



**2025
POLICY MANUAL**

INTRODUCTION TO POLICY MANUAL

1. ABOUT BERKSHIRE HATHAWAY HOMESERVICES BHHS LAFFEY INTERNATIONAL REALTY

Berkshire Hathaway HomeServices Laffey International Realty ("BHHS Laffey") is a Real Estate Brokerage with an outstanding reputation for quality services. Credit for this goes to every one of our Real Estate Salespersons and Associate Brokers. We hope you too, will find satisfaction and take pride in your work here.

2. GENERAL PURPOSE

This Policy Manual ("**Manual**") is applicable to all real estate licensees affiliated with BHHS Laffey under the terms and conditions of their respective independent contractor agreement ("ICA"). This Manual contains policies and procedures that are intended to supplement any written agreement that exists between you and BHHS Laffey, including without limitation the ICA.

This Manual is not a contract, expressed or implied, guaranteeing employment or affiliation as an independent contractor for any specific duration. Although we hope that your relationship with BHHS Laffey will be long-term, either you or BHHS Laffey may terminate this relationship at any time, for any reason, with or without cause and without due notice.

BHHS Laffey is committed to providing the highest quality of service to our clients and the professionals with whom we work. It is BHHS Laffey's expectation that you, and all Salespersons (defined below), will strive to conduct yourselves/themselves at all times in the highest ethical, professional, and competent manner when dealing with clients, employees of BHHS Laffey and Salespersons, real estate licensees with other brokerages, and members of the business community.

The purpose of this Manual is:

- i. To comply with BHHS Laffey's supervision duties as detailed in Real Property Law § 441 and 19 NYCRR § 175.21.
- ii. To establish uniform guidelines for daily conduct by and between BHHS Laffey and its management and staff personnel, Salespersons, clients, real estate licensees associated with other brokerages, and members of the general public.
- iii. To provide policies and guidelines to help avoid disputes with, and liability to, others.

Failure to comply with any aspect of this Manual may result in the termination of your relationship with BHHS Laffey.

2.1. Salespersons

For purposes of this Manual, the term "**Salesperson**" means a person who is affiliated with BHHS Laffey under the terms and conditions of an independent contractor agreement (the "**ICA**"), whether they are licensed as a salesperson or as an associate real estate broker. All Salespersons must be licensed by the State of New York as either a salesperson or an associate real estate broker.

2.2. *Incorporated Items*

The following documents identified below in this Section 2.2 are incorporated into this Manual by reference, whether or not the documents are attached to this Manual. You are responsible for understanding and complying with the entirety of these items/documents:

- i. New York State Real Property Law and accompanying Regulations;
- ii. The bylaws, rules and regulations of the National, state, and local Associations of REALTORS® of which BHHS Laffey is a member, including, but not limited to, the REALTOR®'s Code of Ethics; and
- iii. All bylaws, rules, and regulations of any and all Multiple Listing Service(s) (each individually and collectively, the “**MLS**”) of which BHHS Laffey is a member.

2.3. *Responsibilities*

BHHS Laffey expects you, and each of its Salespersons, to be responsible for conducting yours and their activities, respectively, in accordance with the terms and conditions of their Independent Contractor Agreement and this Manual. BHHS Laffey through manager(s) of its branch office(s) (each individually a “**Branch Manager**” and collectively “**Branch Managers**”) and/or other employees, will review Salesperson's actions and questions in light of these policies and procedures and provide any additional guidance and/or interpretation as needed.

2.4. *Changes in Manual*

BHHS Laffey reserves the right to modify the content of this Manual at any time, in its sole and absolute discretion, with or without prior notice. However, BHHS Laffey will strive to provide reasonable notice of such changes. Any and all revisions made to this Manual shall supersede prior versions of the particular section or entire Manual, as applicable. Any questions regarding this Manual or any policies or procedures contained herein should be directed to the applicable Branch Manager.

2.5. *Definitions and Conflict with ICA*

In the event of any conflict between any of the terms and conditions contained in this Manual with the terms and conditions contained in the ICA, the terms and conditions contained in the ICA shall control.

3. *THE INDEPENDENT CONTRACTOR RELATIONSHIP WITH SALESPERSONS*

3.1. *Membership with NAR*

BHHS Laffey is a member of the National, New York and local Associations of REALTORS®. You are expected to maintain, at your expense, membership in the National, New York and local Association of REALTORS®.

3.2. *Independent Contractor Relationship*

You are engaged by BHHS Laffey as an independent contractor pursuant to the terms and conditions of your ICA. You shall be treated as an independent contractor for all purposes including but not limited to Federal and State Income Taxation, withholding tax regulations, Unemployment Insurance and Workers Compensation coverage. As such, Salesperson is solely responsible for paying federal, state and local taxes on any compensation.

If you are licensed by the State of New York as a Real Estate Broker, you shall not affiliate and/or associate with another broker or company, nor are you authorized to engage in any type of real estate brokerage transactions under your own broker's license, and/or conduct any other activity for which a New York State Real Estate Brokerage license is required, without the prior written consent of BHHS Laffey through your Branch Manager. If you are licensed as a broker, you shall be responsible for registering as an associate real estate broker with the Department of State.

In accordance with your independent contractor status, you are not required to maintain specific hours, or to be present at BHHS Laffey's office while conducting business. Notwithstanding, you agree to devote such time and attention to your duties as is necessary to diligently perform such duties. You shall be free to engage in outside work, as long as such outside work is not in direct or indirect competition or conflict with the services performed by BHHS Laffey.

3.3. Real Estate License

You are responsible for maintaining a valid New York State associate real estate broker or salesperson license while affiliated with BHHS Laffey

In the event that your license expires, or is suspended or revoked, during the term of your ICA, you cannot and shall not engage in any activities on behalf of BHHS Laffey that would require a real estate license until such time as BHHS Laffey receives notification that your license has been renewed by the Department of State. In the event that your license has expired, BHHS Laffey cannot and will not pay commissions unless and until BHHS Laffey receives notification that your license has been renewed by the Department of State. In the event that your license is not renewed within thirty (30) days after it has expired, your ICA with BHHS Laffey shall terminate automatically without notice to either you or BHHS Laffey. If your license is suspended or revoked by the Department of State, the ICA shall immediately and automatically terminate.

3.4. Compensation

3.4.1 Commissions

All fees and commissions from real estate transactions are to be made payable to BHHS Laffey. Commissions may never be made out directly to you.

You are paid a "split" – based upon the terms of your ICA - of the commission received by BHHS Laffey for transactions in which you were the procuring cause. All commissions must be paid in the form of checks or wire transfers in order for you to be paid your "split" of the commission. Salesperson must receive permission from his/her Branch Manager before accepting any other forms of currency. The commission is only earned once BHHS Laffey receives the commission. In no event will BHHS Laffey be liable to Salesperson for the commission if not received by BHHS Laffey.

3.4.2 Responsibility to Maintain Transaction File.

BHHS Laffey - for purposes of compliance with Department of State Regulations and otherwise - must be able to review and maintain all transaction documents in a timely fashion. Thus, completing the transaction file is an integral aspect of your licensed duties and responsibilities. You will not have earned your split of the commission compensation unless and until the file for the subject transaction is deemed complete by BHHS Laffey, which such determination shall be in its sole and absolute determination and discretion. Any delays in you completing and delivering the required file documentation to BHHS Laffey will result in a delay of payment of your split.

3.4.3 Client's Failure to Pay

Regarding any transaction in which you are the procuring cause and the client fails to pay and or all of the owed commission to BHHS Laffey, BHHS Laffey - via its General Counsel - may, in its sole and absolute discretion, elect: (a) to sue or not to sue or to settle or make other arrangements for the payment of any commission or other compensation, (b) to select attorneys of its choice and to determine what fees shall be paid to such attorney, or (c) to refuse to collect any commission or other compensation.

3.4.4 Monthly Advances/Draws

BHHS Laffey DOES NOT pay advances or draws.

3.4.5 Commission Deductions/Expense Repayment

All expenses of any kind incurred by you, or by BHHS Laffey on behalf of you including but not limited to legal fees incurred in defense of any action resulting from your conduct or claimed conduct or in connection with the recovery of any unpaid commission, will be first deducted from your portion of the next commission payment that is due and owing to you at the time that the commission is paid to BHHS Laffey, unless already reimbursed to BHHS Laffey.

Upon termination of your ICA, for any reason, by either you or BHHS Laffey, all of your unpaid expenses shall become immediately due and payable. Your unpaid expenses shall be reimbursed in full to BHHS Laffey from any commissions which are payable to you, if any, after termination. Any remaining unpaid expenses, after all compensation has been paid to you by BHHS Laffey, shall remain your responsibility. BHHS Laffey reserves the right, in its sole discretion, to bring any appropriate legal action in the appropriate forum to recover unpaid expenses from you.

3.4.6 Commission Disputes

In the event there is a dispute concerning commissions, including, but not limited to, payment of a commission, the amount of the commission, or the parties entitled to receive all or any portion of the commission, then the disputed funds shall be held by BHHS Laffey in a non-interest-bearing account until the dispute is resolved by means of a written agreement or written decision following dispute resolution.

