

# Real Estate Source, Inc.

## Office Policy Manual

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## Real Estate Salesperson Contracts & Policies

**When submitting to broker, please include:**

1. Fully filled, signed & Initialed ALL PAGES in this packet
2. A filled and signed copy of your W-9
3. Transfer of your Real Estate License online through DRE eLicensing system

-Please keep a copy of this packet and agreements for your records

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AGENT INFORMATION

*Note: Real Estate Source, Inc. does not share any of this information with anyone outside of its organization. The information provided is used for bookkeeping records, transaction tracking, real estate activities and tax purposes only.*

**Name** (as it appears on Real Estate License):

\_\_\_\_\_  
First Middle Last "Nickname"

**Mailing Address:**

\_\_\_\_\_  
Street City State Zip

**Contact Info**

Email: \_\_\_\_\_

\_\_\_\_\_  
Cell Phone Home

\_\_\_\_\_  
Work Fax

**I.D.**

\_\_\_\_\_  
Social Security # DOB

Real Estate License#: \_\_\_\_\_

**Preferred Payment**

**Method for Commissions:**

- Direct Deposit/Wire (\$10 fee)
- Check -Office Pickup
- Check -Mail (see pg.10b2.12)
- Transfer to BofA Account (free)

## ASSOCIATE-LICENSEE “REAL ESTATE AGENT” COMMISSION AGREEMENT

### A. Broker Fee

Real Estate Source, Inc. (RES) will collect a \$595.00 BROKER FEE PER SIDE, PER TRANSACTION. On a “double ended” transaction where an agent represents both sides of the transaction (the buyer and the seller) RES will collect a broker fee of \$1,190.00. Once the \$595 has been collected, agents shall receive 100% of the commission, minus state required insurance fee (see below). Please note:

- Listing & Selling the same property is considered as 2 transactions
- E&O insurance is included in the per transaction broker fee
- \$595 minimum is due to broker even if agent decides to not charge a commission, not collect a commission, credit commission to buyer or seller, or buys or sells their own property, a relative’s or friend’s property. In all of these circumstances the \$595 broker fee is still due to Real Estate Source, Inc.

### B. State Required Insurance

As of January 1st 2018, 0.73% will be deducted from all net real estate commissions paid to agents in order to cover state required worker’s compensation insurance. [For example, assuming a gross \$10595 real estate commission; broker fee of \$595.00, a net commission of \$10,000.00, deduct 0.73% (\$73) for workers comp insurance, which leaves \$9,927.00 commission paid to agent] SEE BELOW:

\$10,595	←	Gross Commission
- \$595	←	RES Broker's Fee
\$10,000	←	Net Commission
\$10,000	←	Net Commission
- \$73	←	Worker's Comp. Insurance (0.73% of Net Commission)
\$9,927	←	Commission Paid to Agent

### C. Referral Fees Paid to Agents

Real Estate Source, Inc. shall collect a 10% broker fee UP TO 595 (whichever is less) from all referrals paid to RES, commissions received for signing of a lease (residential or commercial), or any other referral fees paid to agents involving real estate transactions, showings, etc. Note:

- After the deduction of this broker fee, the insurance fee described in section B still applies and will be deducted from net commission paid to agent
- Listing and selling of a business or “business opportunity” is considered a normal transaction and is subject to the full \$595 broker fee as described in section A

### D. Referral Fee for Referring/Recruiting Other Agents to RES

If associate-Licensee “Real Estate Agent” referrals other agents to join RES, RES will pay the referring agent an annual bonus of 5% of gross revenue collected by RES from the referred agent’s closed transactions. This will remain in effect as long as BOTH the referring and the referred agent remain active salespersons with RES. If one of the parties relationship is terminated with RES, this bonus will not be paid. This bonus will be paid on an annual basis.

### E. Acknowledgement

*I, the real estate agent signing below, understand the above terms of Real Estate Source, Inc.’s Compensation plan and I hereby agree to Real Estate Source, Inc.’s compensation terms as laid out above.*

Agent Name: \_\_\_\_\_

Brokerage: Real Estate Source, Inc.



