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CALIFORNIA ASSOCIATION OF REALTORS®

**STANFLES REALTY**  
**(Stanford Raffles Commercial, Inc)**  
**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: STANFLES REALTY . Additionally, the brokerage is a member of the National, California, Beverly Hills and other local Associations of REALTORS®.

## **2. Policy Manual**

### **2.1 General Purpose**

The purposes of this policy and procedure manual are 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 side 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 California 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 California 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 California 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 via appointment.

**4.3 Business Cards, Signs**

Business Cards are provided by the company. Signs can be ordered from DeeSignca. If you use own way to order signs and business cards, you need to follow the rules provided in this manual under "Advertising" section.

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**

Our Company provides shared and private desks for rent. As you are independent contractor, it is permissible to work from your home, own office, car or other places. However, remember that the Broker is required to supervise your activity. Be sure that all files and documents that you work on are in safe

place and can be represented to Broker in 24 hours. You must to 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 of many local Multiple Listing Services (MLS). The full list of association/MLS where Company maintains membership is available on Company website. As an associate with this Company, you can 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 Company.

**B. National, California and Local Associations of REALTORS®**

It is NOT required but you may maintain a current membership in the National, California and Local Associations of REALTORS® 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. ""

**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 you.

**4.11 Trust Fund Handling**

We DO NOT handle checks or cash or trust funds from clients.  
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 license 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. Remember, you are handling someone else's money.

**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.

**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**

Do not engage in any verbal or written conversations with agents or brokers with other companies regarding:

The setting of commissions, charges or other fees to the public;

Boycotting or not doing business with a particular competitor;

The setting of rates or percentages of shared commission compensation to cooperating brokers.

**4.17 Transaction Coordinators**

Our company provides a transaction coordinator (T.C.) service for a fee (Please see Fee and Split Agreement). This is default and will be taken out of commission unless you require ZERO reminders, supervision or request for compliance and documentation.

**4.18 Risk Management Fee**

Each year, the Company shall separately establish and publish the amount per transaction to be paid by all salespersons, as a Risk Management Fee. This Fee will be used by the Company to offset the costs of the Errors & Omissions insurance; settlements, judgments, and legal fees and costs of claims and litigation; and other risk management costs. ""

**4.19 Recruiting other agents**

Company would be delighted if you would invite other agents to join. Company will pay you a fee for each transaction that your invited agent will conduct. Please see fee and split agreement.

**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 generally recognizes two forms of agency:

- Single Agency (Seller's Agent exclusively or Buyer's Agent exclusively)
- Dual Agency

If the Company has the listing, we represent the seller only, unless you or another licensee working for the Company also brings in the buyer, in which case the office represents both the buyer and the seller and is a dual agent.

If the Company is working with the buyer and does not have a listing agreement with the seller, we represent the buyer exclusively.

Remember, the agency relationship is created through the Broker. If you have listed the property and another salesperson from this Company brings an offer from a buyer, a dual agency will be created.

**B. Duties and Standards of Conduct**

When you represent a principal in a transaction you have a fiduciary duty to that person. This means you have a duty of utmost care, integrity, honesty and loyalty in dealings with that principal. In addition, a listing agent owes the buyer, and a buyer's agent owes the seller the following duties:

- Honesty
- Good faith and fair dealing
- Disclosure of known facts materially affecting the value or desirability of the property that are not within the diligent attention or observation of the parties
- The exercise of reasonable skill and care in performance of your duties

**C. Agency Disclosure Requirements**

You must provide a statutory disclosure form entitled “Disclosure Regarding Real Estate Agency Relationships” (California Association of REALTORS® form AD or similar form) in every applicable transaction.

If you represent the seller, you must provide the disclosure form to the seller BEFORE entering into the listing agreement. Inform the seller of our policy regarding agency as set forth above. If you represent the buyer, the law requires that you must provide the buyer with an agency disclosure as soon as practicable BEFORE executing an offer to purchase. When you present an offer and this office is not the listing agent, you must also provide a new agency disclosure to the seller as soon as practicable BEFORE presenting an offer. Delivery of the disclosure to the listing agent is generally sufficient.

**5.4 Taking Listings**

California 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, Risk-Management fee and a flat transaction fee per closed transaction and any outstanding arrears. The Company reserves the right to set any fees when it is necessary.