3.5 Referral Fees to or from Non-Real Estate Brokers

The Real Estate Settlement Procedures Act ("RESPA") and The New York State Real Property Law prohibits the payment or receipt of any type of consideration, whether in the form of cash, services, benefits, or anything of value from one settlement service provider to another settlement service provider (real estate agent, lender, title co., etc.) or to a non-licensee for the bare referral of business or in expectation of the receipt of future business pursuant to a pre-existing agreement. The only exception is agreements between licensed real estate brokers for the referral of clients, in which case referral fees may legally be paid to or received by brokers, but not directly to or from Salespersons. RESPA applies to all one-to-four-unit residential transactions where there is a new trust deed which comes under Federal regulation (this includes virtually all new institutional loans). You shall not personally or on behalf of BHHS Laffey, offer to give to, or accept from, a non-real estate broker or agent any type of fee, services, benefits, or thing of value for the referral of a client pursuant to any type of advertised offer or pre-existing agreement to do so.

3.6 Tax Reporting

You will receive a 1099 tax statement from BHHS Laffey at the end of each year showing the total commissions paid to you. You are solely responsible for all state, federal and local taxes on all compensation. BHHS Laffey encourages you to keep accurate records of your earnings and expenses and to obtain tax advice from qualified professionals regarding these matters. BHHS Laffey does not and will not provide tax advice.

3.7. Insurance

3.7.1 Errors and Omissions

BHHS Laffey carries professional liability insurance for errors and omissions. Each salesperson will be charged a fee annually. Salespersons are welcome to also obtain individual Errors and Omissions Insurance. If the sales associate terminates its relationship with the BHHS Laffey, there will be no pro-rata share reimbursement for the insurance policy already paid.

3.7.2 Automobile

You must carry, at your own expense, sufficient automobile insurance coverage which must name BHHS Laffey as an additional insured. You must provide BHHS Laffey (through the Office Administrator in your office) with a current copy of your automobile insurance policy. It is your responsibility to maintain your automobile(s) in a safe, operating condition for your protection and the protection of third parties, including BHHS Laffey's clients. For any claims arising from or related to your automobile, including those for injury to you, your insurance coverage shall be primary insurance as respect to any insurance carried by BHHS Laffey that may cover the incident. Any insurance or self-insurance maintained by BHHS Laffey shall be in excess of your insurance and shall not contribute with it.

3.8. Hiring of Unlicensed Assistants

You may hire unlicensed personnel (secretaries, assistants, personal assistants, etc.) (individually and collectively, "**Unlicensed Assistant(s)**") to work with you in the performance of your real estate practice, provided that you and the Unlicensed Assistant working for you enter into a written employment agreement with you specifying hours of work, duties, supervision, and compensation. This written agreement between you and the Unlicensed Assistant shall be delivered to BHHS Laffey for BHHS Laffey's review before you formally hire any Unlicensed Assistant.

Unlicensed Assistants shall not engage in any type of activity that requires a real estate license. It is your responsibility to supervise any Unlicensed Assistant(s) you hire, and ensure that he, she, or they perform the duties and responsibilities detailed in the written agreement between you and the Unlicensed Assistant and that he, she, or they do not perform any activities that are required to be performed by a licensee. The following are typical duties of an unlicensed assistant:

- Deliver documents and pick up keys
- Answer the telephone and forward calls
- Secure public information from courthouse, utility companies, etc.
- Provide courier services
- Schedule various appointments
- Place signs on property
- Prepare standard forms/advertisements for approval by licensee/supervising broker
- Assemble documents for closing
- Follow up on compliance with contract
- Assist in assembling/organizing documents for closing
- Ensure keys are made for listings
- Other administrative tasks as directed by the licensee

The following may not be performed by an unlicensed assistant:

- Host open houses
- Show properties
- Review/discuss/explain contracts or agreements with clients, outside brokers/agents, etc.
- Negotiate commission, commission split, referral fee

- Solicit potential purchasers, renters, sellers or landlords
- Negotiate or discuss the terms of a sale
- Answer substantive questions regarding properties listed with BHHS Laffey.

You shall be solely responsible for compensating and providing Workers' Compensation insurance for that Unlicensed Assistant(s) where required. You should discuss the hiring of an Unlicensed Assistant with a Workers' Compensation insurance representative, and/or carefully review the information provided by New York Workers' Compensation Board [at www.wcb.ny.gov](http://www.wcb.ny.gov).

You - not BHHS Laffey - shall be solely responsible for paying any and all penalties, fines, costs, or retroactive compensation which may be due as a result of mischaracterizing an employee as an independent contractor. BHHS Laffey shall not be required to defend or indemnify you in connection with any action arising out of your hiring of an Unlicensed Assistant.

You shall indemnify, defend and hold BHHS Laffey harmless from and against any and all claims arising from your employment of an Unlicensed Assistant, including, but not limited to, claims for workers' compensation, unemployment benefits, wrongful termination, unpaid wages, discrimination, sexual harassment, wrongful death of or injuries to the Unlicensed Assistant or third parties, and any and all other claims based on activities within or outside the scope of the employment or contractual relationship between you and the Unlicensed Assistant, or outside the scope of business of BHHS Laffey.

3.9. Use of Licensed Assistants

You may use the services of personnel that have a valid real estate salesperson license (secretaries, assistants, personal assistants, etc.) (individually and collectively, "**Licensed Assistant(s)**") to perform unlicensed and/or licensee activities, provided that the Licensed Assistant enter into an independent contractor agreement with BHHS Laffey and be affiliated with BHHS Laffey in compliance with the terms and conditions of this Manual.

All licensed assistants will be responsible for monthly membership dues Errors & Omissions Insurance and must pay LIBOR dues annually and all other fees as required by BHHS Laffey of its independent contractors.

You must enter into a written employment agreement with the licensed assistant specifying hours of work, duties, supervision, and compensation. This written agreement and all documents required of Salespersons shall be delivered to BHHS Laffey for BHHS Laffey's review before you formally hire any Licensed Assistant.

You shall be solely responsible for compensating and providing Workers' Compensation insurance for that Licensed Assistant with regard to their assistant duties where required. You should discuss the hiring of a Licensed Assistant with a Workers' Compensation insurance representative, and/or carefully review the information provided by New York Workers' Compensation Board [at www.wcb.ny.gov](http://www.wcb.ny.gov).

You - not BHHS Laffey - shall be solely responsible for paying any and all penalties, fines, costs, or retroactive compensation which may be due as a result of mischaracterizing an employee as an independent contractor. BHHS Laffey shall not be required to defend or indemnify you in connection with any action arising out of your hiring of a Licensed Assistant.

You shall indemnify, defend and hold BHHS Laffey harmless from and against any and all claims arising from your use and employ of a Licensed Assistant, including, but not limited to, claims for workers' compensation, unemployment benefits, wrongful termination by you, unpaid wages, discrimination, sexual harassment, wrongful death of, or injuries to, the Licensed Assistant or third parties, and any and all other claims based on activities within or outside the scope of the contractual relationship between you and the Licensed Assistant, or outside the scope of business of BHHS Laffey.

4. GENERAL OFFICE POLICY

4.1. Office Use/Access

BHHS Laffey offices are available for your use for business purposes only. BHHS Laffey's general days of operation will be Monday through Friday at hours determined by BHHS Laffey through the appropriate Branch Manager. Each office, however, may determine the hours and days of operation, as may be necessary for its operation. Office support staff (if any) will be available during normal business hours. Office support staff may be available on weekends and holidays from time to time, as specified by BHHS Laffey. ID cards, keys or security codes may be required at some locations for weekend access.

Under no circumstances are the offices to be used for any purpose other than BHHS Laffey business without the prior written permission of the appropriate Branch Manager.

4.2. Broker-Supplied Items

4.2.1 Workspace

Even though Salespersons are Independent Contractors, they are expected to follow all BHHS Laffey workplace policies. Depending upon the agreement between you and BHHS Laffey, you may be provided with an office, desk space or work area in a BHHS Laffey Office. You are responsible for keeping any work area you use in a neat and orderly condition. When using open work areas, you should clear any and all materials from that space when leaving that space so the premises remains neat for others to use.

4.2.2 Conference Rooms

Conference rooms are made available by BHHS Laffey, on a first come, first served basis. To reserve a conference room, use the reservation system established by the Branch Manager. You should clear any and all materials when leaving the Conference Room so the premises remains neat for others to use.

4.2.3 Telephone

Office telephone and voicemail service may be provided to you at no cost. Long-distance calls from the office shall be for BHHS Laffey business purposes only. The cost of any personal long-distance calls placed from BHHS Laffey offices shall be reimbursed to BHHS Laffey.

4.2.4 Office Equipment

Copiers, fax machines, scanners and other necessary office equipment is provided for your use for business purposes.

4.2.5 Business Cards

You may obtain additional business cards at your own cost and expense. Business Cards must conform to the standard BHHS Laffey samples provided and with all Department of State, Long Island Board of Realtors and National Association of Realtors regulations. Any alteration or exception must be approved by BHHS Laffey. Salespersons who fail to conform to the standards may be subject to ordering new business cards at their own expense. Any fees incurred for non-compliance are the responsibility of the Salesperson.

