



Office Policy manual

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1. About the Company

1.1 General

The Company is licensed by the Department of Real Estate under the following name: Rinker Realty Inc. The brokerage is a member of the NAR, FAR, Palm Beach Board of REALTORS® and Regional Multiple Listing Service.

2. Policy Manual

2.1 General Purpose

The purposes of this policy and procedure manual is to establish a uniform system of daily conduct by and between us when dealing with each other, other members of the Company, our clients and members of the public.

2.2 Responsibilities

You are responsible to work in accordance with Company policies and procedures. Your failure to comply with the policies and procedures within this manual may result in your termination from this Company.

2.3 Changes in Manual

This Policy manual may be changed from time to time by the Company. Changes can be made at any time and will be distributed periodically through the Company's web site and all member e-mail list. The policies on-line at any time represent the Company's current Policy Manual.

2.4 Exclusions from the Manual

This Manual applies only to salespersons, and does not apply to Company staff employees.

2.5 Conflict with Salesperson/Broker Independent Contractor Agreement

In the event of a conflict between this Policy Manual and your Salesperson/Broker Independent Contractor Agreement, the terms of this Policy Manual shall prevail.

3. Independent Contractor Relationship

3.1 Independent Contractor

You have signed an Independent Contractor Agreement with the Company and are associated with this Company as an Independent Contractor. You do not have an employee-employer relationship with this Company. You are considered to be an Independent Contractor for tax purposes and will receive a 1099 at the end of each calendar year. The Company will NOT withhold taxes or Social Security from your compensation. Payment of taxes and Social Security contributions are your responsibility. You are also considered an independent contractor for purposes of Unemployment Insurance. You are not subject to the minimum wage laws. The Company will provide Worker's Compensation insurance for Broker's own benefit.

3.2 At-Will Status

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

4. General Office Procedures

4.1 DRE License and Requirements

You are required to maintain a valid Florida real estate broker or salesperson license in good standing while associated with this Company. If your license expires, you may not engage in any activities on behalf of the Company for which a real estate license is required. The Broker may designate another Company salesperson to handle your prospects, listings and transactions during any time your license lapses, and allocate such reasonable compensation to that salesperson for work performed. Your Company's Broker is charged by Florida law to review, supervise and manage the activity of all salespersons. The Broker may rely on management and staff support to perform this function. You are expected to cooperate with Broker's assistants in the handling of files, documents and procedures in accordance with this Policy Manual and Florida law. It is your responsibility to keep current on changes in industry practices and to take advantage of available education and training programs to maintain your professionalism and your ability to properly represent your clients. It is also your responsibility to obtain all Continuing Education courses so as to renew your license in a timely manner.

4.2 Company Business Hours

Direct Broker's support is available 7 Days a Week 8am-9pm. Brandon L. Rinker : (561) 283-6518

4.3 Business Cards, Signs

You are responsible for the Business Cards and the Signs. The Logo and the Template are available. A preferred Print company that already has the templates is also available. BE AWARE: Certain municipalities, housing developments and Homeowners' Associations have strict guidelines, rules, and ordinances regarding the size and placement of signs. You must determine whether or not the Company's sign and its placement will conform to these requirements BEFORE installation. You are responsible to have the sign removed immediately once the listing expires or the property sale is closed.

4.4 Professional Conduct

As a member of the National Association of REALTORS®, you are expected to be familiar and comply with the Code of Ethics.

4.5 Working Place

Company does provide office space for meetings with clients as needed. But remember that you are an independent contractor, it is permissible to work from your home, own office. However, remember that the Broker is required to supervise your activity. Be sure that all files and documents that you work on are in a safe Place and can be represented to Broker in 24 hours. You must be reachable by phone, fax, email and regular mail and respond to voicemails maximum in 24 hours. You need to provide us an address of your office or home.

4.6 Alcohol and Drugs

Possession, use, sale or being under the influence of alcohol or drugs on or off company premises while conducting Company business is prohibited. Use good judgment. NEVER DRINK AND DRIVE.

