

Policy and Procedures Manual

Our Core Beliefs

Training

We believe that everyone coming into the business and/or needing basic skills to be effective should be provided an opportunity to obtain those skills through and with their real estate broker. This is a responsibility that we take seriously. We can and will insist that our agents place the same emphasis on acquiring and maintaining basic technical skills. In order to convince anyone else that you are the person best qualified to work with them, you first have to believe it. Basic skills are essential to selling with integrity and professionalism, and we intend to have the highest standards in the entire industry.

Education

Further, we will place emphasis on helping agents with skill enhancement through advanced educational formats including virtualized training and meetings. We find that agents generally raise their incomes and change their lives by working with personal development skills as well as technical skills. Consequently, emphasis will be placed with the company on skills such as goal setting, time management and attitude maintenance and development. We live in a society where cynicism passes for sophistication, but we have found that it seldom if ever, helps real estate agents make money. Most of us manage our comfort levels far better than our businesses. We do what we want, rather than what our business needs, and for agents that are willing to make progress, we believe it is our responsibility to assist them in this endeavor. There is a direct correlation between personal development programs and income in this business. Learners are earners, and we strongly believe that if you want to change everything, the only thing you really need to change is yourself. In keeping with our business model, attendance beyond basic skills training, with very rare exception, is optional but encouraged.

Broker As Provider Not Partner

We are a provider of services to real estate agents, not your business partner. Your goals and aspirations are unique and personal to you. If you want to sell 10 houses or 50 houses, that is up to you. Regardless of your goals, we want you to accomplish them. Because of our business model we do not put pressure, on agents for additional production.



Policy and Procedures Manual

Our Core Beliefs

Social Culture

We like to have fun and will schedule regular social events such as Key Realty After Hours, college tailgate parties and year-end celebrations. And we also believe that every function we have can and will be appropriate for our children or grandchildren to attend.

Quality

We are concerned about the quality of the marketing product, commitment and education and technology tools of our agents. The industry standard will be raised by our efforts in this regard. Consistently sloppy, careless or negligent work on the part of any agent within our company will, quite simply, not be tolerated in fairness to everyone within the company.

Cost

The beating heart of this company is our cost model.

By creating conference room office space, direct call routing to agents, and title company closing responsibility, we have successfully evolved the traditional real estate company into a new structure that gives the agents the best technology, information and education available in the business and reduces the brokerage payout from approximately 35% to 8%, by eliminating unneeded, unwanted and redundant programs and services.

It was and is our strong belief that this change was necessary for the agents in our business to survive and thrive in a challenging environment.

Technology

The answers to cost-effective customer relationship management, administrative systems and time effectiveness in our industry lie within high technology. Through the Dotloop document management system, scanning devices, websites and advanced database technology, we intend to provide our agents with the finest technological solutions available in the industry today.



Policy and Procedures Manual

Our Core Beliefs

The Future

The enemy of great is good enough. We believe strongly in what we are doing. We intend to grow.

One of the most crucial aspects of this business model is the ability to expand.

Through expansion, we can create economies of scale that will enable us to provide more and better products and services for our agents. Business succession plans are in place and we are providing a referral company for agents that would like to remain in the business but fluctuate their production levels.

It is our belief that some version of this business model will dominate the entire industry in the coming years throughout the country. This model is more efficient and effective.

We also feel a responsibility to our friends and colleagues that are only receiving 2/3rds of their income to offer an affordable, efficient and effective business alternative to them.

With these core beliefs in mind, our mission statement is simple, “We help our agents.”

Outline of Contents

This manual is published and maintained for the information and guidance of all associates and employees of the Company. It is requested that all concerned be governed accordingly.

- Section I. General Statement
- Section II. Broker-Associate Commitments and Agreements
- Section III. Administrative and Office Policies and Procedures
- Section IV. Compensation
- Section V. Miscellaneous





Policy and Procedures Manual

GENERAL STATEMENT OF POLICY

The purpose of this manual is to set forth basic rules and general guidelines to be followed in the day-to-day operation of the Company. It can never be so complete that it will cover every incident, nor can it answer every question about company policies. In any matter not covered by this manual, Management will decide and be guided in such decisions by experience, the Realtor's Code of Ethics, the Multiple Listing Service rules, and the laws and regulations of the State Division of Real Estate, all of which are incorporated herein by reference. Management will, from time to time, make additions and revisions which will be announced and published to become effective with reasonable notice. Key Realty is referred to in this manual as Broker, Realtor, the Firm, the Company or Management and Associates may be referred to as salespersons or sales agents. The relationship of associated salespeople to Key Realty is that of independent contractors and no employer-employee relationship exists or is to be implied from any title, provisions, or language used in this manual.

