


# SALES ASSOCIATE POLICIES AND PRACTICES

# RE/MAX TOWN CENTER

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DISCLAIMER

This Policy Manual is intended to be a guide to help you learn more about Juniper Real Estate Services, LLC d.b.a., Re/Max Town Center, your responsibilities, your benefits and the privileges you enjoy during your relationship with us.

This Policy Manual supersedes all prior manuals and sets forth the Company's be included here. You should contact your supervisor if you have a question not answered by the Manual.

The Company reserves the right to change, correct, modify or revoke this Policy Manual or any of its terms, at any time, with or without notice. Nothing contained in this Policy Manual creates a contract of employment or gives rise to any express or implied guarantee of employment or earnings. The Company reserves the right to take appropriate action in any contractual or employment situation depending on the circumstances.

**RE/MAX Town Center and you**

**Association of Realtors**

Re/Max Town Center is a Realtor firm. We support the National Association of Realtors (NAR), the Washington Association of Realtors (WAR) and the Snohomish/Camano Association of Realtors.

Re/Max Town Center wishes to affiliate with sales people who also are committed to the Association and its ideals. Each Agent agrees to make application for membership immediately upon affiliation with our Company and maintain the dues when payable.

**Supervision of Brokers**

All Brokers are under the supervision of the Designated Broker. All files will be reviewed by the Designated Broker for compliance within five business days of mutual acceptance, the review date shall be documented on the monthly pipeline report. Additionally, all Brokers will be subject to the levels of supervision as required by WAC 308-124C-125.

**Office Meetings and Tours**

The office will have a business meeting each month. Generally the meetings will be held on the last Thursday of the month – meeting announcements will be sent in advance.

**Sales Agent / Real Estate Consultant responsibilities**

**Obtain Listings**. Listings are the lifeblood of any real estate company and any real estate agent.

LEAD GENERATION – Each Agent should be working an organized program daily for meeting people who have real estate needs. The program should be written, specific, goal oriented, measurable and reviewed periodically with management.

**Marketing Listings.** Our responsibility is to aggressively market the properties we have listed until those are sold and transactions are closed. All Agents should be familiar with, and follow the marketing programs we have in the Company. All Agents are expected to attend and supervise the presentation of offers on their listings.

**Contract.** Per section 3.3 of the Agent Contract; the Contract shall be for a term of one year from the date of mutual agreement unless explicitly stated in writing otherwise. If a transaction closes while the Agent is out of contract then all commissions receive shall be split 50/50 with the Brokerage with no consideration to an annual commission cap or any terms agreed to per a previously agree contact. It is the Agents responsibility to ensure they are under contract with the brokerage.

**Communication with Clients.** Agents should be in constant communication with Sellers and Buyers a minimum of one time per week. Even if you have nothing new to report, call and touch base.

**Client Relationships.** Agents should always strive to provide genuine value to their client, focusing on being an asset to the client. The client's needs should always come before your own.

**Previewing.** All Agents should be familiar with the listings in the office and by previewing property consistently. We recommend that Agents should view a minimum of five other Broker's listings every week, plus all Company listings. The more properties you are familiar with, the better prepared you will be for a potential buyer and seller.

**Selling Property.** When working with prospective buyers, our responsibility is to listen to what people are telling us and know our market so that we can show buyers appropriate properties. It is also our responsibility to assist buyers with financing and to follow the transaction through the close of escrow.

**Showing Property.** The only way to sell property is to expose it to prospective buyers. Agents need to have a good knowledge of the market and show property that will meet the buyer's needs.

**Goals.** Agents who set goals for themselves and have direction, accomplish much more than those without. We expect our Agents to set yearly goals for themselves. These goals should be broken down into quarterly, monthly and weekly activities. These will be reviewed on a regular basis with management.

**Follow up systems.** Agents that systematically keep in touch with past customers and clients, have a much better opportunity for a successful long term real estate career. Re/Max Town Center will assist you in setting up a systematic approach for follow-up and showing you how to ask for referrals. Whether you use the materials we provide

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you, or whether you establish your own mailing program, we encourage you to provide value to our customers.

**Floor Time.** Floor time is an opportunity for Agents to come into contact with the Public having real estate needs. Along with the opportunity comes a responsibility to the office and fellow Agents, to keep the office open and to provide accurate information to people who call or walk into the office. The first impression made, whether good or not, is usually the lasting impression of the office. It is the duty of not only the receptionist, but also of the floor person to ensure the first impression is a favorable one.

**Continuing Education.** Since our business is dynamic, and constantly changing, professional Agents must constantly expose themselves to new information. Education must be a continuous process. We recommend that Agents should achieve the GRI designation within the first few years of association with our firm, and ABR followed by the CRS designations within a reasonable period after that.

**Positive Attitude.** Our ability to achieve high levels of performance is only possible with a positive attitude. Just as our own attitude influences our ability to achieve, it also affects those around us. Whether in the office or in public, we must strive to maintain a positive attitude. If you are unable to maintain a positive attitude, it may be worthwhile to spend some time alone away from the office until you can achieve a more positive frame of mind.

**Prohibited Transactions**

**Business Opportunties and Commercial Sales.** Agents with less than two years experience and 24 transactions are prohibited from engaging in Business Opportunity or Commercial transactions. Agents fitting this category with leads or clients will be teamed with an experienced Agent of the Broker's choice. An appropriate split shall be paid to each team member based on level of contribution. E&O fees for this category of sales shall be charged at double standard fees.

**Short Sales.** Agents with less than two years experience and 24 transactions are required to have assistance on any Short Sales transactions (that is, any transaction in which the amount owed on the property is greater than the estimated sales proceeds). Agents fitting this category with leads or clients will be teamed with an experienced Agent of the Broker's choice. An appropriate split shall be paid to each team member based on level of contribution. Transaction management fees for this category of sales shall be charged at double standard fees. Furthermore, Agents cannot be compensated upon the completion of a personal short-sale that is completed on their behalf by the Brokerage.

