

ZIPREALTY, INC.

CORPORATE GOVERNANCE GUIDELINES

INTRODUCTION

The Board of Directors (the “**Board**”) has been elected by the stockholders of ZipRealty, Inc. (the “**Company**”) to oversee the affairs of the Company for the benefit of the stockholders. The following Corporate Governance Guidelines have been adopted by the Board, upon the recommendation of its Corporate Governance and Nominating Committee (the “**CGNC**”), to assist it in carrying out its responsibilities. These Guidelines are in addition to, and are not intended to change or interpret, any federal or state laws or regulations or the provisions of the Company’s Restated Certificate of Incorporation or Bylaws (the “**Charter Documents**”). These Guidelines are subject to modification by the Board from time to time.

DIRECTOR QUALIFICATIONS

The CGNC is responsible for reviewing with the Board, on a periodic basis, the appropriate skills and characteristics required of Board members as well as the composition of the Board as a whole. This assessment will include members’ qualifications as independent and may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service, other commitments and the like, and the general needs of the Board.

Independence: The Board shall have a majority of directors who meet the criteria for independence established by the Nasdaq Stock Market and the rules and regulations of the Securities and Exchange Commission (the “**SEC**”).

Board Size: The size of the Board will be determined from time to time, as permitted by the Company’s Charter Documents, by the Board. The Board, upon the recommendation of the CGNC, may increase or decrease the number of directors serving on the Board from time to time.

Change in Employment Status: Any director who is also an employee of the Company is required to tender his or her resignation from the Board when his or her employment terminates. Any non-employee director of the Company is required to notify the Board upon any change in employment status, at which time the CGNC will reassess the desirability of that director’s continued service on the Board in light of that change. In that event, the affected director will be required to act in accordance with the recommendations of the CGNC.

Membership on Other Boards: Each director must ensure that other existing and anticipated future commitments do not materially interfere with his or her service as a director. Directors are encouraged to limit the number of other boards (excluding non-profit) on which they serve, taking into account potential board attendance, participation and effectiveness on these boards. In any event, no member of the Board may serve on

the boards of more than six (6) public companies (including the Board), and any director who is also a chief executive officer of a company (including the Chief Executive Officer of the Company) may not serve on the boards of more than three (3) companies, public or private (including the Board). Also, no director who serves on the Audit Committee shall serve on the audit committee of more than two (2) additional public company boards without prior consultation with the Chair of the CGNC. Being particularly concerned with any potential conflicts of interest and otherwise, directors should advise the CGNC in advance of accepting an invitation to join the board of any other public company. In addition, no officer of the Company (including the Chief Executive Officer) will accept or seriously discuss joining the board of any public or private for-profit company without first seeking the permission of the CGNC.

Term Limits: The Board believes that term limits are not, on balance, the best way to maximize the effectiveness of the Board. While terms limits would likely introduce fresh perspectives and make new viewpoints available to the Board, they may have the countervailing effect of causing the loss of the benefit gained from the contributions of directors who have developed, over time, increasing insight into the Company. As an alternative to term limits, the CGNC will review the appropriateness of each director's continued service near the end of the director's term.

Retirement: The mandatory retirement age for directors is 70, provided that any director who reaches age 70 will not be required to retire from the Board until the end of his or her then-current term of office. The Board does not believe that a mandatory retirement age prior to age 70 is appropriate, but will assess a director's ability to continue serving on the Board near the end of the director's term.

Equity: The Board encourages, but does not require, directors to own common stock of the Company. The Company grants stock options to new director upon appointment to the Board and to continuing directors on an annual basis.

Orientation: New directors are strongly encouraged to attend an orientation to the Company, which may include an introduction to the Company's senior management, the Company's business strategies and financial processes and a review of the individual's duties and responsibilities as a director.