Signature

Date

Soheil “Tony” Dini

-Broker/CEO

DRE: 01448220 NMLS: 288511

## INDEPENDENT CONTRACTOR AGREEMENT

(Between Broker and Associate-Licensee)

This Independent Contractor Agreement (“Agreement”), dated \_\_\_\_\_ is made between Real Estate Source, Inc. (“Broker”) and \_\_\_\_\_ (“Associate-Licensee”).

In consideration of the covenants and representations contained in this Agreement, Broker and Associate-Licensee agree as follows:

**1. BROKER:** Broker represents that Broker is duly licensed as a real estate broker by the State of California, doing business as Real Estate Source, Inc.. Broker shall keep Broker’s license current during the term of this Agreement.

**2. ASSOCIATE-LICENSEE:** Associate-Licensee represents that he or she is duly licensed by the State of California as a real estate broker or salesperson, and has not used any other names within the past five years, except Associate- Licensee shall keep his/her California DRE license current during the terms of this Agreement, including satisfying all applicable continuing education and provisional license requirements.

**3. BROKER AND ASSOCIATE-LICENSEE RELATIONSHIP:**

**3.1.** Broker and Associate-Licensee are independent contracting parties and this agreement does not constitute an employment agreement by either party and shall not be construed as a partnership and Broker shall not be liable for any obligation, injury, disability or liability incurred by Associate-Licensee.

**3.2.** Associate-Licensee assumes and agrees to perform no other activities in association with Broker, except to solicit and obtain listings and sales of property for the parties mutual benefit, and to do so in accordance with California law and with the ethical and professional standards as required so that Associate-Licensee commits no act of any type for which the Real Estate Commissioner of the state of California is authorized by section 10176 of the California Business and Professions Code to suspend or to revoke a license.

**3.3.** Real Estate Source, Inc. and its Broker shall not limit Associate-Licensee’s activities to geographical areas or manner in which services are to be performed. RES shall not limit Associate-Licensee’s activities with regard to hours, schedule, inventory, vacation or similar activities, except to the extent required by applicable laws, policies, and procedures.

**3.4.** All listings of property, and all agreements, acts or actions for performance of licensed acts, which are taken or performed in connection with this Agreement, shall be taken and performed in the name of Broker. Associate-Licensee agrees and does hereby contribute all right and title to such listings to Broker for the benefit and use of Broker, Associate-Licensee and other Licensees of Broker. Associate-Licensee agrees to provide Broker a complete copy package of each closed transaction with all necessary documentation.

**3.5.** Associate-Licensee shall have no authority to bind Broker by any promises or representations and Broker shall not be liable for any obligation or liability incurred by Associate-Licensee unless Broker specifically authorized it in writing.

**3.6.** The state of California’s DRE requires that Brokers conducting business in California carry Workman’s Compensation Insurance. The Broker will provide worker’s compensation insurance for Broker’s own benefit but this fact shall not create an inference of employment and Associate-Licensee shall not be treated as an employee for state and federal tax purposes.

**3.7.** Associate-Licensee is considered to be an Independent Contractor for tax purposes and will receive IRS form 1099 at the end of each calendar year. The Broker will NOT withhold taxes or Social Security from Associate-Licensee’s compensation. Payment of taxes and Social Security contributions are Associate-Licensee’s responsibility. Associate-Licensee is also considered an independent contractor for purposes of Unemployment Insurance.

**4. BUSINESS EXPENSES:** Broker shall not be liable to Associate-Licensee for any expenses incurred by Associate-Licensee or for any of its acts. Associate-Licensee agrees to provide and pay for all necessary professional licenses and dues. Associate- Licensee understands and agrees that Broker shall not provide any

office, place of business, supplies, advertisements, marketing materials and that Associate-Licensee is responsible for conducting business at its own costs, if any. Broker shall not be liable to reimburse Associate-Licensee for any expenses.

**5. LICENSED ACTIVITY:** Associate-Licensee shall be familiar with, and comply with all applicable laws, policies, and procedures, including, but not limited to anti-discrimination laws and restrictions against the giving or accepting a fee, or other things of value, for the referral of business to title companies, escrow companies, home inspection companies, pest control companies and other settlement service providers pursuant to the California Business and Professions Code and the Real Estate Settlement Procedures Acts (RESPA).