One important goal of Key Realty is to provide the greatest possible opportunity for personal and economic satisfaction for its' associates. Ultimately, however, an associate's success is his/her own to make. He/she is, in many ways, in business for himself/herself and will be respected as such. This status creates a responsibility to work as a private business person, efficiently, intelligently and diligently. A copy of this policy manual is always available for reference.

The object of the Company is to make a profit. This can only be attained through our integrity, high principles and the ability to obtain results in all real estate matters. Every associate is a part of this reputation and is expected to uphold it.

In this Company, it is our policy to constantly study real estate trends, financing, sales methods and new marketing plans that will help to obtain more prospects and better listings. In turn, it is up to each salesperson to devote a full portion of his/her working hours to the business of listing and selling real estate to insure his/her success. Salespersons are reminded, again, that they are individual independent contractors.

Key Realty shall have no obligation to withhold taxes or social security from commission checks.

To the benefit of both the salesperson and the firm, an independent contractor agreement shall be signed by both parties. Key Realty Ltd. is an Limited Liability Corporation.

BROKER-ASSOCIATE COMMITMENTS AND AGREEMENTS



Policy and Procedures Manual

BROKER-SALESPERSON RELATIONSHIP

The opportunity is taken here to remind each salesperson to read and from time to time re-read the state Real Estate License Law. Salespeople of Key Realty are required to follow this law to the letter.

Salespeople are reminded, particularly that the broker is responsible for the acts of his/her salespeople.

It is our belief that if a salesperson adheres carefully to the policies of Key Realty, the broker will never have occasion to appear before the state real estate licensing entity in his behalf, or to defend him/her in a court of law.

COMPANY COMMITMENT TO THE ASSOCIATES

The Company makes the following commitments to each licensed real estate salesperson associated with it:

- a. To afford every reasonable opportunity to achieve business-related goals and fulfillments.
- b. To provide fair compensation for services rendered.
- c. To provide sincere and empathetic management counsel and guidance.
- d. To provide superior office and administrative services to the agents on an as-needed basis for reasonable compensation
- e. To make available superior training programs.
- f. To promote from within when there are qualified applicants.
- g. To treat everyone courteously and with respect, consideration and dignity.
- h. To give fair consideration, without prejudice, to complaints and grievances of associates.

ASSOCIATES' COMMITMENT TO THE COMPANY



Policy and Procedures Manual

The associate is expected to make the following commitments to the Company and to conscientiously endeavor to keep them:

- a. To establish specific business goals and plans for attainment and to review and revise them periodically.
- b. Our company meetings are specifically designed to be of benefit to the agents with educational, training and information content designed to make us all more effective and profitable. Attendance and participation in Key meetings is encouraged, but not mandatory.
- c. Agents with less than one year in the business will be expected to attend the Key Realty Education Series and Fast Start Program. This attendance is mandatory. Attendance at 90% of the Key Realty Agent Training Program is the minimum standard for this requirement.

It is the strong belief of the company that our agent's technical and professional skills should be a source of pride for all of us. Untrained agents create problems and liability for everyone in the business. It is the broker's responsibility to provide the training necessary for success in the business. And it is the agent's responsibility to participate in the process, until they are proficient and productive.

- d. To abide by the Realtors and the state Division of Real Estate Canon of Ethics and all laws, ordinances, etc. which relate to my activities as a licensed real estate salesperson.
- e. To take my complaints and grievances, if any, to Management and not to discuss them with my peers.
- f. To groom and conduct myself in such a manner as to be a credit to myself, my associates, my company and my profession.
- g. Associate shall under no circumstances obligate Key Realty for any attorney and/or any other fees, without the express written consent of Key Realty.
- h. Agents are required to use only Key Realty approved signage, cards and materials. Any promotional materials shall need Key management approval.



Policy and Procedures Manual

- i. HUD Keys: Agents must always be in possession of HUD keys and may never give keys out to buyers, investors, home inspectors, nor leave house open for the same.

