



# The Real Estate Store, INC. Policy & Procedure Manual

Bill Kelly - Licensed Real Estate Broker

# THE REAL ESTATE STORE<sup>®</sup>

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# THE REAL ESTATE STORE<sup>®</sup>

## I. About the Company

### A. General

- **The Real Estate Store, Inc.** is a licensed real estate company in compliance with the **Department of Business & Professional Regulation (DBPR)/Florida Real Estate Commission (FREC)** operating in the state of Florida. The brokerage is a member of the National Association of REALTORS<sup>®</sup> (NAR), the Florida Association of Realtors and local Florida MLS associations.

## II. Policy Manual

### A. General Purpose

- The purposes of this policy and procedure manual is to establish systems & efficiencies so that Agents, Teams and their business support affiliates will have a clear and concise understanding of acceptable conduct as an Independent Contractor hanging their license under **The Real Estate Store, Inc. (TRES)**. In addition, this Policy & Procedure Manual will identify acceptable conduct/policies with other members of the Company, affiliate companies, our clients, and members of the public.

### B. Agent Responsibilities

- You are responsible to work in accordance with Company policies and procedures. Your failure to comply with company policies and procedures may result in your termination from **The Real Estate Store, Inc.**

### C. Changes in Manual

- This Policy & Procedure Manual may be changed from time to time by the Company. The Policy & Procedure Manual found on MyLocalRealEstateStore.com represent the Company's current Policy & Procedure Manual.

### D. Exclusions from the Manual

- This Manual applies only to all Independent Contractors who hang their license with **The Real Estate Store, Inc.** It does not apply to Company, Management, and staff employees.

### E. Conflict with Salesperson(s)/Broker(s) Independent Contractor(s), Independent Contractor Agreement

- In the event of a conflict between a Salesperson(s), Broker(s), Independent Contractor(s), and Independent Contractor Agreement, the terms of this Policy & Procedure Manual prevail.

## III. Independent Contractor Relationship

### A. Independent Contractor

- You have signed an Independent Contractor Agreement with **The Real Estate Store, Inc.** and are associated with this Company as an Independent Contractor. You do not have an employee-employer relationship with **The Real Estate Store, Inc.** By signing an Independent Contractor Agreement, you acknowledged and confirmed that you fully understand you are considered an Independent Contractor for tax purposes and will receive a 1099 each calendar year in compliance with IRS TAX LAW. The Company will NOT withhold taxes or Social Security from your compensation. Payment of taxes and Social Security contributions are your responsibility. You are also considered an Independent Contractor for purposes of Unemployment Insurance and should consult with a TAX EXPERT to understand your obligations. Minimum wage laws

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- DO NOT apply. Consult a CPA to assist you in planning as an Independent Contractor.

## B. Workers' Compensation Insurance

- Independent Contractors affiliated with The Real Estate Store, Inc are not considered employees and are NOT entitled to Workers' Compensation Insurance through **The Real Estate Store, Inc.** If an Independent Contractors should wish to have Workers' Compensation Insurance, they should consult a licensed Insurance expert to discuss how to qualify or alternative type plans.

## C. At-Will Status

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

## IV. General Office Procedures

### A. DBPR/FREC License and Requirements

- You are required to maintain a valid Florida real estate salesperson or associate broker license in good standing while associated with this Company. If your license expires, you may not engage in any activities on behalf of the Company for which a real estate license is required. The Broker may designate another Company salesperson to handle your prospects, listings and transactions during any time your license lapses, and allocate such reasonable compensation to that salesperson for work performed at the Brokers' sole discretion.
- Your Company's Broker is charged by Florida law to review, supervise and manage the activity of all Salespersons and Associate Brokers who hang their license with **The Real Estate Store, Inc.** The Broker may rely on Management and support staff to perform this function. You are expected to cooperate with the Broker's systems and personnel on how files and documents are handled. **The Real Estate Store, Inc.** is responsible to collect and maintain files and documents in accordance with Florida law. It is your responsibility to keep current on changes in industry practices and to take advantage of available education and training programs to maintain your professionalism and your ability to represent transactions at a high level. It is also your responsibility to obtain all Continuing Education courses and to renew your license and MLS Membership in a timely manner.

