

Meridian Capital Real Estate Services Inc.

Office Policy Manual

About the Company

The Company is licensed by the Department of Real Estate under the following name: Meridian Capital Real Estate Services Inc. The brokerage is a member of the National Association of Realtors and California Association of Realtors. DBA registered with the DRE as Meridian Capital Real Estate.

Policy Manual

The purposes of this policy and procedure manual are to establish a uniform system of daily conduct by and between us when dealing with each other, other members of the Company, our clients and members of the public. Responsibilities - You are responsible to work in accordance with Company policies and procedures. Your failure to comply with the policies and procedures within this manual may result in your termination from this Company. Changes in Manual - This Policy manual may be changed from time to time by the Company. Changes can be made at any time and will be distributed periodically through the Company's web site and all member e-mail list. The policies on-line at any time represent the Company's current Policy Manual. Exclusions from the Manual - This Manual applies only to salespersons, and does not apply to Company staff employees. Conflict with Salesperson/Broker Independent Contractor Agreement - In the event of a conflict between this Policy Manual and your Salesperson/Broker Independent Contractor Agreement, the terms of this Policy Manual shall prevail.

Independent Contractor Relationship

Independent Contractor - You have signed an Independent Contractor Agreement with the Company and are associated with this Company as an Independent Contractor. You do not have an employee-employer relationship with this Company. You are considered to be an Independent Contractor for tax purposes and will receive a 1099 at the end of each calendar year. The Company will NOT withhold taxes or Social Security from your compensation. Payment of taxes and Social Security contributions are your responsibility. You are also considered an independent contractor for purposes of Unemployment Insurance. You are not subject to the minimum wage laws. The Company will provide Worker's Compensation insurance for Broker's own benefit.

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

General Office Procedures

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

-Your Company's Broker is charged by California law to review, supervise and manage the activity of all salespersons. The Broker may rely on management and staff support to perform this function. You are expected to cooperate with Broker's assistants in the handling of files, documents and procedures in accordance with this Policy Manual and California law. We use a transaction upload system on our agent login to upload all documents for office review and storage. You can view demo's for the upload system- SkySlope at www.SkyslopeDemo.com. If you forgot your skyslope username or password please contact the office.

-It is your responsibility to keep current on changes in industry practices and to take advantage of available education and training programs to maintain your professionalism and your ability to properly represent your clients. It is also your responsibility to obtain all Continuing Education courses so as to renew your license in a timely manner. We urge you to take advantage of the many training sessions offered through the Realtor Association you are a member of locally. As a Realtor you also have free access to the legal hotline, if in doubt, always disclose everything and confirm the law with the legal hotline as needed.

-The brokerage uses a paperless upload program for delivering all transaction documents to the brokerage

office. All signed documents are to be emailed or uploaded to the paperless transaction document program – Skyslope, within 24 hours of execution. DRE requires the office to have copies of all documents and disclosures for each transaction.

Company Business Hours

Direct Broker's support is available Monday through Friday 9am-5pm. You can contact the main office at (800) 729-5111 or via email at admin@mymercap.com. All voice messages will be emailed to the broker and support staff for a response. Emergency Support can be requested on weekends by calling the main office line or direct to Broker at (909) 510-0557 or Support Staff at (949) 500-8777. All support requests will be responded to within 24 hours, but typically an immediate response can be given. Email is preferred contact method.

Business Cards and Signs

You can order your company business cards and signs through any printing company of choice. We have pre-designed business cards and signs on the agent log in of our website. If you use your own company to order signs and business cards, you need to follow the rules provided in this manual under "Advertising" section. BE AWARE: Certain municipalities, housing developments and Homeowners' Associations have strict guidelines, rules, and ordinances regarding the size and placement of signs. You must determine whether or not the Company's sign and its placement will conform to these requirements BEFORE installation. You are responsible to have the sign removed immediately once the listing expires or the property sale is closed. Business Cards and all flyers, emails and all points of contact with clients and prospective clients MUST include the license number. We have pre-designed Business Card and Sign Company information on the agent log in.

Company Changes and Updates

The agent log in must be logged into to see all legal and company policy updates. The agent log in is a great source for answers to basic admin support, to contact the brokerage office and obtain resources for running your real estate business. The agent log in is also where you can change your website IDX, update your profile, obtain leads and upload documents for broker review. You will also be sent periodic email updates from the brokerage office on a monthly or quarterly basis. You are authorizing Meridian Capital Real Estate to create you a free website for use online and to market your name and contact information for real estate business purposes within our company.