**Training and Education Requirements.**

Each Agent is expected to constantly seek to improve the level of service they provide the client. Continuously improving our knowledge and expertise is mandatory to achieve a higher level of service. In addition to core Requirements, each Re/Max Town Center Agent is expected to progressively improve in the following areas:

- ❖ Client Relationship Building

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- Farming: Client, Sphere and Geographical
- Prospecting: FSBO/Expired Listings
- Additional Realtor Designations
- Listing Presentations
- Referral Marketing
- Other classes the Broker deems necessary

**Minimum Training.** For every Agent with less than 2 years experience or 12 transactions, or as directed by the manager, completion of all workshop level training is mandatory.

**Office Broker/Manager and Staff**

Agents who participate in a well managed "Team Real Estate" concept have been proven to be much more successful than those who try to be all things to their clients.

Re/Max Town Center, offers this Team Concept to all Agents. These programs have been modeled after very successful programs and we strongly encourage you to take full advantage of our systems.

**Office Hours.** Re/Max Town Center is staffed from 9:00 a.m. to 6 p.m. Monday through Friday.

**Administrative Services.** Re/Max Town Center provides the following administrative services and supplies:

- Standard NWMLS Forms
- Maintains transaction and listing files
- Disburses Commissions on closing (all commissions will be due to Agent on Thursday at 4:00 p.m. for all commission checks received by 5:00 p.m. on Tuesday.)
- Provide training and educational opportunities and materials
- Research assistance
- Business related secretarial assistance

**Listing Management Services.** Listing management services are provided for a fee. Specific services provided are detailed in the Compensation Schedule. For the experienced Agent, the level of service provided/offered will be quite different than what you are accustomed to. We encourage you to review these procedures.

**Transaction Management Services.** Transaction management services are provided. Fees for this service are addressed in the Compensation Schedule. The use of the service is mandatory for agents with the greater of one year experience or 5 transactions unless previously approved by management.

**Client Management Services**. RE/MAX TOWN CENTER is constantly seeking ways to bring value to our clients, both during and after the sale. Please refer to the Compensation Schedule for fee structures.

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**Marketing.** Re/Max Town Center offers a wide range of Marketing assistance and materials.

**Goal Setting and Review.** Management will assist you in setting up a business plan to achieve the goals you establish. Periodic reviews will be provided to identify your progress, and help you identify what is working and what is not. More information on Goal Setting and Review are addressed in the following chapters.

**Real Estate Settlement and Procedures Act (RESPA).** It is the responsibility of every Agent to be familiar with and abide by the rules surrounding RESPA. Prior to entering into any agreement with any third party lender, title or escrow company, Agent is required to review such agreement with Broker, and receive written permission. Additionally, Agent shall participate in all office RESPA training. NOTE: Broker's E&O Insurance does NOT cover Agent RESPA violations, and Agent shall be personally responsible for any and all fines, defense costs and any other costs related to RESPA violations.

## Daily Operations

**Floor Time.** Re/Max Town Center will provide a monthly Floor Time Schedule that equitably allocates floor time to qualified agents.

A good floor person uses due diligence in locating any Agent requested by name. If the caller cannot wait, the floor person proceeds with the wishes of the customer/client and the Broker/Manager will assist in determining the future assignment of the customer/client and/or commission allocations.

Agents desiring floor time will adhere to the following standards:

- Preview all office listings and be knowledgeable of them.
- Attend all scheduled Sales Meetings
- Complete all office training programs and corporate directed training.
- If a new Agent, must take and pass floor time workshop.
- Attend all company meetings and tours.
- Demonstrated knowledge of inventory in our immediate market area

Floor time is a service provided by management to agents. Floor time may be modified at any time by management.

**Procedure.** The floor time is on a first come first serve basis but is restricted to the number of time slots an agent can sign up for at a certain time. Our floor time schedule is managed via Backagent. We are in a prime location with heavy pedestrian traffic. If the scheduled floor person is unable to cover their floor time for any reason, he/she should contact the next person in order on the schedule and offer him/her the floor time. If the person is not available, or cannot accept, it is the floor person's responsibility to get it covered.

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Floor Office hours: 9:00 a.m. through 6:00 p.m. Monday through Friday
Seasonally adjusted hours

Floor Shifts:

All floor shifts are managed online via Backagent. To obtain floor time log into Backagent and select the desired shift. As shift times can change from season to season please consult Backagent to see the latest floor time rules and restrictions.

The floor person may receive walk-in prospects of floor calls as follows:

- A prospect walks in or telephones and at no time during the interview states that he/she wishes to see another Agent.
- A prospect walks in or phones and asks for an Agent no longer with the office.
- A prospect phones on an Agent's ad. If the Agent who wrote the ad cannot be conveniently contacted, the floor call belongs the floor person.
- The floor person is busy when a prospect walks in or phones. The floor person should be consulted to determine if he/she can handle the prospect. If not, the next person on the floor schedule may handle the prospect.
- A prospect walks in or phones and asks for a particular Agent. Every effort is made to reach the Agent. If unsuccessful locating the requested Agent, the Broker should be consulted. If the Broker determines that the prospect is likely to consult another Company for assistance, the prospect may be assigned to the Floor person. If a transaction is completed with the prospect, a 20% referral fee will be paid to the Agent originally requested.

It is the responsibility of the Agent to check voice mail, or have a person filling in for the Agent when they are on vacation etc. to check their voicemail regularly and return the calls promptly.

**Professional Demeanor**

**Alcohol and work**

The use of alcohol at the right time and place is a personal matter. However, the use of alcohol in the workplace – whether in the office – or meeting with the public while representing Re/Max Town Center will not be tolerated.

If it is determined that an employee or Agent has been consuming alcohol and appears at the office, or on an appointment, they will be terminated.

If, during an appointment, occasion arises for drinks, iced tea or soft drinks are recommended.

No alcoholic beverages will be provided at any Company sponsored function. Re/Max Town Center further suggests that all Agents/employees limit their use of alcohol during all professional events.