**5.6 Conducting Open Houses**

Open houses are a great way to expose your listing for sale and to meet prospective buyers. Plan your open houses in advance. Be sure they are advertised. In order to assure a successful open house, follow these guidelines:

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

- Open the house, turn on the lights, and make the house look fresh and inviting.
- Have a sign-in sheet.
- Greet visitors in a friendly manner.
- Be aware of your personal safety. Let someone know where you are and have a plan if a visitor starts to make you feel uncomfortable or threatened.
- Accompany the visitors through the property, especially in furnished properties.
- 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 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.

## **5.9 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 three (3) years in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy.

**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 **full** complete to receive compensation. Transaction check list and Transaction processing “step by step” guidelines are posted on Company website.

**6.3 File Requirements**

- A. Transaction file requirements are posted on Company website.
- 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 Company Transaction Coordinator.

**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 on-line forms database (such as WINForms<sup>®</sup>) up to date with the most current forms.

**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 California Division of Workers Compensation website at <http://www.dir.ca.gov/dwc/>.

## **8. Advertising Guidelines**

### **8.1 General**

All advertising must be approved by the Company 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. These standards are available on Company website.

### **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](http://www.realtor.org).

### **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 (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 the Company 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. 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.
- B. 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 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 rules the in effect.

### **11.2 Third Party Disputes**

You are required to immediately notify your Broker of any dispute or claim involving you, another associate of this office, the office itself, the Company, and a third party, including brokers and associates of other brokerages.

The Company will make all reasonable efforts to resolve the dispute informally. Any such resolution will be binding on the agents involved in the dispute or claim.

## **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 Associate's Compensation on Termination**

If Association with the Company is terminated while you have any listings or pending transactions that require further work normally rendered by you, the Broker will make arrangements with another salesperson or salespersons in the Company to perform the required work. The licensee performing the work shall be reasonably compensated for completing work on those listings or transactions, and such reasonable compensation shall be deducted from your share of the compensation. Except for such offset, you shall receive the compensation due as specified in the Independent Contractor Agreement.

### **12.3 Listings**

Listings are the property of the Company, even upon your termination. Within 24 hours after notice of termination by either party, you must provide your Manager with a list of all active listings taken by you, and all pending transactions in which, if completed, you will be entitled to compensation from the Company in accordance with the terms of your Independent Contractor, or other written, agreement.

## Property Management

A STANFLES REALTY agent IS NOT allowed to provide property management service for public.

## Rental/Lease

1. The STANFLES REALTY agent on a rental/lease property can list a rental property on MLS, market it, show it to a potential tenant and introduce him/her to the owner. The owner or his/her representative must complete the rest of the renting process.
2. A STANFLES REALTY agent can accept a rent payment or deposit payable only to the property owner or management company.
3. A STANFLES REALTY agent must never sign any rental documents in place of an owner or tenant.
4. A STANFLES REALTY agent must report about the rent/lease transaction within 48 hours to TC or Broker.

There is a penalty and late fee for ignoring this requirement. Please check for further information about penalties on the agent home page.

5. A STANFLES REALTY agent must not accept any type of compensation directly from a property owner or tenant. The compensation must be paid through the STANFLES REALTY broker.
6. The broker's fee for a rental/lease property is 20% of the total commission (customary 3% of Annual Rent).
7. The agent will receive his/her commission when all the documents/forms required in check list are uploaded to the transaction file.
8. A rental/lease transaction is not covered by STANFLES REALTY E&O insurance.
9. The conducting of a property management business (soliciting owners and renters, renting, leasing and maintaining properties in expectation of compensation) with the public without the knowledge and permission of the employing broker is in violation of Sections 10130, 10131(b), 10137 and 10145(c) of the Business and Professions Code. This action is subject to real estate license suspension or revocation and/or a civil lawsuit.