Professional Conduct

As a member of the National Association of REALTORS®, you are expected to be familiar and comply with the Code of Ethics. By signing this policy manual you are confirming that you have read and understand all CAR / NAR code of ethics and regulations. You must also understand all HUD / Fair Housing rules and regulations and agree to abide by these regulations at all times. Agents are responsible to keep all rules and regulations pertaining to the MLS. No listings may be put onto the MLS without first being uploaded onto the paperless upload system for broker review.

Working Place

Our Company does provide open office space for our agents during office hours if needed. Company does not provide personal computer or office supplies to agent. As you are an independent contractor, it is permissible to work from your home, own leased office, home office, car or other places. However, remember that the Broker is required to supervise your activity. Be sure that all files and documents that you work on are in safe place and can be represented to Broker in 24 hours. You must to be reachable by phone, fax, email and regular mail and respond to voicemails within 24 hours. You need to provide us an address of your office or home. Company does provide agents with extension forwarding and Forwarding Email Address at no cost to agent. If agent uses the office address for meeting clients, agent is responsible for all material, laptop etc as needed. Agent will be responsible to reimburse brokerage for costs on needed shipping etc as needed by the agent.

Alcohol and Drugs

Possession, use, sale or being under the influence of alcohol or drugs on or off company premises while conducting Company business is prohibited. Use good judgment. NEVER DRINK AND DRIVE.

Professional Associations

Multiple Listing Service - The Company is a member of many local Multiple Listing Services (MLS). The full list

of association/MLS where Company maintains membership is available on our Company website via the agent log in. As an associate with this Company, you can join the MLS as well. Please notify the broker if you want to join an association we are not currently a member and we can look into joining that association as well. There are many associations that service each MLS, we are part of an association for each MLS so that you can join or transfer to the association we are part of to gain MLS access for your area.

-As an MLS member, you are required to be familiar with, and adhere to, the rules and regulations of the MLS. A copy of those rules and regulations are on file in the office or through the MLS. If you fail to comply with those rules and regulations, or fail to pay your MLS bill when due, you and/or the Company may be fined, suspended or expelled, and your listings may be removed from the MLS. You will be responsible for payment of any and all fines levied against you and/or the Company resulting from your noncompliance. Furthermore, your noncompliance may result in your termination from the Company. Any fee's Company must pay due to your non-payment while your license is under our brokerage must be immediately repaid by agent. Any balance due will be deducted from commissions if needed.

National, California and Local Associations of REALTORS®

Membership is billed annually through your local association of REALTORS®. NAR/CAR has many benefits including Zipforms, the CAR Free Legal Hotline, ZipVault, DigitalInk and many other benefits.

Fees and Commissions

All fees and commissions must be made payable to Meridian Capital Real Estate. You will be paid out of the fees and commissions earned by you, and for which you are the procuring cause, based on the terms mentioned in your Independent Contractor Agreement. If agents has uploaded all files onto Skyslope or if agent is using the company in house transaction coordinator to manage their file (as the TC will upload to Skyslope for you) ; Broker can authorize agents' direct payment from escrow to agent. (Checklists can also be found on the agent log in in paperform for print or via Skyslope) A separate check would be issued to company for Broker and Risk Management fee. The authorization form to request for brokers signature and submission to escrow can be obtained on the agent log in. Please fill out this form if your file is complete prior to close and fax, email, or upload to the office. Please remember we cannot authorize your commission to be paid until we have your entire file with all forms fully executed by all parties. It is the agents' responsibility to insure fully executed files; agent should hire the Transaction Coordinator if they are unable to organize the files appropriately. The in house transaction coordinator will organize and collect all signatures from the parties, arrange inspections etc, and will also send agent a CD at the close of escrow with the entire transaction for your records.

-The brokerage will set up direct deposit for agents instead of mailing payments after receiving all checklist items, if not being paid through escrow. If you want to use direct deposit please request the form from the office and allow up to 2 weeks for activation; from then on we can pay you direct for next day direct deposit free of charge.

-Meridian Capital can add a personal Fax Line which emails directly to you, and includes fax out features. If you would like your own personal fax or phone line which forwards to your email or personal phone please call the office for details. The cost is \$10 per month. Having your own personal fax or phone number is not a requirement. Our current extension system does offer all of our agents a free fax out feature via email.