Education: All directors will comply with any continuing education requirements mandated by the Nasdaq Stock Market or such other exchange upon which the Company's common stock may be listed. The Company strongly encourages, and shall make available the opportunity for, each director to participate in selected continuing educational programs on a regular basis to ensure directors maintain the necessary level of expertise to perform their responsibilities as directors and to comply with all applicable laws and regulations.

DIRECTOR NOMINATIONS

Procedure: Directors will be nominated by the CGNC, in accordance with the charter and principles of that committee. The CGNC will identify nominees for the class of directors being elected at each annual meeting of stockholders by first evaluating the current members of such class of directors willing to continue in service. Current members of the Board with skills and experience that are relevant to the Company's business and who are willing to continue in service will be considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. If any member of such class of directors does not wish to continue in service or if the CGNC or the Board decides not to re-nominate a member of such class of directors for re-election, the CGNC will identify the desired skills and experience of a new nominee. Current members of the CGNC and the Board will be polled for suggestions as to individuals meeting the criteria for nomination. Research may also be performed to identify qualified individuals. The CGNC may, in its discretion, engage third party search firms to identify and assist in recruiting potential nominees to the Board. Candidates may also come to the attention of the CGNC through management, stockholders or other persons. The Chair of the CGNC and the CEO should jointly extend invitations to join the Board.

Candidate Evaluation: The CGNC may take such measures that it considers appropriate in connection with its evaluation of a candidate, including candidate interviews, inquiry of the person recommending the candidate, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the committee, the Board or management.

Stockholder Nominations: Pursuant to the requirements of its charter, the CGNC will review any director candidates recommended by the Company's stockholders who are entitled to vote in the election of directors, provided that the stockholder recommendations are timely submitted in writing to the Company's Secretary, along with all required information, in compliance with the stockholder nomination provisions of the Company's bylaws. Any candidates properly recommended will be considered in such manner as the members of the CGNC deem appropriate.

DIRECTOR RESPONSIBILITIES

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. In fulfilling that responsibility, the directors should be able to rely on the honesty and integrity of the Company's senior management and expert legal, accounting, financial and other advisors. The directors should have the benefit of directors' and officers' insurance, paid by the Company, to indemnification to the fullest extent allowed under the Company's Charter Documents and Delaware law, and to exculpation as provided by Delaware law and the Company's Charter Documents.

Preparation: Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings, and to spend the time needed and meet as often as necessary to properly discharge their obligations. Information and data that is important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors prior to the meeting, so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the materials. Particularly sensitive subject matters may be discussed at the meeting without advance distribution of written materials.

Chairman: The Board does not have a policy at this time on whether or not the roles of CEO and Chairman of the Board should be separate.

Agendas: The CEO currently chairs and establishes the agenda for each regular Board meeting other than meetings of the non-employee directors. Each director is free to suggest the inclusion of items on the agenda for any meeting and to raise at any regular Board meeting subjects that are not on the agenda for that meeting.

Executive Sessions: The Board's policy is to have regularly scheduled executive sessions with only non-employee directors present. Such meetings generally occur on at least a quarterly basis. During each such session, an independent director will be selected by the non-employee directors to assume the responsibility of chairing the executive session and bear such further responsibilities that the non-employee directors as a whole might designate from time to time.

Attendance at Annual Meetings: The Board believes that it is desirable for its directors to attend the Annual Meeting of Stockholders. The Company will make every effort to schedule its annual meeting of stockholders at a time and date to maximize attendance by director taking into account the directors' schedules. All directors are strongly encouraged to make every effort to attend the Company's annual meeting of stockholders.

Directors Appointed to Fill Vacancies: Any director who has been appointed to fill a vacancy on the Board in a given year shall stand for election at the Company's annual meeting of stockholders in the following year.

BOARD COMMITTEES

A Corporate Governance and Nominating Committee, Audit Committee and Compensation Committee of the Board shall exist at all times. All of the members of these committees will meet the criteria for independence established by the Nasdaq Stock Market and the rules and regulations of the SEC. The members of the Audit Committee shall also meet the independence and experience requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934, the rules and regulations of the SEC and the listing requirements of the Nasdaq Stock Market (or any other exchange upon which the

Company's stock becomes listed). The members of these committees will also meet the other membership criteria specified in the respective charters for these committees.