4.7 Professional Associations

A. Multiple Listing Service

The Company is a member the Regional Multiple Listing Service (RMLS). As an associate with this Company, you must join the MLS as well. As an MLS member, you are required to be familiar with, and adhere to, the rules and regulations of the MLS. A copy of those rules and regulations are on file in the office or through the MLS. If you fail to comply with those rules and regulations, or fail to pay your MLS bill when due, you and/or the Company may be fined, suspended or expelled, and your listings may be removed from the MLS. You will be responsible for payment of any and all fines levied against you and/or the Company resulting from your noncompliance. Furthermore, your noncompliance may result in your termination from the Company.

B. Florida and Local Associations of REALTORS®

It is required that you maintain a current membership with the National Association of Realtors, Florida Association of Realtors, Regional Multiple Listing Service and the Realtors Association of the Palm Beaches at your own expense. Membership is billed annually through your local association of REALTORS®.

4.8 Fees and Commissions

All fees and commissions must be made payable to the Company. You will be paid out of the fees and commissions earned by you, and for which you are the procuring cause, based on the terms mentioned in your Independent Contractor Agreement. Agents may receive funds payable to them at closing only upon Broker's receipt of all required transaction documentation. Said documentation must be uploaded at least 48 hours prior to any all scheduled closing dates in order for Broker to sign authorization to disburse commission to Agent.

- A. Advance fee. The company policy prohibits Associates from accepting advance fee from any seller, buyer, lessor or lessee of real property. Such fees require a disproportionate amount of accounting and record keeping while exposing the Associate and the company to substantial liability.
- B. Advances. The company will not make advances to Associates on commissions.
- C. No commission sales. A no 'commission' sale on property by an Associate will be considered a normal transaction and the Associate will be charged the regular transaction fee. This fee must be included on the HUD-1 unless explicitly exempted by the broker.

4.9 Tax Reporting

At the end of each calendar year or as soon thereafter as possible, the Company will provide you with an Internal Revenue Service Form 1099 setting forth compensation paid to you. Your income earned and expenses incurred have significant tax consequences. You are encouraged to get competent independent tax advice and keep accurate records of earnings and expenses.

4.10 Deductions

All expenses of any kind incurred by you with the Company, or incurred by the Company on your behalf, including unpaid draws and advances, expenses for advertising, supplies, signs, etc., and/or any such expenses that you have agreed to pay the Company but have not paid in accordance with Company policy, will be deducted from the next

commission payments due to you.

4.11 Good Faith Handling

Broker DOES NOT HAVE A ESCROW ACCOUNT. DO NOT TOUCH CLIENT'S CHECKS. The mishandling of trust funds is the number one reason real estate agents and loan officers licensed by DRE, have their licenses suspended or revoked. Under NO Circumstances will an agent accept earnest money deposit checks. Do not handle any money in the form of check, money order, cash or otherwise, regarding good faith deposits, appraisals, home inspections, credit reports, or other service providers. Have your client deliver or send escrow deposit directly to the escrow company. Give client escrow information needed for them to mail or drop off deposit directly to escrow within three business day after acceptance of offer. When you are representing a buyer you must ensure that earnest money deposits are made payable directly to escrow and reported to Broker. Have client pay for home inspections and/or appraisals at the time of inspection. IT IS ILLEGAL AND UNPERMISSIBLE TO RECEIVE FUNDS IN YOUR PERSONAL NAME OR ACCEPT CASH PAYMENTS FROM CLIENTS. As a regular part of the real estate business, you will receive funds on behalf and for the benefit of others, i.e. "trust funds." The Department of Real Estate Reference Book defines trust funds as "*money or other things of value that are received by a Broker or salesperson on behalf of a principal or any other person, and which are held for the benefit of others in the performance of any acts for which a real estate licensed is required.*" The most common types of funds are earnest money deposits. Improper trust fund handling may lead to civil, criminal and Department of Real Estate action against you and the Company.

4.12 Identity Theft

Identity theft is a growing concern. So, it is essential that you treat with care and confidentiality all files containing names, addresses, phone numbers, social security numbers, credit card information or any other personally identifiable information. You must assure that any files containing such information that remain in your possession be kept in a secure location and disposed of properly.

4.13 Safe Driving

You are expected to keep your automobile in a clean, properly maintained, and safe operating condition at all times. Remember: You are responsible for damage or injury caused while driving. It is your obligation to drive in a safe, responsible and alert manner.

