



eXp Realty Policy and Procedures

These eXp Realty of Southern California Inc. Policies and Procedures (“CA P&Ps”) comprise an integral and material part of the eXp Realty U.S. Policies and Procedures (“eXp P&Ps”), and are expressly incorporated by this reference into the eXp P&Ps in their entirety, verbatim and at length, and constitute a part of the eXp Realty Independent Contractor Agreement (“ICA”) as though fully set forth herein. Unless otherwise defined in these CA P&Ps, capitalized terms used herein shall have the meanings ascribed to them in the eXp P&Ps and the ICA.

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GENERAL CALIFORNIA POLICIES

All Agents and Brokers doing business in the State of California ("CA") with eXp Realty of Southern California, Inc., ("eXp Realty") are expected to abide by both the eXp Realty U.S. Policies and Procedures ("eXp P&Ps"), located at www.exprealty.com/policies and these eXp Realty of Southern California Inc Policies and Procedures ("CA P&Ps"). To the extent that these CA P&Ps conflict with the eXp P&Ps due to specific California laws or regulations, these CA P&Ps will govern. If there are any questions about these CA P&Ps or the eXp P&Ps in general, contact the State Broker or Managing Broker(s). Their names and contact information can be found in the [Important Basics](#) handout. These CA P&Ps may be updated from time to time, and Agents will be notified if any material changes occur

STATE MEETINGS

California State Meetings are held every first, third and fifth week Tuesday mornings at 9:00 am in the California Auditorium inside eXp World. We strongly encourage everyone to attend because a lot of great information is provided.

STATE ORIENTATION

Unless otherwise announced, California State Orientation will be held the third Monday mornings at 10:00 am in the California Auditorium in eXp World. Agents who are new to eXp Realty are advised to attend at least one of these meetings within their first thirty days with the company in addition to the general company orientation.

CONTRACTS CLASS

Contracts classes are held each Wednesday morning from 9:30 a.m.-11:00 a.m. in the California Auditorium in eXp World. These classes are open to all and both new and seasoned agents are encouraged to attend. Information regarding items to be covered for the session are posted Tuesdays on Workplace in each of the California Groups. Agents need to go to CAR.org/Zipforms ahead of time to pull up or print the required items that will be covered so they can follow along and take notes.

OFFICE ADDRESS

Unless the agent works at a branch office with a branch manager, registered under the eXp Realty's DRE license, all transaction documents including disclosures must have the 10620 Treena ST STE 230 San Diego, CA 92131 address. Please make sure the footer of your documents contains this information as well.

BROKER ROOM HOURS

Unless otherwise posted due to staff mandatory meetings, Managing Brokers are available in the CA Broker Room in eXp World Monday through Friday, from 9:00 am to 4:00pm. For a full list of our Managing Brokers, please refer to the handout [Important Basics](#).

BROKER ON CALL

There is always a Managing Broker on call each weekend to assist with questions and issues. This information is posted in the emailed CA eXp Realty Newsletter which goes out every Friday afternoon to all CA eXp agents. This newsletter is also posted in our [CA Workplace groups](#) each Friday.

REFERRAL FEE AGREEMENTS (RFA)

When filling out the RFA, use our lockbox address on the Referring Broker address line (line 4 of the RFA) to ensure that your referral fee goes straight to the lockbox for faster disbursement. The addresses for the lockboxes are as follows:

1. If the check is being Overnighted- eXp Realty of Southern California Inc. Lockbox Services 847253, Attn. eXp Realty of California Inc. 3440 Flair Dr., El Monte, Ca. 91731
2. If the check is being sent via regular mail- eXp Realty of Southern California Inc. PO Box 847253, Los AngelesCa. 90084-7253

LICENSING REQUIREMENTS

California real estate licenses are renewable every four years. Each sales Agent is responsible for timely renewal and all costs associated with renewal of their license. eXp Realty will sever any Agent whose license is not current. In addition, every three years, all licensees must take and pay for an Ethics course. Once completed, the Agent is responsible for sending the completion certificate to the membership department at their local Association of REALTORS®.

Broker Associates may not have any other salespersons or brokers licenses under their personal license.

In order for a Broker to have additional licensees under their license, the Broker Associate must have a separate Corporate DRE license, and approval from eXp Realty and comply with the following requirements:

1. Must have an unrestricted Broker license
2. Must have a corporate entity recognized and registered with the DRE and in good standing.
3. Broker Associate's personal license must go under eXp Realty
4. The Broker Associate may only perform licensed activities under their separate entity license that are not allowed to be performed under the eXp Realty license
5. Broker Associates are to be aware that eXp Realty will assume no liability for the separate registered entity
6. Broker Associate's entity must retain separate E&O insurance

DUES, FEES, AND NON-PAYMENT

It is the responsibility of the Agent to keep their Association/Board/MLS fees and their monthly eXp Realty fees paid and current. In the event the Agent is past due on any of these fees, the Agent will be notified and given a deadline by which to comply.