-Through our paperless upload system they offer a digital signature feature integrated into the system, which they do not charge for the first 2 months so that you can see if you like their software, thereafter the digital signature feature costs only \$10 monthly, or \$8 monthly is paid for the year in advance... this is an optional feature. At a cost less than DocuSign with the same great features we feel it's beneficial and cost effective. Please let the office know if you would like us to purchase this feature for your account.

Bank Accounts

You may not open a bank account with the company name or similar name or any company DBA. Legal action will be taken against agents fraudulently processing commissions and company funds. If you are using a company registered DBA, all commissions are to be sent to the main office for processing; agents and associate brokers may not have a bank account with any of the company DBA's. Any allowed "Branch Offices" must still have closing files and commissions addressed to the main company address in Rancho Cucamonga, CA. It is illegal for agents to be paid for any licensed activity direct; you must be paid through the broker. If you get a check written out in your name please notify the office and we will get the other broker or client to replace it as needed.

Tax Reporting

At the end of each calendar year or as soon thereafter as possible, the Company will provide you with an

Internal Revenue Service Form 1099 setting forth compensation paid to you. Your income earned and expenses incurred have significant tax consequences. You are encouraged to get competent independent tax advice and keep accurate records of earnings and expenses.

Deductions

All expenses of any kind incurred by you with the Company; or incurred by the Company on your behalf, including unpaid draws and advances, expenses for advertising, supplies, signs, etc., and/or any such expenses that you have agreed to pay the Company but have not paid in accordance with Company policy, will be deducted from the next commission payments due you. Agents are to pay their own advertising costs if they so desire, including their own signs and business cards. Company does not pay agents CAR/NAR dues nor MLS or Association Fees.

Trust Fund Handling

As a regular part of the real estate business, you will receive funds on behalf and for the benefit of others, i.e. "trust funds." The Department of Real Estate Reference Book defines trust funds as "money or other things of value that are received by a Broker or salesperson on behalf of a principal or any other person, and which are held for the benefit of others in the performance of any acts for which a real estate license is required." The most common types of funds are earnest money deposits. Improper trust fund handling may lead to civil, criminal and Department of Real Estate action against you and the Company. Remember, you are handling someone else's money. You are generally required to deposit trust fund money not later than the third business day after receipt, unless specifically authorized to hold the funds un-cashed.

When you representing a buyer you must ensure that earnest money deposits are made payable directly to escrow and reported to Broker. The CAR Purchase Agreement has an option to check that earnest deposit is to be paid directly to escrow from buyer. **IT IS ILLEGAL AND UNPERMISSIBLE TO RECEIVE FUNDS IN YOUR PERSONAL NAME OR ACCEPT CASH PAYMENTS FROM CLIENTS.** If you are responsible for getting the check made out to Escrow into the hands of the escrow company. Always be sure to get a receipt when giving escrow the check with the escrow number, check number and property address and upload receipt and check copy to Skyslope. Best practice is to indicate on the purchase agreement that the buyer will send the check to escrow once opened.

Buyers Deposit Trust Ledger

Even though we do not use a company trust account, and instead have all offers state the buyer will give escrow the deposit within 3 days...according to DRE guidelines we must still keep a ledger of any deposits that are in the hands of our agents. Even if the buyer gives you a check made out to "escrow" for making offers and brings a different check into escrow once an offer is accepted, we still need to write down the check information on a ledger for our main office compliance. Please email, fax or upload to our Skyslope account a copy of any check you have in your possession, no matter who it is made out to; to the main office within 24 hours.

Company Loan and Escrow Division

If using company loan or escrow division, the use of this in house relationship must be disclosed and the appropriate form signed by all parties. This disclosure will be included in the escrow instructions from our escrow division.

Identity Theft

Identity theft is a growing concern. So, it is essential that you treat with care and confidentiality all files containing names, addresses, phone numbers, social security numbers, credit card information or any other personally identifiable information. You must assure that any files containing such information that remain in your possession be kept in a secure location and disposed of properly. Keep files in a locked file and be sure to shred papers with private information for disposal.

Safe Driving

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

Personal Transactions

You may buy or sell property for your personal account subject to the same Broker's fee like a regular

transaction; the only additional charge is the Risk Management Fee as our E&O insurance rates raise with personal agent transaction. Please see the attached Non-Standard Fees addendum. All agent owned transactions are required to have a buyer's home inspection performed and a 1 year home warranty purchased by the buyer, or purchased for the buyer.