**6. COMPENSATION:** Compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. Associate-Licensee may use his/her own discretion regarding what commission fee to charge its clients for these services. In no event shall Real Estate Source, Inc. or its Broker(s) be liable, personally or otherwise, to Associate-Licensee for Associate-Licensee's share of commissions not collected, nor shall Associate-Licensee be entitled to any advance or payment from Broker upon future commissions, Associate-Licensee's only remuneration being Associate-Licensee's share of the commission paid by the party or parties for whom the service was performed. Nor shall Associate-Licensee be personally liable to Broker for any commission not collected. Associate-Licensee shall be responsible for any previously earned sales commission reimbursement, rebate, or refund that may be ordered by a Court of Law or by a professional Arbitration or Mediation Panel, for any reason.

**6.1. BROKER COMPENSATION:** Broker compensation shall be charged to the parties who enter into listing or other agreements for services requiring a real estate license. This amount is \$595.00 (Five Hundred & Ninety Five Dollars) and shall be payable only after transaction has been closed, except as may otherwise be agreed by Broker and Associate-Licensee before completion of any particular transaction. Agent's E&O Insurance is included in broker compensation.

**6.2. ASSOCIATE-LICENSEE COMPENSATION:** Associate-Licensee shall receive a 100% (one-hundred percent) of compensation actually collected by Broker after Real Estate Source, Inc. has deducted its Broker fee and/or other fee according to the terms laid out in the compensation agreement, on listings or other agreements for services requiring a real estate license, which are solicited and obtained by Associate-Licensee, and on transactions of which Associate-Licensee's activities are the procuring cause. This amount shall be payable immediately after all necessary documentation is received concerning these services, except as may otherwise be agreed by Broker and Associate-Licensee before completion of any particular transaction. Associate-Licensee may receive his/her commission directly from escrow, if the completed transaction file was presented to Broker a minimum of 2 days before close of escrow. Associate-Licensee shall not be entitled to any advance payment from Broker upon future compensation.

**6.3. RISK-MANAGEMENT FEE:** is \$00.00 (Zero) per closed transaction. This fee shall be deducted by Broker from Associate-Licensee's earned gross commission, per transaction.

**6.4. REFERRAL COMPENSATION:** Associate-Licensee may receive a referral fee or some other sort of compensation from another broker. Real Estate Source, Inc. will charge a 10% fee (no more than \$595 per transaction) for this activity. This item is applicable only when Associate-Licensee is receiving a referral payment from another broker or agent in relation to a real estate transaction.

**6.5. COMPENSATION AFTER TERMINATION:** Upon termination of this agreement, payments under this section shall cease; provided, however, that so long as Associate-Licensee is not in default of any provision of this Agreement, Associate-Licensee shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which Associate-Licensee has not yet been paid. Associate-Licensee authorizes Broker to deduct from any commissions due at termination of this Agreement all financial obligations owed to Broker that are imposed by terms of this Agreement. Furthermore, in the event Associate Licensee leaves and has transactions pending that require further work normally rendered by the Associate Licensee, Broker shall make arrangements for Broker or another Licensee in the company to perform the required work, and the Broker or Licensee Assigned shall be compensated for completing the details of pending transactions and such compensation shall be deducted from the terminated agent's share of the commission.

**6.6. RECRUITMENT INCENTIVE COMPENSATION:** If Associate-Licensee ("Agent") refers other agents to join Real Estate Source, Inc, Referring Associate-Licensee will be paid an annual bonus of 5% of gross revenue collected by Real Estate Source, Inc. from referred agents for as long as they remain as a salesperson(s) with

# RES Inc. Office Policy Manual & Contract



Real Estate Source, Inc. This fee will be paid on an annual basis.

**7. DOCUMENTS AND FILES:** All files and documents pertaining to listings, leads and transactions are the property of Real Estate Source, Inc. and shall be delivered to Broker by Associate-Licensee in a matter according to the terms indicated in Broker's Office Police Manual.