If the Agent does not bring the required fees current by the deadline date, their license will be severed from eXp Realty through the DRE and the Agent will be unable to conduct Real Estate licensed activities until the fees are paid, a letter of good standing from the Association is received and the license is reactivated.

When this happens, the Agent will be suspended in the eXp Realty system for up to a thirty-day grace period in order for them to bring their fees current. During that period, the Agent cannot advertise, offer or perform licensed real estate activity of any kind. Any active listings and/or pending transactions must be reassigned to another eXp Realty Agent as soon as the licensee is terminated and de-affiliated through the DRE. Should the grace period expire without the Agent bringing all fees current and providing proof of payment to ca.south@exprealty.net, the Agent will be fully off boarded from eXp Realty.

LOCKBOXES

Combo boxes shall not be used for showings/inspections as they do not provide the same level of security as an Association approved electronic lockbox, nor do they record who has accessed the property.

OFF BOARDING

Should an agent decide to leave eXp Realty it is the responsibility of the agent to notify the State Broker by email at ca.south@exprealty.net prior to transferring their license out of the company. Until this happens, all eXp Realty fees will continue to be charged to the Agent and the Agent will be expected to pay those fees. Simply changing the DRE license in the DRE site, does not satisfy the requirements to provide notice to the broker. All Agent DBA's registered under the eXp Realty license must be canceled using DRE form 247 and the form must be mailed to the State Broker for signature and deliverance to the DRE.

Active listings may be transferred to the Agent's new brokerage by submitting the [eXp Authorization to Transfer](#) form which must be signed by the former/new Broker, the Agent and all buyers, sellers, tenants or landlords and then uploaded to the current eXp Realty Skyslope file along with all signed listing/transaction file documents. eXp Realty will be entitled to collect its 20% split in the form of a referral fee, on transactions where the Agent is uncapped. In the event the Agent is currently capped, the amount due to eXp Realty will be \$250.

HANDLING OF TRUST FUNDS

Trust funds are defined 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. Trust Funds may be cash or non-cash items.

eXp Realty **DOES NOT** maintain a Trust Account In connection with the transfer of real property, it is the policy of eXp Realty that all Agents instruct principals, clients or third parties to directly send or remit any and all trust funds to the licensed and authorized escrow holder on any real estate transaction.

AGENTS ARE NEVER TO HANDLE ANY FUNDS. This includes, *but is not limited to*, earnest money deposit security deposits, rent checks and payments to third party vendors.

In the event any Agent does receive or handle (e.g., "TOUCH") trust funds, all funds are to be accounted for in strict accordance with the Real Estate Law (i.e., B&P 10145/10146 and Reg. 2830-2835) and other applicable laws. Any trust funds received by an Agent on behalf of eXp Realty shall be first directed to the State Broker or licensed designee for proper recording of required information. This record must show the date funds were received, the form of payment (check, note, etc.), amount received, description of property, identity of the person to whom funds were forwarded, and date of disposition. Trust fund receipts are recorded in chronological sequence, while their disposition is recorded in the same line where the corresponding receipt is recorded.

NO ADVANCE FEES MAY BE COLLECTED - Due to the fact that the DRE enforces specific requirements in this area, and that advance fees are considered "trust funds" under the Real Estate Law, Agent agrees that under no circumstances shall any fee, regardless of form, be claimed, demanded, charged, received, or collected by him or her in advance of any services requiring a real estate license. Due to the strict statutory and regulatory requirements placed upon supervising brokers

and their salespeople in this area, trust funds handling and related compliance are taken very seriously by the BROKER. Please notify the BROKER in the event of any questions, concerns or issues, and/or as required above.

TEAMS

All teams are to have Team Agreements in place signed by the Team Lead and the Team Agents and a copy must be provided to the State Broker for their records. If the Team has no agreement in place, such agreement can be found on CAR.or in Zipforms. Any time changes to the Team or the Agreement are made, a new copy must be provided to the State Broker. The Broker does not review or enforce anything regarding Team Agreements. Any disputes arising between any members of the team are to be handled between the Team Lead and the Team Agents. The Broker will not intercede to mediate these disputes. See section 2: DBA and Team Names for more information regarding specific requirements regarding this. Team Leads may not sign documents which require Broker or Office Manager signatures. Those types of documents must be signed by the State Broker.

COMMUNICATION

The [Workplace Group](#) site is one of many sources to obtain company information, guidance, and communicate with staff and other agents. Please consider joining several California Workplace groups, especially those where you live and do business. Official California information will be posted on our California Workplace Group. You may also communicate with individuals using Workplace chat, email, text and phone. Our state specific Google drive is a resource for eXp specific forms, Skyslope checklists, procedures, policy information and helpful handouts.

INCOMING MAIL POLICY

The addresses listed in this section are for mailing purposes only and there are no drop boxes or office staff at these locations. All official mail should be sent to 10620 Treena ST STE 230 San Diego, CA 92131 whenever possible.