-You must disclose in writing that you are a real estate licensee whenever you buy or sell property in which you have an ownership interest, or where you have a special relationship with a buyer, or where there is a possibility that you could acquire indirectly a financial or legal interest in the property. Be sure to write this disclosure on the MLS and also have a separate disclosure signed by all parties. If in doubt- Disclose.

Vacations

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

Anti-Trust Guidelines

Do not engage in any verbal or written conversations with agents or brokers with other companies regarding: The setting of commissions, charges or other fees to the public; Boycotting or not doing business with a particular competitor.

Transaction Coordinators

Our company provides a transaction coordinator (T.C.) service. There is no requirement to use our Transaction Coordinator but if you are not using our T.C. you are liable for the transaction file as completed and matches all Company requirements. Our coordinator charges a very reasonable fee and knows all company policies and procedures. The fee is only \$295.00 and you will automatically have authorization sent to escrow for your direct commission payment from escrow or direct deposit from our office.

Risk Management Fee –AKA: E&O Fee.

Each year, the Company shall separately establish and publish the amount per transaction to be paid by all salespersons, as a Risk Management Fee. This Fee will be used by the Company to offset the costs of the Errors & Omissions insurance; settlements, judgments, and legal fees and costs of claims and litigation; and other risk management costs. We will not raise this fee unless required and as always do everything we can to keep our agents costs low and benefits high.

Recruiting other agents

Meridian Capital Real Estate would be delighted if you would invite other agents to join. We will pay you a \$300.00 referral fee dispersed into three one hundred dollar checks upon referred agents first three closings with the brokerage.

Proprietary Information

Treat all client information as confidential and proprietary. You have a fiduciary duty to your clients and must never use any information learned during the course of your representation of your clients in any manner adverse to their interests. Be careful not to mention client's personal information on websites, blogs or social media outlets to protect their privacy.

Fair Housing

The Company is committed to equal opportunity, fair housing and complying with all applicable local, state and federal fair housing laws. To that end, we do not discriminate on the basis of any arbitrary classification, including, but not limited to the following: Race, Color, Religion, Sex, Handicap or disability, Familial status, National origin, Sexual orientation.

Agency Relationships and Duties

Recognized Forms of Agency - The Company generally recognizes two forms of agency:

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

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

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

-Remember, the agency relationship is created through the Broker. If you have listed the property and

another salesperson from this Company brings an offer from a buyer, a dual agency will be created. DA form is required.

-Dual agency must be further disclosed. Company policy is that all Zipform agency disclosures be signed by all parties and also that a separate addendum be signed by all parties disclosing the dual agency, if applicable. Disclose and have signatures to back it up.

-Dual Agency DA Zipform would also be used if you are representing more than one buyer interested in the same property.

Duties and Standards of Conduct

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

-Disclosure of known facts materially affecting the value or desirability of the property that is not within the diligent attention or observation of the parties. The exercise of reasonable skill and care in performance of your duties. You should only list or sell properties in areas of your expertise and knowledge, in areas you are familiar with. If you are selling in an out of area location you may not know material information in regards to neighborhood or city regulations that may affect the sale and can lead to future legal complaints.

Agency Disclosure Requirements

You must provide a statutory disclosure form entitled "Disclosure Regarding Real Estate Agency Relationships" (California Association of REALTORS® form AD or similar form) in every applicable transaction.

-If you represent the seller, you must provide the disclosure form to the seller BEFORE entering into the listing agreement. Inform the seller of our policy regarding agency as set forth above. If you represent the buyer, the law requires that you must provide the buyer with an agency disclosure as soon as practicable BEFORE executing an offer to purchase. When you present an offer and this office is not the listing agent, you must also provide a new agency disclosure to the seller as soon as practicable BEFORE presenting an offer. Delivery of the disclosure to the listing agent is generally sufficient.

Taking Listings

California law requires that a compensation agreement be in writing and signed by the party to be charged in order to be enforceable. Never put a house on the MLS until you have a fully executed listing agreement! If someone signs on behalf of another, you must have written evidence of the authority to act, such as a power of attorney or letter of administration.

-If the property is in escrow, make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing. All listings are taken in the name of the Company, which reserves the right to reassign the listing upon request of the seller, or if the listing has not been handled properly.

All files are due at the close of escrow for your commission to be paid; although it is company policy for each new listing to have fully executed contracts and disclosures uploaded to Skyslope within 24 hours of execution. Also upload a copy of the MLS print out showing Active. Skyslope has a basic checklist to upload as you go, also upload any additional forms you used in the transaction not listed as conversation log, copies of important emails, addendum, etc.