## **Addendum to Office Policy Manual: Timeline, E&O and Violations**

(STANFLES REALTY reserves the right to update the policy without notice)

1. All fees paid to STANFLES REALTY are not refundable.
2. Sales Associate agrees to abide by and be bound by the Terms and Conditions of STANFLES REALTY Office Policy and Procedure Manual. The manual
3. This contract is effective as of date of hire.
4. Commission Disbursement: STANFLES REALTY will only disburse commission to agent after receipt of commission check from Escrow OR directly from Escrow after documents in the transaction are compiled, filed properly and cleared compliance. We only issue 1099 to Agent. We do not pay Agent S-Corp or LLCs.
5. Sales associate need to open up property file within 24 hrs of execution and to close the file within 48hrs of close of escrow. Any Associate who does not comply with these timelines may be subject to a \$150 fine, taken out of the commission. STANFLES REALTY does pay direct from Escrow PROVIDED the file is complete and passes compliance check. A mandatory compliance fee of \$99 (waived if in-house escrow is used) is applied to the commission and basic Transaction Coordinator service is provided FREE. You can prepare your own file but all documents must clear compliance through TC. The sample document checklist is attached (subject to change without notice).
6. Agent's client will cover each transaction Client E&O (Client Transaction Fee). Agent to provide SRR intranet Addendum to RPA disclosure form for client to sign. Agent will cover client transaction E&O fee if client does not want to pay for it. For dual agency, both buying and selling clients will pay their own transaction E&O (Client Transaction Fee).
7. Sales Associate agrees that if for any reason the complete real estate file is not submitted to STANFLES REALTY within (14) fourteen days of settlement date, all commissions due to the Sales Associate for that file will be on HOLD. In addition, any file, which has been reviewed by the Compliance department and determined to have missing or incomplete items, whose missing or incorrect items are not corrected or completed to the satisfaction of the Compliance department within (7) days receipt of initial request of needed items, will also have all commissions put on HOLD.
8. The commission split will be calculated based on a total commission owed to STANFLES REALTY.
9. All transaction luding Sales Associate's own/personal transactions are subject to all fees applicable. Fee structures can change as per rising cost with notification to Sales Associate. Agent's personal listings now require a 0.5% commission payable to self, net after fees creditable as seller net proceeds.
10. Agent should have Automobile insurance to indicate STANFLES REALTY as additional party insured.
11. When Sales Associate leaves the company, Door Access Card must be returned or a replacement fee of \$25 is due. E&O of \$99 is also due if agent had not closed a deal since joining or annual anniversary date of joining.
12. All association and MLS fees are to be paid when due to the respective billing sources. If Stanfles Realty is billed for your dues, we will charge your card on file the amount due + 3% and pay the dues on your behalf. You will be removed from our roster if we cannot pay on your behalf.
13. Agent must join MLS to List Property. Brokerage can provide ZIPFORM form support on a ONE time basis at 80/20 commission split. After 1st transaction is completed, if agent is not a Realtor, brokerage will withhold funds from commission to pay for Realtor Membership
14. Violation of the Corporate Identity rule (Biz cards and Signs) incurs a fine of \$100 per occurrence. Agents can use their own flyer, postcard, pamphlet templates or merchandising materials provided they include the Corporate logo and when necessary, the statement "If your property is currently listed with a real estate broker, this is not intended as a solicitation of that listing".
15. Violation of the reasonable Office use rule incurs a fine of \$100 per occurrence.
16. There will be a heavy penalty of additional \$1000 and possible Fraud Reporting to BRE:-  
For signing commission distribution/instructions issued by Escrow or any other way of instructing Escrow holder how to distribute commission without Broker's approval.  
For any real estate transaction performed by Associate-Licensee and not reported to the Broker.  
For cashing/depositing the commission check (received from Escrow) or receiving any other compensation for performing real estate activity without Broker's knowledge or permission.
17. You need to join BOTH Association of Realtor and MLS or not join ANY. However, without membership to a local association of realtors, you cannot use the Realtor designation, obtain a lock box key, list properties or see agent details on the MLS and receive other benefits that the associations may provide. When an agent becomes a member of the California Association of Realtors, he/she gets access to C.A.R legal forms (ZipForms, PRDS and others). However, if you do not have this access, many standard C.A.R. forms are available on our intranet.
18. If the brokerage is audited by the Association of Realtor (AOR) and any associate is found to have MLS only membership, we reserve the right to terminate the associate without refund to any MLS fees. NAR rules require associates to join BOTH MLS and AOR. Agent is not to transact without REALTOR membership..