The Board may, from time to time, form new committees as it deems appropriate.

Membership: Committee members and chairs will be appointed by the Board upon recommendation by the CGNC, in accordance with the charter and principles of that committee. There will, from time to time, be occasions on which the Board may want to rotate committee members, but the Board does not believe that a formal policy of rotation is mandated.

Charters: Each committee has its own charter. The charter sets forth the principles, policies, objectives and responsibilities of the committees in addition to the qualifications for committee membership, procedures for committee member nomination and removal, committee organization and functioning and how the committee will communicate with the Board. Each committee will perform a periodic evaluation of its functioning and report its findings to the Board.

Agendas: The Chair of each committee will, in consultation with the appropriate committee members and members of management, and in accordance with the committee's charter, determine the frequency and length of committee meetings and develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the extent these can be foreseen). The schedule for each committee will be furnished to the full Board.

Advisors: The Board and each of its committees each has the authority to obtain advice, reports or opinions from internal and external counsel and expert advisors and has the power to hire independent legal, financial and other advisors as they may deem necessary, without consulting with, or obtaining approval from, any officer of the Company in advance.

BOARD'S RELATIONSHIP WITH OFFICERS AND EMPLOYEES

The Board has complete access to all Company officers and employees. Any meetings or contacts that a director desires to initiate may be arranged directly by the director or through the CEO or other officer. The directors should use their judgment to ensure that any such contact or communication is not disruptive to the business operations of the Company, and copy the CEO with any written communications, to the extent not inappropriate.

The Board welcomes the attendance of senior officers at each Board meeting. The Board also encourages management to schedule managers to present at Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, or (b) have career potential that senior management believes should be given exposure to the Board.

The Board believes that management speaks for the Company. Individual directors may occasionally meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that directors would do this with the knowledge of management and, in most instances, absent unusual circumstances or as contemplated by the committee charters, at the request of management.

CEO EVALUATION AND SUCCESSION PLANNING

The Compensation Committee will annually review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of these goals and objectives, and determine the CEO's compensation based on this evaluation. The CEO will report to the Compensation Committee on his or her progress in each such established performance criteria, after which the Compensation Committee will meet in executive session to review the CEO's performance. The results of the review and evaluation will be communicated to the CEO as determined by the Chair of the Compensation Committee.

The CGNC will review periodically the succession planning for the CEO and other executive officers of the Company, report its findings and recommendations to the Board for Board approval, and work with the Board in evaluating potential successors to these executive positions. As part of that process, as requested by the Chair of the CGNC, the CEO will periodically prepare and distribute to the Chair of the CGNC (i) a report on succession planning for all executive officers of the Company and (ii) a report on short-term succession planning, if all or a portion of the executive officers should unexpectedly become unable to perform their duties.

DIRECTOR COMPENSATION

The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies, principles and criteria set forth in its charter. The Compensation Committee shall consult with outside consultants on director compensation when appropriate. The Compensation Committee will conduct a periodic review of director compensation.

BOARD EVALUATION

The CGNC will oversee a periodic evaluation process of the Board and each of its committees in accordance with the charter and principles of the CGNC. The CGNC will then report back to the Board, and the full Board will consider and discuss the committee's report.

COMMUNICATIONS FROM STOCKHOLDERS

Any stockholder who desires to contact any members of the Board can write to the Company's corporate headquarters, c/o Secretary. Communications received in writing will be collected, organized and processed by the Secretary, who will distribute the communications to the members of the Board as appropriate depending on the facts and circumstances outlined in the communication received. Where the nature of a communication warrants, the Secretary may decide to obtain the more immediate attention of the appropriate committee of the Board or an independent director, or the Company's management or independent advisors, as the Secretary considers appropriate.

Adopted March 14, 2006

Last amended December 11, 2007