



# **Agent Policy Manual**

---



**TABLE OF CONTENTS**

**PURPOSE OF THE OFFICE POLICY MANUAL ..... - 4 -**

**GENERAL FUNCTION ..... - 4 -**

**CORPORATE HEADQUARTERS..... - 5 -**

**LICENSE ACTIVATION/ TRANSFERS ..... - 5 -**

**BROKER -- AGENT RELATIONSHIP ..... - 5 -**

**INSURANCE..... - 6 -**

**ERRORS & OMISSIONS INSURANCE ..... - 6 -**

**LOCAL BOARD /STATE/ NATIONAL ASSOCIATION OF REALTORS® ..... - 9 -**

**MULTIPLE LISTING SERVICES..... - 9 -**

**LOCKBOXES AND SELLER’S DUTY TO PROTECT PERSONAL PROPERTY ..... - 9 -**

**PRICE OR TERM CHANGES ..... - 13 -**

**TRANSACTION FILES..... - 13 -**

**AGENCY RELATIONSHIPS / DISCLOSURE..... - 13 -**

**EARNEST MONEY DEPOSITS ..... - 13 -**

**COMMUNICATION AND E-MAIL ..... - 14 -**

**UNSOLICITED COMMERCIAL EMAIL/SPAMMING ..... - 14 -**

**CONFIDENTIALITY ..... - 14 -**

**POWERS OF ATTORNEY ..... - 15 -**

**RELATIONSHIPS WHICH MUST BE DISCLOSED ..... - 16 -**

**DISCLOSURE OF MATERIAL FACTS ..... - 16 -**

**LEGAL / TAX ADVICE..... - 17 -**

**PENALTY FOR LATE OR MISSING DOCUMENTS..... - 17 -**

**PAYMENT UPON SUSPENSION OR TERMINATION ..... - 18 -**

**COSTS & EXPENSES ..... - 18 -**



**OFFICE SUPPLIES AND MARKETING MATERIALS**..... - 19 -

**BUSINESS CARDS**..... - 19 -

**SIGNS/FRAMES** ..... - 19 -

**REFERRALS / RELOCATIONS**..... - 20 -

*OUTBOUND REFERRALS* ..... - 20 -

*INBOUND REFERRALS FROM AN OUTSIDE COMPANY* ..... - 20 -

**TERMINATION OF RELATIONSHIP** ..... - 21 -

**MEDIATION/ARBITRATION**..... - 22 -

**SECTION TWO—SUBSTANTIVE COMPLIANCE**..... - 23 -

**GENERAL POLICIES** ..... - 23 -

    ADVERTISEMENT..... - 23 -

    ANTITRUST LAWS ..... - 23 -

    CONSEQUENCES FOR NON-COMPLIANCE ..... - 25 -

    DRUG, ALCOHOL, OR SUBSTANCE ABUSE..... - 25 -

    NO CALL PROVISIONS ..... - 25 -

    NON-DISCRIMINATION..... - 25 -

    PRODUCT ENDORSEMENT/ VENDOR RECOMMENDATIONS..... - 25 -

    PUBLIC IMAGE ..... - 26 -

    SEXUAL HARRASSMENT..... - 26 -

    TRADEMARKS, INTERNET, WEBSITES ..... - 27 -



## PURPOSE OF THE OFFICE POLICY MANUAL

### GENERAL FUNCTION

The purpose of this Office Policy Manual (hereafter referred to as “Manual”) is to set forth the basic policies, general operating procedures, and company guidelines which should be followed in the day-to-day operation of the company. The Manual can never be so all inclusive and complete as to cover every incident, nor can it answer every question. In all matters not specifically addressed in this Manual, The Company Management will determine the resolution of a situation and such determination will be binding on all persons involved. Revisions to this Manual will be made from time to time. The most current version of the Company Manual is located in the Company Virtual Office at [www.connectrealty.com](http://www.connectrealty.com).

**DISCLAIMER:** Be advised that nothing in this manual creates an employment contract with the company or Broker, expressed or implied. All Agents serve as Independent Contractors and hold a relationship with this company at will.

Connect Realty.com, Inc. is hereafter referred to as “Connect Realty, Broker, the Company, or Management”. In every state in which Connect Realty operates it will engage an experienced, licensed real estate Broker designated as the company representative in the state and shall hereafter be referred to as State Broker. Additional licensed real estate Brokers, Agent Brokers, and/or Agents may be contracted by Connect Realty to serve in a management capacity and will be referred to as Branch Managers.