### B. Company Business Hours

- Direct Broker's support is available 7 Days a Week 8am-9pm. Bill Kelly: (941) 685-4224

### C. Business Cards, Signs

- As an independent contractor, you are responsible for your own business cards and signs. The company logo and the templates are available on the company site [www.MyLocalRealEstateStore.com](http://www.MyLocalRealEstateStore.com).
- BE AWARE: Certain municipalities, housing developments and Homeowners' Associations have strict guidelines, rules, and ordinances regarding the size and placement of signs. You must determine whether or not the Company's sign and its placement will conform to these requirements BEFORE installation. You are responsible to have the sign removed immediately once the listing expires or the property sale is closed.

### D. Professional Conduct

- As a member of **The Real Estate Store, Inc.** and the National Association of REALTORS<sup>®</sup>, you are

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expected to be familiar and comply with the Code of Ethics. They are available on the National Association of REALTORS<sup>®</sup>, website at [www.nar.realtor.com](http://www.nar.realtor.com)

## E. Working Place

- **The Real Estate Store, Inc.** does not supply office space or meeting rooms for agents use. As an independent contractor, it is permissible to work from your home, own office, coffee shops, personal vehicle, parks, etc. However, remember that the Broker is responsible and required to supervise your activity per Florida License Law. Be sure that all files and documents that you work on are in a safe place. All files and documents should be uploaded to The Real Estate Stores, Inc. document library. If the Broker requests documents, they should be presented to the Broker within 24 hours of request if possible. You must be reachable by phone, email and regular mail and respond to voicemails/emails within a maximum of 24 hours. All agents are required to provide **The Real Estate Store, Inc.**, their “**Primary**” residential address.

## F. Alcohol and Drugs

- Possession, use, or illegal sale of any regulated or illegal substances while conducting company business is strictly prohibited. Agents of **The Real Estate Store, Inc.** must always apply good judgment with regard to recreational use of any controlled substances. NEVER DRINK AND DRIVE. Violations of this policy, DUI conditions, or other situations regarding controlled substances may put agent’s license at risk and may result in termination from **The Real Estate Store, Inc.**

## G. Professional Associations

- Multiple Listing Service
  - The Company is a member of local Multiple Listing Services (MLS). You are required to join the (MLS) no exceptions.
  - As an MLS subscriber, you are required to be familiar with, and adhere to, the rules and regulations of the MLS. If you fail to comply with those rules and regulations, or fail to pay your MLS bill when due, you and/or the Company may be fined, suspended or expelled, and your listings may be removed from the MLS. You will be responsible for payment of any and all fines levied against you and/or the Company resulting from your noncompliance. Furthermore, your noncompliance may result in your termination from **The Real Estate Store, Inc.**
- Florida Association of REALTORS<sup>®</sup> (FAR)
  - When you join a local MLS you automatically become a member of FAR. **The Real Estate Store, Inc.** strongly encourages that you explore your member benefits offered by FAR.

## H. Fees and Commissions

- All fees and commissions must be made payable to **The Real Estate Store, Inc.** As a licensed real estate agent, you will be compensated from the commissions which you earn based on one of the following Agreements you have signed.
  - Associate-Licensee “AGENT” Commission Agreement
  - Associate-Licensee “TEAM” Commission Agreement

## I. Tax Reporting

- Each year **The Real Estate Store, Inc.** will provide you with an Internal Revenue Service Form 1099 setting forth compensation paid to you. Your income earned and expenses incurred have

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significant tax consequences. You are encouraged to get competent independent tax advice and keep accurate records of earnings and expenses. You are encouraged to seek professional advice on investments and retirement options.

## J. Deductions

- Incurred expenses with **The Real Estate Store, Inc.** that may include but not be limited to advertising, supplies, signs, training, etc., will be deducted from your commissions.