Due to the volume of mail received, letters addressed to individual agents will not be forwarded. Please request your Realtor board and other sources of important postage mail to send all mailed correspondence to you directly at your personal mailing address. Unsolicited mail addressed to individual agents will be disposed of unless a prior arrangement has been made by the agents to physically pick up your mail from the designated supervisor. If an official looking letter/package is received at one of the above office addresses and it is addressed to an agent , the letters may be opened and scanned, if necessary, by the designated supervisor to facilitate timely delivery to the agent.

ALL single commission demand (DA) checks as well as referral checks, and lease commissions are to be mailed directly to our lockbox address as follows:

1. If sent regular mail- eXp Realty of Southern California Inc., PO Box 847253, Los Angeles, Ca. 90084-7253
2. If sent Overnight/Fedex-Lockbox Services 847253 Attn: eXp Realty of Southern California Inc., 3440 Flair Drive, El Monte, Ca. 91731

SEXUAL HARASSMENT POLICY

Sexual harassment is defined as any of the following; unwelcome sexual advances, unwelcome requests for sexual acts or favors, unwanted physical contact, display of sexually suggestive or explicit materials, or other verbal or physical conduct that has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, or offensive working environment. Any Agent who has a complaint of sexual harassment by anyone, including supervisors, co-Agents, customers or clients, should first clearly inform the harasser that his/her behavior is offensive or unwelcome and request that the behavior stop. If the behavior continues, the Agent should immediately bring the matter to the attention of his/her designated supervisor, State Broker, or other corporate officer. Those contact numbers are contained in this document. If it is determined that the harasser is an Agent or employee of eXp Realty, LLC appropriate disciplinary measures may be enacted, including, but not limited to, termination and/or the Agent's license being returned to the California Department of Real Estate. Authority for the final determination of any punitive measures against a harasser rests within the purview of the Chief Executive Officer.

SECTION 1: ADVERTISING AND MARKETING

1.1 DEFINITION

The term "Advertising" as defined by the California DRE refers to Solicitation or promotional materials intended to be the First Point of Contact with Consumers which includes, but is not limited to, promotional and advertising flyers, postal mail, leaflets, and any marketing or promotional materials designed to solicit the creation of a professional relationship between the licensee and a consumer, or which is intended to incentivize, induce or entice a consumer to contact the licensee about any service for which a license is required, publications, radio and television broadcasts, all electronic media including email messages, text messages, social-media websites and the Internet, business stationery, business cards, signs and billboards.

1.2 EXCLUSIONS

Advertising does not include communication from a Broker or Sales Agent to a member of the public after the member of the public agrees to receive the service of the Broker or Sales Agent, or listings or other real estate information available to the public on an Agent's website, extranet or similar site that is behind a firewall or similar filtering software which requires a password or registration to access that information.

1.3 PROHIBITIONS

Agents are prohibited from the following:

1. Advertising in a way that is materially inaccurate or misrepresents the property, terms, values, services, or policies
2. Advertising a property subject to an exclusive listing agreement without the permission of the listing Broker and without disclosing the name of the listing Broker unless the listing Broker has expressly agreed to waive disclosure
3. Failing to remove an advertisement about a listed property within ten (10) days after closing or termination of a listing agreement, unless the status is included in the advertisement

4. Identifying a Sales Agent as an Associate Broker in advertising
5. Advertising a property in a manner that creates a reasonable likelihood of confusion regarding the permitted use of the property; or
6. Advertising in a way that indicates a limitation or preference based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity

1.4 MLS CLEAR COOPERATION POLICY

The National Association of REALTORS® has adopted the [MLS Clear Cooperation Policy](#) that requires all listings be submitted to the MLS within one business day after marketing a property to the public. Public marketing includes flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays, email blasts, multi-brokerage listing sharing networks, and applications available to the general public. Public marketing does not include an office exclusive listing where there is direct promotion of the listing between the brokers and licensees affiliated with the listing brokerage, and one-to-one promotion between these licensees and their clients.

Under these circumstances, keeping the Property off the MLS means that no public marketing will occur and the scope of marketing that will occur will consist only of direct one-on-one promotion between the brokers and licensees affiliated with the listing brokerage and their respective clients. Agents should ensure that should any public marketing commerce, the seller understands and agrees that the listing will be submitted to the MLS within one business day.

1.5 ADVERTISING REQUIREMENTS

All new Agents must complete the Marketing Approval Form within 48 hours of onboarding with eXp Realty so all advertising can be reviewed by the Broker team to ensure compliance with the California Department of Real estate rules as well as eXp Realty Brand Guidelines while also adhering to the eXp P&P surrounding Marketing and Advertising requirements , all advertising must comply with the California Department of Real Estate Advertising Guidelines, in addition to the required Review and Approval process, please reach out to your State or Managing Broker(s) with questions surrounding advertising PRIOR TO activating any campaigns if clarity is needed.