-Listing brokers are to 1099 the selling office for the commission they make on each transaction. Please obtain a W9 form from the selling brokerage on all listings and turn in via Skyslope Upload.

Negotiating Commissions

The commission paid by principal is negotiable, and should always be in writing. You will receive 100% commission minus the Company charges for services per closed transaction.

Conducting Open Houses

Open houses are a great way to expose your listing for sale and to meet prospective buyers. Plan your open houses in advance. Be sure they are advertised. In order to assure a successful open house, follow these guidelines: Prepare and take sufficient property flyers and information about you and the Company.

Prepare and take a list of comparable sales and properties for sale in the immediate area of the open house.

Suggest that the sellers not be present and that they lock away all valuables that could be targets of theft.

Place your A-Frames in strategic, but permissible, locations. Open the house, turn on the lights, and make the house look fresh and inviting. Have a sign-in sheet. Greet visitors in a friendly manner. Be aware of your personal safety. Let someone know where you are and have a plan if a visitor starts to make you feel

uncomfortable or threatened. Accompany the visitors through the property, especially in furnished properties. When the open house is over, close up the home, making sure that all doors and windows are locked.

Showing Properties

Whenever possible, preview a property before showing it to prospective buyers. If you are familiar with the property you will be more effective when showing it to your client. Also, you may find that despite contrary representations, the property really is not suitable after all. Your time and your client's and the seller's time is valuable, don't waste it: Whenever possible, call the listing agent to alert the seller before showing. Give the seller reasonable time to make the property ready for you and your client. Listing agents should give the seller an estimated time frame within which you expect to arrive. Be prompt. If you will be considerably late, call the seller. If you have not heard from the seller before arriving, or if you are using the lockbox, go to the door first without your client. If the seller is home, explain the situation and ask for access. Remember, be respectful. When using a lockbox, always ring the doorbell and/or knock loudly several times and allow time to respond. Enter the property first and verify no one is there. Open curtains and turn on lights as necessary.

-Allow sufficient time for your clients to view each room and the property. Be mindful to look for any potential "red flags" about the property. (Disclosure) Do not leave your clients unattended in or on the property. You don't want to be blamed if any items are missing from the property later. When you are finished, leave your card inside the property in a conspicuous place, and return the property to its original state (turn off appropriate lights, reset any alarms and lock the doors). If for some reason you don't show the property, call the listing agent as soon as possible to cancel. For listings be sure to know your association / MLS rules in regards to the lockboxes permitted, signage requirements etc.

Drafting and Negotiating Contracts

When preparing an offer to purchase on a purchase agreement form, or completing an addendum or counter-offer form:

-A. Fill in all blanks or place a line through them.

Review any written sentences or paragraphs to see if they can be clearly understood by someone who is not familiar with the discussions you may have had with your client.

Review this document in light of all prior offer terms, addenda and/or counter-offers to make sure that there are no ambiguities or conflicts between the various terms.

Review the document to be sure it reflects your client's wishes prior to asking them to sign.

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

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

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

- Never cross out paragraphs or sentences from the CAR forms. Check whether or not the items applies and if needed add a separate addendum changing the terms of the contract if a sentence or paragraph in the CAR Zipform does not apply.

Referral Fees

The Real Estate Settlement Procedures Act (RESPA) prohibits the payment of cash or anything of value from one settlement provider to another settlement provider (real estate agent, lender, title company, etc.). One exception is between real estate brokers for the referral of clients, in which case referral fees may be paid or received. You may not receive or pay gifts or monies to third party providers for referrals. You are able to give gifts or rebates of money to your clients. You can offer buyers or seller rebates out of your commission; brokerage fees and 1099 information are calculated on the gross commission amount.

Broker Review –File Requirements

Your files are a record of every event relative to your dealings with your client on a listing or sale transaction. You must retain copies of all listings, deposit receipts, cancelled checks, trust records, and other documents

executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. You must maintain a neat and orderly file on every listing and sale on which you work. All files are the property of the Company and are to remain either in your possession or the Company's possession until the file is closed. All closed files will be promptly returned to and remain with the Company for storage. All files will be held in storage a minimum of three (3) years in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy. You can upload all complete and fully executed documents and files in the company SkySlope account, this is a free benefit to Meridian Capital agents. Skyslope provides free support for all Skyslope upload questions you may have. If you do not use the transaction management online program, files must be mailed to the office address as one complete file. You may also email complete files all at one time to Admin@mymercap.com. Uploading to Skyslope the always preferred and will get a much shorter turn around time for review.