A. Personal Injury Protection. Each Agent must carry automobile liability insurance in amounts not less than \$100,000 for each person, \$300,000 for each accident. Proof of insurance may be requested by the company.

B. Uninsured Motorist Insurance. It is recommended that each Agent carry uninsured motorist insurance for his or her own protection against uninsured drivers.

4.14 Personal Transactions

You may buy or sell property for your personal account subject to the same Broker's fee like a regular Transaction. You must disclose in writing that you are a real estate licensee whenever you buy or sell property in which you have an ownership interest, or where you have a special relationship with a buyer, or where there is a possibility that you could acquire indirectly a financial or legal interest in the property.

4.15 Vacations

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

4.16 Anti-Trust Guidelines

A. Brokers do not have a "standard" commission in our area. Each office sets its commissions independently by negotiation with the Seller or the Buyer.

B. Accordingly, no individual should suggest to Seller or Buyer that there is a "standard" rate charged in this area.

C. Under no circumstance should an individual with this office discuss with any individual from other offices, suggested commission rates charged to Seller or Buyer.

D. No Associate should suggest to a competitor that if they perform or refuse to perform a certain act that brokerage firms of our area will "boycott" them.

E. Any of these acts could be construed as a violation of Antitrust laws and subject individual and our company to severe civil and criminal penalties.

4.17 Transaction Coordinators

There is no requirement to use a Transaction Coordinator, but if you are not using a T.C. you are liable that transaction files are completed and match all Company requirements.

5. Handling Clients

5.1 Proprietary Information

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

5.2 Fair Housing

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

5.3 Agency Relationships and Duties

A. Recognized Forms of Agency

The Company acts as a Transaction Broker that provides a limited form of representation that includes the following duties:

1. Dealing honestly and fairly;
2. Accounting for all funds tendered to third party escrow agent;
3. Using skill, care, and diligence in the transaction;
4. Disclosing all known facts that materially affect the value of residential real property and are not readily observable to the buyer;
5. Presenting all offers and counteroffers in a timely manner, unless a party has previously directed the licensee otherwise in writing;
6. Limited confidentiality, unless waived in writing by a party. This limited confidentiality will prevent disclosure that the seller will accept a price less than the asking or listed price, that the buyer will pay a price greater than the price submitted in a written offer, of the motivation of any party for selling or buying property, that a seller or buyer will agree to financing terms other than those offered, or of any other information requested by a party to remain confidential; and
7. Any additional duties that are entered into by this or by separate written agreement.

5.4 Taking Listings

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

5.5 Negotiating Commissions

The commissions pay by principal is negotiable. You will receive 100% commission minus the Company charges for services if any, a \$395.00 flat transaction fee per closed transaction. If Agent is representing both seller and buyer in a transaction, then the flat transaction fee shall be charges to each party. The Company reserves the right to set any fees when it is necessary. The Agent must bear in mind when negotiating his or her fee, that the office transaction will be payable in full upon successful close of the proposed transaction. This is the minimum amount of commission that an agent may charge and it must come through escrow and be included on the Hud-1. Should the Broker discover that an Agent closed a transaction without the minimum office fee coming through escrow, there is a penalty in the amount of 50% of the commission to be earned by the Agent on the subject transaction, and the Broker reserves the right to withhold future commissions payable to the Agent, up to the amount of the office fee and penalties due, or to institute Association or Civil actions as necessary to collect such fee. If Association or Civil action is necessary, the Broker may elect to collect the entire amount of commission due on that transaction plus attorney fees.

5.6 Conducting Open Houses

Open houses are a great way to expose an Agent's listing for sale and to meet prospective buyers. The Agent should plan his or her open house in advance. Be sure the open houses are advertised. In order to assure a successful open house, follow these guidelines:

- A. Prepare and take sufficient property flyers and information about you and the Company;
- B. Prepare and take a list of comparable sales and properties for sale in the immediate area of the open house;
- C. Suggest that the sellers not be present, and that they lock away all valuables that could be targets of theft;
- D. Place your A-Frames in strategic, but permissible, locations;

- E. Open the house, turn on the lights, and make the house look fresh and inviting;
- F. Have a sign-in sheet. Greet visitors in a friendly manner. Be aware of your personal safety;
- G. Let someone know where you are and have a plan if a visitor starts to make you feel uncomfortable or threatened;
- H. Accompany the visitors through the property, especially in furnished properties; and
- I. When the open house is over, close up the home, making sure that all doors and windows are locked.