BUSINESS AND CAREER INVESTMENTS

All items are tax-deductible as a business expense:

- a. Courses required for licensing
- b. Real Estate examination application fee
- c. Office facilities, furniture and equipment
- d. Telephone and utilities
- e. Computer service
- f. Administrative services
- h. Custodial services
- i. Signs
- j. Office supplies, stationery and forms
- k. Sales aids, brochures and business cards
- l. Company website will provide templates and examples, logo designs, etc. to assist agents in the development and design of promotional material.

NECESSITY FOR COMPLETE OFFICE RECORDS



Policy and Procedures Manual

Copies of all letters pertaining to real estate, regardless of whether they are written by the salesperson or others, as well as copies of all contracts and agreements, shall be placed in the proper Dotloop file. This is the only protection that you, the salesperson, and your broker have in the event of a lawsuit and full knowledge of the case is important. There shall be no excuse for the violation of this rule by a salesperson.

GIVING INFORMATION

Unless specifically requested by a salesperson, an unlicensed person must not give out information, except to other offices, to a caller regarding a listing. All persons requesting information about the Company, its' policies, procedures, etc. shall be referred to the broker and/or appropriate management personnel.

PHYSICAL FACILITIES

Conference room space is made available to Key agents for meetings with their clients and customers.

OFFICE SUPPLIES

Office equipment, supplies, reference materials, etc. shall be provided by and paid by the agent. The administrator's/brokers files are the property of the company.

OFFICE HOUSEKEEPING

It is important that the office always appear neat and orderly. AFTER USING CONFERENCE ROOMS, PLEASE CLEAR AWAY COFFEE CUPS, PAPERS OR MISCELLANEOUS NOTES, ETC. AND LEAVE IT AS YOU WOULD LIKE IT WHEN YOU USE IT. We need to be professional and considerate in all our business dealings.



Policy and Procedures Manual

AUTOMOBILE INSURANCE

As an owner and/or driver of a vehicle you may be held liable for claims arising out of auto accidents when you are at fault.

There is a possibility that the company could be held liable if you are on business for the Company. Therefore, it is necessary that we require all our salespersons and employees carry liability insurance of a minimum of \$1,000,000/\$1,000,000 bodily injury and \$50,000 property damage or \$1,000,000 single limit.

Agent shall provide broker with a copy of insurance policy. This is for our mutual protection.

CAMERAS AND PHOTOGRAPHIC WORK

It is the responsibility of each associate to provide pictures of his/her listings for marketing purposes. It is the Company's conviction that each associate should own a camera for this as well as other business and/or personal purposes. If a home is not properly photographed and staged in the Multiple Listing Service and on the internet, it is not "on the market."

EXPENDITURE OF OFFICE FUNDS

Management shall not be liable to the salesperson for any expenses incurred by him/her, or for any of his/her acts, and except as otherwise stipulated in this manual.

No associate has the right to spend or obligate the money of the firm without consent of the broker, this applies to cards, signs, advertising, etc.

REAL ESTATE BOARD MEMBERSHIP

Membership in the national, state and local Board of Realtors is required of all licensed salespersons.

COPY MACHINE

All copies necessary for the completion of a transaction, or for the general business use of the salespeople will be paid for by the agent.





Policy and Procedures Manual

KEYS

A great trust is given to a salesperson when an owner gives him a key. Keys are not be given to purchasers, pending the closing of a sale, without the written permission of the owner in writing. If purchasers wish to inspect or measure the property prior to closing, the selling associate must be present.

Keys may be given to appraisers or inspectors as authorized by the seller.

MESSAGES

SPECIAL NOTE: Associates should check for messages several times each day, either in person or by phone, in order to ensure prompt and timely response to specific client requests.

CONFLICT OF INTEREST

No sales representative licensed with Key Realty shall engage in any employment or activities which may conflict with the interests of the Company.

DISPUTES AND CONFLICTS

Disputes and conflicts between associates which cannot be resolved, between the parties concerned shall be arbitrated by the manager whose decision will represent the Company position.

DRESS, APPEARANCE AND CONDUCT

All associates will be expected, when on real estate business, to wear at a minimum, business casual attire. It is the responsibility of each sales associate to, at all times, conduct himself/herself in a manner which will reflect favorably on the Company and fellow associates.

Always be aware that one never has a second chance to make a good first impression.