Get It In Writing!

As a general rule, all agreements must be in writing. If in doubt...Disclose! In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss anything with any party or another broker/agent, always confirm your discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of your client, another agent, broker or anyone else. If in doubt...Disclose in writing and obtain a signature. Add any additional written addendums and disclosures with your closed file for storage. It is always a good idea to follow up with phone calls with your clients and third parties with emails stating the items discussed, so that you will have it in writing and be sure there was no confusion. Get it in writing, and always disclose. E&O and liability insurance does not cover fraud and misrepresentation.

Do Not Use Outdated Forms

Always use current forms. Keep your on-line forms database (such as WINForms®, Zipforms) up to date.

Personal Assistants

Generally, as your business increases, you may find hiring a personal assistant to be helpful. In hiring a personal assistant, you become an employer and have employer responsibility in that relationship. Interviewing, hiring and contracting with the assistant will be solely up to you. You agree that any assistant you hire will be required to abide by this Policy Manual. Any compensation due the assistant shall be arranged between you and your assistant, and will be your responsibility.

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

-Salesperson - Personal Assistant Contract

You are required to have a written agreement with your personal assistant that expresses the nature of the relationship and each party's duties and responsibilities.

Workers Compensation

No Workers Compensation insurance is provided by the Company for assistants hired by agents. Agents who hire assistants shall be responsible for providing Workers Compensation insurance for those assistants where required. Agents should discuss this situation with Workers Compensation insurance

Representative, and/or check out the State of California Division of Workers Compensation website at <http://www.dir.ca.gov/dwc/>

Advertising Guidelines

All advertising must be approved by the Company before your placement or use. Anytime you advertise property you must include the term "Broker," "agent," "licensee" or "REALTOR®." Legal and Ethical Considerations - As an associate and licensee, you have both a legal and ethical obligation to be truthful when advertising property or services. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the Department of Real Estate.

-Company Name and Logos - The Company's name and/or logo must be included in all advertisings. The logo is available for download on the agent login.

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

Telephone: Do-Not-Call Compliance

You are required to comply with the do-not-call laws which generally prohibit "telephone solicitations" to residential and cell phone numbers registered on the National Do-Not-Call Registry. A. You may not call anyone at their home or cell phone number if listed on that Registry unless an exemption applies. Exemptions include written permission or an established business relationship in the past 18 months. B. Cold Calling: You are encouraged to explore cold calling as a method of business promotion, but you must comply not only with the do-not-call rules, as well as other cold calling requirements as follows: 1. You may not call a residence before 8:00 AM or after 9:00 PM. 2. You must provide the called party with your identity and telephone number where you may be contacted. 3. You may not call any emergency lines, health care facilities, radio common carrier services (cellular or paging services) or any service for which the called party will be charged for the call. C. It is your responsibility to adhere to this policy and will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs.

Fax Advertising

There are state and federal laws prohibiting faxing to recipients with unsolicited commercial advertisements or solicitations. Exemptions include prior permission or an established business relationship.

Fair Housing

The Company is committed to equal opportunity and fair housing in all of its advertising. Be aware that the selective use of words, phrases, symbols, visual aids and media in the advertising of real estate may indicate preferences held by the advertiser and lead to allegations of discriminatory housing practices. Words or photographs in a real estate advertisement which indicate a particular race, color, sex, handicap, familial status or national origin are considered likely violations of the Federal Fair Housing Act and may not be used in Company advertisements.

Policy Against Harassment

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

-Enforcement - If you believe that you have been harassed, please bring the problem to the attention of the Broker. You do not have to put your complaint in writing, but it is helpful to provide details about dates, times, places, and witnesses to the harassment. All complaints will be investigated promptly by designated Company management. If your complaint of harassment is found to be totally and completely without basis, appropriate measures may be taken against you.

Litigation and Claims Handling

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

Legal Defense

A. When a claim or demand is made, or a lawsuit or other action is filed, against either you or the Company by a third party which alleges any breach of any duty, error or omission, or negligence in the performance of "Professional Services," as that term is defined in the Company's Errors & Omissions Policy of Insurance, for activities covered by the Insurance Policy, then the Company shall defend the claim, and the cost of such defense shall be allocated as set forth herein.

B. The Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the Company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.

-Allocation of Costs of Defense - Brokerage shall pay deductible for E&O insurance claims on defense claims.