## K. Earnest Money Deposits

- **The Real Estate Store, Inc.** does NOT have an escrow account
- **The Real Estate Store, Inc.** does not accept earnest money deposits
- Earnest money deposits or down payments should be held by a title company or Attorney
- You are required to obtain an escrow receipt on any and all transactions you are involved with
- Improper handling of earnest money/escrow deposits may lead to legal action against you and **The Real Estate Store, Inc.**, resulting in your license being suspended or revoked.
- You can lose your license if you do not handle earnest money/escrow deposits properly
- Ask your Broker if you have any earnest money/escrow deposit question or contact the (FAR) hotline at (407) 438-1409
- IT IS ILLEGAL AND UNPERMISSIBLE UNDER ANY CIRCUMSTAMCE TO RECEIVE FUNDS IN YOUR PERSONAL NAME OR ACCEPT CASH PAYMENTS FROM CLIENTS

## L. Identity Theft

- Identity theft is a growing concern. It is essential that you treat with care and confidentiality all files containing names, addresses, phone numbers, social security numbers, credit card information or any other personally identifiable information. Agents of **The Real Estate Store, Inc.** must assure that any files containing such information be kept in a secure location and disposed of properly.

## M. Safe Driving

- You are expected to keep your automobile in a clean, properly maintained, and safe operating condition.
- You are responsible for damage or injury caused while driving.
- It is your obligation to drive in a safe, responsible, and alert manner.
- All agents of **The Real Estate Store, Inc.** are required to have their own automotive insurance.

## N. Personal Transactions

- **The Real Estate Store, Inc.** allows their agents to buy and or sell their “**Primary**” residence for the **TRES \$195 BROKER FEE**. It is restricted to one sale and one purchase annually and it must be your “**Primary**” residence. You must notify the Broker if you plan on selling or buying a “**Primary**” residence to qualify for the **TRES \$195 BROKER FEE**. All other personal transactions will be handled per your compensation plan.
- You ALWAYS must disclose in writing that you are a real estate licensee whenever you buy or sell property in which you have an ownership interest, or where you have a (personal) relationship with a buyer or seller.

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## O. Vacations

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

## P. Anti-Trust Guidelines

- Do not engage in any verbal or written conversations with agents or brokers with other companies regarding:
  - The setting of commissions, charges or other fees to the public
  - Boycotting or not doing business with a particular competitor
  - The setting of rates or percentages of shared commission compensation to co-operating brokers

## Q. Transaction Coordinators

- There is no requirement to use a Transaction Coordinator but if you are not using a
- T.C. you are liable that the transaction file is completed and matches all filing/monitoring requirements.

## R. Risk Management Fee

- Errors & Omissions Insurance is currently covered in your **TRES BROKER FEE**. A portion of the fee is used to offset the costs of any potential settlements, judgments, and legal fees and costs of claims and litigation. If you have a claim made against you. It is your responsibility to make the Broker aware “immediately.”

## S. Recruiting other agents

- **The Real Estate Store, Inc.** would consider it the highest compliment if you invited other agents to join the company. You do not receive any incentives for recruiting other agents.

## V. Handling Clients

### A. Proprietary Information

- Treat all client information as confidential and proprietary. You have a responsibility to your clients and must never use any information learned during the course of your interactions in any manner adverse to their interests.

### B. Fair Housing

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

### C. Agency Relationships and Duties

- **The Real Estate Store, Inc.** works in the capacity of a “**Transaction Broker**” as defined below. Any other “**AGENCY**” relationship without Broker approval is prohibited.
  - “**Transaction Broker**”
    - 1) Dealing honestly and fairly;

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- 2) Accounting for all funds;
  - 3) Using skill, care and diligence in the transaction;
  - 4) Disclosing all known facts that materially affect the value of residential real property and are not readily observable to the buyer;
  - 5) Presenting all offers and counter-offers in a timely manner, unless a party has previously directed the licensee otherwise in writing;
  - 6) Limited confidentiality, unless waived in writing by a party. This limited confidentiality will prevent disclosure that the seller will accept a price less than the asking or listed price, that the buyer will pay a price greater than the price submitted in a written offer, of the motivation of any party for selling or buying property, that a seller or buyer will agree to financing terms other than those offered, or any other information requested by a party to remain confidential; and
  - 7) Any additional duties that are entered into by this or by separate written agreement.
- Limited representation means that a buyer or seller is not responsible for the acts of the licensee. Additionally, parties are giving up their rights to the undivided loyalty of the licensee. This aspect of limited representation allows a licensee to facilitate a real estate transaction by assisting both the buyer and the seller, but a licensee will not work to represent one party to the detriment of the other party when acting as a transaction broker to both parties.