**8. AUTOMOBILE INSURANCE:** Associate-Licensee shall maintain automobile insurance coverage for liability and property damage. Real Estate Source, Inc. and its Broker(s) shall be indemnified and held harmless against any claims or demands resulting from any automobile accident of Associate-Licensee or as a result of Associate-Licensee's default in this paragraph.

**9. EARNEST MONEY DEPOSITS:** Associate-Licensee acknowledges and understands that Broker does not maintain a trust fund account and that all earnest money deposits received by clients must be made payable and deposited immediately to escrow and reported to Broker. Associate-Licensee shall not, under no circumstances, receive funds from clients in their personal name nor receive any cash payments from clients. All trust funds shall be handled in compliance with the Business and Professions Code, and other applicable laws.

**10. FICTITIOUS BUSINESS NAMES AND LOGOS:** While affiliated with Real Estate Source, Inc. Associate Licensees shall use Broker's name "Real Estate Source, Inc." or distinctive logo on signage, stationary, websites, and/or any other marketing materials. Associate-Licensee agrees that Broker retains exclusive rights to the "Real Estate Source, Inc." trademark logo and graphics. Associate-Licensee agrees to discontinue the use of the "Real Estate Source, Inc." trademark logo and graphics immediately upon the termination of this Agreement.

**11. ADVERTISING AND SOLICITATIONS:** All advertising done by Associate-Licensee must receive prior written approval of Broker. NO TELEPHONE SOLICITATION IS ALLOWED by Associate-Licensee to people who have registered their telephone numbers on a national do-not-call registry. Broker is not liable or responsible for any advertising done by Associate-Licensee on its behalf and Associate-Licensee agrees to hold Broker harmless of any costs, damages, legal or otherwise, specifically arising as a result of Associate Licensee's failure to comply with this paragraph.

**12. LIABILITY:** In addition to all other legal or equitable remedies of Broker, Associate-Licensee shall indemnify and hold harmless Real Estate Source, Inc. and its Broker(s), owner(s), affiliates, shareholders, directors, officers, agents, employees, successors, and assignees from and against all liability with respect to any and all losses, damages, demands, claims, liabilities, costs, and expenses, including reasonable attorney fees (collectively "Losses"), incurred by reason of or arising out of or in connection with any fraud or misrepresentation of Associate-Licensee, including, but not limited to, Associate-Licensee's misrepresentation of its relationship with Broker to any third party or any action by Associate-Licensee taken or omitted pursuant to this Agreement. Any such claims or costs payable pursuant to this Agreement, are due to be paid in full by Associate-Licensee, who hereby agrees to indemnify and hold harmless Broker for all such sums and shall reimburse the same.

**13. INJURIES TO ASSOCIATE-LICENSEE:** Associate-Licensee acknowledges and agrees that Broker will provide workers compensation insurance for Broker's own benefit and for Associate-Licensee only (not for Associate-Licensee's employees). It is Associate-Licensee's obligation to obtain appropriate insurance coverage for the benefit of Associate-Licensee and its employees, if any, for any injuries. Associate-Licensee and its employees waive any rights to recovery from Real Estate Source, Inc. or its Broker(s) for any injuries that Associate-Licensee and/or its employees may sustain while performing services under this Agreement.

**14. ASSOCIATE-LICENSEE'S EMPLOYEES:** Associate-Licensee's employees, if any, who perform services for Broker under this Agreement shall also be bound by the provision of this Agreement. Associate-Licensee's responsibilities include advising its employees of the terms of this Agreement and supervising their activities to ensure their compliance with all of its terms. At the request of Broker, Associate-Licensee shall provide evidence that such persons are Associate-Licensee's employees and are bound by the provisions of this Agreement.



**15. WORKING PLACE:** Broker doesn't provide an office space for the Associate-Licensee. Associate-Licensee may work from home, personal office, vehicle or any other places of Associate-Licensee's choice. However, Associate-Licensee is responsible to store all transaction documents in a safe place and be able to present them at the Broker's request within 24 hours. Associate-Licensee must be accessible by phone, fax, e-mail and postal mail, and respond to voicemails/emails within a maximum time frame of 24 hours.