Policy and Procedures Manual

ETHICS

Defined simply, the word ethics means moral principles and quality of practice. In the real estate business, ethics govern our professional relationship with our prospective buyers and sellers, with our clients and with our fellow realtors. Our ethics represent our honesty, integrity and spirit of proper conduct.

Key Realty is a member of the National Association of Realtors, the state Association of Realtors, and the local Board of Realtors.

Each salesperson, after association with the firm, shall make application for membership in the required Board of Realtors.

Each salesperson in this Company should read the Code of Ethics set forth by the National Association and the Codes of Ethics adopted by our local Boards and Multiple Listing Services as well as the Canon of Ethics adopted by the state Division of Real Estate.

It is imperative that every salesperson adhere to these codes. It is fundamental to say that to be successful, one must be ethical.

TERMINATION OF ASSOCIATE

This agreement, and the relationship created hereby, may be terminated by either party hereto, with or without cause, at any time upon three (3) days written notice given to the other, but the rights of the parties to any commissions which accrued prior to said notice shall not be divested by the termination of this agreement, except as stipulated herein.

Upon termination of this agreement, Salesperson further agrees not to furnish to any person, firm, company or corporation engaged in the real estate business any information as to Broker's clients, customers, properties, prices, terms of negotiations nor Broker's policies or relationships with clients and customers nor any other information concerning Broker and/or his business. Salesperson shall not, after termination of this agreement, remove from the files or from the office of the Broker any maps, books, and publications, card records, investor or prospect lists, or any other material, files or data, and it is expressly agreed that the Salesperson shall be entitled to copies of certain instruments pertaining to transactions in which Salesperson has a bona fide interest, and Broker shall not unreasonably withhold the same from Salesperson.



Policy and Procedures Manual

Upon termination of this agreement, Salesperson shall be compensated in respect to any sale or lease option contained in any existing sale or lease agreements, or in any sale or lease agreements consummated under the terms of a termination agreement, and Broker shall perform all necessary services in connection with the foregoing, unless compensation shall be specifically agreed upon between the Broker and Salesperson.

Associate shall be obligated to return to the Company all Company property, records, materials, etc., including but not limited to:

- a. Policy and Procedures Manuals
- b. Office keys

Upon termination of associate affiliation with the Company whether voluntary or involuntary and for whatever cause, any listings the associate may have will be released to the associate, and any listing escrowed for closing will be considered as if the salesperson were still affiliated with the Company.

FAIR HOUSING

The Company pledges to serve its' clients and prospects in full compliance with federal, state and local laws governing equal opportunity in housing so that all persons without regard to race, color, national origin, sex and handicap will enjoy the fullest extent of their housing rights. All associates will be expected to conduct their activities accordingly.

ASSOCIATE'S PURCHASE AND/OR SALE OF PROPERTY

This policy relates to purchase and/or sales of real property wherein the associate is either the buyer or seller. In his or her capacity of also being a licensed salesperson it is expected that the associate will fully comply with the codes and laws of the State governing his or her conduct. All transactions must be handled through Key Realty.

CANCELLATION OF LISTING

The Company may, at the Manager's discretion cancel a listing for cause. At Key Realty, we encourage an "easy exit" marketing approach. If a seller wants to terminate an agreement with an associate, we recommend a release. Management will not attempt to arbitrate or negotiate relationships with clients on behalf of agents. It is our opinion, that if the trust and confidence





Policy and Procedures Manual

has deteriorated in the relationship to the point where a seller is requesting a release, that it is in everyone's best interest to move on.

FINANCIAL LIABILITY OF SALESPERSONS

Should a disagreement arise after a sale with the purchaser or seller regarding such matters as chattels, seller's net equity or other disputes which can be settled only by a money consideration the sales agent, settlement shall be the financial responsibility of the salesperson.

Errors & Omissions deductibles shall be the agent's responsibility.

There are circumstances under which one associate may refer a buyer or seller to another and relinquish all future claim except for a referral fee when and if the transaction is closed. In this event, it is required that a form be completed by the referred agent. This will increase the likelihood that a transaction may be concluded.

The Company will not be responsible for handling the accounting and disbursement of referral fees unless it is advised of agreements in writing as outlined herein.