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**Illegal substance use.**

Re/Max Town Center has a zero tolerance policy for illegal substances in the workplace. Any use of illegal substances will be grounds for immediate termination.

**Smoking.**

No smoking is allowed in our office, by our employees, Agents, or their clients. If you must smoke, please smoke in an area hidden from public view out of doors and properly dispose of your cigarettes.

**Consideration of Co-workers.**

Group discussions and general socializing should be conducted in the break room or conference room in order to maintain a professional work environment. Excessive use of profanity is not tolerated in the office or around our customers/clients. Please also be considerate of your neighbors and keep your voice moderated when speaking.

**Dress Code.**

While in the office, except for a quick errand where you are not expected to meet a client, appropriate dress is expected. Appropriate dress for our location, is "Business Casual". Sweat suits, sweatshirts, jeans, t-shirts, tank tops and other casual attire are not appropriate for the office. There is no "casual" dress Friday at the office.

**Phone Protocol**

When answering the phone, all Re/Max Town Center staff and Sales Agents/Consultants must always use the full, approved legal office name, never just "Re/Max".

Correct: "Good Morning, Re/Max Town Center"
Incorrect: "Good Morning, Re/Max"

When Sales Agents are called upon to answer incoming calls, they are encouraged to answer in a friendly and professional manner.

If the call is for another Agent who is out of the office, the answering Agent shall make every effort to obtain the name and telephone number of the caller, or ask if the caller wishes to be transferred to voice mail.

The Agent or staff should fill out a phone message slip, legibly written. The Agent or staff who took the message should initial the slip. If the message is urgent, the answering Agent is encouraged to make every effort to contact the Agent who is to receive the message.

If a prospect is calling on an Agent's name attached to a Listing sign, or Agent's Sales Ad, and asks for that Agent, the staff or floor person should give the call to that Sales Agent. If the Agent is not in the office, ask if they would like to leave a voice-mail message, and if not, the call should be directed to the floor person. If you take a call, and

the caller has asked for another Agent, it is your responsibility to get that call or a message to the Agent.

If a customer comes into the office of telephones while the floor person is busy, the Agent answering the call or meeting the customer should hold the prospect until the Floor person is consulted. The Floor person has the first right of refusal of assisting the prospect.

**Fax Procedures.**

Incoming faxes will be received by the office electronically and are forwarded to the Agent via email. Fax copies received after business hours will be handled in the same manner.

**Conference Rooms.**

Re/Max Town Center has one conference rooms for your use.
. Please reserve your time via Backagent. If not reserved, the room is available on a first come first serve basis. All conference rooms are to be used for meeting with clients and are not for agent personal use.

**Parking.**

Staff and agents will utilize underground parking.

**Open Houses.**

Open Houses, when conducted properly, are a good source of new business. Re/Max Town Center will have properties available for hosting an open house if you do not have a listing. When holding an Open House you are encouraged to follow safety protocols.

**"DO NOT CALL" POLICY**

**Prior to Making a Sales Call to a Residential or Cellular Telephone Number**

1. You MUST check a phone number of inclusion on the Do Not Call Lists prior to making a sales call. A sales call means any phone call to a residential or cellular telephone number that is made for the purpose of encouraging the sale, purchase or rental of, or investment in, property, goods or services.
2. If the phone number is on any of the DNC Lists, you may **NOT** call that phone number (unless there is an exemption for written consent, an established business relationship, as set forth below).
3. If the phone number is not on the DNC List, you may call that phone number.

**Permissible Sales Call and Exemptions**

1. Any consumer NOT on a DNC List.
2. Exemption to the Do Not Call Rules:

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A. Any consumer that provides express written consent (such consent must include the consumer's signature and phone number). For example, an Open House Sign In Sheet, can be modified in order to obtain consent. You may also obtain written consent via e-mail.
**NOTE:** If a consumer provides written consent and then substantially requests not to be called, you must destroy such written consent.

B. A consumer with whom you or your company has an established Business relationship means a prior or existing relationship formed on the basis of the consumer's purchase or transaction with the person or Company making the call. This exemption will apply to:
   i. a consumer you are currently representing;
   ii. a consumer you represented in a real estate transaction if the sales call is within 18 months of the date of last purchase, transaction, or representation (e.g., date of closing); or
   iii. a consumer who makes an inquiry if the sales call is within 3 months from the date of the inquiry (i.e., a consumer that contacts us for information regarding services)

C. A consumer with whom you have a personal relationship (i.e., non-business related).
**NOTE:** Regardless of an applicable exemption, if a consumer requests not to be called, such consumer must be placed on our DNC list and we can no longer make sales calls to that consumer.

**Making Sales Calls**

1. On every sales call you must disclose:
   - Your name
   - Name of your company.
   - Telephone number or address (where you or your company may be contacted).
2. You shall fully and completely describe the services and products that you are offering to the consumer on the sales call.
3. You will only make sales calls after 8 AM and before 9 PM (local time at the consumer's location).

**Adding a Consumer to the Company-Specific Do Not Call List**

1. If you make a sales call and the consumer requests "not to be called again" or makes a similar statement, you must immediately tell the consumer that his/her name, if provided, and phone number will be placed on the Company DNC list.
2. You must place such consumer's name, if provided, and phone number on the Company Do Not Call List immediately after the call.

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**Record Retention**

1. All Company Specific DNC request must be honored for 5 years.
2. We maintain the name, address, telephone number and job title of all persons making sales calls for as long as such person is affiliated with the Company and 2 years thereafter.
3. You shall maintain your own telephone sales call scripts, and the Company will maintain its telephone sales call scripts, in each case for 2 years after the last use of such script.
4. You shall maintain all your own sales material used in telephone sales calls, and the Company will maintain all its sales materials used in telephone sales calls, in each case for 2 years.
5. You shall maintain all your own promotional material used in telephone sales calls, and the Company will maintain all its promotional materils used in telephone sales calls, in each case for 2 years.
   **NOTE:** If you are no longer associated with the Company, you must provide the Company with copies of all documents required to be maintained by you.