## D. Taking Listings

- Florida law requires that a compensation agreement be in writing and signed by the party to be charged in order for it to be enforceable.
- If someone signs on behalf of another, you must have written evidence of the authority to act, such as a power of attorney or letter of administration.
- If the property is in escrow, make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing.
- All listings are taken in the name of **The Real Estate Store, Inc.** which reserves the right to reassign the listing upon request of the seller, or if the listing has not been handled properly.

## E. Negotiating Commissions

- Commissions by principal are negotiable. You are authorized to run your business the way you see fit. Your Commission plan with **The Real Estate Store, Inc.** is non-negotiable. The Real Estate Store, Inc reserves the right to set any fees when it is necessary.

## F. Conducting Open Houses

- Open houses are a great way to expose your listing for sale and to meet prospective buyers. Plan your open houses in advance. Be sure they are advertised. In order to assure a successful open house, follow these guidelines:
  - 1) Prepare and take sufficient property flyers and information about you and the Company. Prepare and take a list of comparable sales and properties for sale in the immediate area of the open house.
  - 2) Suggest that the sellers not be present and that they lock away all valuables that could be targets of theft



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- 3) Place your signs in strategic, but permissible, locations.
- 4) Open the house, turn on the lights, and make the house look fresh and inviting. Have a sign-in sheet. Greet visitors in a friendly manner.
- 5) Be aware of your personal safety. Let someone know where you are and have a plan if a visitor starts to make you feel uncomfortable or threatened.
- 6) Accompany the visitors through the property, especially in furnished properties.
- 7) When the open house is over, close up the home, making sure that all doors and windows are locked.
- 8) Provide feedback to you seller(s)
- 9) Follow up with prospects you met at your open house.

## **G. Showing Properties**

- Whenever possible, preview a property before showing. If you are familiar with the property you will be more effective when showing it. Also, you may find that it is not a fit for your client. Don't waste time: it is valuable. Yours' and your customers – including other Realtors.
- Whenever possible, call the listing agent to alert the seller before showing.
- Give the seller reasonable time to make the property ready for you and your client. Listing agents should give the seller an estimated time frame within which you expect to arrive.
- Be prompt. If you will be considerably late, call the seller.
- If you have not heard from the seller before arriving, or if you are using the lockbox, go to the door first without your client.
- If the seller is home, explain the situation and ask for access. Remember, be respectful.
- When using a lockbox, always ring the doorbell and/or knock loudly several times and allow time to respond.
- Enter the property first and verify no one is there. Open curtains and turn on lights as necessary.
- Allow sufficient time for your clients to view each room and the property. Be mindful to look for any potential "red flags" about the property. (Disclosure)
- NEVER leave your clients unattended in or on the property.
- When you are finished, leave your card inside the property in a conspicuous place, and return the property to its original state (follow MLS instruction for example: turn off appropriate lights, reset any alarms and lock the doors).
- If for some reason you don't show the property, call the listing agent as soon as possible to cancel.

## **H. Drafting and Negotiating Contracts**

- When preparing an offer to purchase on a purchase agreement form, or completing an addendum or counter-offer form: Fill in all blanks or strike a line through them.
- Review any written sentences or paragraphs to see if they can be clearly understood.
- If you are uncertain of any contractual terms or conditions, call your Broker. If you are uncertain of any counter-offer terms and conditions, contact your Broker. Review your contract and counter-offers to make sure they reflect your client's wishes prior to asking them to sign.

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- Remember, as a listing agent, you must present all offers to the seller, even if the property is in escrow, unless the seller has given you written instructions to the contrary. Upon receiving the offer, review it thoroughly for completeness, accuracy and clarity. Pay close attention to time limits set out in the offer, ESPECIALLY the time within which the seller must respond. Present offer as soon as possible.
- As with all contracts, you must obtain all parties' signatures. If a party signs on behalf of another, you must have evidence of that person's authority to do so in writing. If you must present an offer missing a signature, you must disclose this fact to the seller or listing agent. Be sure to condition the offer on obtaining any missing signature(s).
- If your client receives a counter-offer, be sure the terms are clear and complete. Be sure to review it against the original offer to purchase and all previous counter-offers. Act expeditiously to present the counter-offer for consideration, signature and timely delivery to the other agent.