COMPANY POLICY REGARDING SOCIAL MEDIA

This policy applies to Internet websites including social networking sites and blogs. Agent shall not share confidential information regarding their clients on any Internet websites including social networking sites and blogs unless the client specifically permits such disclosures.

It is also company policy that any reference to real estate, as an industry, marketing of listings and/or personal marketing activities shall include full disclosure of agent Information consistent with company and state guidelines including adherence to the equal prominence provisions.

ELECTRONIC COMMUNICATIONS AND ELECTRONIC SIGNATURES

A typed name for a signature at the end of a contract in Dotloop satisfies the legal requirement in the State of Ohio and Michigan.



Policy and Procedures Manual

Email correspondence from a client should not be forwarded to the other party or other party's agent as they could be considered a binding contract if the client expresses willingness to accept certain terms.

A signed electronic correspondence, i. e. emails, could be deemed a valid agreement, therefore, a standard disclaimer clearly stating that the content may not be deemed an offer, counter-offer, terms of a purchase or lease, or any other binding contract communication must be included in every email communication.

LISTING POLICY

- a. All listings secured by salespersons of the Company are the property of the Company.
- b. Normally only exclusive-right-to-sell agreements will be accepted. Any exceptions should be cleared with management.
- c. All changes in listing agreements will be processed by the listing agent.
- d. All listings will be written on the standard listing form provided and the information sheet.
- e. All listing document files are to accompanied by a properly executed listing agreement and all other appropriate paperwork.
- f. Withholding a listing from the office is not permitted, and doing so could result in termination. MLS rules regarding submission deadlines are to be adhered to. Any fines for late submissions are to be paid by the agents.

STATEMENT OF AGENCY POLICY FOR KEY REALTY

The types of agency relationships the affiliated licensees of Key Realty may establish include:

- | | |
|-----------------|--|
| Seller Agency - | working only as the agent of the seller |
| Buyer Agency - | working only as the agent of the buyer |
| Dual Agency - | wherein the agent has a facilitation role in the transaction |

The broker/owner and the acting manager are designated by Key Realty as management level;



Policy and Procedures Manual

The procedure to be followed for an affiliated licensee to be appointed to represent the client of another affiliated licensee is as follows:

This appointment must be approved in writing by both the client and the acting manager of Key Realty prior to the appointment. It is the choice of the client regarding the secondary affiliated licensee.

The type of agency relationship that shall be established when licensees are handling real estate transactions involving persons with whom they have a personal relationship, business will be that of buyer or seller agent, no dual agency will be permitted under these circumstances and full disclosure of the relationship shall be made in any sales or listing contracts as well as the agency disclosure forms signed by the various parties to the transaction

The type of agency relationship that shall be established and the disclosures that shall be made when licensees are handling real estate transactions involving themselves or any affiliated licensee as a party to the transaction will be that of buyer or seller agent, no dual agency will be permitted under these circumstances and full disclosure of the relationship shall be made in any sales or listing contracts as well as the agency disclosure forms signed by the various parties to the transaction.

Certain procedures are to be followed to ensure that confidential information is not disclosed in violation of the licensee's agency duties. These procedures include those steps affiliated licensees are required to follow to protect confidential information from being disclosed to other licensees within the brokerage who are not bound by the agency relationship.

The following policy applies to all forms of communication within the company:

- a. All files are the property of the company and no affiliated licensee has any access whatsoever to these files for any reason.
- b. All records and messages shall be provided directly to the affiliated agent in order to ensure confidentiality.
- c. All office conversations, discussions and meetings with clients shall be held in such a manner as to ensure confidentiality in all our client relationships. No discussion of any confidential client information shall be had for any reason and under any circumstances.



Policy and Procedures Manual

- d. All office conversations, discussions and meetings with agents shall be held in such a manner as to ensure confidentiality in all our client relationships. No discussion of any confidential client information shall be had for any reason and under any circumstances.
- e. This policy shall include all facsimile transmission, telephone, texting and/or e-mail communication. All electronic transmissions shall be conducted in such a manner as to ensure absolute adherence to our confidentiality responsibilities to our clients. If a party to a real estate transaction refuses to consent to dual agency, our policy will be to maintain whatever previous agency relationship has been established and to appoint an affiliated agent to act on behalf of the party refusing dual agency.