All advertising (see definition) must Contain the following:

1. Clearly and conspicuously identify and display the name of the brokerage, "eXp Realty of Southern California Inc" in addition to any authorized logo, the brokerage's name must be displayed as prominently and conspicuously as that of any personal logo/DBA or team name used.
2. All advertising must identify the Agents as "agent," "Broker-Associate" or "REALTOR®" to identify the advertiser as a real estate agent.
3. The Agent's DRE number is to appear on all signs, business cards, websites, social media and other marketing materials.
4. The Agent's DRE number cannot be the smallest font on the page and must be easy to find and read.
5. If an Agent's/team related logo is included, the Brokered by eXp Realty logo must also appear prominently and be of similar size.

All Advertising must be submitted to the Broker at ca.south@exprealty.net for approval prior to ordering and use

1.6 EMAIL

Agents are required to include their name, eXp Realty (company name) and DRE# in all email signatures. If the Agent is part of a team or DBA, and the DBA is registered under the eXp Realty license, the Agent may add that DBA to their signature, so long as the brokerage's name is as prominent and conspicuous as the DBA.. If an Agent is part of a branch office registered under the eXp Realty license, the branch office information may be included in the email signature.

Agents should include the following disclaimers to their email signature:

- **IMPORTANT NOTICE:** Never trust wiring instructions sent via email. Always independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number. Never wire money without double-checking that the wiring instructions are correct.
- **CONFIDENTIALITY NOTICE:** This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information protected by law. Any unauthorized review, use or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Agents should take care to ensure all computer files and electronic mail containing confidential information is kept secure at all times. All computers shall be password protected and protected by anti-virus software. Agents are required to turn on and use Google 2-Step verification for eXp email to help protect their email accounts from being hacked. Use this link to turn on 2-Step Verification.

1.7 BUYER INTEREST LETTERS

These letters can reveal information about buyers (such as protected class or characteristics) that should NOT be considered by a seller in choosing among competing offers. Sometimes, the considerations can inadvertently occur in the decision-making process because of a person's unconscious or implicit bias. Real Estate Commissioner Regulations hold REALTORS® to a high standard and prohibit discriminatory conduct against any protected class. When representing a buyer, do not include a "seller love letter" that has photographs or personal information. Listing Agents are not to receive buyer interest letters. If an interest letter comes in any way, the Listing Agent should instruct the seller that an interest letter was received and returned to the buyer

1.8 ADVERTISING COMPLIANCE

It is the policy of eXp Realty to ensure that all Agent advertising complies with applicable real estate laws and regulations pertaining to advertising and marketing. In the event an Agent's advertising is found to be in violation of any such applicable real estate law or regulation, including, but not limited to, license disclosure requirements for First Point of Contact Materials, as outlined in the California Department of Real Estate (DRE) form [License Disclosure Requirements for Advertising RE 559](http://www.dre.ca.gov/files/pdf/forms/re559.pdf) (located at www.dre.ca.gov/files/pdf/forms/re559.pdf), B&P 10140.6(a), 10159.5, 10159.6, 10159.7, and Regulations 2731, 2770.1 and 2773, penalties will be enforced against the offending Agent as follows:

1. **First Violation** - A first violation shall result in: (i) the Agent shall lose his/her privileges to be paid commission payments directly from escrow for the greater time period of either thirty (30) days from the date that eXp Realty first discovered the violation(s) or until the violation(s) has/have been deemed corrected to the satisfaction of eXp Realty whichever results in the greater amount of time. (ii) the Agent being subject to losing his/her Good Standing status within eXp Realty, as that term is defined in the eXp P&Ps.
2. **Second Violation** - A second violation shall result in: (i) all of the penalties applied for a First Violation, and (ii), the Agent may be required to use a licensed Transaction Coordination for all Transactions going forward.

3. **Third Violation** - A third violation shall result in: (i) at the sole discretion of eXp Realty, the Agent may be subject to immediate termination and be offboarded from eXp Realty, and may potentially incur a license suspension imposed by the DRE.

1.9 CO-BROKER BRANDING

In California, eXp Realty licensees are not permitted to create co-branded marketing materials with licensees from other brokerages with the intention of soliciting new business.

In the event an eXp Realty licensees co-brokers an individual transaction with a licensee at another brokerage, they are allowed to co-market advertisements for that specific property in accordance with all necessary DRE advertising requirements.

SECTION 2: DBA and TEAM NAMES

2.1 TEAMS

Please note - a Team Name is not the same as a DBA.

A Team Name may only be used by a Team of two or more Agents who are affiliated with eXp Realty. It must include the surname (last name) of at least one member of the team, in conjunction with the words “group”, “team” or associates”, Agent’s Name, License Number and Broker’s Name.

A single Agent may not use a Team Name. For questions surrounding Team Name Guidelines see the [Frequently Asked Questions Regarding Team Names](#).

2.2 DBA’s (aka FICTITIOUS BUSINESS NAME)

For Agents who do not qualify for a team name or prefer to use a DBA, click here for the DBA Compliance Procedures.

Per CAR Legal - Any Agent who currently has a DBA filed in another county or with another broker and wants to use it at eXp Realty must cancel their existing DBA and complete a new DRE form RE247 to cancel the current DBA under their license or former brokerage.

Agents may not use the DBA on anything, in any way, until it appears under the eXp Realty corporate license.