4.2.6 Other Items Received

You may receive other items/equipment from BHHS Laffey for business purposes only such as office keys or cards to access an office. All such items/equipment must be immediately returned to BHHS Laffey upon termination of the Salesperson's ICA for any reason. Lost/ Failure to return items/equipment

will result in you paying for such items/equipment which will be billed directly to you.

4.2.7 Parking

All parking related expenses are your responsibility, unless otherwise agreed to in writing by BHHS Laffey.

4.2.8 Signs

It is encouraged that Signs (e.g. "For Sale" and "Open House") be placed on all homes for sale upon execution and approval of the listing agreement and upon receipt of the Homeowner's permission. It is the Salesperson's responsibility to pay for and place all signs. All signage must conform to all state and local regulations and ordinances. Any fines or violations incurred because of non-conforming signage is the sole responsibility of the Salesperson. No Salesperson may remove another salesperson's sign from a property.

In the event an individual sign must be designed, painted, and erected for special purpose listings, such as commercial, industrial, vacant land for development, the signs must have the broker's approval as to the layout, style, installation costs, etc. If the authorization for the sign has not been obtained, BHHS Laffey may remove the sign at the Salesperson's expense.

You are also responsible for the removal of any or all signs immediately following any closed sale, lease, rental, listing expiration, cancellation or withdrawal by the seller or any other event which causes BHHS Laffey to no longer market the property for sale.

4.2.9 MLS Rules and Regulations

You are required to adhere to the rules and regulations of that MLS. Salespersons are responsible for learning and applying MLS rules throughout every transaction. Any failure by you to comply with those MLS rules and regulations and/or any failure by you to pay required MLS fees when due, may result in BHHS Laffey and/or you being fined by the MLS, and/or having the right to use the MLS suspended or cancelled. You are responsible for payment of any and all fines issued by the MLS, whether against you and/or BHHS Laffey resulting from your non-compliance. Non-compliance with MLS rules may result in the termination of your ICA.

4.2.10 Local Association of Realtors

You are similarly required to adhere to all rules and regulations of the local association of REALTORS. You are responsible for payment of any and all fines issued by the local association of REALTORS whether against you and/or BHHS Laffey resulting from your non-compliance. Non-compliance with local association of REALTOR rules may result in the termination of your ICA.

4.3. Smoking/Vaping/Alcoholic Beverages and Drugs

Smoking and/or vaping of any substance is not permitted in BHHS Laffey offices by anyone whether or not permitted by a building owner or local ordinance.

Use of alcoholic beverages is not permitted in BHHS Laffey offices without BHHS Laffey's prior written consent. Alcoholic beverages may not be served at open houses, or any other time you are conducting business on behalf of BHHS Laffey. Drugs may never be used in or on BHHS Laffey premises or during open houses, and any other time you are conducting business on behalf of BHHS Laffey. You may never work or drive while under the influence of alcohol or illegal drugs. In addition,

exhibiting specific, articulable symptoms of impairment while working as a result of cannabis use is not permitted and will cause immediate termination of association with BHHS Laffey. If you need an accommodation to use medical cannabis in the workplace, you can request such accommodation from your Branch Manager.

4.4. Expenses

You are required to cover all expenses other than expenses BHHS Laffey expressly agrees to cover in writing. Any expenses not listed by BHHS Laffey as being paid, in whole or in part, by BHHS Laffey will be your sole obligation. BHHS Laffey may establish a procedure for handling sales expenses charged to you. You are expected to comply with the method established for the billing and collection of expenses incurred by you.

4.5. Fair Housing Policy/ Reasonable Accommodations

BHHS Laffey is an equal housing opportunity provider which means that it does not discriminate against buyers, sellers, tenants, landlords or anyone else based on any class protected under federal, state or local law. Protected classes include, but are not limited to: gender/sex (including pregnancy), sexual orientation, gender identity, age, disability, religion, race, ethnicity, creed, color, national origin, alienage status, citizenship status, lawful source of income, marital status, familial status, domestic violence victim, sexual abuse victim.

Regarding lawful source of income, Salesperson are prohibited from inquiring as to an applicant's source of income; i.e. whether the source of their income is through salary, subsidies, court ordered support, disability or otherwise. BHHS Laffey and its agents are prohibited from knowingly conveying or enacting any requests from a landlord, owner, co-op/condo board or management company which is discriminatory in nature. Salespersons are further prohibited from discussing the protected class of an applicant with any and all parties to the transaction. A Salesperson who is aware of any such discriminatory conduct/requests should immediately report such conduct/requests to their Branch Manager. If a landlord, owner, co-op/condo board or management company fails to comply with applicable law, BHHS Laffey maintains the right to take any and all necessary action including, but not limited to discontinuing its business relationship with such landlord, owner, co-op/condo board or management company.

All Salespersons must immediately report any complaints of discrimination by a prospective purchaser or renter to their Branch Manager.

BHHS Laffey maintains a zero-tolerance policy towards discrimination based on any protected class. Salespersons who violate this policy may be subject to disciplinary action up to and including termination of its association with BHHS Laffey. In addition, if Salesperson's intentional violation of this policy results in BHHS Laffey being sued or noticed of a claim of discrimination, then the Salesperson shall be liable for attorney's fees and costs incident to such suit and/or notice.

The Fair Housing Act, New York State and New York City Human Rights Laws makes it unlawful to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.

A reasonable accommodation as defined by the Fair Housing Act is any accommodation by a housing provider in rules, policies (including acceptance of assistance animals as an exception to a "no pets" rule), and practices of services to give a person with a disability an equal opportunity to use and enjoy a dwelling unit or common space. It is your responsibility (and the responsibility of all Salespersons) to promptly inform BHHS Laffey of any situation where a reasonable accommodation is needed or has been requested.

Although requests for reasonable accommodations can be made orally or in writing, it is usually helpful for both the tenant or prospective tenant or homebuyer and the housing provider if the request is made in writing. This will help prevent misunderstandings regarding what is requested, or whether the request was made. BHHS Laffey can assist you in handling requests for reasonable accommodations. You should promptly confer with your Branch Manager if you are unable to provide the request for reasonable accommodations in writing.

4.5.1 Anti-Harassment/Discrimination Policy

Salespersons, regardless of their independent contractor status, are expected to follow BHHS Laffey's workplace policies when at work or when performing licensed real estate activities.

Federal, state, and local laws prohibit discrimination against any employee or independent contractor based on race, color, religion, creed, sex, gender, ethnicity, national origin, alienage, citizenship, ancestry, age, disability, handicap, sexual orientation, military status, veteran status, partnership status, marital status, familial status, pregnancy, genetic information, predisposing genetic characteristics, lawful source of income, domestic violence victim, and arrest / conviction record, or certain other categories protected by the law. These categories are called "Protected Categories." Discrimination based on someone being a member of one of these Protected Categories is illegal and strictly prohibited. All Salespersons are responsible for complying with this policy. Discrimination is not allowed and will not be tolerated anywhere at BHHS Laffey offices or any other work-related place.

4.5.2 Sexual Harassment

Sexual harassment is a form of workplace discrimination. BHHS Laffey has a zero-tolerance policy for any form of sexual harassment and all Salespersons are required to work in a manner that prevents sexual harassment in the workplace. This policy is one component of BHHS Laffey's commitment to a discrimination-free work environment.

- This policy applies to all Salespersons and employees – managerial and non-managerial - applicants for employment, interns, whether paid or unpaid, independent contractors and persons conducting business with the BHHS Laffey.
- Sexual harassment will not be tolerated. Any Salesperson or individual covered by this policy who engages in sexual harassment or retaliation will be subject to remedial and/or disciplinary action, up to and including termination.
- Retaliation Prohibition: No person covered by this Policy shall be subject to adverse employment action including but not limited to being discharged, disciplined, discriminated against, or otherwise because the independent contractor/employee reports an incident of sexual harassment, provides information, or otherwise assists in any investigation of a sexual harassment complaint. BHHS Laffey has a zero-tolerance policy for such retaliation against anyone who, in good faith complains or provides information about suspected sexual harassment. Any Salesperson associated with BHHS Laffey who retaliates against anyone involved in a sexual harassment investigation will be subjected to disciplinary action, up to and including termination. Any Salesperson working in the workplace who believes they have been subject to such retaliation should inform their Branch Manager. Any Salesperson who believes they have been a victim of such retaliation may also seek relief in other available forums, as explained below in the section on Legal Protections.
- Sexual harassment is offensive, is a violation of our policies, is unlawful, and subjects BHHS Laffey to potential liability for harm to victims of sexual harassment. Harassers may also be subject to individual liability. Salespersons/ Employees of every level who engage in sexual harassment, including managers and supervisors who engage in sexual harassment or who knowingly allow such behavior to continue, will be penalized for such misconduct.

- BHHS Laffey will conduct a prompt, thorough and confidential investigation that ensures due process for all parties, whenever management receives a complaint about sexual harassment, or otherwise knows of possible sexual harassment occurring. Effective corrective action will be taken whenever sexual harassment is found to have occurred. All Salespersons, including managers and supervisors, are required to cooperate with any internal investigation of sexual harassment.
- All Salespersons are encouraged to report any harassment or behaviors that violate this policy. BHHS Laffey will provide a complaint form for Salespersons to report harassment and file complaints.
- Managers and supervisors are required to report any complaint that they receive, or any harassment that they observe to their Branch Manager.