**Company Policy to the Public**

If you do not want to receive sales calls from Re/Max Town Center, you can ask us to place your telephone number on Re/Max Town Center "Do Not Call" list. In compliance with federal and state laws, your request will be documented immediately. Please allow up to 30 days for your telephone number to be removed from any sales programs that are currently underway.

• Your request can be in writing or by phone, and must include, at a minimum, your telephone number.
• If you have multiple telephone numbers, tell us all numbers that you want to be included.
• You will remain on our "Do Not Call" list for five years, unless you ask to be removed.
• If your telephone number ever changes, you must give us your new information for your "do not call" status to remain in effect.

Many "do not call" regulations permit companies to contact their own customers even though your number(s) are on these other "do not call" lists. Therefore, if you are a Re/Max Town Center customer, you may be contacted by Re/Max Town Center even though you are on these other "do not call" lists. If you do not want to be contacted by Re/Max Town Center even though you are a customer, simply follow the steps above to be placed on the Re/Max Town Center "Do Not Call" list and your request will be honored.

Being on Re/Max Town Center "Do Not Call" list means that you will not receive sales calls by anybody representing Re/Max Town Center. We may still contact you, however, for non-solicitation purposes.

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**General Policies.**

**Real Estate Transactions for Personal Account.**

The following benefit is provided to Re/Max Town Center Agents after an Agent is on staff with the office for a minimum of nine months and has closed at least two transactions.

As long as the procedure below is followed, the Compensation Schedule shall not apply to Agent's commission portion of commission received by Broker on one personal transaction per year. A personal transaction is defined as either the sale of a personal property, or the purchase of a personal property. For the personal transaction commissions will be shared as follows: When Agent handles his/her own purchase, Agent shall be entitled to retain 100% of the Net Selling Commission following payment of expenses owed Broker and an administrative fee of $500.00 and the applicable transaction management fee. Any commissions received by the Agent, will not apply to split calculations or plan qualification minimums. If another Agent licensed with Broker acts as selling agent for Purchaser/Agent, Purchaser/Agent must pay the full selling office commission that includes a company dollar portion. If Agent purchases more than one personal property per year, Broker shall be entitled to the standard company dollar outlined in Compensation Schedule.

Agent shall act in his/her own behalf on the purchase of property only as outlined below.

1. Broker has initialed his approval of Purchase and Sale Agreement prior to presentation.
2. Broker is provided with a copy of the final copy of Agreement within the same time frame as required for all other completed transactions.
3. The following "full disclosure" and "explicit consent" language is included in the Purchase Agreement.

   "*Seller understands Purchaser(or Seller) is a real estate agent licensed with Re/Max Town Center and is acting as a principal in this agreement for his/her own account. This offer is subject to seller's (or buyer's) attorney's review by _____ (usually 2 working days). Disapproval, if any, by Seller's attorney shall be in writing within the same time frame or this condition shall be considered automatically met and waived. "*

When acting on his/her own account, and when also engaged as listing agent by the owner of the property, Agent agrees to 1) disclose all facts which Agent knows or should know would reasonably affect the Seller's judgment and 2) present his/her own offer only when Broker or Manager can be present to act as Seller's Agent.

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**Transactions.** All transactions must be submitted to the office within 24 hours of mutual acceptance. All files shall be either uploaded into paperless pipeline or emailed to the transaction coordinator. For agents with less than two years' experience all files will be reviewed by the Designated Broker.

**Memberships.** The Broker and Agent are or may become members of one or more Multiple Listing Services. Broker and Agent agree to abide by all laws, rules and regulations applicable to real estate Brokers & Agents in the State of Washington, the Multiple Listing Service and those of the local, state and National Association of Realtors of which they are members. Agents of Re/Max Town Center are required to join the Snohomish-Camano Board of Realtors and maintain their membership in good standing. Member dues not paid by agent may be paid by the Broker as an advance to Agent and will be due to Broker in the same fashion as all other agent charges.

**Arbitration.** In the event of arbitration of legal action as a result of the Agent's or Broker's violation of the rules, regulations or codes of any of the above professional organizations, all costs and expenses connected with such action shall be shared by the Broker and Agent(s) in proportion to their commission split at the start of the year of the closing of the transaction including any and all claims against the company E&O policy and any charges resulting from such claims including but not limited to deductibles and settlement fees. If there is no closing, the proportion is based on their commission split in place at the start of the year that the costs are billed. Except that, the Agent hereby agrees to indemnify and hold Re/Max Town Center harmless against all claims arising from the Agent's negligence or willful misconduct as specified in this agreement. It is further understood by all, Agent's negligence or willful misconduct could result in termination from Re/Max Town Center.

**Expenses.** The Broker shall not be liable to the Agent or third parties for any expenses incurred by, or on behalf of Agent. Agent shall be responsible for and shall promptly pay the Agent's own expenses to conduct business.

Agent hereby authorizes the Broker, at the Broker's sole discretion to advance payment of any expenses, dues, fees, or charges (whether for accounting convenience of Broker or third party, or because Agent has failed to make such payment promptly), and to deduct any amounts advanced from the Agent's first available commission for deduction of such payment.

Agent hereby agrees to pay directly to Re/Max Town Center, all monthly charges for services received from Re/Max., and all monthly usage charges from Re/Max Town Center including, but not limited to flyer delivery, postage meter use, sign delivery, DSL line, personal advertising through the Re/Max Town Center account, products charged to the Re/Max Town Center account etc. The Broker will deliver a monthly statement to each Agent around the 25th day of each month for all charges to the Agent's account. Payment is due on the 5th day of each month. If the account remains unpaid on the 10th, the Agent Credit Card will be charged the amount due on Agent's account. If no credit card is on file, it is the Agent's responsibility to make arrangements with the Manager. Accounts past due are subject to suspension until the debt has been paid. Any account in delinquent status will accrue late fees of $50.00 a month, plus 18% interest per annum for each month the account remains unpaid. All accounts 90 days past due may be turned

over to a Collection Agency for collection. All fees associated with collection, including attorney fees will be added to the Agent account.