SECTION 3: BRANCH OFFICES

PROCEDURES AND PROCESS

In order to use an address other than 10620 Trenea St Ste. 230 San Diego, CA 92131 Agents must first receive approval by eXp Realty. The Procedures and the application process for Branch Offices can be found [here](#).

Branch Managers may not sign documents which require Broker or Office Manager signatures. Those types of documents must be signed by the eXp Realty State or Managing Broker.

SECTION 4: WORK AGREEMENTS AND COMPENSATION

4.1 COMPENSATION

Any and all compensation paid to Agents must comply with all applicable laws, including, but not limited to, the California Department of Real Estate rules and the Real Estate Settlement Procedures Act (RESPA).

RECEIPT OF COMMISSION

All compensation received or earned by Agents for performing licensed activities must be paid directly to eXp Realty of California, Inc.

DEMANDS AND CHECKS

Demands are issued by the Payment Processing team and sent to Escrow/Title. They include the address of a lockbox where checks should be delivered. The Closing Officer must use the address on the demand. Use of any other address will slow the payment process.

If the file has broker approval and has been issued a split CDA, a check for the Agent and TC will be available at closing. If it's not approved, the entire commission will be sent to eXp Realty of California, Inc and disbursed once the file is approved and the Final Closing Statement is uploaded.

In this case, the Agents must pay any applicable TC outside of escrow. eXp Realty of California, Inc does not issue checks to TC's.

4.2 CONTRACT PAPERWORK/FILES

Each Agent is responsible for preparing an accurate and factual listing agreement. Only information that is known to be true should be included in the listing agreement. Even though the MLS listing carries the disclaimer statement that the information is subject to errors and omissions and is not guaranteed, the Agent is not absolved of inaccuracies or fraud. Be factual. Limit opinions. When a new listing is acquired, the listing agent is responsible for proofreading the listing information to make sure it is correct.

It is the responsibility of the Agent to thoroughly explain all contracts and documents to the client prior to having the client sign. We are not attorneys or tax professionals and cannot provide that type of advice. If legal or tax questions arise, recommend that the client contact the appropriate professional for assistance.

The Agents Skyslope file must be created and all documents uploaded within two (2) calendar days after all required parties have signed even if the Agent is only submitting a single form. Agents must confirm that clients are provided with a copy of any and all inspection reports that are ordered, and copies of those reports are uploaded to the Skyslope file. Termite reports must be signed and dated by the buyer or a Buyer Inspection Waiver (BIW) must be executed and added to the transaction file.

It is preferred that Agents do not wait until there is a large batch of forms to upload, this can cause delays in having files reviewed and approved for commission payment at the close of escrow. [Click here](#) for a list of Skyslope file Checklists, all files are to be completed in accordance with the associated file type checklist.

Out of Town or Unavailable Agents - In the event the Agent is out of town or unavailable to return communication for any reason, Agent is to change their voicemail, MLS agent remarks and Out of Office message on their email, to reflect this and to state who to contact regarding transaction needs, questions or issues. The Agent filling in for the Out of Town or Unavailable Agent must be a California

licensee with eXp Realty.

4.3 TRANSACTION FEES

Agents can pay a Transaction Coordinator (TC) directly from their commission. The TC Fee is taken off the Agent's Net Commission. In addition, the maximum fee that can be charged as a TC fee is \$800 per transaction.

When a TC fee is added to the transaction, the TC Fee must be added to the commission section and list the name of the Transaction Coordinator's name in SkySlope, our transaction management system. The Agent can only charge an additional commission if it is listed on the Residential Listing Agreement (RLA). If the fee charged by the TC exceeds \$800.00, the Agent must pay the TC directly after closing.

The Listing Agent can charge an additional commission, however it must be listed on the Residential Listing Agreement (RLA) and can not exceed \$800.00. If the TC is an eXp Agent named on the transaction, the TC fee is subject to all commission splits.

SECTION 5: ESTABLISHING COMPETENCY

5.1 AUTHORIZATION TO ACT

Agents are authorized to act on behalf of eXp Realty only in areas they are competent to engage in. They shall refrain from attempting to provide service for which they are inadequately prepared. In order to undertake such services, Agents must engage the assistance of an Agent who is competent on such types of property or service.

Examples (not limited to the following):

1. An Associate with limited or no experience in valuing a property.
2. An Associate with residential sales experience and limited or no commercial experience.
3. An Associate with limited or no short sale or REO experience.
4. An Associate with limited or no leasing experience.

5.2 DESIGNATIONS AT STATE BROKER'S DISCRETION

The decision to authorize an agent as competent to act is solely at the discretion of the State Broker and may be changed or altered by the State Broker at any time.

5.3 MAINTENANCE OF REQUIRED LICENSES AND CERTIFICATIONS

Agents will ensure that their licenses, certifications or other qualifications that are necessary to act in all areas in which Broker has authorized them to act, remain active, current and in good standing. Agents will maintain the licenses, certifications and other qualifications required by the Broker.