If a party to a real estate transaction seeks to terminate an agency relationship as the result of an attempt to create a dual agency relationship and this request for termination transpires prior to an accepted offer, then the termination request will be granted. If said request takes place after an accepted offer, management at Key Realty should be consulted immediately and if circumstances are appropriate may act on behalf of one of the respective clients.

If there is a material change to any of the information that was previously disclosed to any party prior to obtaining full consent to the dual agency, the Key Realty affiliated licensee shall be obligated to inform the parties to the agreement of their disclosure requirements and to facilitate the dissemination of said material change notification in writing.

If a licensee wishes to change an agency relationship, permission from the client must be obtained in writing and client shall be provided a copy of the Consumer Guide to Agency Relationships and provide a signed acknowledgement of said receipt.

Key Realty has the following company policies regarding the types of cooperation with other brokerages:

Key Realty does not offer subagency cooperation with other brokerages.

Key Realty offers compensation to other real estate companies as buyer agent representatives through the Multiple Listing Service





Policy and Procedures Manual

Key Realty accepts compensation from other brokerages; and, these types of cooperation are offered on a consistent and equal basis to all brokerages

FEE POLICY FOR KEY AGENTS

There will be an annual obligation in the first quarter of each calendar year for payment of Errors and Omissions insurance. This fee is \$75 per year, subject to minor changes.

For Ohio agents, there will be an annual branch office renewal fee of \$15.00 from the state. There will also be a \$25.00 branch office security deposit that will be returned if agent leaves the business and/or company provided that the original branch office license is returned to the company office. These fees are charged regardless of commission schedule or length of affiliation with the company.

It is also clearly understood by all parties to this agreement, especially the licensee, that any and all Board of Realtors, dues and fines are the sole responsibility of the agent, including but not limited to MLS fines and/or dues, etc. Any misrepresentations and/or omissions in the Board of Realtors information and inaccurate representations to or on behalf of the clients are the sole responsibility of the agent or licensee.

If an agent leaves the company and is on the monthly payment program or the 50%/50% program, the commission disbursement procedures regarding splitting compensation will apply throughout the pendency of commissions disbursed.

When an agent selects a commission program, either the monthly payment program or the 50%/50% program, said selection shall apply to all commissions paid for the next 12 months. It is the agent's responsibility when electing to be compensated on the monthly payment program to ensure that those funds are available for disbursement to the company on the first of each month, through an automatic deduction program via debit or credit card.





Policy and Procedures Manual

No switching between programs mid-year will be permitted and there will no exceptions to this policy. Agent also is responsible if they choose to change programs to notify management in writing within 30 days prior to their rollover date.

If the agent is a respondent to a complaint filed with the Board of Realtors, the state Division of Real Estate and/or is party to and/or defendant to litigation, the Errors and Omissions insurance deductible (\$2,500) and any associated attorney cost is the sole responsibility of the agent. Because of our limited compensation provided to Key Realty for brokerage services and the possible availability of zero-deductible Errors & Omissions coverage through our provider, it is our belief and position that the agent should never be in a position to have to pay an Errors & Omissions deductible.

COMMISSION POLICY FOR KEY REALTY AGENTS

Key Realty has the following commission policy:

Key Realty is not a discount brokerage firm. A 3% buyer's agent fee shall be offered on all Key Realty listings. Recommended total commission is 6% - 7%.

For agent-purchased properties, normal commission schedules apply and will be imputed in the transaction, regardless of any purchase contract arrangements to the contrary. Agent is reminded that licensure and disclosure requirements dictate that they disclose the fact that they are licensed real estate agent in the state.

It is understood by Key Realty management that special circumstances can and do apply such as family members, multiple property owners, bank-owned and short sales.

Commissions payable to real estate agents will be disbursed once the company is in receipt of an entire, complete file that is compliant with company policy and applicable state laws and guidelines.



Policy and Procedures Manual

Canon of Ethics for the Real Estate Industry

Agents within Key Realty are required to strictly follow the Canon of Ethics for the Real Estate Industry, the state and the rules regarding display of licenses as outlined below:

SECTION 1: General Duties to the Public and Industry

Article 1.

Licensing as a real estate broker or salesman indicates to the public at large that the individual so designated has special expertise in real estate matters and is subject to high standards of conduct in the licensee's business and personal affairs. The licensee should endeavor to establish and maintain high standards of professional conduct and integrity in dealings with members of the public as well any activities as a licensee.

Article 2.