**Agent Responsibilities.** Agent agrees to maintain current knowledge of laws governing licensing salespersons, Agent brokers and brokers under Washington State Law, in particular Chapter 18:85 RCW and agree to strict adherence at all times. If agent is involved, accused, prosecuted, or charged in any crime, lawsuit, felony, whether personal or business, the situation must immediately be reported to the Broker and to WA ST DOL.

**Real Estate Licensing** The State of Washington requires a person to be licensed at the time real estate services, as defined in RCW 18:85, are provided to the public. Any licensee not in compliance with the requirements for renewal of their license shall not provide real estate services and shall not be paid for same.

**Notary Public**

Licensees shall not notarize any document related to a transaction in which they have any agency role or have any personal financial gain from the outcome of the transaction, nor if they are a principal or are related to one or more principals.

**Attorney In Fact**

Licensees may not serve as "attorney in fact" under any power of attorney in ANY real estate business matter. The company will not provide coverage of insurance on any related claims.

**Affiliated Business Disclosure Procedure**

All Re/Max Town Center customers must be provided with our "Affiliated Business Arrangement Disclosure Statement" form, **prior to** (or simultaneously with) their execution of any agreement.

- Our sellers should sign and date our Disclosure Statement form upon signing a Listing Agreement
- Our buyers should sign and date our Disclosure Statement form when you present them the Agency Pamphlet or no later than buyer signing the Purchase and Sale Agreement.

Our buyers and sellers should sign and date the Disclosure Statement form regardless of whether or not they used one of our affiliated businesses.

Where a buyer or seller was represented by another company, it is not necessary for that client to sign our Disclosure Statement form.

**Advertising and Marketing**. The Agent understands and agrees to comply with all applicable Washington State Law and other rules and regulations regarding restrictions on advertising and signs. Agent will only use advertising, signs, brochures,

logos and artwork, or other solicitation materials, that have been authorized or approved by the Broker in advance. The Agent agrees to abide by the Broker's standard form of advertising. All advertising must meet the standards and regulations set forth by the State of Washington and/ or Federal Regulations and all Fair Housing Laws, as set forth by the State of Washington and Federal Law. Failure to do so will be grounds for immediate dismissal.

**Business Practices.** It is understood that the Agent controls his/her own work hours, except for scheduled floor time and office meetings. Agent shall conduct business in a professional and courteous manner, acting with the utmost respect toward other Agents and employees of the Broker, as well as customers and clients. Agent shall not violate other Agent's workspace or that of the Broker. They shall respect existing client/Agent relationships within their own office and other Re/Max offices.

**Business Liability Coverage.** If the Agent has entered into a partnership, corporation, or does business as a sole proprietorship, and files taxes under such entity, a separate business liability policy must be carried by the Agent. The Coverage under this policy should include bodily injury, property damage, personal injury, advertising injury, non-owned automobile coverage (if they have a personal assistant), and such broad form contractual coverage liability assumed under this agreement. Such insurance shall be on an occurrence basis and shall consist of combined single limit coverage of at least one million dollars ($1,000,000) per occurrence/annual aggregate. Re/Max Town Center shall be named as an additional insured.

**Business and Occupation Tax (B&O Tax).** The Broker will be responsible for withholding the Agent's portion of B&O Tax from Commissions and for forwarding those payments to the State of Washington. B & O Taxes are calculated on the Gross Commission

**Errors and Omissions Insurance.** Broker shall maintain Errors and Omissions Insurance (E&O) for professional liabilities. Sales Agent(s) shall pay a per transaction fee for each closed transaction. The Broker and Sales Agent are offered a deductible against qualifying errors and omission settlements of $5,000.00. Errors and Omissions Insurance helps protect the Broker and the Agent from financial ruin in light of potential litigation. It is not however, to be construed as a tool, or protection for lack of knowledge, poor judgment, due diligence and service. It is the Broker and the Agent's responsibility to conduct business in such a way to protect our sellers, buyers and ourselves in a real estate transaction. RESPA violations committed by Agents are NOT covered by Broker's E&O policy. The agent shall be responsible to pay the entire deductible and any and all attorney's fees. The Broker will evaluate each situation and may at his discretion, pay for a portion of the deductible up to the proportional share based on the commission split at the time the transaction was written. All liability for such violations is the sole responsibility of the Agent. Agent agrees to hold harmless Broker against any and all such claims and damages. However, in the event the Agent is found guilty of violation of the law, fraud, or willful misconduct, then the Agent may be required to purchase and maintain at their own expense, an individual E&O policy supplemental to that policy carried by the Broker. Agent shall notify the Broker immediately, of any problems or issues on any transaction and in the event of a possible

claim. (Immediately after the first contact, from the complaining party or complaining parties' agent).

In the event judgments, awards, settlement costs, legal or other expenses exceed coverage provided by E&O, or in the event coverage is denied by the E&O in cases of fraud, willful misconduct or not reporting the possible case immediately, the uncovered costs, shall be the responsibility of the Agent. In other cases, the uncovered cost shall be shared by the Broker and Agent in proportion to their commission split at the start of the year, in the year of the closing of the transaction. If there is no closing, the proportion shall be based on the commission split at the start of the year that the time the transaction was written.

In the event of claims or potential claims, the Agent hereby authorizes and empowers the Broker and/or the Broker's attorney, at their sole discretion to resolve all disputes and to make settlements on behalf of the Broker and Agent, including but not limited to disputes or insurance claims related to the Agent's transactions, whether or not the Agent was personally named in the legal action, including, but not limited to, arbitration costs, legal fees, settlement costs and deductible amounts.

**Indemnification of Broker.** The Agent hereby agrees to defend, indemnify and hold the Broker, Re/Max Town Center and Juniper Real Estate Services, LLC., harmless against all claims arising from the Agent's negligence, or willful misconduct. The Agent further agrees to reimburse the Broker for all losses and expenses including, but not limited to, legal expense, court costs and judgments, in connection with the arbitration, negotiation or litigation to such claim. The Agent shall pay such amounts due the Broker within seventy-two (72) hours or at such time as expressly stated in any order issued in connection with the arbitration or obligation. In the event that charges or claims, arbitration, litigation, or contingent liabilities are pending or unresolved, the Agent authorizes the Broker to withhold a portion of commissions owing to the Agent and to hold the funds in a reserve account pending the resolution of any such action.