1. Broker will regularly confirm that each agent maintains the licenses, certifications and other qualifications designated in the agreement.
2. Agents will provide Broker with documentation showing the timely renewal of all licenses and certifications.

5.4 FORWARDING OF DEPARTMENT OF REAL ESTATE (DRE) NOTICES

The State Broker will forward to each agent any mail or other correspondence from DRE received by State Broker concerning agents within ten (10) calendar days after receipt. Likewise, sales Agents will forward any such notices received within 48 hours via email.

SECTION 6: RECORDS MANAGEMENT

6.1 RECORDS DEFINED

eXp Realty will maintain the following (the "Records") in accordance with the Real Estate Law (mirroring B&P 10148 - A licensed real estate broker shall retain for three years copies of all listings, deposit receipts, canceled checks, trust records, and other documents executed by the broker or obtained by the broker in connection with any transactions for which a real estate broker license is required. The retention period shall run from the date of the closing of the transaction or from the date of the listing if the transaction is not consummated).

1. Disclosures
2. Compensation agreements (including listing agreements, buyer representation agreements and other written commission and compensation agreements)
3. Work files
4. Contracts and related addenda
5. Receipts and disbursements of compensation for services
6. Broker price opinions and comparative market analyses
7. Agreements between eXp Realty and Agents, including independent contractor and employment agreements
8. Rejected Offers for both listing and buyer side transactions

6.2 DURATION OF MAINTENANCE

eXp Realty will maintain the Records in an easily accessible format for at least three years from the:

1. date of closing,
2. termination of the contract
3. end of a real estate transaction

6.3 OWNERSHIP OF RECORDS

All Records created or maintained during the relationship between eXp Realty and Agents are the property of eXp Realty.

6.4 CONFIDENTIALITY OF RECORDS

A client's personal information including, but not limited to, any personal identification information (e.g., social security number, driver's license number, birth date), and financial information (e.g., bank account information, credit card number) is considered confidential. State Broker will continue to maintain such information with the same level of privacy and confidentiality after termination of the relationship between eXp Realty and Agent that was required while Agent was Associated with eXp Realty.

6.5 COSTS OF CREATION AND DELIVERY

Each Agent is responsible for the payment of any expenses or costs incurred in connection with the creation and delivery of the Records relating to Agent's Activities.

6.6 PROTECTION OF PERSONAL INFORMATION

A client's personal information including, but not limited to, any personal identification information (e.g., social security number, driver's license number, birth date), and financial information (e.g., bank account information, credit card number) may not be disclosed to third parties unless approved in writing by a Managing Broker.

6.7 VERIFICATION UPON TERMINATION

Upon termination of the relationship between eXp Realty and Agents, Agents will verify that eXp Realty has copies of all file documents created while that Agents represented eXp Realty.

SECTION 7: FIDUCIARY DUTY OF AGENTS

7.1 DISCLOSURE OF STATUS AS SALES AGENT OR BROKER

Agents must disclose his or her status as a Agent or Broker in writing, either before entering into any sales contract or lease or within the sales or lease contract itself, when engaging in a real estate transaction on behalf of:

1. Agents acting as a principal for their own account
2. A business entity in which Agent is more than a 10% owner
3. A Trust for which Agent acts as Trustee or is a Beneficiary; or
4. Agents's spouse, parent or child, including situations in which they may be a Beneficiary of a Trust

The Disclosure Regarding Real Estate Agency Relationship (CAR form-AD) is to always be the first document signed by the party represented. No other document is to be signed before this one is fully executed.

Agents will also comply with the National Association of REALTORS® Code of Ethics requirements regarding disclosure of interest including, but not limited to, Articles 4 and 5.

7.2 VERIFICATION OF NO EXISTING REPRESENTATION

Before representing a party, Agents must determine that the party is not currently represented. An Agent may not interfere in any way with an existing exclusive agency relationship, or suggest to the party how to terminate the relationship

7.3 DISCLOSURE OF REPRESENTATION

Agents must disclose who they represent at the first contact with another party, or with a Broker or Agents who represents a different party (including at open houses). The disclosure of representation may be made orally or in writing. If the disclosure is made orally, it must be confirmed in writing in the contract or lease or other written documents not later than the time of execution of the contract or lease.

7.4 DISCLOSURE TO CLIENTS

Agents will convey to their client, in writing, all known information that would affect the client's decision on whether to make or not make, accept or reject offers, and all other significant information applicable to the transaction.

7.5 DISCLOSURE TO BUYERS

Agents will disclose, in writing, any known significant defect to the property to a potential buyer that would be a significant factor to a reasonable and prudent buyer in making a decision to purchase the property.

7.6 DECISIONS TO TERMINATE REPRESENTATION

Agents must consult with the State or Managing Broker in response to a Client's request or Agent's desire to terminate an agency relationship. The State or Managing Broker's decision will control with respect to any action to be taken, including any demand for compensation or reimbursement owed by the Client.