A. Except as provided below, the cost of defense of the claim, or to defend or protect against any potential or possible Claim where the Company or you are not involved as a party, including attorney's fees, and the cost of any settlement or a judgment (collectively the "Costs of Defense"), shall be allocated between the Company and you in the same percentages as per your Independent Contractor Agreement or prospective transaction

that led to the Claim, whether or not the transaction actually closed.

B. You shall be responsible for all Costs of a claim if you fail to follow any law, regulation or Company policy as set forth in this Policy Manual, and that failure results in a judgment or other final adjudication based on that failure. E&O insurance does not cover any types of Fraud!

C. You shall be solely responsible, and shall reimburse the Company, for all of the Company's Costs of Defense if a judgment or other final adjudication on any claims adverse to the Company and/or you:

1. Establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed; or
2. results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties; or,
3. establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification; or,
4. results in a finding of pollution or any wrongful act in connection with any such pollution, including the discharge release or escape of any hazardous materials as defined in the Insurance Policy; or,
5. Result in a finding of any liability for claims for damage to property or death or injury to persons arising out use, removal or exposure to goods or products, in any form, composed in whole or in part of lead, asbestos or asbestos related materials.

Disputes During Escrow

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

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

B. The Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then Company Broker has the right to negotiate a resolution of the dispute which may involve a reduction in the commission to be received, or a credit given to one of the parties. In that event, and regardless of actual Company or agent liability or responsibility in the dispute, the agent(s) and the Company will participate in the commission reduction or credit pro rata.

Agent-Owned Property

Any property in which you have, or will acquire, an ownership, financial or other legal or other interest, is "Agent-Owned Property." The Company's E&O Insurance Policy governs coverage of the sale or purchase of any Agent-Owned Property. In any sale or purchase of Agent-Owned Property not covered by the E&O Insurance Policy, you shall be solely responsible for costs of defense, settlement or judgment on any claim, suit or action of any nature arising therefore.

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

A. Notify the Broker in advance;

B. Obtain, in advance, your Broker approval of all marketing material and disclosure documents; any purchase contract provisions prior to their execution; and any correspondence or other writings that pertain to the purchase or sale;

C. Not representing buyers or prospective buyers in the sale of Agent's Property; contact agent for authorization information and disclosure addendums.

D. Notify the Broker immediately in the event that any of the Company's agents writes an offer on your property so we can insure all needed disclosure is made prior to moving forward.

E. Buyer must obtain a written professional home inspection and 1 year home warranty, whether buyer purchased or purchased for them.

Dispute Resolution

Intra-Office Dispute Resolution - All disputes involving you and another associate of the Company will be promptly reported to the Broker. The Broker, or designated members of the management team, will attempt to resolve the dispute through informal mediation in which all affected salespersons are expected to participate. You agree that all disputes involving another associate which cannot be resolved by the Company, and disputes involving the Company, will be resolved by binding arbitration with the local Association of REALTORS® in accordance with the bylaws and rules the in effect.

-Third Party Disputes - You are required to immediately notify your Broker of any dispute or claim involving you, another associate of this office, the office itself, the Company, and a third party, including brokers and associates of other brokerages. The Company will make all reasonable efforts to resolve the dispute informally. Any such resolution will be binding on the agents involved in the dispute or claim.

Termination

Grounds For Termination - Your association with the Company can be terminated by either party, with or

without cause, at any time. Agent acknowledges that legal claims will not be made against broker or company for termination.

Associate's Compensation on Termination

If Association with the Company is terminated while you have any listings or pending transactions that require further work normally rendered by you, the Broker will make arrangements with another salesperson or salespersons in the Company to perform the required work. The licensee performing the work shall be reasonably compensated for completing work on those listings or transactions, and such reasonable compensation shall be deducted from your share of the compensation. Except for such offset, you shall receive the compensation due as specified in the Independent Contractor Agreement. Broker may authorize agent to take transaction with them to a new brokerage by transferring a listing or purchase; this must be authorized in writing by all parties and broker will require referral fee be paid to company for the transactions typical broker fee and E&O fee for listing / purchase.

Listings

Listings are the property of the Company, even upon your termination. Within 24 hours after notice of termination by either party, you must provide your Manager with a list of all active listings taken by you, and all pending transactions in which, if completed, you will be entitled to compensation from the Company in accordance with the terms of your Independent Contractor, or other written agreement.