19. TRID effective Oct 1 2015 – TILDA + RESPA combined.

Settlement agents (escrow) will need all related fees that your client (buyer or seller) will **pay within 3 days of buyer applying for loans**

Related fees include HOA transfer fees, move in move out, broker transaction fees, NHD report, Home warranty, TC fees and other common fees etc. If these fees are not included in the LENDER ESTIMATE that is sent out at the end of 3 days of loan application, it cannot be included later. 3 days before closing. A CLOSING DISCLOSURE statement by lender will be provided to buyer. NO new additions can be on that except closing credits (if there are repairs etc).

**All fees that agents had missed out on the LENDER ESTIMATE WILL BE TAKEN OUT OF AGENT COMMISSION (NO EXCEPTIONS)**

Please include all related fees in RPA so that it is clear to escrow.

20. High Value Property (>\$1,000,000) Transaction Fee (HVPTF)

All high value property (>=\$1M) transactions will be subjected to 0.1% of Transacted Price.

Eg: For a \$1,800,000 transacted price, the HVPTF is 0.1% = \$1,800.

21. 80-20% commission split applies to all leases and referrals. (New home sales are referrals)

22. If TC has to step in to fix your docs to ensure the file is compliant, there will be a FULL TC fee of \$499 or the current rate. It is recommended that Agents use the FULL TC service from the start to avoid errors and compliance error fixes by TC.



**SALES TRANSACTION CHECKLIST October 31, 2018**

Agent Name	Agent's Phone #	Client Name, Phone Number and Email
Property Address		
<b>TO OPEN A SALES FILE:</b>		<b>PENDING/BS SIGNED/NA</b>
1. Stanfles Realty Report of Sale Form (SRR FORM)		<input type="checkbox"/> OK
2. MLS printout showing ACTIVE (MLS)		<input type="checkbox"/> OK
3. Residential Purchase Agreement / Buyer's Inspection Advisory** (RPA-CA)	<input checked="" type="checkbox"/> P <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> S <input type="checkbox"/> NA	
4. Counter Offer / Purchase Agreement Addendum ( if applicable)*** (CO)/(PAA)	<input checked="" type="checkbox"/> P <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> S <input type="checkbox"/> NA	
5. Escrow Receipt of Earnest Money Deposit & Escrow Commission Instructions (Escrow)	<input type="checkbox"/> EMD <input type="checkbox"/> ECI	
6. Disclosure and Consent for Representation of More than One Buyer or Seller / Agency Disclosure/Confirmation (PRBS/AD/AC)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
7. Wire Fraud And Electronic Funds Transfer Advisory*** (WFA)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
9. Contingency for Sale or Purchase of Another Property (if applicable)*** (COP)	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
10. REO/ Probate Advisory/ Short Sale Listing/Sale Addendum/Short Sale Information Advisory (if applicable)*** (REO/SSL/SSSIA)	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input checked="" type="checkbox"/> NA	
11. Buyer Inspection Waiver AND Get a Home Inspection (BIW/HID)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> NA	
12. Statewide Buyer and Seller Advisory * (SBSA)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
13. Cooperating Broker Compensation Agreement** (CBC)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
14. Listing Agreement and Sellers Advisory (if agent represents seller)* Representative Cap Sig Disc (RLA/SA)/(RCSD)	<input type="checkbox"/> RCSD <input type="checkbox"/> RLA	
15. Addendum to Real Estate Purchase Agreement/Additional Disclosure Reports **COMPULSORY** (SRR FORM)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
Area Disclosures: <input type="checkbox"/> BHGLAAR <input type="checkbox"/> SRAR <input type="checkbox"/> GAVAR <input type="checkbox"/> OCAR <input type="checkbox"/> SANDICOR <input type="checkbox"/> IVAOR <input type="checkbox"/> PWR <input type="checkbox"/> WSGV <input type="checkbox"/> AAOR	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	
Agent Owned Property: Seller-Agent Disclosure Form <input type="checkbox"/> Single Agency <input type="checkbox"/> HI/BIW <input type="checkbox"/> PT <input type="checkbox"/> CAR RPA <input type="checkbox"/> **B&S MUST SIGN ALL **	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	
<b>TO CLOSE SALES FILE:</b>		
16. Real Estate Transfer Disclosure Statement/Addendum* (TDS)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
17. Natural Hazards Disclosure/Report* (NHD) (provided by Disclosuersource, Property ID, MyNHD) Preliminary Title (PT)	<input type="checkbox"/> PT <input type="checkbox"/> NHD	
18. Request for Repair (if applicable)** (RR)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
19. Home Inspection Report, Termite Report and Completion Certificate* (Inspection and Termite Company)	<input type="checkbox"/> HI <input type="checkbox"/> TR <input type="checkbox"/> CC	
20. Lead-Based Paint and Lead-Based Paint Hazards* (FLD)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
21. Water Heater and Smoke Detector Statement of Compliance* (WHSD)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
22. Residential Earthquake Hazards Report * (Last Page in the Earthquake Safety Guide)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
23. Booklet Receipt Form – (Email EQ, Hazard, Lead and Energy Booklet to Client) (SRR Form – Email Buyer copies)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
24. Homeowner Association Request (if applicable) * (HOA)	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input checked="" type="checkbox"/> NA	
25. Seller Financing Disclosure Statement (if applicable) * (SFA)	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input checked="" type="checkbox"/> NA	
26. Seller Property Questionnaire * (SPQ)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
27. FIRPTA disclosure: "Seller's Affidavit of Non-Foreign Status" * (AS)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
28. Market Conditions Advisory*** (MCA)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
29. Contingency Removal* (CR)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
30. Receipt for Reports* (RFR)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
31. Gas Shut-off Valve / Ultra Low Flow Toilet Ordinance(Certificate of Compliance)/9A* (Escrow/Retrofitting Company)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
32. Water fixtures & Carbon Monoxide Detector Notice (WCMD)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
33. Agent Visual Inspection Disclosure_Buying Agent* (AVID – Buying Agent)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
34. Agent Visual Inspection Disclosure_Listing Agent* (AVID – Listing Agent)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
35. Verification of Property Condition** (VP)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
36. Addendum to SBSA Form (SRR FORM)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> NA	
37. Home Owner's Insurance Claim Information Statement* (SRR FORM)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> NA	
38. "AS IS" Acceptance* (SRR FORM)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> NA	
39. Ownership Disclosure *** (SRR FORM)	<input checked="" type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	
40. Other:	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	
41. Authority Documents(Power of Attorney, Trust, Probate letters Testamentary) (if applicable) (Client)	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	
42. Title Report (Escrow)	<input type="checkbox"/> OK	
43. Closing Statement / HUD I Statement (Escrow should include it in final package)	<input type="checkbox"/> OK	
44. MLS Showing SOLD status (MLS)	<input type="checkbox"/> OK	
45. Other:	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	
46. Other:	<input type="checkbox"/> P <input type="checkbox"/> B <input type="checkbox"/> S <input type="checkbox"/> OK	