In the event the Agent elects to engage the services of an attorney, the entire cost of such services shall be the sole responsibility of the Agent.

**Independent Legal Action.** Either the Broker or the Agent, with prior written consent of the Broker, may initiate independent legal action to enforce payment of commission or recover damage. Absent prior written agreement to the contrary, all costs and expenses of such independent legal action, shall be shared by the Broker and the Agent in proportion to the commission split in place at the start of the year that the action was initiated, net all costs and expenses.

**Ownership of all Listing and Transaction Documents.** It is understood that all listings, sales and other agreements obtained or negotiated by the Agent shall, in accordance with Washington State Law, be in the name of, and shall be the property of the Broker. All Listing Agreements, Purchase and Sale Agreements, and other wholly or partially executed instruments or documents shall be immediately delivered to the Broker's possession in accordance with Washington State Law. The Agent shall be entitled to copies hereof for their own records.

**Ownership of Sales Materials**. All listings, books, policy manuals, customer records, log books, printed materials, and supplies related to, or received through the Broker's office shall be the exclusive property of the Broker and shall be returned to the Broker immediately upon termination of the Agents Agreement. Any amounts paid by

the Agent for listing books or other of the foregoing, are for the use of such materials and all materials remain the property of the Broker.

**Earnest Money.** The Agent is required to handle Earnest Money according to Washington State Law. Any procedure other than that prescribed by law is unacceptable and could result in a fine from the Department of Licensing. The payment of any such fine shall be the sole responsibility of the Agent.

**Disbursement of commissions on termination**. In the event the Agent terminates this agreement, or is terminated by the Broker for any reason, any and all commissions received by the Broker after Agent terminates this agreement or is terminated from the Brokerage shall be paid as follows:

All commissions are subject to a commission split with no cap or consideration to Agent's current office contribution. The split shall be the same as the agents split per their contract with the office example: 60/40 or 70/30. If the Agent is out of contract then all transactions will be split at 50/50.

Upon notice of termination, no benefit shall be provided of any kind for real estate transactions for the Agent's own personal account. An exit interview is required with the real estate manager prior to final settlement with Agent. If said termination date is after the 5th of the month, the Agent will be assessed the fees for the following month, unless notification has been given to the Broker in writing prior to the 5th of the month that the Agent will be terminating said contract. Payment to the Agent, of any and all commissions, shall be subject to the settlement of the Agent's obligations owing to the Broker. Payment of any commission may be held until the Agent's obligations are settled with the Broker.

The Agent hereby authorizes the Broker to hold all pending commissions in the Broker's reserve account pending resolution of any and all disputes, as well as existing or potential legal actions involving the Agent at the time this Agreement is, or is, anticipated to be terminated. If any potential disputes are identified, Broker may hold back sufficient funds to cover E&O costs and potential legal expenses.

The Agent agrees not to induce or encourage a client to terminate, delay or defer any transaction, including but not limited to, a listing agreement, or purchase and sales agreement, in contemplation of termination of this agreement. The Agent further agrees to exercise the utmost good faith and due diligence in attempting to facilitate the close of any pending sales and/or pending transactions in which the Agent has an interest, prior to termination. The Broker agrees, if the Agent abides to the terms above, and show good faith, to release any seller from the listing if a letter is received from the Seller requesting cancellation and release from their listing agreement. The Agent shall return all materials belonging to Broker, including all signs, sign posts, flyer boxes, and key boxes, and training materials. The Agent expense accounts must be paid in full, including future expenses for late termination.

The Agent shall have no claim to a share of the listing fee or commission in the case of any transaction which was begun or received by the Broker or any other Agent in the Broker's office after the termination of this agreement.

The Agent agrees that following the termination of the agreement, the Agent will not use any information gained from the files or the business of the Broker, for the Agent's own advantage.

Agent Initials _____

The Agent shall not, without the express written authorization of the Broker, at any time after termination of this Agreement, use or allow any other person or entity, to use the Re/Max Town Center logos, in any form, including but not limited to promotional or advertising real estate services.

**Fees due to Brokerage on Termination of Agreement by Agent.**

If Agent's contract is terminated in the first year of service, Agent will be obligated to pay the brokerage a termination fee of $500.00 if terminating during the first year or service, or $250.00 if terminating in the 2nd year of service. No termination fee is due for subsequent years.

If Agent's contract is terminated in the first year of service they will be obligated to repay the brokerage the cost of training, business cards and miscellaneous start up costs in addition to the $500.00 termination fee.

**Duty to Arbitrate.** The Agent and Broker agree that any and all disputes, which cannot be resolved between the Agent and the Broker, as a consequence of the Agent's and Broker's rights and duties in this agreement, with regard to commissions, shall be submitted to, and resolved by a binding arbitration, in accordance with the rules and regulations of the Northwest Multiple Listing Service.

**Commission Agreement.** The Agent shall not be entitled to any salary, draws, or compensation of any nature other than the Listing/Sales fees and commissions set forth in this agreement and the attached "Compensation Schedule".

The Agent agrees to adhere to the Broker's standard listing and selling fee schedule with regard to any and all transactions. Neither the Broker nor the Agent shall alter the amount of or defer payment of a commission without the prior written agreement of the other, except as otherwise outlined in this Agreement.

In the event, two or more Agents make a claim against the same commission, and the parties are unable to satisfactorily resolve it, the dispute shall be submitted to arbitration in the manner provided by the Broker.

The Agent shall have no claim to a fee or commission share except from money actually received by the Broker. Broker shall not be liable for any commissions not actually received by Broker for any reason.

All commissions and other monies must be paid to the Broker alone. Washington State Law prohibits Agent from receiving commissions, other than from the Broker holding the Agent's license. The Agent must meet all state educational requirements and have an active license in order to receive any commissions from the Broker. No exceptions to this will be allowed.

Except as otherwise provided in this agreement, Agent shall be entitled to receive, as the Agent's share of the listing or selling commissions, as appropriate, an amount equal to the commission structure as set forth in the attachment to this Agreement.

The Agent authorizes the Broker to withhold an amount up to 50% of the commission due the Agent for the purpose of establishing a reserve for charges or claims, litigation or arbitration or other contingent liabilities that are pending or unresolved pursuant to this agreement. Upon resolutions of the contingencies, the amount of the reserve shall be applied to any payments found to be due or refunded to the Agent as appropriate. The Broker agrees to notify the Agent prior to withholding any amount of money.

Agent Initials _____

All Commissions received for the closing of incoming or outgoing referrals, as well as, co-listings or co-selling agreements, whether within or outside Re/Max Town Center, shall be delivered according to the Agent's usual split, after deductions of all referral fees and commissions due third parties. Agreements for commissions shared shall be expressed in terms of a percentage of the relevant portion of the listing or selling commission.

**Switching from Split to Desk Fee Compensation Programs –** When an agent switches contracts from a split program to a desk fee program all transactions in escrow on or before the date of the switch in program shall be compensated at the previous contracts' split amount. For example, if an agent was on a 50/50 split and switches to a desk fee or guaranteed payment program then all transactions in escrow on or before the date of entering the new program shall be paid at a 50/50 split. The office split received (in this example 50% of the net commissions) shall be applied to the new contract's annual desk fee or guaranteed annual payment due at the time of closing.

**Insufficient Funds.** Agent agrees to reimburse Re/Max Town Center for any and all costs incurred as a result of any check that has been returned for insufficient funds, or not honored because a 'stop payment' has been placed on the check.

**Staff Assistance**

Staff are available for assistance during regular business hours, time permitting, for normal Real Estate related assistance., i.e., preparation of flyers, mailing lists, research etc. Staff time is not to be used for personal business. If staff is used for approved projects, time will be billed at a minimum hourly rate of $50/per man hour. 24 hour notice is required for most projects.

**Home Protection Plan**

Always offer buyer or seller a Home Protection Plan. If they do not want it, have them sign the form showing a home protection plan was explained to them and they chose not to have it. NOTE: Agents are liable for potential damages that are not covered by the Broker or Broker's E&O Insurance if the Home Protection Plan client acknowledgment is not signed.

**Leads and Referrals**

**Leadstreet Referrals**

All Agents are eligible to participate in Leadstreet. Leadstreet referrals are not part of the lead generation program.

Commissions are paid on Lead Street Referrals on the commission split defined in the Agent's Contract.

Agent Initials _____

All commissions earned from Lead Street Referrals apply to the annual cap, and production awards.

**Lead Appendix**

As an Agent (Associate) with Re/Max Town Center, you have access to leads and referrals from a variety of sources. Floor leads, advertising calls for Re/Max Town Center related activities, and sphere and circle marketing, are all related to your standard contract with Re/Max Town Center. In addition to these leads, referrals are available through The Network (The Network), REMAX Town Center Lead Generation Programs.). This network is designed to provide additional qualified referrals to Associates. Significant marketing expenditures and product development is incurred on a consistent basis by The Network. As a result, the following referral policy applies to all referrals from The Network.

**Referral Policy**

INCOMING REFERRALS
All incoming referrals provided by The Network will be directed to the Broker who will evaluate the lead within 24 hours. The Lead will be placed with the Associate, who in the Broker's opinion will be the best match for the lead based on the internal matrix.

OUTGOING REFERRALS
All outgoing referrals provided to The Network will be directed to Broker who will evaluate the lead and place with the appropriate individual based on the internal matrix. Associate may request whom they wish to provide the referral to.

COMPANY DISCRETION
Broker has sole discretion in placing incoming and outgoing referrals with Associates who best represent company goals and direction.

COMPENSATION
Compensation for transactions that originate as referrals from The Network will be compensated at 30% of the Net Commission paid at closing. Net Commissions earned from The Network shall not apply to Associate's split and cap.

NON-COMPETITION POLICY

All leads and referrals from The Network are the exclusive property of The Network. The Network is providing said leads and relationships as a benefit of Associate's contract with Re/Max Town Center. Should an Associate's services to Re/Max Town Center terminate or be terminated, all current and future business generated from The Network (including floor leads) shall be reverted back to Re/Max Town Center. If a transaction closes from a lead from the Network at a service provider (brokerage) that is outside of the Network (ie. not Re/Max Town Center), then Associate agrees to compensate the

Network by paying 75% of all monies earned no later than 48 hours after the transaction closes.

**Safety Awareness**

Use common sense and trust your instincts when showing properties or holding Open Houses. If you're suspicious it is better to walk away from a listing or showing.

- Keep a charged cell phone with you at all times. Ask a co-worker or one of the staff to call you every hour so that person will no right away if something is wrong. Be prepared to use coded phrases to seek assistance or to prompt a call to 911.
- Prior to showing a client, complete the Showing Appointment form and leave with the Floor Agent. If after hours, be sure a co-worker or broker knows who you are with and what they are driving.
- Obtain a copy of the clients drivers license.
- Be careful how you dress. Flashy or expensive jewelry might attract the wrong kind of attention.
- Never advertise a property as vacant. Always take your own car for a showing. If you must take one car, you drive. When you leave your car, lock it and keep your keys with you at all times.
- Let Potential buyers take the lead when exploring a home with you following behind. Avoid going into the basement or confined areas with a prospect.
- Always have prospects meet you at the office the first time. Ask them for identification. If they question you about it, say its company policy.
- Find out as much as you can about prospects such as where they work and what they do. Ask lots of questions and be a good listener.
- Know your sales area. Preview the property.
- Never hold an Open House by yourself. Make sure the Title Representative, Lender, the Home Seller or another Agent is with you. If no one else is available, ask your spouse or a friend to accompany you.