4.5.3 Definition/ Examples of Sexual Harassment

Sexual harassment is a form of sex discrimination and is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, gender identity and the status of being transgender.

Sexual harassment includes unwelcome conduct which is either of a sexual nature, or which is directed at an individual because of that individual's sex when:

- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment, even if the complaining individual is not the intended target of the sexual harassment;
- Such conduct is made either explicitly or implicitly a term or condition of employment;
- Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual's employment.

A sexually harassing hostile work environment may consist of words, signs, jokes, pranks, intimidation or physical violence which are of a sexual nature, or which are directed at an individual because of that individual's sex. Sexual harassment may also consist of any unwanted verbal or physical advances, sexually explicit derogatory statements or sexually discriminatory remarks made by someone which are offensive or objectionable to the recipient, which cause the recipient discomfort or humiliation, which interfere with the recipient's job performance.

Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions or privileges of employment. This is also called "quid pro quo" harassment. Anyone who feels harassed should complain so that any violation of this policy can be corrected promptly. Any harassing conduct, even a single incident, can and will be addressed under this policy.

Examples of Sexual Harassment

The following describes some of the types of acts that may be unlawful sexual harassment and that are, thus, strictly prohibited:

- Physical assaults of a sexual nature, such as:

- Touching, pinching, patting, grabbing, brushing against another employee's/ Salesperson's body or poking another employee's/agent's body;
 - Rape, sexual battery, molestation or attempts to commit these assaults.
- Unwanted sexual advances or propositions, such as:
 - Requests for sexual favors accompanied by implied or overt threats concerning the victim's job performance evaluation, a promotion or other job benefits or detriments;
 - Subtle or obvious pressure for unwelcome sexual activities.
- Sexually oriented gestures, noises, remarks, jokes or comments about a person's sexuality or sexual experience, which create a hostile work environment.
- Sexual or discriminatory displays or publications anywhere in the workplace, such as:
 - Displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.
- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity and the status of being transgender, such as:
 - Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - Sabotaging an individual's work;
 - Bullying, yelling, name-calling.

Who can be a target of sexual harassment?

Sexual harassment can occur between any individuals, regardless of their sex or gender. New York Law protects employees, paid or unpaid interns, and non-employees, including independent contractors, and those employed by companies contracting to provide services in the workplace. A perpetrator of sexual harassment can be a superior, a subordinate, a coworker or anyone in the workplace including an independent contractor, contract worker, vendor, client, customer or visitor.

Where can sexual harassment occur?

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees/ independent contractors are traveling for business or at employer sponsored events or parties. Calls, texts, emails, and social media usage by employees/ independent contractors can constitute unlawful workplace harassment, even if they occur away from the workplace premises or not during work hours.

What is "Retaliation"?

Unlawful retaliation can be any action that would reasonably discourage a worker from making or supporting a sexual harassment claim. An act need not be job-related or occur in the workplace to constitute unlawful retaliation.

Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in "protected activity" from retaliation. Protected activity occurs when a person has:

- filed a complaint of sexual harassment, either internally with any anti-discrimination agency; or with a state or federal court;
- testified or assisted in a proceeding involving sexual harassment under the Human Rights Law or other anti-discrimination law;
- opposed sexual harassment by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of harassment;

- complained that another employee/ independent contractor has been sexually harassed;
or
- encouraged a fellow employee/ independent contractor to report harassment.

4.5.4 Reporting Harassment

Preventing sexual harassment is everyone's responsibility. BHHS Laffey cannot prevent or remedy sexual harassment unless it knows about it. Any employee, paid or unpaid intern or non-employee who has been subjected to behavior that may constitute sexual harassment is encouraged to report such behavior to a supervisor or manager. Anyone who witnesses or becomes aware of potential instances of sexual harassment should report such behavior to a supervisor or manager. Reports of sexual harassment may be made verbally or in writing. Salespersons may also report sexual harassment on behalf of others. Employees, paid or unpaid interns or non-employees who believe they have been a victim of sexual harassment may also seek assistance in other available forums, as explained below in the section on Legal Protections.

Supervisory Responsibilities

All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing behavior or for any reason suspect that sexual harassment is occurring, are required to report such suspected sexual harassment to BHHS Laffey senior management. In addition to being subject to discipline if they engaged in sexually harassing conduct themselves, supervisors and managers will be subject to discipline for failing to report suspected sexual harassment or otherwise knowingly allowing sexual harassment to continue. Supervisors and managers will also be subject to discipline for engaging in any retaliation.

4.5.5 Investigation

All complaints or information about suspected sexual harassment will be investigated, whether that information was reported in verbal or written form. Investigations will be conducted in a timely manner, and will remain confidential to the extent possible. An investigation will be prompt and thorough, and should be completed within 30 days. The investigation will be confidential to the extent possible. All persons involved, including complainants, witnesses and alleged perpetrators will be accorded due process to protect their rights to a fair and impartial investigation. Any employee/ independent contractor may be required to cooperate as needed in an investigation of suspected sexual harassment. Anyone who participates in any investigation will not be retaliated against. Investigations will be done in accordance with the following steps:

- Upon receipt of complaint, the assigned investigator will conduct an immediate review of the allegations, and take any interim actions, as appropriate. The purpose of an interim action is to mitigate any future adverse effects, of both the alleged prior harassment and the report of the harassment, for all individuals protected at the workplace to the extent permissible by law while, primarily, keeping everyone safe. If the complaint is oral, the individual should be encouraged to submit a complaint in writing. If he or she refuses, the manager/investigator will prepare a written complaint based on the oral reporting.
- If documents, emails or phone records are relevant to the allegations, steps will be taken to obtain and preserve them.
- All requested and relevant documents will be reviewed, including all electronic communications.
- All parties involved and any relevant witnesses will be interviewed. In such interviews, the investigator should first explain the interviewee's right to representation, their right

against retaliation for participation in the interview and their duty to participate. Such interview should be digitally recorded.

- A file of the investigation (such as a letter, memo or email) will be created, which contains the following:
 - A list of all documents reviewed, along with a detailed summary of relevant documents;
 - A list of names of those interviewed, along with a detailed summary of their statements;
 - A timeline of events;
 - All digital recordings for the investigation process;
 - A summary of prior relevant incidents, reported or unreported; and
 - The final resolution of the complaint, together with any corrective action(s).
- Written documentation and associated documents will be maintained in the Company's records for a minimum period of three (3) years following the conclusion of the investigation process.
- The individual(s) who complained and the individual(s) who responded will be promptly notified of the final determination and any remedial or corrective action.
- The individual who complained, will be informed in writing of their right to file a complaint or charge externally as outlined below.

4.5.6 Remedial Corrective Measures

Non-exclusive potential remedial / corrective measures that may be recommended by an investigator are as follows:

- Termination / Disassociation;
- Suspension (paid or unpaid);
- Probation;
- Demotion (position and/or salary);
- Reassignment;
- Relocation;
- Mandatory mediation;
- Mandatory mentorship;
- Training (digital and/or in-person);
- Mandatory written apology;
- Reprimand (confidential or public).

Any remedial / corrective measures undertaken by BHHS Laffey do not require a finding of fault and can be made on the sole basis of the creation of exposure to BHHS Laffey through negligent and/or reckless conduct.

Remedial/ corrective measures may also be taken against a Complainant who, in bad faith, files a frivolous internal complaint.

4.6. Legal Protections and External Remedies

Sexual harassment is not only prohibited by BHHS Laffey but is also prohibited by state, federal, and, where applicable, local law. Aside from the internal process at BHHS Laffey, employees/ independent contractors may also choose to pursue legal remedies with the following

governmental entities:

- New York State Division of Human Rights (DHR) (N.Y. Executive Law, art. 15, §290 et seq.): DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458, (718) 741-8400, www.dhr.ny.gov. Contact DHR at (888) 392-3644 or visit dhr.ny.gov/complaint for more information.
- Local Protections: Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law exists. For example, individuals who work in New York City may contact the New York City Commission on Human Rights at their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 40 Rector Street, 10th Floor, New York, New York; call 311 or (212) 306-7450; or visit www.nyc.gov/html/cchr/html/home/home.shtml or www1.nyc.gov.
- **Contact the Local Police Department**

If the harassment involves physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department.

4.7. Education/ Training Requirements

While BHHS Laffey may offer/sponsor courses which satisfy Continuing Education requirements, it is your responsibility to complete all education and training programs which satisfy all mandatory continuing education credits.

4.8. Ethics

BHHS Laffey strives to maintain the highest ethical standards. You are expected to be familiar with, and abide by, the National Association of REALTORS® Code of Ethics.

4.9. Authority to Obligate BHHS Laffey

Neither you nor anyone acting on your behalf is authorized to obligate BHHS Laffey for any debt, financial responsibility, or liability without the express, prior, written consent of BHHS Laffey management personnel. Any such attempt by you to obligate BHHS Laffey without the express, prior, written consent of BHHS Laffey management shall be void and of no legal force or effect. If such an obligation is created without the express prior written consent of BHHS Laffey management personnel, you shall be personally responsible for the debt, financial responsibility or liability.