5.7 Showing Properties

Whenever possible, preview a property before showing it to prospective buyers. If you are familiar with the property you will be more effective when showing it to your client. Also, you may find that despite contrary representations, the property really is not suitable after all. Your time and your client's and the seller's time are valuable, don't waste it: Whenever possible, call the listing agent to alert the seller before showing. Give the seller reasonable time to make the property ready for you and your client. Listing agents should give the seller an estimated time frame within which you expect to arrive. Be prompt. If you will be considerably late, call the seller. If you have not heard from the seller before arriving, or if you are using the lockbox, go to the door first without your client. If the seller is home, explain the situation and ask for access. Remember, be respectful.

When using a lockbox, always ring the doorbell and/or knock loudly several times and allow time to respond. Enter the property first and verify no one is there. Open curtains and turn on lights as necessary. Allow sufficient time for your clients to view each room and the property. Be mindful to look for any potential "red flags" about the property. (Disclosure) Do not leave your clients unattended in or on the property. You don't want to be blamed if any items are missing from the property later. When you are finished, leave your card inside the property in a conspicuous place, and return the property to its original state (turn off appropriate lights, reset any alarms and lock the doors). If for some reason you don't show the property, call the listing agent as soon as possible to cancel.

5.8 Personal Sales and Purchases.

When an Agent is the buyer or seller in a real estate transaction, the Agent must disclose to the Seller or Buyer of the Agent's license status, and the other party must be aware that the Agent is not representing the interests of the other party. To protect ourselves, this fact should be clearly revealed in the contract for sale and purchase and in all discussions.

- A. Fees to the Company. When an Agent is a principal in a sale or purchase, the company will receive a transaction fee equal to that on any regularly listed property.

5.9 Drafting and Negotiating Contracts

A. When preparing an offer to purchase on a purchase agreement form, or completing an addendum or counter-offer form: Fill in all blanks or place a line through them. Review any written sentences or paragraphs to see if they can be clearly understood by someone who is not familiar with the discussions you may have had with your client.

Review this document in light of all prior offer terms, addenda and/or counter-offers to make sure that there are no ambiguities or conflicts between the various terms. Review the document to be sure it reflects your client's wishes prior to asking them to sign.

B. Remember, as a listing agent, you must present all offers to the seller, even if the property is in escrow, unless the seller has given you written instructions to the contrary. Upon receiving the offer, review it thoroughly for completeness, accuracy and clarity. Pay close attention to time limits set out in the offer, **ESPECIALLY** the time within which the seller must respond. Make an appointment as soon as possible to present the offer.

C. As with all contracts, you must obtain all parties' signatures. If a party signs on behalf of another, you must have evidence of that person's authority to do so in writing. If you must present an offer missing a signature, you must disclose this fact to the seller or listing agent. Be sure to condition the offer on obtaining any missing signature(s).

D. If your clients receive a counter-offer, be sure the terms are clear and complete. Be sure to review it against the original offer to purchase and all previous counter-offers. Act expeditiously to present the counter-offer for consideration, signature and timely delivery to the other agent.

5.10 Referral Fees

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

6. Maintaining Files

6.1 General

Your files are a record of every event relative to your dealings with your client on a listing or sale transaction. You

must retain copies of all listings, deposit receipts, cancelled checks, trust records, and other documents executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. You must maintain a neat and orderly file on every listing and sale on which you work. All files are the property of the Company and are to remain either in your possession or the Company's possession until the file is closed. All closed files will be promptly returned to and remain with the Company for storage. All files will be held in storage a minimum of five (5) years in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy.

6.2 Broker Review

You must submit all required documents to the Broker or his/her designee in 48 hours after receipt by you. The Broker will review the document for completeness and accuracy.

Remember, your file must be **fully** complete to receive compensation. Transaction check list and Transaction processing "step by step" guidelines are available.