**16. ACTIVITY REPORTING:** Associate-Licensee is required to report all his/her real estate activities to the Broker within 48 hours of their occurrence. Real estate activities include listing agreements, newly opened escrows (accepted purchase agreements), earnest money deposits, cancelled and expired agreements, renewed agreements, referral fee agreements and/or any other business contract or arrangement involving an Associate-Licensee and his/her client.

**17. ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties and there are no promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties. This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable.

**18. APPLICABLE LAW:** This Agreement is entered into in the County of Sacramento, California, and shall be governed by the laws of the State of California. Any lawsuit filed which arises out of or relates to this Agreement must be filed in the County of Sacramento, State of California.

**19. TERMINATION OF AGREEMENT:** This Agreement may be terminated by either party, any time, with or without cause. Even after termination, this Agreement shall govern all disputes and claims between Broker and Associate-Licensee connected with their relationship under this Agreement, including obligations and liabilities arising from existing and completed listings, transactions, and services.

**20. ASSOCIATE-LICENSEE AGREES AND UNDERSTANDS THAT:**

**20.1.** Real Estate Source, Inc. Office Policy Manual contains important information about the Company's general office policies. Associate-Licensee is expected to read, understand, and adhere to the Real Estate Source, Inc. policies. The Company may, in its sole and absolute discretion, change any policies, benefits, or practices in the Manual, with or without prior notice.

**20.2.** Office Policy Manual contains Broker's Policy against Harassment. Associate-Licensee agrees to comply with all aspects of the policy against sexual harassment and other forms of harassment.

**20.3.** Associate-Licensee's signature below certifies that he/she has read Real Estate Source, Inc.. Office Policy Manual and agrees to abide by its provisions during his/her association with the Real Estate Source, Inc... It supersedes all prior agreements, understandings, and representations concerning Associate-Licensee's association with the Company.


**3.0 Acknowledgement**

*I, the real estate agent signing below, understand the above terms of Real Estate Source, Inc.'s Independent Contractor Agreement and I hereby agree to Real Estate Source, Inc.'s Independent Contractor Agreement terms as laid out above.*

Agent Name: \_\_\_\_\_

Brokerage: Real Estate Source, Inc.

\_\_\_\_\_  
Signature Date

  
\_\_\_\_\_  
Soheil "Tony" Dini  
-Broker/CEO  
DRE: 01448220 NMLS: 288511



## POLICY MANUAL

### **1. About the Company**

#### **1.1 General**

Real Estate Source, Inc. is licensed by the California Bureau of Real Estate under the following name: Real Estate Source, Inc. The brokerage is a member of the National Association of REALTORS® (NAR), the California Association of REALTORS® (CAR), and many local associations throughout California.

#### **1.2 Licensed Lender**

Real Estate Source, Inc. also owns a DBA under “California Lending Source”. California Lending Source is the real estate mortgage division of Real Estate Source, Inc. Real Estate Source, Inc. is a fully licensed and compliant mortgage brokerage licensed by NMLS and CA DRE to originate mortgage loans in the state of CA.

### **2. General Compliance**

#### **A.**

##### **a2.1 General Purpose**

The purposes of this policy and procedure manual is to establish a uniform system of daily conduct by agents in the field and between agents and Real Estate Source, Inc. and it’s Broker(s) and also acceptable conduct/policies with other members of the Company, affiliate companies, our clients, and members of the public.

##### **a2.2 Agent 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.

##### **a2.3 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 website and all member e -mail list. The policies online at any time represent the Company’s current Policy Manual.

##### **a2.4 Exclusions from the Manual**

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

##### **a2.5 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.

#### **B.**

##### **b2.1 Marketing Materials**

ALL MARKETING MATERIALS MUST BE REVIEWED AND APPROVED BY BROKER AT ALL TIMES NO EXEPTIONS

## **b2.2 Referral Fees**

ABSOLUTELY NO GIVING OF ANY REFERRALS, COMMISSION CREDITS, GIFT CARDS, OR ANY OTHER FORM OF COMPENSATION TO ANY UNLICENSED PERSON AT ANY TIME

## **b2.3 Affiliate Business Disclosure**

ALL TRANSACTIONS MUST INCLUDE A SIGNED COPY OF THE REAL ESTATE SOURCE, INC./CALIFORNIA LENDING SOURCE AFFILIATED BUSINESS DISCLOSURE [DOWNLOAD HERE]

## **b2.4 Escrow Tracking Form**

When Opening an escrow on a new transaction, please fill out the escrow tracking form located on the company website morecommission.info in the toolbox called: "ESCROW TRACKING FORM"

## **b2.5 Commission Change Request Form**

If a commission needs to be adjusted for closing cost credits, price changes, etc. please fill out the [Commission Change Request (which can be found on company website in the RE toolbox on morecommission.info)] for faster response time.