7.7 ACTIONS UPON TERMINATION OF REPRESENTATION

Upon the termination of the agency relationship with the client, Agents must immediately cease acting as the client's representative and comply with the following:

1. Cease all advertising about the property.
2. Remove all signs from the property;
3. Cancel all MLS listings concerning the property;
4. Remove all information about the property from websites controlled by Agents or Broker
5. Cease publication of all other communication in any form about the property.

SECTION 8: CONTACT WITH APPRAISERS

8.1 IMPROPER INFLUENCE OF REAL PROPERTY APPRAISERS

In conformance with Civil Code section 1090.5 and Commissioner's Regulation 2785, real estate licensees engaged in a real estate transaction involving an appraisal shall not improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. For the purposes of the Real Estate Law, "improper influence" as the term is used in Civil Code section 1090.5, includes but is not limited to:

1. withholding or threatening to withhold timely payment or partial payment for a completed appraisal report, regardless of whether a sale or financing transaction closes;
2. withholding or threatening to withhold future business from an appraiser, or demoting or terminating or threatening to demote or terminate an appraiser;
3. expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;
4. conditioning the ordering of an appraisal report or the payment of an appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from an appraiser;
5. requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report;

6. providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
7. requesting the removal of language related to observed physical, functional or economic obsolescence, or adverse property conditions noted in an appraisal report;
8. providing to an appraiser, appraisal company, or appraisal management company, stock or other financial or non-financial benefits. (b) Subdivision (a) does not prohibit a person with an interest in a real estate transaction from asking an appraiser to do any of the following:
 - (i) Consider additional, appropriate property information.
 - (ii) Provide further detail, substantiation, or explanation for the appraiser's value conclusion.
 - (ii) Correct errors in the appraisal report. Nothing in this section shall be construed to authorize communications that are otherwise prohibited under existing law.

SECTION 9: AGENT SAFETY

Agent safety is a priority. Resources, tips and best practices for agent safety can be found on the [National Association of Realtors](#) website.

SECTION 10: AGENT OWNED INVESTMENT COMPANY TRANSACTIONS

Agent Investors who wish to invest in real estate for the purpose of fixing to flip or hold long term, must obtain written permission from the State broker and adhere to the following policies. Any deviation from this process will be deemed as the Agent's failure to remain in good standing as outlined in the eXp Realty U.S. Policies and Procedures.

In order to obtain the required permission to operate a business outside the supervision of eXp Realty, Agents will follow the steps below.

- Agent must complete [Outside Investment Business](#) Application, and meet with their DMB to discuss their business practices for approval
- DMB and agent sign Indemnification Memorandum
- It is strongly recommended that Agent obtain a separate General Liability and E&O policy that covers their investment business
- REALTOR® Forms must **NOT** be used. This means that the purchase agreement and/or any addendums must be on the investor's attorney-provided forms. The contract can NOT be written on the Association or MLS provided forms.
- Agent(s) must provide disclosure that they are licensed, and any ownership interest in the buying/selling entity.

Approved Agents must adhere to all local, state and federal rules, regulations and laws. No exceptions will be granted. If an approved agent fails to comply, they will no longer be allowed to participate in transactions as outlined above and may face disciplinary actions up to and including offboarding from eXp Realty.

SECTION 11: eXp ACCESS POLICY

The purpose of eXp Access is to:

- Provide an unique offering for sellers who, due to varying circumstances, do not want their listing marketed in a public manner.
- Provide greater transparency to eXp agents and clients by eliminating geographic boundaries that limit us from viewing all eXp listings nationally/internationally.

The eXp Access platform makes two sets of data available to all eXp agents and their clients:

- *eXp Office Exclusives (OEs)*: These are listings that eXp agents have entered directly into the Zenlist software platform
- *eXp Public Listings*: These are eXp listings that originate from the listing agent's local MLS.

eXp in no way desires to circumvent existing MLS rules or boundaries; therefore, we require all eXp agents, when utilizing eXp Access, to abide by the rules of the MLS(s) in which they are a member.

Only listings with a valid Listing agreement may be entered as an eXp Office Exclusive (OE). eXp OEs will have an expiration and should be renewed in the platform as the seller directs.

Listings from the multiple listing will automatically pull in to eXp Public Listings and the original OE input will need to be deleted by the agent so there is no duplication.

Agents will be responsible for maintaining and updating the status, price and comments of any listing entered in eXp Access within 24 hours of the update.

Advertising

- OE listings may **not** be advertised publicly in any medium so as to adhere to local MLS rules.
- **Only Buyers that have signed a Buyer-Broker Representation Agreement with eXp Realty can be allowed access to view eXp Access listings.**
- Listing a property as an eXp OE is not considered public marketing under the NAR Clear Cooperation Policy. If your MLS does not follow NAR's [Clear Cooperation](#) policy, or has other rules, you must abide by the rules of your MLS.
- MLS Exemption Form - You must follow your MLS's rules: *If your MLS requires an exemption form to withhold entering your listing, even if it's not being marketed publicly, you **must** have a seller exemption form signed.*

Multiple listing services that should be considered and local rules followed are as follows:

METROLIST

MLS/CLAW

TRI COUNTY

SECTION 12: MLS's WHO HAVE OPTED OUT OF THE NAR SETTLEMENT

This policy outlines the guidelines for recognizing Multiple Listing Services (MLSs) who have **opted out** of the National Association of Realtors (NAR) settlement and subsequent practice changes removing offers of compensation from any MLS beginning August 17, 2024.

eXp Realty agents are REALTOR® members covered under the NAR settlement and are required to follow the updated rules regarding no offers of compensation being offered in the MLS.