6.3 File Requirements

A. Transaction file requirements are available by Broker.

B. Be sure all documents contain signatures of all parties required to sign and dated correctly.

C. If you are not sure how to maintain a proper file, get help from managing Broker.

6.4 Get It In Writing

As a general rule, all agreements must be in writing. In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss anything with any party or another broker/agent, always confirm your discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of your client, another agent, broker or anyone else.

6.5 Do Not Use Outdated Forms

Always use current forms. Keep your files up to date with the most current forms. Forms available at www.FloridaRealtors.org

7. Personal Assistants

7.1 General

Generally, as your business increases, you may find hiring a personal assistant to be helpful. In hiring a personal assistant, you become an employer and have employer responsibility in that relationship. Interviewing, hiring and contracting with the assistant will be solely up to you. You agree that any assistant you hire will be required to abide by this Policy Manual. Any compensation due the assistant shall be arranged between you and your assistant, and will be your responsibility.

7.2 Unlicensed Assistant

Unlicensed personal assistant may not engage in any activity which requires a real estate license.

The Company shall never be obligated to pay your personal assistant.

7.3 Salesperson – Personal Assistant Contract

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

7.4 Workers Compensation

No Workers Compensation insurance is provided by the Company for assistants hired by agents. Agents who hire assistants shall be responsible for providing Workers Compensation insurance for those assistants where required. Agents should discuss this situation with a Workers Compensation insurance representative, and/or check out the State of Florida's Division of Workers Compensation website at www.myfloridacfo.com/WC

8. Advertising Guidelines

8.1 General

All advertising must be approved by managing Broker before your placement or use.

Anytime you advertise property you must include the term "Broker," "agent," "licensee" or "REALTOR®."

8.2 Legal and Ethical Considerations

As an associate and licensee, you have both a legal and ethical obligation to be truthful when advertising property or services. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false

statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the Department of Real Estate.

8.3 Company name and Logos

The Company's name and/or logo must be included in all advertisements and conform to the Company's graphic standards regarding the style, color and uses of the name and logo.

8.4 REALTOR® Trademark

The use of the name REALTOR® must be used in compliance with the National Association of REALTORS® guidelines governing the use of that name and mark. Those guidelines are available on-line at: www.realtor.org. Don't use it if you didn't pay for it.

8.5 Telephone: Do-Not-Call Compliance

You are required to comply with the do-not-call laws which generally prohibit "telephone solicitations" to residential and cell phone numbers registered on the National Do-Not-Call Registry.

A. You may not call anyone at their home or cell phone number if listed on that Registry unless an exemption applies. Exemptions include written permission or an established business relationship in the past 18 months.

B. Cold Calling: You are encouraged to explore cold calling as a method of business promotion, but you must comply not only with the do-not-call rules, as well as other cold calling requirements as follows:

1. You may not call a residence before 8:00 AM or after 9:00 PM.
2. You must provide the called party with your identity and telephone number where you may be contacted.
3. You may not call any emergency lines, health care facilities, radio common carrier services
4. cellular or paging services) or any service for which the called party will be charged for the call.

C. It is your responsibility to adhere to this policy and will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs.

8.6 Fax Advertising

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

8.7 Fair Housing

The Company is committed to equal opportunity and fair housing in all of its advertising.

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

9. Policy Against Harassment

9.1 Company Policy

It is the policy of the Company that its employees, associates and visitors be free of harassment.

Harassment is damaging to morale, serves no legitimate business purpose, is unlawful, and exposes Brandon L. Rinker & Associates, Inc. and the individuals involved to significant legal liability.

9.2 Enforcement

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

10. Litigation and Claims Handling

10.1 General

You are required to:

A. Promptly notify your Broker of any claim or potential claim made against you and/or the Company, including any demand received by you for money or services alleging a negligent act or omission; any notification of the commencement of a lawsuit, arbitration or mediation process; or any written or verbal notice or threat that anyone intends to hold you and/or the Company responsible for any alleged wrongdoing.

- B. Cooperate with the Company in the defense of a claim.
- C. Promptly pay to the Company any amounts due hereunder upon notice to you from the Company.