4.10. Jury Service

Jury service is a civic duty. Anyone affiliated with BHHS Laffey under the terms of an ICA who is called to serve on a jury – and the service is for any period of extended time – must notify the appropriate Branch Manager and make arrangements with BHHS Laffey personnel regarding BHHS Laffey-related business activities.

4.11. Dress and Attire

When engaged in work activities on BHHS Laffey's premises or off-site, Salespersons are expected at all times to present a professional business image to clients, prospects, business partners, co-workers and the public. Additionally, it is required that each Salesperson's dress, grooming and

personal hygiene should be appropriate to the workplace. Nothing in this policy is intended to interfere with any religious observance or a medical condition requiring special clothing.

Acceptable attire: business suit or sports coat, dress, dress slacks, skirt, dress shirt, coordinated blouse, sweater or jacket, tie, dress shoes, socks or hose, belt and shoes. BHHS Laffey expressly permits the wearing of yarmulke, hijab or other religious garb.

Unacceptable attire includes athletic clothing, shorts, suggestive attire, sandals, T-shirts, hats, sneakers, ripped clothing and similar items of casual attire that do not present a business-like appearance. Bare midriffs, body piercing that is visible (with the exception of ear piercing) that are visible are prohibited.

4.12. Supervision of Salespersons

BHHS Laffey is required by New York State Real Property Law to properly supervise its Salespersons which includes regular, frequent and consistent personal guidance, instruction, oversight and superintendence by the real estate broker with respect to the general real estate brokerage business conducted by BHHS Laffey, and all matters relating thereto. Branch Managers may rely on staff support to properly comply with BHHS Laffey's broker supervision responsibilities. You are expected to cooperate with your Branch Manager and BHHS Laffey staff personnel in the prompt delivery of transaction documents, the handling of files and other compliance requirements.

4.13. Anti-Trust Policy

There is never to be any discussion with a cooperating broker, sales associate, or the public regarding commission rates, pricing structures, marketing practices, fee structure, or business practices of a competitor. The only fee that you may quote to a consumer is the fee that the BHHS Laffey charges for that specific transaction. If a client/potential client asks if this is the "normal" fee, inform there is not a "normal" fee. Our fee is based upon the specific services that BHHS Laffey is providing as defined in our agreements with the buyer/seller/renter/landlord. If the client/potential client asks you to comment on another company's fee policy, you should state that you have no information on any other company's fee structure and that you can only discuss BHHS Laffey's fee. Avoid discussion with employees and sales associates of competing firms regarding the commission policy of BHHS Laffey that could be construed to be agreements or conspiracies to fix, establish prices, or otherwise restrain competition in violation of state and federal anti-trust laws. If you find yourself in the presence of such a conversation excuse yourself immediately and report the incident to BHHS Laffey.

4.14. Business-Related Injury

If you are, or you become aware that any other Salesperson, management, or staff personnel was injured, injured on BHHS Laffey's premises, at a real estate listing, or during any business-related activity, you must report the injury to BHHS Laffey through your Branch Manager at the earliest practicable time.

4.15. Sensitive Personal Information

BHHS Laffey is dedicated to protecting the identity of its customers and clients. To that end, it is essential that everyone affiliated with or employed by BHHS Laffey treat with utmost care and confidentiality all files containing names, addresses, phone numbers, Social Security numbers, credit card information or any other personally identifiable information. Any and all documents and/or files containing such confidential information that are in your possession shall be kept in a secure location and disposed of properly. Additionally, if you are contractually obligated to keep such information confidential (e.g., through the terms of a Non-Disclosure Agreement), then it is your responsibility to advise BHHS Laffey and persons

that you work with of your and their obligation to maintain such information in confidence. Any questions about storage, destruction/purging of these files should be discussed with your Branch Manager.

4.16. Technology/Internet Use Policy

4.16.1 General Principles

BHHS Laffey computers provided for Salesperson's use are the property of BHHS Laffey as are all files contained therein. Access to BHHS Laffey's Network from a personal computer is available and encouraged. Access to BHHS Laffey's network and e-mail imposes certain responsibilities and obligations. The network includes, without limitation, all computer systems, electronic and other communication and storage systems, e-mail, telephone and facsimile equipment, data communication facilities, Intranet and the Internet ("**Network**").

Access to the Network through BHHS Laffey facilities is provided for business purposes only. BHHS Laffey provides no assurance of privacy with respect to use of the Network or any other facilities. BHHS Laffey reserves the right to access or monitor (with or without notice) in its discretion any use of the Network.

Users must comply with all BHHS Laffey access procedures, including use of assigned user ID's and properly licensed software. Once a Salesperson receives a user ID to access the Network, he/she is solely responsible for all actions taken while using that User ID. User ID's may not be shared with others. To maintain system integrity, all users are required to change their password periodically.

Since communications across the Internet are not secure, confidential material should not be transmitted across the Internet. Client communications should be conducted only through secure channels. Dissemination of business or technical information of a sensitive, proprietary, confidential, or internal nature is not permitted without prior approval.

Users are expected to act in a responsible and professional manner when they use the Network and all other Company facilities. Actions that may cause interference with the Network or disruption or work activities are prohibited.

Software, databases, and similar "live" technology may not be sent or received via the Internet without (a) prior approval, (b) appropriate "virus" screening, (c) proof that the owner has authorized applicable copying, transmission, and use thereof, and (d) use of encryption and other security procedures as appropriate.

Sexual, racial or other offensive, inappropriate or unlawful remarks, jokes, slurs, and obscenities are prohibited. Use of the Network to view, access, upload, download, store, transmit, create, or otherwise manipulate pornographic, sexually explicit, or other offensive materials is expressly prohibited. Further, such uses of the Network may violate, among other things, BHHS Laffey's Sexual Harassment and Discrimination policies.

4.16.2 Conditions of Use/ Prohibited Conduct:

Neither you nor other Salespersons may engage in any of the following conduct:

- i. Visit Internet sites that contain obscene, hateful, or other objectionable materials, or send or receive material that is obscene or defamatory or which is intended to annoy, harass, or intimidate another person.
- ii. Solicit e-mails that are unrelated to business activities.
- iii. Use the Internet or e-mail for illegal purposes.

- iv. Represent personal opinions as those of BHHS Laffey.
- v. Make or post indecent remarks, proposal, or materials.
- vi. Upload, download, or otherwise transmit commercial software or any copyrighted materials belonging to parties outside BHHS Laffey.
- vii. Download any software or electronic files without virus protection.
- viii. Examine, change, or use another person's files, output, or username without prior explicit authorization.
- ix. Perform any other inappropriate uses identified by BHHS Laffey.

4.16.3 E-Mail Usage

Salespersons should be aware that E-mail is NOT a confidential means of communication. BHHS Laffey cannot guarantee that electronic communications will be private. Emails can be forwarded, intercepted, printed, and stored by others. Users should also be aware that once an E-mail is transmitted it may be altered. Deleting an email from an individual workstation will not eliminate it from the systems across which it has been transmitted. BHHS Laffey reserves the right to review all email communication via BHHS Laffey E-mail.

4.17. Websites/Social Media Policy

All of the requirements and restrictions that apply to other forms of advertising in any medium including, but not limited to, newspaper, television, radio, also apply to websites. In addition to the policies related to those other advertising media, the following requirements apply to your website(s):

4.17.1 Websites

- All licensee websites must contain BHHS Laffey's logo and contact information in the format approved by management. BHHS Laffey's name and logo must be displayed on every page of your website.
- All websites must comply with New York State Department of State regulations.
- All websites must be approved by management.
- The REALTOR® logo must be used in accordance with the policies of the National Association of REALTORS®. The website must have an E-Mail privacy statement approved by BHHS Laffey.
- Photos should not be altered to the extent that would give a deceptive picture of the property.
- If listings or sales are to be advertised on your website, you must maintain and update regularly, removing all listings as soon as they expire or are pending sale. In the event the Department of State imposes fines/penalties on you or BHHS Laffey for failure to do so, you will be solely responsible for such fines/penalties.
- You cannot copy text, documents, graphics, or audio content from other websites unless you have the written permission of the content owner.
- No one may post scanned or downloaded photographs, audio, videos, other images, or documents on BHHS Laffey's website or on any personal website without the express written consent of the creator of the photograph, the audio, the video or other image.

- Pursuant to New York State Law, you are responsible for the veracity of any statements about your qualifications, experience, listings and/or any other business-related representations. No statements should be made on your website that could not be made in other forms of advertising.
- BHHS Laffey reserves the right to review your webpage and any personal websites. BHHS Laffey reserves the right to require changes, deletions, or other modifications to the content of your website if, in BHHS Laffey's sole discretion, it deems the content to violate any federal, state, or local laws or regulations or to be harmful, misleading, or otherwise injurious to the public or to the good will and reputation of BHHS Laffey.

4.17.2 Social Media Policy

"Social media" includes blogs, wikis, social networks, virtual worlds and/or other media yet to be identified or created and those that are used to connect you with the rest of the world.