While eXp Realty recognizes some MLS's have chosen not to "opt in" to the NAR settlement agreement, as a company we must default to the more restrictive rule as part of the settlement agreement.

No compensation may be conveyed via the Multiple Listing Service.

If a seller directs an eXp Realty agent in writing that they are willing to consider an offer of Buyer Broker Compensation by means of a concessions to a buyer, that may be promoted in such a manner as to comply with the MLS Rules as adopted, eXp Realty will not share listing side commission, so any offer of compensation would be paid by Seller to Buyer Broker directly.

eXp in no way desires to circumvent MLS rules or boundaries; therefore, we require all eXp agents to abide by the rules of the MLS(s) in which they are a member, so long as they do not conflict with this policy.

Any members of My State MLS must Opt out of offering cooperating compensation

MLS(s) that have opted out of the NAR Settlement Agreement:

None at this time.

For additional questions, please contact your local State Broker.

SECTION 13: DO NOT CALL

Before making solicitation calls, the licensee or telemarketer must be familiar with the current laws. All Agents are encouraged to utilize [eXp Realty's DialSafe tool](#) to ensure all consumer phone numbers are verified to not be on the Do Not Call List prior to commencing any contact, thereby ensuring compliance with the Do Not Call regulations.

The **Telephone Consumer Protection Act (TCPA)**, regulates telemarketing calls, automatic telephone dialing systems, and artificial or prerecorded voice messages. The law also requires those who make telephone solicitations to have procedures for maintaining company-specific **do-not-call** lists. Licensees must maintain their own electronic or written list and make it available to eXp Commercial upon request. Within two business days of the request from a consumer, the licensee will place that consumer and phone number to the licensee's **do not call list**.

In 2012, **TCPA** updated rules require telemarketers:

- (1) to obtain prior express written consent from consumers before robocalling them
- (2) to no longer allow telemarketers to use an "established business relationship" to avoid getting consent from consumers when calling their home phones
- (3) to require telemarketers to provide an automated, interactive "opt-out" mechanism during each robocall so consumers can immediately tell the telemarketer to stop calling.

For more details about the Commission's telemarketing rules, including the **do-not-call** provisions, click on the link on this page for the July 3, 2003 [Order](https://www.fcc.gov/sites/default/files/tcpa-rules.pdf) <https://www.fcc.gov/sites/default/files/tcpa-rules.pdf>. For details about registering with or accessing the **do-not-call registry**, visit the [National Do-Not-Call Registry page](#). Additional reference materials available on the web include a [summary of TCPA rules \(PDF\)](#) and the Commission's [Telemarketing Rules \(CFR Title 47, Part 64, subpart L: "Restrictions on Telemarketing, Telephone Solicitation, and Facsimile Advertising"\)](#).

TSR: The Telemarketing Sales Rule requires telemarketers to make specific disclosures of material information; prohibits misrepresentations; sets limits on the times telemarketers may call consumers; prohibits calls to a consumer who has asked not to be called again; and sets payment restrictions for the sale of certain goods and services.
<https://www.ecfr.gov/current/title-16/chapter-I/subchapter-C/part-310?toc=1>

The **TSR** has a "safe harbor" for unintentional calls or mistakes. If a licensee or telemarketer can show that, as part of its routine business practice, it meets all the requirements below of the "safe harbor," the person/firm will not be subject to civil penalties or sanctions for mistakenly calling a consumer who has either asked for no more calls (and who should have been placed on the licensee's **do not call list**), or for calling a person who is on the **national do not call registry**. eXp and the licensee/telemarketer share the responsibility to meet the "safe harbor" requirements. eXp, the licensee or telemarketer must demonstrate that:

- it has written procedures to comply with the do not call requirements
- it trains its personnel in those procedures
- it monitors and enforces compliance with these procedures
- it maintains a company-specific list of telephone numbers that it may not call
- it accesses the national registry no more than 31 days before calling any consumer, and maintains records documenting this process
- any call made in violation of the do not call rules was the result of an error

If you or the telemarketer you hired have violated any of the above laws, report this event to your broker immediately in writing.

In addition to the federal telephonic solicitation laws, [CA also has statutes regarding laws to protect the public](#). Agents are required to be familiar with these laws and adhere to them in the course of their real estate business.

NOTIFICATION OF POLICY AND PROCEDURE MANUAL REVISION

eXp Realty reserves the right to revise this CA P&P in its sole discretion. Agents are encouraged to review this document regularly to review any revisions.

[END OF DOCUMENT]