Agent roster

Agents with professional business photos submitted to the main office will have the photo added to the agent roster on the company website. Agent authorizes company to place agent contact information on company website. Please submit a professional business photo of yourself asap to the office for your website and company roster.

Company DBA

Company/brokerage does have a DBA listed with the DRE. This DBA is Meridian Capital Real Estate. This DBA may be used on marketing material and forms instead of the full corporation name of Meridian Capital Real Estate Services Inc.

Office

Agent understands that office may be secured with video surveillance and agent is responsible for damage or theft from clients when under agents' supervision in the office. If using office computer at any time, please note computer monitoring may be in use. The office is available for agents during business hours, please call prior to ensure other meetings are not taking place if possible.

Non-Standard Fee's and Situations

Broker's standard fees per closed real estate transaction are \$500 or 10% (whichever is less) and \$99 Risk-Management fee. There are no required sign-up, recurrent, monthly, hidden or Other fees that Associate-Licensee may be charged for performing common real estate business in California. -Bonus for recruiting other Associate-Licensees to Meridian Capital Real Estate is \$300. Divided into \$100 increments, \$100 paid on each of the referred agents first 3 closed transactions with Meridian Capital.

Below contains and explains all possible Broker charges that may apply in nonstandard transactions or situations.

Broker's fee per closed real estate transaction:

When total commission is \$5000 or less:	10% of commission
When total commission is over \$5000 and sales price is less than \$1 million:	\$500.00
When sales price is over \$1million: additional per \$100,000.00 in sales price.	\$500.00 plus \$50
Associate-Licensee selling own property:	\$500.00

Risk Management Fees:

Risk Management/E&O Fee on all standard transactions.	\$99.00
Risk Management when buying /selling Associate-Licensee owned property:	\$299
Dual transaction (representing buyer and seller):	\$125 Per Side
Commercial and income property over \$3 million:	Contact Office – Varies based on risk

Broker's fee for loan origination: Mortgage Loan Originating Laws Require these commissions be bases points off loan amount or a flat fee per loan, no commission splits are allowed based on brokerage profit. Please contact the office if you have your NMLS licensing to obtain loan originating agreements.

Broker's fee for referral:

For referring client(s) to an Associate-Licensee within Meridian Capital Associate-Licensee gets 100% of the referral obtained. Only the agent working on the file will be charged.

For referring client(s) to an outside broker (other than Meridian Capital) 10% (\$500 max) Associate-Licensee gets 90% of received referral (max broker charge is \$500 per referral)

Broker's fee for Broker's Price Opinion (BPO): None -Broker will sign to authorize our agents to be paid direct from the BPO Company.

Broker's fee for Rental/Lease:

If Associate-Licensee rents/leases their own property: \$99 Risk Management

If Associate-Licensee rents/leases clients properties: 10% (\$500 max)

plus E&O fee of \$99. For lease commissions under \$1000 we will waive the Risk Management Fee.

Other fees: (optional)

Transaction Coordinator (TC Fee): \$295 Single Side

Service is optional. Per closed transaction. -Not charged unless it closes. \$495 Dual Side

When Broker is requested to list a property on MLS because Associate-Licensee doesn't have MLS access: \$100.00 - Service is optional. All listing information and photo must be provided by Associate-Licensee.

Penalties/Fines:

-If files are done incorrectly or forms are not filled out with knowledge of the proper DRE/CAR requirements the broker may require that you use the services of the Transaction Coordinator or have you split your transactions with a Mentor to insure policy and legal compliance.

-For signing commission distribution/instructions issued by Escrow or other way instructing Escrow how to distribute commission without Broker's approval: \$500 - Do not sign in brokers absence the broker commission demands and agreements for escrow. All commission instructions and/or documents regarding commission distribution/demand must only be signed by the Broker, email to Admin@mymercap.com

-For cashing/depositing the full commission check (received from Escrow, Client or Co-Brokerage) without Broker's knowledge and permission: \$1,000

Associate-Licensee must inform Broker immediately if full commission check is received and comply with Broker's instructions.

-Any fines or charges to broker from MLS boards or Associations due to Associate-Licensee's non-compliance with MLS or Association policies will be charged to agent and due upon receipt.

Penalty of 10% of fee will be assessed each month until outstanding fees are paid in full as reimbursement to broker. Invoicing will be done via Email. Email is Brokerage preferred contact method.

I, _____ have read and understand the entire Meridian Capital Real Estate Policy Manual (12 pages) and agree to abide by the terms and policies in this Manual.

Associate-Licensee Signature

Date

Print Name