All public posts and entries should be treated as any other communication from you as a professional affiliated with BHHS Laffey because, to the extent that the communications actually relate or in any way may relate to your business and/or BHHS Laffey, all such entries are subject to all of the laws and regulations that otherwise guide your behavior. All personal social media accounts should abide by the following guidelines:

- No communications on social media sites are permitted to be made as though the communications are "official" statements of BHHS Laffey without the prior written authorization of BHHS Laffey.
- Incorporation of a BHHS Laffey trademark into a username with any social media site (including twitter handles, Facebook pages, etc.), must be approved by BHHS Laffey.
- Salespersons must submit a list of social media sites that you are currently using for professional purposes to your Branch Manager.
- No messages should contain statements that are unlawful, threatening, abusive, libelous, defamatory, obscene, vulgar, pornographic, gambling-related, drug-related, alcohol-related, profane, racist, sexually explicit or indecent.
- Salespersons are required to follow certain ethical guidelines including the non-disclosure of confidential information of their clients and social media discussions should avoid such unauthorized disclosure (i.e., don't communicate with clients on social media about their confidential business).
- Do not use any third-party trademarks or copyrighted materials.
- Do not repost, reproduce, and/or republish other's articles, blogs, and websites, in-whole or in-part, without the copyright holder's written permission. In no circumstance may a Salesperson represent another's articles, blogs, and websites as their own original content irrespective of receiving permission from the work's author.
- Maintain the confidentiality of BHHS Laffey's trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures, or other internal business-related confidential communications of that of BHHS Laffey or of your clients.
- No content may include claims that cannot be substantiated by fact.

- Nothing in this policy is meant to interfere with employees' rights under Section 7 of the National Labor Relations Act ("NLRA").

5. SALESPERSON ACTIVITIES/ RESPONSIBILITIES

5.1. Scope of Licensee Responsibilities

5.1.1 In General

BHHS Laffey is committed to the success of Salespersons affiliated with BHHS Laffey and will use its best efforts to provide a pleasant and productive atmosphere. You are expected to conduct yourself, at all times, in a professional and businesslike manner and adhere to all applicable rules, regulations and codes of conduct in the performance of your duties.

5.1.2 Automobile

If you use your own automobile to perform licensee activities on behalf of BHHS Laffey, you must follow all applicable State and local laws. New York State law prohibits drivers from talking on their phone while driving unless using a hands-free device. Texting on any type of mobile device while driving is also prohibited by New York State law.

5.1.3 Legal, Tax, Accounting, Insurance or Other Professional Advice

Under no circumstances are you to give legal, tax, accounting, insurance or other professional advice to clients on behalf of BHHS Laffey. Legal advice can include advising clients whether to sign a liquidated damage provision or an agreement to arbitrate disputes, drafting of documents not related to the standard forms normally used in real estate practice, or advising how title is to be held, including, but not limited to, transferring property into or out of a trust. Tax and/or accounting advice can include advising clients as to the tax effects of a real estate purchase or sale or how clients should account for real estate expenses. Insurance advice can include determining what type of insurance or the amount of insurance that is best for a client.

If questions arise about tax, accounting, insurance or other matters outside the course and scope of a real estate licensee's duties, clients should be referred to their own attorney, tax advisor, accountant or insurance broker or other, appropriately licensed professionals.

5.2. Advertising Requirements

5.2.1 In General

"Advertising and advertisement" mean promotion and solicitation related to licensed real estate activity, including but not limited to, advertising via mail telephone, websites, e-mail, electronic bulletin boards, business cards, signs, billboards, and flyers. Advertising and advertisement shall not include commentary made by a duly licensed real estate salesperson, real estate associate broker or real estate broker that is not related to promoting licensed real estate activity.

Only the Broker is permitted to place or publish advertisements related to the sale or lease of any property pursuant to 19 NYCRR 175.25. Any agent or employee who needs to place or publish an advertisement must submit such advertisement to the Broker for review and approval.

No property shall be advertised unless the owner has provided authorization. Agents are also prohibited from advertising properties subject to an exclusive listing held by another broker

without the permission of the listing broker. No photos may be used or reproduced without written permission from the owner / copyright holder of such photos.

Salespersons bare the cost & responsibility for all content. Any and all fines or violations for noncompliant advertising are Salesperson's responsibility. Licensees are prohibited from using and reproducing photos without permission from the copyright holder. This includes MLS, Trulia, Zillow and Google Maps/Google Earth and any other medium where photographs are displayed.

Any advertisements for exclusive listings held by another broker, upon consent of such broker and BHHS Laffey's approval, may be published provided that the advertisement clearly and conspicuously discloses the name of the exclusive listing broker immediately after one of the following phrases:

- "Listing Provided by [insert name of the exclusive listing broker]";
- "Listing by [insert name of exclusive listing broker]";
- "Listing Broker Contact [insert name of exclusive listing broker]";
- "Listing of [insert name of exclusive listing broker]";
- "Listing Provided Courtesy of [insert name of exclusive listing broker]";
- "Listing Courtesy of [insert name of exclusive listing broker]"; or
- "Listing Agent Contact [insert name of exclusive listing broker].

If a third-party is paid to advertise a property subject to another broker's exclusive listing, the advertisement must also state that the advertisement is a paid advertisement, immediately following the name of the Company agent and/or Broker.

Advertisements must contain the following:

- BHHS Laffey's name and logo;
- BHHS Laffey's full address and/or telephone number;
- Name of associated licensees / agents and such licensee/agent's license type. The name used must be the name such licensee/agent is licensed with the Department of State;
- License type ("Licensed Real Estate Salesperson", "Licensed Associate Real Estate Broker");
- Contact information (Phone numbers must state whether such number is a cellphone, desk, home phone or otherwise);
- Honest and accurate description of the property to be sold or leased and that the advertised property is in the vicinity of a geographical area or territorial subdivision. Misleading names are prohibited.

Web-based advertising.

- Salespersons must obtain consent from BHHS Laffey to create and maintain a website separate from BHHS Laffey's website.
- If approved by BHHS Laffey, every page of such website, including any page that displays multiple properties or property search results, shall include the information required above. In addition, a link to BHHS Laffey's website is required on the homepage.
- Any initial e-mail from any Salesperson must also provide the above information.

5.2.2 Cold Calling and Do-Not-Contact Requirements

Cold calling (telemarketing) is commonly used to solicit prospective clients for sales, property management, or loan transactions. Cold calling involves messages or telephone calls to promote the purchase, rental and financing of real property, and services provided incidental to such activities. You are encouraged to consider cold calling as a method of business promotion, but cold calling must be conducted in full compliance with all federal and state laws.

- The Federal Communications Commission maintains a Do-Not-Call Registry.** You

may not call anyone at their residence who is listed on that Registry unless an exemption applies. Exemptions include written permission, an established business relationship or a personal relationship.

a. Written permission means the person being called has given prior express permission to call as evidenced by a signed, written agreement to be contacted at a specific number.

b. An Established Business Relationship means a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a residential subscriber on the basis of either:

(i) the consumer's business transaction with BHHS Laffey in the past eighteen (18) months (anything other than an actual purchase or sale is only an "inquiry or application" giving a three-month period referenced below); or,

(ii) the consumer's inquiry or application regarding BHHS Laffey's services within the past three (3) months.

c. A personal relationship encompasses any person that is a "family member, friend or acquaintance of the telemarketer making the call".

ii. **Expired Listings.** Simply because a consumer has previously listed their property for sale with another brokerage does NOT authorize other brokers to contact the owner. Calls made to expired listings must comply with the Do-Not-Call requirements.

5.2.3 Discriminatory Advertising.

You or anyone acting on your behalf may not engage in any advertising practices that are in any way discriminatory by showing a bias toward, or a bias against, anyone or group based on a Protected Class. Salesperson advertisements should be "neutral" in connection with any of the federal or state classifications and should not describe items in, or by use of, racial, ethnic, or other discriminatory terms. Avoid explicit preferential, limiting, or discriminatory language based on any individual or group status. Advertising may not contain limitations on the number, or ages of children or state a preference for adults, families, couples, or singles.

5.3. Maintaining a Proper File

BHHS Laffey requires all Salespersons to maintain copies of all records of every material event relative to representation of a client in connection with listings, sales, and leases. These records must be timely uploaded and saved into BHHS Laffey's database in a neat and orderly file on every client and/or listing and/or lease or sale transaction with whom you work. This includes all listing documentation, whether or not the listing ever sells, and all offers even if those offers are not accepted. This will permit BHHS Laffey's managers/supervisor to supervise the transactions in accordance with Department of State regulations. All files are the property of BHHS Laffey and are to remain in BHHS Laffey's possession. BHHS Laffey will retain all files, whether electronic or in paper, for a minimum of 3 years from the close of escrow for any transaction or termination of the agency relationship, at which point the documents will be purged pursuant to BHHS Laffey's document retention policy.