## **b2.6 EMD General Policy**

For residential transactions, please keep all Earnest Money Deposits/EMD under \$10,000 to avoid complications

## **b2.7 File Submission Timeline**

All completed files must be submitted to the broker within 48 hours of the close of Escrow.

## **b2.8 File Submission Prior to Commission Disbursement**

All completed files must be submitted to the broker before any commissions are paid. [TRANSACTION CHECKLIST available on the company website in the RE toolbox on morecommission.info]

## **b2.9 Lending Disclosure Required by DRE**

If representing self, family member, or other person in the employ of Real Estate Source, Inc. this information/relationship must be disclosed in the contract, counter offer, or addendum/disclosure and signed by all parties. [RES Inc Representative Capacity Disclosure can be found in the RE toolbox on morecommission.info]

## **b2.10 Mailing Address**

Your Mailing Address with the DRE cannot be registered to another business. If you are running another business from your personal address you must use Real Estate Source, Inc. Corporate Address for your mailing address with the DRE:

1024 Iron Point Rd. #1017 Folsom, CA 95630

## **b2.11 Conveyance of Property Condition**

Do not convey ANYTHING about property condition or features of property to your client without it being disclosed IN WRITING and signed by seller of the property.

## **b2.12 Commission Turnaround Time**

Real Estate Source, Inc. typical turnaround time for paying of commissions is 48 hours, assuming that agent has submitted the necessary paperwork to complete the brokerage's copy of the transaction file.

Note: Real Estate Source, Inc. Its Owner(s), Brokers, CEO, Office Managers, or any employees or independent contractors employed by Real Estate Source, Inc. are NOT RESPONSIBLE for:

1. Delivery of Mail by postal service
2. Delays in delivery of your commission through postal service(s)
3. Holiday Delays
4. Post office worker's scheduling
5. "Lost" in mail

6. Stolen mail
7. Absent minded employees of any postal service(s)

Please enquire with your local post office if you believe your checks have been lost in the mail, misplaced, or if any of these above circumstances apply to your situation.

## **b2.13 F.A.Q.**

Please refer to the company "Frequently Asked Questions" page on [morecommission.info](http://morecommission.info) for further answers to commonly asked questions.

## **3. Independent Contractor Relationship**

### **3.1 Independent Contractor**

You have signed an Independent Contractor Agreement with Real Estate Source, Inc. and are associated with this Company as an Independent Contractor. You do not have an employee-employer relationship with Real Estate Source, Inc. 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.

### **3.2 Worker's Compensation Insurance**

The state of California Requires brokerages to carry workman's compensation insurance. Real Estate Source, Inc. carries a workman's compensation insurance policy. Real Estate Source, Inc. may take a fee out of agent commissions to cover the cost of workman's comp insurance at any time.

### **3.3 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 Keeping Licenses Current

POLICY: to insure a timely manner of license renewals for all real estate agents under the brokerage Real Estate Source, Inc.:

1. Real Estate Source, Inc. has a partnership with Calpaces.com which is an online RE licensing school. CalPaces offers RES inc agents discounts on their renewal classes & also notifies us on a monthly basis of agents whose licenses are set to renew in the next 90 days.
2. Res Inc. internal policy when agents are brought onto the company and onboarded, the expiration date of the license is included in our database. At the beginning of every months, an email is sent out to all agents whose license will need to be renewed within the next 90 days. Subsequent emails will also be sent to these agents every 30 days to remind them of their renewal date.