It is the duty of the broker to protect the public against fraud, misrepresentation or unethical practices in real estate transactions. The licensee should endeavor to eliminate in the community, any practices which could be damaging to the public or to the integrity of the real estate profession.

Article 3.

The licensee should provide assistance wherever possible to the members and staff of the Real Estate governing entities in the enforcement of the licensing statutes and administrative rules and regulations adopted in accordance therewith.

Article 4.

The licensee should be knowledgeable of the laws of state pertinent to real estate and should keep informed of changes in the statutes of state affecting the duties and responsibilities of a licensee. (formerly Article 3.1)

Article 5.

A licensee should represent clients competently and should promote the advancement of professional education in the real estate industry through the licensee's conduct.



Policy and Procedures Manual

Article 6.

The licensee should be informed as to matters affecting real estate in the community, state, and the nation, so that the licensee may be able to contribute to public thinking on such matters including taxation, legislation, land use, city planning, and other questions affecting property interests.

SECTION II: Specific Duties to Clients and Customers

Article 7.

The licensee should disclose all known material facts concerning a property on which the licensee is representing a seller or a purchaser to avoid misrepresentation or concealment of material facts.

Article 8.

The licensee should recommend that title be examined and legal counsel be obtained.

Article 9.

The licensee, for the protection of all parties, should see that financial obligations and commitments regarding real estate transactions are in writing, expressing the exact agreement of the parties; and that copies of all agreements, at the time they are executed, are placed in the hands of all parties involved.

Article 10.

A licensee should not enter into an agency relationship with a party whose interests are in conflict with those of the licensee or another client represented by the licensee without fully disclosing the potential conflict and obtaining the informed consent of all parties.

Article 11.

A licensee should not accept compensation from more than one party without the full knowledge and consent of all parties to the transaction.

Article 12.

When acting as a seller's agent, a licensee should disclose to the seller if the licensee is the actual purchaser, or if the purchaser is another licensee affiliated with the same brokerage as the licensee, a business entity in which the licensee has an interest, or is a member of the licensee's immediate family.



Policy and Procedures Manual

Article 13.

When asked to provide an appraisal (formal or informal), price opinion, comparative market analysis or any other task that is intended to determine the value of a property, a licensee shall not render that opinion without the careful analysis and interpretation of all factors affecting the property, and should not mislead their client as to the value of the property.

Article 14.

The licensee should not undertake to provide professional services concerning a property or its value where the licensee has a present or contemplated interest unless such interest is specifically disclosed to all affected parties. Nor should the licensee make a formal appraisal when the licensee's employment or fee charged for the appraisal is contingent upon the amount of the appraisal.

Article 15

The licensee should not attempt to provide an appraisal, price opinion, comparative market analysis or any other task that is intended to determine the value of a property, if the subject property is of a type that is outside the field of expertise of the licensee unless, the licensee obtains the assistance of another licensee or appraiser who has expertise in this type of property.

Article 16.

The licensee should not advertise property without authority, and in any advertisement the price quoted should be that agreed upon with the owners as the offering price.

SECTION III: Duties to Fellow Licensees

Article 17.

A licensee should respect the exclusive agency of another licensee until it has expired or until the client, without solicitation initiates a discussion with the licensee about the terms upon which the licensee might enter into a future agency agreement or one commencing upon the expiration of any existing agreement.

Article 18.

A licensee should not solicit a listing that is currently listed with another broker, unless the listing broker, when asked, refuses to disclose the nature and expiration of the listing. In that event the licensee may contact the owner to secure such information and may discuss terms upon which



Policy and Procedures Manual

the licensee might take a future listing, or one commencing upon the expiration of any existing exclusive listing.

Article 19.

A licensee should not solicit a buyer/tenant who is subject to an exclusive buyer/tenant agreement, unless the broker, when asked, refuses to disclose the nature and expiration date of the exclusive buyer/tenant agreement. In that event the licensee may contact the buyer/tenant to secure such information and may discuss the terms upon which the licensee might enter into a future buyer/tenant agreement or may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement.

Display of Licenses

At the entrance to the branch office:

- a. A business card of the real estate broker shall be prominently displayed and clearly visible at the entrance to the branch office.
- b. Within the branch office, the branch office license shall be prominently displayed at the branch office location. Additionally, a Fair Housing poster available on the website is to be framed and displayed in the branch office facility.

