a former client of the Company for up to eighteen months after the end of the agency relationship.
 - You may NOT call a seller whose listing with *another* company has expired to obtain the listing.
 - You may call a person who has made an inquiry to the Company about property or real estate services for up to three months after the inquiry.
 - For calls to referrals, see section 5 below.
 - You may call a person who has given express written permission for you and/or Company agents to solicit them by telephone. The written permission must include the telephone number to which a call may be placed.
 - This includes someone who has given permission at a Company open house using the Company’s approved registration form. To ensure that an open house visitor has given express written permission to receive a follow-up telephone solicitation, it is recommended that the sign-up sheet contain some kind of notice, such as a box next to each line allowing the visitor to check “yes” if they consent to receipt of a follow-up call.
3. Conducting Telephone Solicitations.
- No soliciting calls may be made to any telephone number without first checking ALL “Do-Not-Call” lists (the national, the Company-specific list, and your specific list).
 - Presidio Real Estate’s internal “Do-Not-Call” list may be accessed on Presidioteam.com.
 - If the person asks to not be called, then the name and telephone number of that individual must be emailed to PresidioDNC@gmail.com within 24 hours of the request being made so that the telephone number may be added to the Company’s “Do-Not-Call” list.
 - The Company’s “Do-Not-Call” list will be updated on a regular basis, but please allow up to 30 days for the person’s name and telephone number to appear on the “Do-Not-Call” list.
 - The Contractor is also advised to maintain their own personal “Do-Not-Call” list when a person requests to no longer receive calls.
 - No telephone solicitations may be made before 8:00 a.m. or after 9:00 p.m.

- If, during a telephone solicitation to a consumer whose name does not appear on any of the Lists, the consumer states that they do not want to continue the call, advise the consumer that you will respect their wishes, thank them, and hang up. Please immediately report the name and telephone number of the consumer to the Company by emailing PresidioDNC@gmail.com for placement of that person's name and telephone number on the Company's "Do Not Call" list.
- During the call, you must provide the consumer with your name, the Company name, and the telephone number or address where you and the Company may be contacted.
- You may not block the transmission of your caller ID information.
- Do not use a pre-recorded message or auto dialer.
- Do not disconnect an unanswered call prior to at least 15 seconds or four rings.
- The rules cover all types of telephones (cell, etc.) and apply whether you are calling from inside or outside the Company office.
- DO NOT make any soliciting calls that are not in compliance with this policy.
- The Contractor agrees to follow this policy and indemnify Presidio Real Estate for any costs, fines, attorney fees, etc. that are incurred as a result of you making solicitations calls that violate this policy, state and/or federal law (such as the FCC and FTC rules).

4. Returning a Call to a Consumer Whose Name Appears on the Lists.

- You may return a call to a consumer whose name appears on any of the Lists when the return call is made in response to an express request from the consumer.
- A telephone message instructing you to call a consumer is such a request and may be answered.
- When a consumer calls and asks to speak with someone who is not available, the person taking the message should specifically ask the caller if they would like a return call. This should be conspicuously noted on the message.
- A request for a return call left on a voice mail message or answering machine should be documented by the recipient as evidence of the message.

5. Referrals

- If you receive a referral of possible business from a third party, such as a relocation company or another real estate agent, you must check the Lists before you call the prospect.
- If the prospect's phone number is not on any of the Lists, you may call the prospect.
- If the prospect's name is on the Company Do Not Call List, you may not call the prospect under any circumstances.
- If the prospect's phone number is on the Federal Do Not Call List, you may not call the prospect UNLESS the referring party has provided a signed statement from the prospect agreeing that you may contact the prospect, including the telephone number to which the call may be placed.

TRANSACTION MANAGEMENT AND FILE STORAGE SYSTEM / SOFTWARE

The Company shall use a transaction management system that may change from time to time. This software shall have the ability to store all the files pertaining to all transactions initiated by any independent contractor working with the Company. Although this may change, the software that ends up being used by the Company will have the ability to an unlimited amount of storage, for filing, and maintenance of all documents as required under R162-2f-401k. The Company shall have the capacity and will retain the file storage for as long as required by state law. This transaction management system will also serve as one of The Companies and principal brokers resources to actively manage and supervise each licensee and unlicensed staff. This transaction management system will also serve as the primary method for the licensee to timely inform the principal broker, branch / managing broker and or executive staff of all real estate transactions.

TRUST ACCOUNTS

The Company shall maintain the minimum trust accounts as required by the state and R162-2f-403a and R162-2f-403b of the division administrative rules. One account (if applicable) shall be used for the handling of Property Management and the Property Management rental deposits, and one account shall be used for all Earnest Money and Lease Payments tied to a real estate transaction. These two (2) accounts shall be separate from any operating account / commission account. These accounts shall be monthly reconciled by the Principal Broker and the Companies accounting department. No licensee shall enroll in a Trust Account without written authorization from the Principal Broker.

Contractor Signature: _____ Date: _____