(\*\*\*) – Source of the document or WinForms Number

Ver.9/18

\* – Listing Agent must initiate/provide the document (as soon as possible! Usually at the property inspection)

\*\* – Selling Agent (buyer's agent) must initiate/provide the document.

\*\*\* – listing and /or selling agent must initiate/ provide the document.

Blank – Keep it. Make sure you have it in order to complete the file.

**NO COMMISSION WILL BE PAID UNLESS FILE IS COMPLETE AND COMPLIANT**



**LEASE CHECKLIST October 31, 2018**

<b>Agent Name</b>	<b>Agent Phone#</b>	<b>Client Name, Phone Number and Email</b>
<b>Property Address</b>		
<b>TO OPEN A LEASE FILE:</b>		<b>Office Use Only</b>
1. Lease/rental Commission Agreement (LCA)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
2. Copy of Trust Fund Log of Deposit Check (TF-11)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
3. Lease Listing Agreement (LL)		<input type="checkbox"/> L <input type="checkbox"/> NA
4. Residential Lease Agreement (LR)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
5. Application to Rent/ Screening Fee (LRA)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
6. Disclosure Regarding Real Estate Relationship (AD)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
Other:		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
<b>TO CLOSE A LEASE FILE:</b>		
1. Lead Based Paint Disclosure (FLD)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
2. Water Heater and Smoke Detector Statement of Compliance (WHSD)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
3. Supplemental Statutory and Contractual Disclosure (SSD)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
4. Move In/ Move Out Inspection (MIMO)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
5. Renter's Insurance (Tenant)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
6. Lease/Rental Mold Addendum (LRM)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
7. MLS Printout Showing Leased Status (MLS)		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA
8. Other:		<input type="checkbox"/> T <input type="checkbox"/> L <input type="checkbox"/> NA