5.4. Listings, Buyer Broker Agreements, and Commission Agreements

New York State Law requires that all agreements for the listing or sale of real property must be in writing (including any compensation agreement), signed by all parties to that agreement, and must be in the name of the real estate broker to be legally enforceable. If you represent a buyer in a transaction that is a "for-sale-by-owner" ("FSBO") where the seller is not willing to pay commission to BHHS Laffey and the buyer is obligated to pay that commission, you must have a separate, written buyer broker agreement between BHHS Laffey and the buyer to pay that commission to BHHS Laffey. If the FSBO seller agrees to pay the commission, then you must have a written agreement between BHHS Laffey and the FSBO seller,

such as a single party listing or a separate commission agreement so that the FSBO seller is obligated to pay commission to BHHS Laffey.

Unless approved in advance by BHHS Laffey management, all listings will be "Exclusive Right and Authorization to Sell" listings. All Salespersons must use the most current forms approved for use by BHHS Laffey.

You must have the signature of all sellers/owners on the listing agreement before you or anyone else affiliated with or employed by BHHS Laffey may begin marketing the property. If someone signs on behalf of another, you must have written evidence of that person's authority to act, such as a power of attorney, letter of administration, or other documentation that would be acceptable to the title company to insure title. If any party refuses to sign the listing/agreement, then the signing parties must be advised in writing that it is BHHS Laffey's policy not to market the property until all parties have signed the agreement.

As required by New York State law, all listings are taken in the name of BHHS Laffey. BHHS Laffey reserves the right to reassign the listing to a different Salesperson upon request of the seller or if, in the sole discretion of BHHS Laffey, the listing has not been handled properly. Any decision by BHHS Laffey to reassign a listing is conclusive and will be binding on the Salesperson who entered into the listing agreement on behalf of BHHS Laffey. Such Salesperson will have no right to a commission upon the closing of the sale on that listing unless agreed to by BHHS Laffey's management in writing.

All commission agreements shall state that any compensation that is owed to BHHS Laffey is to be calculated as a percentage of the sales price unless you have the prior approval of BHHS Laffey management. However, under no circumstances may you add to the approved commission amount any fee or charge to a seller or a buyer that may be deemed a "junk fee" under RESPA. BHHS Laffey policy, in compliance with Federal law, does not permit you to charge a "Transaction Coordination Fee," a "Document Compliance Fee," an "Administrative Fee," or any other separate fee or charge, no matter how identified, in addition to the commission compensation to be paid to BHHS Laffey.

5.5. Offers to Purchase

You must present all offers to the seller. Upon receipt, offers should be reviewed thoroughly for completeness, accuracy, and clarity and to determine time limits for a response by the seller. If the agent for the buyer makes a written request for confirmation that the offer has been presented, you shall, as required by the Ethics Code, provide that confirmation in writing.

To be legally enforceable, all contracts must contain all parties' signatures. If someone signs on behalf of another, you must have written evidence of that person's authority to act, such as a power of attorney, letter of administration, or other documentation that would be acceptable to the title company to insure title. If a buyer makes a written demand of you to present an offer missing a signature, you must disclose this fact to the seller/listing agent and the offer should be made subject to obtaining the missing signature.

Counteroffers, addenda, and amendments must contain terms that are clear and complete using contract terminology.

You may NEVER represent two buyers who are making offers on the same property at the same time. When you are working with a seller and there are multiple offers, you may NOT represent one of the competing buyers. If a competing buyer requests that you as the listing agent prepare an offer, your Branch Manager must be immediately notified. In most instances, BHHS Laffey will require that either the competing buyer or the seller be referred to another Salesperson. You must choose to represent only the seller or the buyer during the pre-contract or contract negotiations during multiple offer presentations.

5.6. Standard Operating Procedures for Homebuyers/Renters

Pursuant to New York State Regulations, the following is BHHS Laffey's Standardized Operating Procedures ("SOP"). These SOPs are available on BHHS Laffey's publicly available website and mobile device applications maintained by BHHS Laffey and any of its licensees and teams. In addition, BHHS Laffey has copies of these SOPs available to the public upon request at BHHS Laffey's office locations.

- 1) Prospective Client's IDs: Salespersons are not required to request IDs from prospective clients prior to entering a property or making an offer.
- 2) Exclusive Brokerage Agreement: Encouraged but NOT REQUIRED for buyer(s)/ renter(s).
- 3) Mortgage Pre-Approval/Proof of Funds: Encouraged before entering a property but REQUIRED before making an offer. No source of income should be shown or provided.

Although BHHS Laffey may not require such information, a homeowner may require a prospective purchaser(s) or renter(s) to provide this information to BHHS Laffey so long as homeowner notifies BHHS Laffey, in writing, through its associated Salesperson(s), prior to such homeowner having knowledge of any demographics of the prospective purchaser(s) or renter(s).

5.7. Intellectual Property Policy in Listing and Other Materials

The materials that you produce, or cause to be produced, as a part of or incident to your association with BHHS Laffey including, without limitation, photographs, videos, images, original text, fliers and other promotional material, and all other works subject to copyright ("**Salespersons Works**") must comply with the following:

- You may not copy, distribute, display, exhibit or perform copyrighted works without the express written authority of the owner of the copyright.
- To that end, you should assume that the subject material is protected by copyright unless proven otherwise. Unless you can establish that the work is not subject to copyright protection, you must locate the copyright holder and/or their licensing intermediary to obtain clearance to use the material, either through a license or the express written permission of the copyright holder.

Note further that even if the material is not protected by copyright, it may be protected by another area of law, such as trademark, trade secret law or rights of publicity. If there is any doubt whether a work is covered by another area of the law, it is best to be cautious and to follow the procedures established above for the use of copyrighted works.

5.8. BHHS Laffey's Policy on Agency Relationships

5.8.1 Recognized Forms of Agency

BHHS Laffey recognizes two general forms of agency in representing clients: single agency (BHHS Laffey exclusively represents only the seller or only the buyer) and dual agency.

If BHHS Laffey represents the seller only, BHHS Laffey is the "Seller's Brokerage Firm", or "Listing Broker" and you are the "Listing Agent" or "Seller's Agent". If BHHS Laffey represents the buyer only, BHHS Laffey is the "Buyer's Brokerage Firm" or, for ethics and MLS purposes the "Cooperating Broker," and you are the "Selling Agent" or "Buyer's Agent". If BHHS Laffey represents both the buyer and seller, either because you represent both the seller and buyer or you represent the seller (or buyer) and another Salesperson represents the buyer (or seller), BHHS Laffey is a dual agent.

If BHHS Laffey is a dual agent, then the individual Salesperson for that transaction is also deemed

to be dual agents, and those relationships must be confirmed correctly in all contract documents.

5.8.2 Agency Disclosure Requirements

You must provide the buyer and the seller with a statutory disclosure form pursuant to New York State Real Property Law § 443 ("Agency Disclosure"). Whether you represent the buyer/lessee or seller/landlord, or are a dual agent, you must provide the required disclosure forms as follows:

- (1) If BHHS Laffey represents the seller/landlord, you must give the Agency Disclosure form to the seller/landlord BEFORE entering into the listing agreement and obtain a signed acknowledgment from the seller/landlord. You must provide the Agency Disclosure to a buyer, buyer's agent, tenant or tenant's agent at the time of the first substantive contact with the buyer or tenant and obtain a signed acknowledgment.
- (2) If BHHS Laffey represents the buyer/tenant, the Salesperson shall provide the Agency Disclosure to the buyer/tenant prior to entering into an agreement to act as the buyer's/tenant's agent and shall obtain a signed acknowledgment from the buyer/tenant. You must provide the Agency Disclosure to the seller, seller's agent, landlord or landlord's agent at the time of the first substantive contact with the seller/landlord and obtain a signed acknowledgment.

If you are operating as a dual agent, in addition to providing the Agency Disclosure and obtaining signed acknowledgments from both parties to the transaction, you must explain carefully to both the buyer and the seller (or landlord and tenant) that you are a dual agent and its implications. You should explain the possible effects of dual representation, including that by consenting to the dual agency relationship, the buyer and seller (or landlord and tenant) are giving up their right to undivided loyalty.

If the seller, buyer, landlord or tenant refuses to sign an acknowledgment of receipt of the Agency Disclosure, you must set forth, under oath or affirmation, a written declaration of the facts of the refusal.

All signed Agency Disclosure forms and affirmation/declarations of refusal to sign shall be maintained in the transaction file for three (3) years.

5.9. Property Disclosure Requirements

BHHS Laffey takes seriously all federal, state, and local disclosure requirements in the listing, leasing and/or sale of real property. Any attempt to conceal any issue or fact, or mislead a party in any way, will result in the termination of your relationship with BHHS Laffey. You are expected to be familiar with all applicable disclosure requirements and comply with those requirements at all times.

5.10. Obligation to Disclose Salesperson's Interest in Property

If you have a direct or indirect ownership in a property for sale or will obtain a direct or indirect ownership in a property for sale, prior to the execution of a purchase agreement, you must disclose to all parties in writing:

- i. When buying or selling your own property, your status as a real estate licensee.
- ii. When selling property, any direct or indirect ownership or financial interest by you, whether by blood or marriage, by or through an entity in which you have an ownership interest, or by any other person with whom you have a special relationship.
- iii. When buying property, any direct or indirect contemplated ownership or financial interest by you, by members of your immediate family, or by firms or any entities in which you have any current or contemplated ownership interest.