## 4.3 Company Business Hours

Direct Broker's support is available 7 Days a Week 8am-9pm. Tony Dini: (916) 307-3444

## 4.4 Business Cards, Signs

As an independent contractor, you are responsible for your own business cards and signs. The company logo and the templates are available on the company site [www.MoreCommission.info](http://www.MoreCommission.info) A preferred Print company that already has the templates is also available on the site under the marketing tab. 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.

## 4.5 Professional Conduct

As a member of Real Estate Source, Inc. and the National Association of REALTORS®, you are expected to be familiar and comply with the Code of Ethics available on the National Association of REALTORS®, website at [www.nar.realtor.com](http://www.nar.realtor.com)

## 4.6 Working Place

Company does provide office work space and meeting rooms for our agents use as needed. As an independent contractor, it is permissible to work from your home, own office, coffee shops, personal vehicle, parks, etc. However, remember that the Broker is 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 within 24 hours of request. You must be reachable by phone, fax, email and regular mail and respond to voicemails/emails within a maximum of 24 hours. All agents are required to provide Real Estate Source, Inc. their residential address and the address of any office(s) that work related to real estate is performed out of.

## 4.7 Alcohol and Drugs

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

## 4.8 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 subscriber, you are required to be familiar with, and adhere to, the rules and regulations of the particular MLS to which you subscribe. 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®

If the associate licensee, real estate agent who is entering into this agreement with Real Estate Source, Inc. is going to be conducting ANY real estate business in the state of California, it is REQUIRED, that the agent maintain a current membership in the National, California and Local Associations of REALTORS® at agent's own expense. The only exception to this will be for agent's who do not wish to conduct business relating to real estate and will be designated as "Referral Only Agents" or LFRO under Real Estate Source, Inc. An agent CANNOT under any circumstances conduct business related to real estate, write contracts, solicit services, listings or any other real estate related business unless a member of the necessary associations of realtors as described above.

## 4.9 Fees and Commissions

All fees and commissions must be made payable to Real Estate Source, Inc. As a licensed real estate agent, you will be paid out of the fees and commissions which you earn based on the terms set forth in Independent Contractor Agreement with Real Estate Source, Inc. as well as in the Associate-Licensee "agent" Commission Agreement found on page 4 of this contract.

## 4.10 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.

## 4.11 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.

## 4.12 Trust Fund Handling

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 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. 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. Real Estate Source, Inc. and its Broker(s) DO NOT HAVE A TRUST FUND ACCOUNT. DO NOT TOUCH OR HANDLE CLIENT'S CHECKS. Under no circumstances will an agent accept earnest money deposit checks. Do not handle any funds 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 days after acceptance of offer. When you represent 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 UNDER ANY CIRCUMSTANCES TO RECEIVE FUNDS IN YOUR PERSONAL NAME OR ACCEPT CASH PAYMENTS FROM CLIENTS.

## 4.13 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. Agents of Real Estate Source, Inc. must assure that any files containing such information be kept in a secure location and disposed of properly.

## 4.14 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. All agents of Real Estate Source, Inc. are required to have their own automotive insurance.

## 4.15 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.

## 4.16 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.

## 4.17 Anti-Trust Guidelines

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

- A. The setting of commissions, charges or other fees to the public
- B. Boycotting or not doing business with a particular competitor
- C. The setting of rates or percentages of shared commission compensation to co-operating brokers

## 4.18 Transaction Coordinators

Real Estate Source, Inc. works with several independent Transaction Coordinators and T.C. companies. A complete list of currently available T.C. services is available to agents on the company website at [www.morecommission.info](http://www.morecommission.info). There is no requirement to use a Transaction Coordinator but if you are not using a T.C. you are liable that the transaction file is completed and matches all filing/monitoring requirements.

## 4.19 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 such as Workman's Compensation Insurance. E&O Insurance is included in the agreed commission.

## 4.20 Recruiting other agents

Real Estate Source, Inc. would be delighted if you would invite other agents to join. We strongly encourage our agents to recommend the brokerage to other agents. If Associate-Licensee ("Agent") refers other agents to join Real Estate Source, Inc, Referring Associate-Licensee will be paid an annual bonus of 5% of gross revenue collected by Real Estate Source, Inc. from referred agents for as long as they remain as a salesperson(s) with Real Estate Source, Inc. This fee will be paid on an annual basis.