## I. Referral Fees

- The Real Estate Settlement Procedures Act (RESPA) prohibits the payment of cash or anything of value from one settlement provider to another settlement provider (real estate agent, lender, title company, etc.) . One exception is between real estate brokers for the referral of clients, in which case referral fees may be paid or received.

## VI. Maintaining Files

### A. General

- Your files are a record of every event relative to your dealings with your client on a listing or sale transaction. You must retain copies of all listings, deposit receipts, cancelled checks, trust records, and other documents executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. You must maintain a neat and orderly file on every listing and sale on which you work. All files are the property of **The Real Estate Store, Inc.** and are to remain either in your possession or the Company's possession until the file is closed. All closed files will be promptly returned to and remain with the Company for storage. All files will be held in storage a minimum of three (3) years in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy.

### B. Broker Review

- You must submit all required documents to the Broker or his/her designee in 48 hours after receipt by you. The Broker will review the document for completeness and accuracy.
- Remember, your file must be fully complete to receive compensation. Transaction check list and Transaction processing "step by step" guidelines are posted on Company website.

### C. File Requirements

- Transaction file requirements are posted on Company website.
- Be sure all documents contain signatures of all parties required to sign and dated correctly.
- If you are not sure how to maintain a proper file, get help from the Broker.

### D. Get It In Writing

- As a general rule, all agreements must be in writing. In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss anything with any party or

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another broker/agent, always confirm your discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of your client, another agent, broker or anyone else.

## E. Do Not Use Outdated Forms

- Always use current forms. Keep your on-line forms up to date with the most current forms. **The Real Estate Store, Inc.** preferred forms platform is (Form Simplicity)

## VII. Personal Assistants

### A. General

- Generally, as your business increases, you may find hiring a personal assistant to be helpful. In hiring a personal assistant, you become an employer and have employer responsibility in that relationship. Interviewing, hiring and contracting with the assistant will be solely up to you. You agree that any assistant you hire will be required to abide by this Policy and Procedure Manual. Any compensation due the assistant shall be arranged between you and your assistant. It will be your responsibility. If your assistant has an active license, they can be compensated by **The Real Estate Store, Inc.** per terms of your commission agreement as an Independent Contractor.

### B. Unlicensed Assistant

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

### C. Salesperson – Personal Assistant Contract

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

## VIII. Advertising Guidelines

### A. General

- All advertising must include The Real Estate Store, Inc on all marketing material and business cards.
- All advertising must be approved by **The Real Estate Store, Inc.** Broker before its placement or use.
- Anytime you advertise property you must include the term "Broker," "Agent," "Licensee" or "REALTOR<sup>®</sup>."

### B. Legal and Ethical Considerations

- As an associate and licensee with **The Real Estate Store, Inc.** you have both a legal and ethical obligation to be truthful when advertising property or services. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the **DBPR or FREC.**
- False or misleading advertising may also result in disciplinary action up to, and including, termination from **The Real Estate Store, Inc.**

### C. Company Name and Logos

- The Company's name and/or logo must be included in all advertisings and conform to the

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Company's graphic standards regarding the style, color and uses of the name and logo. These materials are available on the Company website at [www.MyLocalRealEstateStore.com](http://www.MyLocalRealEstateStore.com)

## D. REALTOR<sup>®</sup> Trademark

- The use of the name REALTOR<sup>®</sup> must be used in compliance with the National Association of REALTORS<sup>®</sup> guidelines governing the use of that name and mark. Those guidelines are available on-line at: [www.realtor.org](http://www.realtor.org). Under no circumstances can you use the REALTOR<sup>®</sup> name/trademark if you are not a participating member of an association.

## E. Telephone: Do-Not-Call Compliance

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

## F. Fax Advertising

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

## G. Fair Housing

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

## IX. Policy Against Harassment

### A. Company Policy

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- It is the policy of the Company that its employees, associates and visitors be free of harassment. Harassment is damaging to morale, serves no legitimate business purpose, is unlawful, and exposes the Company and the individuals involved to significant legal liability. **The Real Estate Store, Inc.** has a **ZERO** tolerance policy for harassment.