5.11. Salespersons Acting as Mortgage Loan Brokers

BHHS Laffey prohibits you from acting as mortgage loan brokers.

5.12. Salespersons Acting as Property Managers

Except for properties owned directly by you, you may not engage in property management activity without the express written consent of BHHS Laffey management.

6. TERMINATION OF INDEPENDENT CONTRACTOR RELATIONSHIP

6.1. Termination of Independent Contractor Agreement

Your ICA can be terminated by either you or BHHS Laffey, with or without cause, at any time upon written notice given to the other party.

6.2. Salesperson's Compensation Upon Termination

Except as expressly provided in this Manual, you will not be compensated for any transaction that is not under contract as of the date of your termination, unless you have made a prior agreement, in writing, with your Branch Manager. However, that agreement will be based, in part, upon the proportion of the actual work performed by you on each transaction as of the date of the termination.

6.3. Salesperson's Listings and Transactions Upon Termination

All listings are legally the property of BHHS Laffey, and remain so upon termination of your relationship with BHHS Laffey. Within twenty-four (24) hours after notice of termination by either you or BHHS Laffey, you must provide your Branch Manager with a list of all active listings taken by you and all transactions under contract which, if completed, you would be entitled to compensation from BHHS Laffey pursuant to your ICA, or other written agreement. Your rights to compensation will terminate if BHHS Laffey determines that you or your new brokerage company has used any means to contact the sellers of properties where listings were taken by you on behalf of BHHS Laffey for the purpose of directly or indirectly soliciting or inducing BHHS Laffey's clients to terminate their listing with BHHS Laffey.

After termination of your relationship with BHHS Laffey, if you affiliate with any other brokerage and a client, on their own volition, wishes to terminate its agreement with BHHS Laffey and enter into an agreement with your new brokerage, BHHS Laffey and that other brokerage will need to enter into a written agreement regarding the representation of BHHS Laffey's clients and the compensation to be paid to BHHS Laffey. That type of agreement will be negotiated on a case-by-case basis.

6.4. Confidentiality

You shall not provide any information regarding BHHS Laffey's clients, customers, properties, prices, or terms of negotiations including BHHS Laffey's policies and relationships with clients, customers, or other business relationships with or to any person, business, real estate licensee or real estate brokerage or any other third party or entity presently existing or to be formed in the future. BHHS Laffey has dedicated significant time and resources to keep this information out of the public domain. Therefore, you must use due diligence and take all reasonable steps to prevent dissemination of this information whether created by BHHS Laffey or created for BHHS Laffey.

You shall not remove from the office any files, maps, books, publications, records, computer files or applications provided by BHHS Laffey or provided to BHHS Laffey, prospect or client lists, sales plans,

programs, materials, manuals, forms, brochures, training materials of any kind including, but not limited to, risk management training, listing and sales materials provided by BHHS Laffey, or any other BHHS Laffey material, files, records or data whether in written form or stored on computers, a server or on disk (collectively "**Confidential Information**"). Any Confidential Information in your possession must be returned to BHHS Laffey within twenty-four (24) hours after the termination of the relationship with BHHS Laffey. Confidential Information is classified as a trade secret and the property of BHHS Laffey. You shall not utilize Confidential Information for any purpose and shall not use that Confidential Information in connection with any type of real estate business, either alone or with other individuals or entities.

7. DISPUTE RESOLUTION

7.1. Arbitration of Disputes

Salespersons will occasionally disagree about prospects or commission splits. This is to be expected and, if handled promptly and fairly, will usually be settled to the satisfaction of all concerned.

This Policy Manual is intended to constitute an Arbitration Agreement pursuant to CPLR §7501.

Arbitration Process:

- **Commencing an Arbitration:**

If the two salespersons are unable to resolve any dispute relating to commissions, splits, referrals, etc., any party is free to file a written complaint with a request for arbitration with the Broker. The person filing the Complaint is the Complainant and the person against whom the Complaint is filed is the Respondent.

The Complaint must include the details of the dispute, including, relevant dates, names of persons / entities involved, and relief requested. The Broker will then review the Complaint to determine if there are any deficiencies, otherwise, the Broker will provide the Complaint to the Respondent(s) via electronic mail.

- **Responding to the Complaint:**

Upon service by the Broker of the Complaint on the Complainant, the Respondent must file a Response to the Complaint within fifteen (15) days of receipt of the Complaint. Requests for extensions may be filed with the Broker before the Respondent's time to file a Response expires and may be granted only upon good written cause. Upon receipt by the Broker of the Respondent's Response, the Broker will provide copies of the Response to the Complainant and selected Arbitrators. Failure by the Respondent to timely file a Response may be grounds which prevent the Respondent from presenting evidence at the Arbitration hearing and/or the Arbitration shall be heard solely based on the Complaint and any evidence submitted by the Complainant.

- **Selecting Arbitrators**

After time to file a Response expires, the Broker will provide all parties with a list of arbitrators consisting of the Company's salespersons.

Within five (5) days of receipt, the parties must submit a list of their top three (3) choices to be arbitrators and up to two (2) names they wish to strike for any reason.

- **Discovery**

The parties may request information or documents from the other party in preparation for the hearing. Salespersons are required to cooperate with each other as much as possible. Any party may object to a demand if the party believes that such demand is overly burdensome, irrelevant, confidential or privileged. Any objection must be in writing and must be provided to all parties. If the parties cannot resolve their own discovery request, the party demanding the documents/information may request to compel the other party to produce the documents. The panel of arbitrators will determine whether or not to compel such party to produce the documents/information.

- **Hearing**

The hearing shall be held in Suffolk County, New York. The specific place shall be designated by the Broker. At the hearing, the Complainant can prove the claims alleged in the Complaint and the Respondent can try to establish any defense to those claims and/or seek to prove any counterclaims. The parties may present oral testimony by witnesses and documentary evidence to support their claims and/or defenses. After both sides have presented their side, the arbitration panel shall consider all the evidence, deliberate together, and decide on the relief each party is entitled to, if any. Any award will be based on the vote of a majority of the arbitrators. Awards must be in writing and will be issued within thirty (30) days from the date of the last day of the hearing. All awards rendered are final and are not subject to review or appeal except to the extent permissible by Article 75 of the CPLR. In an award, the arbitration panel will decide whether to assess any costs and fees against any party and how to allocate those costs and fees among the parties.

The Broker will provide copies of the arbitration award to each party once signed by a majority of the arbitrators.

8. LEGAL GENERAL

8.1. Subpoenas

If you receive a subpoena directed towards BHHS Laffey, contact your Branch Manager. Only officers or attorneys of BHHS Laffey may accept Subpoenas or Summons and Complaints directed to BHHS Laffey. If a Subpoena or Summons and Complaint is directed to you, you may accept it and should not avoid service. If there is a Subpoena or Summons and Complaint directed to you, your Branch Manager should be notified whether or not the documentation relates in any way to the business of BHHS Laffey. Such documents almost always require immediate attention by BHHS Laffey.

8.2. Contacts from Outside Attorneys

If you or one of your employee(s) or independent contractor(s) receives a call or any other type of contact from an attorney representing a buyer, seller or other third party, then you or your employee(s) or independent contractor(s) should not discuss anything with the attorney but politely indicate that you must contact the appropriate personnel at BHHS Laffey and make them aware of the situation. This requirement applies even if the attorney represents a present or former client and/or the client has authorized the communication. Attorneys may ask you and/or your employee(s) or independent contractor(s) to simply provide information by talking on the phone about a matter; or requesting documents, signing a statement or declaration; or meeting with the attorney. Regardless of who the attorney represents, you and your employee(s) or independent contractor(s) should not say anything, take any action including, but not limited to, signing anything, or participating in any conversation or meeting with or on behalf of the attorney, unless expressly authorized by your Branch Manager.

8.3. *Participation in Hearings, Arbitrations, Mediations and/or Depositions*

You and/or your employee(s) or independent contractor(s) may be requested by an outside attorney or a past or present client, or any third person, to appear at a hearing, arbitration, mediation, or deposition. If you receive such a request, indicate that you cannot agree to do so without BHHS Laffey approval and immediately contact the appropriate Branch Manager.

8.4. *Salesperson Commencing Legal Action*

You may not commence or maintain any type of claim, lawsuit, arbitration, mediation, or other action for any matter related to or arising from BHHS Laffey business without the express, prior written consent of the General Counsel of BHHS Laffey. In the event that such written consent is given, you will be responsible for, and shall indemnify and defend BHHS Laffey from and against, any and all costs, fees and/or judgments or cross-actions which may result from your claim, lawsuit, arbitration, mediation, or other action.

ACKNOWLEDGMENT

The undersigned acknowledges receipt of BHHS Laffey's Policies and Procedures Manual ("Manual").

I have read the Manual and agree to abide by the policies set forth herein including but not limited to the indemnification and arbitration policies and acknowledge that such policies can be amended by BHHS Laffey at any time.

I understand and acknowledge that this Manual is not a contract, expressed or implied, guaranteeing employment or affiliation as an independent contractor for any specific duration.

Dated:

Name (Print):

Signature: