



REFERRAL AGENT POLICIES MANUAL

JANUARY 2023

INTRODUCTION

The purpose of this manual is to provide a general guideline on how to approach situations during your affiliation with **NextPath Realty LLC** (the “Company”). This document is not meant to be a comprehensive list of policies and any questions not covered by the following information should be directed to your Managing Broker.

The information in this manual is subject to change at management’s discretion and an updated manual may be provided to all employees and contractors from time to time.

MISSION STATEMENT

The Company believes agents should have alternatives to the traditional brokerage arrangement. It is our mission to provide our agents with the technology and tools to create a successful real estate referral business in a fair and profitable manner.

HARASSMENT AND DISCRIMINATION

The Company strives to create and maintain a work environment in which people are treated with dignity, decency and respect. The environment of the company should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. The Company will not tolerate unlawful discrimination or harassment of any kind. Through enforcement of this policy and by education of employees, the Company will seek to prevent, correct and discipline behavior that violates this policy.

All employees, regardless of their positions, are covered by, and are expected to comply with, this policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action will be taken against any employee who violates this policy. Based on the seriousness of the offense, disciplinary action may include verbal or written reprimand, suspension, or termination of employment.

Managers and supervisors who knowingly allow or tolerate discrimination, harassment or retaliation, including the failure to immediately report such misconduct to the Managing Broker, are in violation of this policy and subject to discipline.

Prohibited Conduct Under This Policy

NextPath Realty LLC, in compliance with all applicable federal, state and local anti-discrimination and harassment laws and regulations, enforces this policy in accordance with the following definitions and guidelines:

Discrimination: It is a violation of **NextPath Realty LLC's** policy to discriminate in the provision of employment opportunities, benefits or privileges; to create discriminatory work conditions; or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, age, religion, disability status, sex, sexual orientation, gender identity or expression, genetic information or marital status.

Discrimination of this kind may also be strictly prohibited by a variety of federal, state and local laws, including Title VII of the Civil Rights Act of 1964, the Age Discrimination Act of 1967 and the Americans with Disabilities Act of 1990. This policy is intended to comply with the prohibitions stated in these anti-discrimination laws.

Discrimination in violation of this policy will be subject to disciplinary measures up to and including termination.

Harassment: The Company prohibits harassment of any kind, including sexual harassment, and will take appropriate and immediate action in response to complaints or knowledge of violations of this policy. For purposes of this policy, harassment is any verbal or physical conduct designed to threaten, intimidate or coerce an employee, co-worker, or any person working for or on behalf of the Company.

The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- I. Verbal harassment includes comments that are offensive or unwelcome regarding a person's national origin, race, color, religion, age, sex, sexual orientation, pregnancy, appearance, disability, gender identity or expression, marital status or other protected status, including epithets, slurs and negative stereotyping.
- II. Nonverbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital status or other protected status.

Sexual harassment: Sexual harassment is a form of unlawful employment discrimination under Title VII of the Civil Rights Act of 1964 and is prohibited under the Company's anti-harassment policy. According to the Equal Employment Opportunity Commission (EEOC), sexual harassment is defined as "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature ... when ... submission to or rejection of such conduct is used as the basis for employment decisions ... or such conduct has the purpose or effect of ... creating an intimidating, hostile or offensive working environment."

Sexual harassment occurs when unsolicited and unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature:

- I. Is made explicitly or implicitly a term or condition of employment.
- II. Is used as a basis for an employment decision.
- III. Unreasonably interferes with an employee's work performance or creates an intimidating, hostile or otherwise offensive environment.

Sexual harassment may take different forms. The following examples of sexual harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this policy:

- I. Verbal sexual harassment includes innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, lewd remarks and threats; requests for any type of sexual favor (this includes repeated, unwelcome requests for dates); and verbal abuse or "kidding" that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome.
- II. Nonverbal sexual harassment includes the distribution, display or discussion of any written or graphic material, including calendars, posters and cartoons that are sexually suggestive or show hostility toward an individual or group because of sex; suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters, notes, facsimiles, e-mails, photos, text messages, tweets and Internet postings; or other forms of communication that are sexual in nature and offensive.
- III. Physical sexual harassment includes unwelcome, unwanted physical contact, including touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing, fondling, and forced sexual intercourse or assault.

Courteous, mutually respectful, pleasant, noncoercive interactions between employees that are appropriate in the workplace and acceptable to and welcomed by both parties are not considered to be harassment, including sexual harassment.

Consensual Romantic or Sexual Relationships: NextPath Realty LLC strongly discourages romantic or sexual relationships between a manager or other supervisory employee and an employee who reports directly or indirectly to that person, because such relationships tend to create compromising conflicts of interest or the appearance of such conflicts. In addition, such a relationship may give rise to the perception by others that there is favoritism or bias in employment decisions affecting the staff employee. Moreover, given the uneven balance of power within such relationships, consent by the staff member is suspect and may be viewed by others, or at a later date by the staff member, as having been given as the result of coercion or

intimidation. The atmosphere created by such appearances of bias, favoritism, intimidation, coercion or exploitation undermines the spirit of trust and mutual respect that is essential to a healthy work environment. If there is such a relationship, the parties need to be aware that one or both may be moved to different positions with no supervisory roles.

If any employee of the Company enters into a consensual relationship that is romantic or sexual in nature with an employee who reports directly or indirectly to that employee, or if one of the parties is in a supervisory capacity in the same department in which the other party works, the parties must notify the Managing Broker. Because of potential issues regarding quid pro quo harassment, the Company has made reporting mandatory. This requirement does not apply to employees who do not work in the same department or to parties where neither one supervises or otherwise manages responsibilities over the other.

Once the relationship is made known to the Company, the company will review the situation in light of all the facts (reporting relationship between the parties, effect on co-workers, job titles of the parties, etc.) and will determine whether one or both parties need to be moved to another job. If it is determined that one party must be moved, and there are jobs in other departments available for both, the parties may decide who will be the one to apply for a new position. If the parties cannot amicably come to a decision, or the party is not chosen for the position to which he or she applied, the Managing Broker will decide which party will be moved. That decision will be based on which move will be least disruptive to the organization as a whole. If no other jobs are available for either party, the parties will be given the option of terminating their relationship or resigning.

Retaliation: No hardship, loss, benefit or penalty may be imposed on an employee in response to:

- I. Filing or responding to a bona fide complaint of discrimination or harassment.
- II. Appearing as a witness in the investigation of a complaint.
- III. Serving as an investigator of a complaint.

Lodging a bona fide complaint will in no way be used against the employee or have an adverse impact on the individual's employment status. However, filing groundless or malicious complaints is an abuse of this policy and will be treated as a violation.

Any person who is found to have violated this aspect of the policy will be subject to discipline up to and including termination of employment.

Confidentiality: All complaints and investigations are treated confidentially to the extent possible, and information is disclosed strictly on a need-to-know basis. The identity of the complainant is usually revealed to the parties involved during the investigation, and the Managing Broker will take adequate steps to ensure that the complainant is protected from

retaliation during and after the investigation. All information pertaining to a complaint or investigation under this policy will be maintained in secure files by the Managing Broker.

Complaint procedure

NextPath Realty LLC has established the following procedure for lodging a complaint of harassment, discrimination or retaliation. The Company will treat all aspects of the procedure confidentially to the extent reasonably possible.

- I. Complaints should be submitted as soon as possible after an incident has occurred, preferably in writing. The Managing Broker may assist the complainant in completing a written statement or, in the event an employee refuses to provide information in writing, the Managing Broker will dictate the verbal complaint.
- II. Upon receiving a complaint or being advised by a supervisor or manager that violation of this policy may be occurring, the Managing Broker will review the complaint with the company's legal counsel.
- III. The Managing Broker will initiate an investigation to determine whether there is a reasonable basis for believing that the alleged violation of this policy occurred.
- IV. If necessary, the complainant and the respondent will be separated during the course of the investigation, either through internal transfer or administrative leave.
- V. During the investigation, the Managing Broker, together with legal counsel or other management employees, will interview the complainant, the respondent and any witnesses to determine whether the alleged conduct occurred.
- VI. Upon conclusion of an investigation, the Managing Broker or other person conducting the investigation will submit a written report of his or her findings to the Company. If it is determined that a violation of this policy has occurred, the Managing Broker will recommend appropriate disciplinary action. The appropriate action will depend on the following factors:
 - a. the severity, frequency and pervasiveness of the conduct;
 - b. prior complaints made by the complainant;
 - c. prior complaints made against the respondent; and
 - d. the quality of the evidence (e.g., firsthand knowledge, credible corroboration).

- VII. If the investigation is inconclusive or if it is determined that there has been no violation of policy but potentially problematic conduct may have occurred, the Managing Broker may recommend appropriate preventive action.
- VIII. The Managing Broker will review the investigative report and any statements submitted by the complainant or respondent and decide what action, if any, will be taken.
- IX. Once a final decision is made, the Managing Broker will meet with the complainant and the respondent separately and notify them of the findings of the investigation. If disciplinary action is to be taken, the respondent will be informed of the nature of the discipline and how it will be executed.

Alternative legal remedies

Nothing in this policy may prevent the complainant or the respondent from pursuing formal legal remedies or resolution through local, state or federal agencies or the courts.

FAIR HOUSING

NextPath Realty LLC does not tolerate any violations of Fair Housing laws, whether Federal, State, or local. No employee, contractor, vendor, client, or customer should discriminate against anyone on the basis of age, sex, race, color, religion, physical or mental disability, familial status, marital status, national origin, genetic information, sexual orientation, or any other protected class. Referral agents are not exempt from these requirements and should not advertise their services based on a preference for, or preference against, any protected class listed or engage in any conduct that would be in violation of Fair Housing laws.

AGENCY

As agents we have a responsibility to make sure everyone in each transaction knows who is representing which party and to what extent. **NextPath Realty LLC** takes this responsibility very seriously. As a referral only agent you should **NEVER** mislead any party into believing you are representing them in a real estate transaction. You must make it clear from your first interaction with any customer that you are only going to **REFER** them to an agent and are in no way representing them and have no fiduciary responsibility in the transaction.

CONFIDENTIAL INFORMATION

During the course of your interaction with potential referrals, you may become privy to information that the referral would like to remain confidential or that may be sensitive in nature. It is your job and obligation to ensure that any information that obtain through your affiliation with **NextPath Realty LLC** remains with the Company unless there is a business need to disclose it, such as to a referral agent. Do not discuss confidential information with anyone not authorized to have such information, in public places, or in your own office or home around anyone not authorized to have such information.

GOVERNMENT AGENCIES

NextPath Realty LLC retains the right to terminate any employee or contractor relationship due to sanctions by the Illinois Department of Professional Regulation. Return to the Company after remedy of the sanction is at the discretion of the Managing Broker.

Any inquiry received from a federal, state, or local governmental agency should be forwarded immediately to the Managing Broker. Do not respond to the inquiry or provide additional information until instructed to do so.

INDEMNITY

The agent agrees to defend, indemnify, hold harmless, and insure the Company and its officers from any and all potential damages, expenses, and liabilities which may result or arise out of any negligence or misconduct on the part of the agent, or from any breach or default of these policies and/or any agreements entered into with the agent which may be caused or occasioned by acts of the agent. Agents are responsible for any damages, legal fees, and insurance deductibles incurred.

ADVERTISING AND MARKETING

As a referral only agent with the Company you are still a licensed Broker and must abide by all rules and regulations of the State of Illinois. It is the Company's policy that its agents should be allowed to market themselves in a manner that does not mislead the public. If you choose to market yourself as a referral only agent you must include your title as a referral only broker and our name in any advertisement as well as follow all advertising rules as laid out in the real estate act. You also must make it clear that you are a referral only broker and will provide no services other than finding an agent to represent your prospect. Again, the most important thing is **NO MISLEADING THE PUBLIC**. If you have questions about the policy, please contact the Managing Broker for clarification or additional information.

Additionally, you agree to comply with the requirements of the National Do Not Call Registry and the equivalent list that is maintained by the State of Illinois. Any violation of the rules resulting in fines or liability will be the responsibility of the agent and you will indemnify **NextPath Realty LLC** for any fines, liabilities, attorney fees, and related costs and expenses associated with any violation by you or anyone associated with you.

PAYMENTS TO UNLICENSED PERSONS

No payments should be made to unlicensed persons for any activity that requires a license under the license law of Illinois. No exceptions will be made to this policy and any agent who violates this policy will be subject to discipline up to, and including, termination.

REFERRALS

NextPath Realty LLC will provide you with the forms and/or tools to submit all referrals to the Company. Be sure to obtain enough information in the interview process to best serve your referral including, but not limited to, whether they are a buyer or a seller, what price range they are looking for and what area.

We encourage and expect you to find the best external agent for your referrals in order to provide the most value to your referral possible. This includes interviewing agents to determine who would provide the best fit and highest level of service to your referrals.

ESCROW ACCOUNTS

NextPath Realty LLC does not hold escrow money for referral only agents. Agents should not be accepting or holding funds for any client or customer.

RISK MANAGEMENT

Risk management is an integral part of any real estate business. The following outlines **NextPath Realty LLC's** policies regarding risk reduction and management.

- I. Always follow all laws and regulations. You are responsible for ensuring compliance with all applicable laws and regulations that govern real estate brokers in the State of Illinois.
- II. Read and understand this policy manual. You agree to comply with all policies in this manual. If any are unclear, please contact the Managing Broker for clarification.

- III. Make sure that you are clear on your role. When dealing with potential referrals, make sure that everyone involved understands that you will not be representing them in the transaction and will only be referring them to another agent.
- IV. When in doubt, ask. If there is ever a situation that you are unsure of how to handle or unclear on the rules, contact the Managing Broker for clarification.

If you are contacted with a complaint, inform the complainant that you will look into the matter and get back to them and immediately contact the Managing Broker for guidance.

REQUIRED DISCLOSURES

As a referral only agent you should not be a principal in any transactions covered by the real estate act and should not have to provide any of the required disclosures related to the buying or selling of a property. You are required to disclose your status as a referral only broker and that you will not be representing any potential referral in a transaction.

INDEPENDENT CONTRACTOR AGREEMENT

This policy manual is in addition to and does not replace the terms of the Independent Contractor Agreement. For any issues not covered in either place, please contact the Managing Broker for clarification.