10.2 Legal Defense

- A. Occasionally, a client may refuse to pay a fee that the Company has earned. The Company will have sole discretion as to the legal remedies to be taken to collect the commission, and will not be bound to do so. If the Company elects to take legal action, the costs of the action will be borne by the Company and the Associate in the same proportion, as the commission would have been split.
- B. When a claim or demand is made, or a lawsuit or other action is filed, against either you or the Company by a third party which alleges any breach of any duty, error or omission, or negligence in the performance of "Professional Services," as that term is defined in the Company's Errors & Omissions Policy of Insurance, for activities covered by the Insurance Policy, then the Company shall defend the claim, and the cost of such defense shall be allocated as set forth herein.
- C. The Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the Company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.

10.3 Allocation of Costs of Defense

- A. Except as provided below, the cost of defense of the claim, or to defend or protect against any potential or possible Claim where the Company or you are not involved as a party, including attorney's fees, and the cost of any settlement or a judgment (collectively the "Costs of Defense"), shall be allocated between the Company and you in the same percentages as per your Independent Contractor Agreement or prospective transaction that led to the Claim, whether or not the transaction actually closed.
- B. You shall be responsible for all Costs of a claim if you fail to follow any law, regulation or Company policy as set forth in this Policy Manual, and that failure results in a judgment or other final adjudication based on that failure.
- C. You shall be solely responsible, and shall reimburse the Company, for all of the Company's Costs of Defense if a judgment or other final adjudication on any claims adverse to the Company and/or you:

- 1. establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed;
- or,
- 2. results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties; or,
 - 3. establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification; or,
 - 4. results in a finding of pollution or any wrongful act in connection with any such pollution, including the discharge release or escape of any hazardous materials as defined in the Insurance Policy; or,
 - 5. result in a finding of any liability for claims for damage to property or death or injury to persons arising out use, removal or exposure to goods or products, in any form, composed in whole or in part of lead, asbestos or asbestos related materials.

10.4 Disputes During Escrow

If a dispute arises during an escrow between seller, buyer, the cooperating broker and/or the Company:

- A. Which cannot be resolved by negotiations between the parties and the agent(s) involved; and
- B. The Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then
- C. Company Broker has the right to negotiate a resolution of the dispute which may involve a reduction in the commission to be received, or a credit given to one of the parties. In that event, and regardless of actual Company or agent liability or responsibility in the dispute, the agent(s) and the Company will participate in the commission reduction or credit pro rata.

10.5 Agent-Owned Property

Any property in which you have, or will acquire, an ownership, financial or other legal or other interest, is "Agent-Owned Property." The Company's E&O Insurance Policy governs coverage of the sale or purchase of any Agent-Owned Property. In any sale or purchase of Agent-Owned Property not covered by the E&O Insurance Policy, you shall be solely responsible for costs of defense, settlement or judgment on any claim, suit or action of any nature arising therefore.

In the event you are selling or purchasing Agent-Owned Property, you must:

- A. Notify the Broker in advance;
- B. Obtain, in advance, your Broker approval of all marketing material and disclosure documents; any purchase

contract provisions prior to their execution; and any correspondence or other writings that pertain to the purchase or sale;

- C. Not representing buyers or prospective buyers in the sale of Agent's Property;
- D. Notify the Broker immediately in the event that any of the Company's agents writes an offer on your property.

11. Dispute Resolution

11.1 Intra-Office Dispute Resolution

All disputes involving you and another associate of the Company will be promptly reported to the Broker. The Broker, or designated members of the management team, will attempt to resolve the dispute through informal mediation in which all affected salespersons are expected to participate.

You agree that all disputes involving another associate which cannot be resolved by the Company, and disputes involving the Company, will be resolved by binding arbitration with the local Association of REALTORS® in accordance with the bylaws and the rules in effect.

11.2 Third Party Disputes

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

12. Termination

12.1 Grounds For Termination

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

12.2 Listings

Listings are the property of agent, even upon your termination.

13. Non-Compete

13.1 Subsequent to termination, the Agent shall not solicit:

- A. any listings which are property of other Agents within the Company;
- B. any clients (buyers or sellers) who are the clients of other Agents within the Company; or
- C. other contacts which he or she has made through the course of his or her association with Broker, with the exception that Agent shall be entitled to notify these persons of the termination of his association with Broker.