## **B. Enforcement**

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

## **X. Litigation and Claims Handling**

### **A. General**

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

### **B. Legal Defense**

- When a claim or demand is made, or a lawsuit or other action is filed, against either you or the Company by a third party which alleges any breach of any duty, error or omission, or negligence in the performance of "Professional Services," as that term is defined in the Company's Errors & Omissions Policy of Insurance, for activities covered by the Insurance Policy, then the Company shall defend the claim, and the cost of such defense shall be allocated as set forth herein.
- The Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the Company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.

### **C. Allocation of Costs of Defense**

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

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not the transaction actually closed.

- You shall be responsible for all Costs of a claim if you fail to follow any law, regulation or Company policy as set forth in this Policy and Procedure Manual, and that failure results in a judgment or other final adjudication based on that failure.
- You shall be solely responsible, and shall reimburse the Company, for all of the Company costs in the defense if a judgment or other final adjudication on any claims adverse to the Company and/or you:
  - 1) establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed; or
  - 2) results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties; or,
  - 3) establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification; or,
  - 4) results in a finding of pollution or any wrongful act in connection with any such pollution, including the discharge release or escape of any hazardous materials as defined in the Insurance Policy; or,
  - 5) result in a finding of any liability for claims for damage to property or death or injury to persons arising out use, removal or exposure to goods or products, in any form, composed in whole or in part of lead, asbestos or asbestos related materials.

## D. Disputes During Escrow

- **The Real Estate Store, Inc.** does not handle escrow. If a dispute arises, contact the Broker and the company handling the escrow funds immediately.
- If a dispute arises during an escrow between seller, buyer, the cooperating broker and/or the Company which cannot be resolved by negotiations between the parties and the agent(s) involved; and the Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then **The Real Estate Store, Inc. (The Broker)** has the right to negotiate a resolution of the dispute which may involve a reduction in the commission to be received, or a credit given to one of the parties. In that event, and regardless of actual Company or agent liability or responsibility in the dispute, the agent(s) and the Company will participate in the commission reduction or credit pro rata.

## E. Agent-Owned Property

- Any property in which you have, or will acquire, an ownership, financial, legal or other interest, is "Agent-Owned Property." The Company's E&O Insurance Policy governs coverage of the sale or purchase of any Agent-Owned Property. In any sale or purchase of Agent-Owned Property not covered by the E&O Insurance Policy, you shall be solely responsible for costs of defense, settlement or judgment on any claim, suit or action of any nature arising therefore.
- In the event you are selling or purchasing Agent-Owned Property, you must:
  - Notify the Broker in advance;
  - Obtain, in advance, your Broker's approval of all marketing material and disclosure documents; any purchase contract provisions prior to their execution; and any

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correspondence or other writings that pertain to the purchase or sale;

- You may NOT represent the buyers or prospective buyers in the sale of your (agent) own property;
- Notify the Broker immediately in the event that any of the Company's agents writes an offer on your property. It could cause additional notifications to be added to the contract to be in compliance with Law.

## XI. Dispute Resolution

### A. Intra-Office Dispute Resolution

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

### B. Third Party Disputes

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

## XII. Termination

### A. Grounds For Termination

- Your association with the Company can be terminated by either party, with or without cause, at any time.

### B. Associate's Compensation on Termination

- If your Association with the Company is terminated while you have any listings or pending transactions, you will be able to complete pending deals and take your current listings with you. You will be entitled to your full commission per the terms of your "**Commission Agreement.**" The **Broker** will release any of your current listing to you. It is your business and you are entitled to take it with you if you choose to leave **The Real Estate Store, Inc.** reserves the right to assign another salesperson or salespersons in the Company to perform the required work if you are unable to. The licensee(s) performing the work shall be reasonably compensated for completing work on those transactions, and such reasonable compensation shall be deducted from your share of the compensation. Except for such offset, you shall receive the compensation due as specified in your Commission Agreement.

### C. Listings

- Listings are technically the property of the Company, even upon your termination. Within 24 hours after notice of termination by either party, you must make the **Broker** aware of your active listings so they can be appropriately released to your new company. You will complete your pending

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transactions in which, if completed, you will be entitled to compensation from the Company in accordance with the terms of your Commission Agreement.