**Human Resources**

**Part time Sales Agents**

These Agents will not be provided a desk. If the Agent needs privacy with a client, the office conference rooms are available. Agents are encouraged to become full time as soon as possible.

**Compensation to Employees and Agents**

1099 IRS Filing. All licensed Agents shall be compensated by RE/Max Town Center, for all properties listed and sold through/and for RE/Max Town Center, by fees and/or commissions paid directly to the Broker. Refer to the Independent Contractor Agreement for Terms.

Agent Initials _____

**Human Relations and Personnel.**

The Company shall afford equal employment and advancement opportunities to all qualified individuals regardless of race, color, religion, gender, national origin, ancestry, physical handicap or disability, and comply with all laws and regulations.

Sexual harassment is a form of sexual discrimination and will not be tolerated. Sexual harassment occurs when (a) an employer demands or suggests sexual favors from an employee as a condition of employment or for job benefits, or (b) supervisor or co-worker's sexual harassment of an employee creates a hostile work environment.

Unlawful discrimination is against Company policy. Any Employee or Agent who believes that he/she has been subjected to unlawful discrimination, including sexual harassment is encouraged to report the incident to the Broker/Company Manager. If the Broker/Company Manager is the subject of the complaint, then the Employee or the Sales Agent/Consultant should report the incident(s) to one of the principle owners not involved in the complaint. All complaints will be investigated thoroughly and confidentially and appropriate action will be taken.

Please refer to the Re/Max Town Center Harassment Policy for further clarification.

**Third Party referrals.**

It is the policy of RE/MAX Town Center that all consumers have the right to freely pick any third-party vendors they choose to work with including but not limited to home inspectors, lenders, photographers, title and escrow, 1031 exchange, attorneys, and contractors. If a Broker chooses to recommend a third party then broker shall use the office Third Party referral form. If a Broker refers a third party to a buyer or seller with whom they have or have had a relationship including, but not limited to, a business or familial relationship, then full disclosure of the relationship must be provided in writing prior to the buyer or seller using the services of the home inspector.

**Arbitration**

In the event there is a controversy between Agents in the same office on a transaction, commission, or customer/client relations, the dispute will be settled by the Broker/Manager of the Company, after careful review of the facts.

If a controversy exists between Agent of an Affiliate office and Re/Max branch office, the Sales Manager of each office involved will obtain the facts in writing and resolve the dispute. If agreement cannot be reached between the Managers, the Network reserves the right to appoint a panel of arbitrators to resolve the dispute.

The decision on the Settlement of all controversies will be fair, just, and considered final.

Agents are advised not to contact the customer/client regarding any dispute between Agents involving the customer/client's transaction. All disputes should be handled internally. Agent will guard the customer/client interest at all times.

Agent Initials _____

**Insurance**

**Automobile.**

Agents shall furnish their own automobile insurance and pay all expense thereof, and REMAX Town Center shall have no responsibility therefore. Agent shall carry liability insurance on their automobiles with minimum limits of $100,000 for each person, $300,000 for each accident, and property damage limits of $500,000. Agent shall furnish REMAXT Town Center a certificate prepared by their insurance carrier, evidencing such insurance, and naming REMAX Town Center and REMAX International as additional insured on policy. Agents shall provide REMAX Town Center with proof of insurance coverage every six months, or on each renewal date, whichever comes first. REMAX Town Center must receive a copy of endorsement within five (5) business days of hire date.

**Industrial Insurance (Workmen's Compensation)**

**CLAIMANT RESPONSIBILITIES.**

The Broker will, on the agent's behalf, be responsible for payment directly to State Industrial Insurance (Labor and Industries). The Agent will be responsible for the portion of the Washington State L & I Tax based upon the rate as directed by the WA ST L & I Department. Amounts that the Agent is responsible for, will be billed to the agents monthly office invoice or may be directly withheld, by the Broker, from the Agent Gross Commissions.

All industrial injuries must be reported immediately to Broker/Manager of Re/Max Town Center, for recording purposes, whether or not medical attention or time loss is invited.

An accident report, which will be furnished to the injured employee, of Re/Max Town Center, must be completed within 24 hours following an incident and returned to the Broker/Manager. In some cases, investigation will be carried out in order to determine and eliminate accident causes.

Should employees experience problems with their recovery, be dissatisfied with treatment or practitioner, or need help understanding the industrial insurance system, the Broker/Manager or Re/Max Town Center, is available to provide assistance or support.

**Business Liability Coverage.**

If an Agent has entered into a partnership, corporation, or any other form recognized by the State of Washington, and files Federal Tax returns under such Company, and has been issued a UBI number from the State of Washington, Sales Agent must carry Business Liability Insurance. Coverage under this policy should include bodily injury, property damage, personal injury, advertising injury, non-owned automobiles and broad form contractual coverage liability assumed under this agreement. Such insurance shall be on an occurrence basis and shall consist of combined single limit coverage of at least one million dollars ($1,000,000) per occurrence/annual aggregate. Agents shall provide Re/Max Town Center a certificate prepared by the Insurance company evidencing such insurance and naming Re/Max Town Center and as additional

insured on the policy. Agents shall provide Re/Max Town Center with proof of insurance on each renewal.

**Governing Law**.

This Agreement shall be governed and interpreted in accordance with the law of the State of Washington, and any litigation arising out of or relating to this Agreement shall be commenced and maintained only in the appropriate court of the Washington State Court System, Snohomish County.

**Binding Effect.** Except as otherwise provided in this Agreement, every covenant, term and provision of this Agreement, shall be binding to the benefit of the parties and respective heirs, legal representative, successors and all persons hereafter holding or having an interest in this Agreement.

**Additional Agreements.** Both Parties acknowledge that this policy manual is incorporated as a part of the entire agreement between the Broker and Agent. Additional Agreements include the Independent Contractor Agreement, Compensation Schedule, and Lead Appendix. Other forms and agreements are also included as a condition of this Agreement.

Signed _____ Dated _____

Broker _____ Dated _____

Agent Initials _____