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

### **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) and Dual Agency

1. If the Company has the listing, we represent the seller only, unless you or another licensee working for the Company also represent the buyer, in which case the office represents both the buyer and the seller and Real Estate Source, Inc. is considered a dual agent.
2. If the Company is working with the buyer and does not have a listing agreement with the seller, we represent the buyer exclusively.
3. 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**

1. 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
2. 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 must be represented properly
3. All agents of Real Estate Source, Inc. must exercise reasonable skill and care in performance of their duties

#### **C. Agency Disclosure Requirements**

1. 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.
2. 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

- A. California law requires that a compensation agreement be in writing and signed by the party to be charged in order for it to be enforceable.
- B. 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.
- C. If the property is in escrow, make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing.
- D. 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 Real Estate Source, Inc.'s Broker fee of \$595 fee per closed transaction and any charges for services if applicable. Real Estate Source, Inc. 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:

- A. 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.
- B. Suggest that the sellers not be present and that they lock away all valuables that could be targets of theft
- C. Place your A-Frame signs in strategic, but permissible, locations.
- D. Open the house, turn on the lights, and make the house look fresh and inviting. Have a sign-in sheet.
- E. Greet visitors in a friendly manner.
- F. 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.
- G. Accompany the visitors through the property, especially in furnished properties.
- H. When the open house is over, close up the home, making sure that all doors and windows are locked.

## 5.7 Showing Properties

- A. 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. You, the seller's and the client's time are valuable, don't waste it!
- B. Whenever possible, call the listing agent to alert the seller before showing.
- C. 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.
- D. Be prompt. If you will be considerably late, call the seller.

**E.** 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.

**F.** If the seller is home, explain the situation and ask for access. Remember, be respectful.

**G.** When using a lockbox, always ring the doorbell and/or knock loudly several times and allow time to respond.

**H.** Enter the property first and verify no one is there. Open curtains and turn on lights as necessary.

**I.** 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)

**J.** NEVER leave your clients unattended in or on the property.

**K.** 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).

**L.** 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.

**B.** 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.

**C.** 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.

**D.** 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.

**E.** 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).

**F.** 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 fully 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 the Broker or one of the company's Transaction Coordinators.

### **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®) 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 for Assistants

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

## 8. Advertising Guidelines

### 8.1 General

- A. All advertising must include your California DRE Lic# on all marketing material and business cards.
- B. All advertising must be approved by Real Estate Source, Inc.'s Broker before its placement or use.
- C. 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 with Real Estate Source, Inc. you have both a legal and ethical obligation to be truthful when advertising property or services.

All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the Department of Real Estate.

False or misleading advertising may also result in disciplinary action up to, and including, termination from Real Estate Source, Inc.

### 8.3 Company Name and Logos

The Company's name and/or logo must be include in all advertisings and conform to the Company's graphic standards regarding the style, color and uses of the name and logo. These materials are available on the Company website at [www.morecommission.info](http://www.morecommission.info)

### 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). Under no circumstances can you use the REALTOR® name/trademark if you are not a participating member of an association.

## **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 month.

**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 you 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 up to, but not limited to, termination from Real Estate Source, Inc.

## **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 which cannot be resolved by negotiations between the parties and the agent(s) involved; and the Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow; then Real Estate Source, Inc. and its Broker(s) 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, 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's 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 represent the buyers or prospective buyers in the sale of your (agent's) own property;

**D.** Notify the Broker immediately in the event that any of the Company's agents writes an offer on your property as this causes a dual representation by Real Estate Source, Inc.

## 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 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.

### **13.0 Acknowledgement**

*I, the real estate agent signing below, have read all pages and understand the above policies and terms of Real Estate Source, Inc.'s Compensation plan, Independent Contractor Agreement, Compliance Policies and Policy Manual and I hereby agree to Real Estate Source, Inc.'s terms as laid out above in all preceding pages.*

Agent Name: \_\_\_\_\_

Brokerage: Real Estate Source, Inc.



\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Soheil "Tony" Dini

-Broker/CEO

DRE: 01448220 NMLS: 288511