The goal of the State Broker is to render the best possible service to the customers/clients and to provide the greatest possible opportunity for both the personal and economic growth and satisfaction of its Agents. Ultimately, however, the success or failure of the individual Agent and their respective State Broker, as a whole is dependent on individual effort, commitment, and achievement. State Brokers and Agents alike, may pursue personal production and team building opportunities.

The following items are considered a part of this Manual by reference, whether or not they are actually attached to the Manual:

1. The applicable Real Estate Laws and Regulations of each state in which Connect Realty is licensed to do business.
2. The by-laws, rules, and regulations of the Multiple Listing Service in your area of which Connect Realty is a Member.



## **CORPORATE HEADQUARTERS**

The Corporate Office of Connect Realty is located at 200 Valleywood Dr., Suite B-100, The Woodlands, Texas 77380-7940. Contact information about each State Broker is located in the Virtual Office at [www.connectrealty.com](http://www.connectrealty.com).

## **SECTION ONE—PROCEDURAL COMPLIANCE**

### **SIGN-UP PROCESS**

#### **LICENSE ACTIVATION/ TRANSFERS**

Only licensed real estate practitioners may join Connect Realty. Any active or inactive licensee must complete and submit to the State Broker and State Licensing Agency the required completed paperwork to activate or transfer their real estate license within ten (10) calendar days following their joining on-line with Connect Realty.

New Agents may not represent themselves as a Connect Realty Agent or as a licensed representative until all required paperwork and fees have been submitted to and formally approved by the State Broker AND the State Licensing Agency.

#### **LICENSE RENEWAL**

It is the Agent's responsibility to carefully monitor license renewal dates, local board, NAR®, State Trade Organizations, MLS affiliations, E&O Insurance, and assure State Continuing Education requirements are met. The Broker is not responsible for advising an Agent that their license is about to expire or to update any of the other affiliations mentioned above. If such a notification is sent, it is entirely as a courtesy to the Agents.

#### **BEING PAID COMMISSIONS REQUIRES AN ACTIVE LICENSE**

Prior to the payment of any commissions on a closed transaction, the Broker will check to insure that the license of the Agent is active with the State Licensing Agency. Should an Agent's real estate license expire, be suspended or become inactive during a transaction any commission due the Agent shall be forfeited in its entirety. If the Agent has joined another firm, the commission due (based upon the commission plan in effect at the time) will be paid to the Agent's new Brokerage.

#### **BROKER -- AGENT RELATIONSHIP**

Agents are to conduct themselves in a manner consistent with the National Association of REALTORS® (NAR) Code of Ethics and the applicable laws, regulations, ordinances, and Ethical Codes of Conduct for the state(s) in which they are licensed and where they conduct real estate business. Any variation from these principles will not be tolerated and may result in summary termination at the discretion of the State Broker or Branch Manager. All decisions of any nature involving transactions, general contract law, use of forms, handling, depositing, and disposing of earnest money or other entrusted property, is exclusively under the control of the State Broker.



## INSURANCE

### ERRORS & OMISSIONS INSURANCE

Many states have their own Errors and Omissions (E&O) insurance requirements, some do not. For those states which do not provide a reasonably priced coverage or provide no E & O coverage Connect Realty provides needed coverage. Connect Realty has a policy readily available covering the corporation, Brokers, and Agents. Each Agent using this policy is responsible for paying their "fair share" of the coverage. As a result, unless an Agent is otherwise covered, based upon the specific state requirements, a fee for Connect Realty insurance coverage for the Agent will be deducted from their sale commissions (on a per transaction basis ) at time of commission payouts after closings. This E&O coverage only applies to Connect Realty transactions.

### DEFINITIONS

For the purposes of Errors and Omissions Insurance the terms identified below are defined as:

1. **Liability:** All liability, claims, damages, losses, costs, and expenses that a party sustains or incurs as a result of or in connection with a particular incident or situation.
2. **Claim:** A demand received by the Agent and/or Broker for money or services, or a lawsuit, arbitration, or other action filed against either Broker or any of its Agents alleging any negligence, error or omission in the performance of professional service as defined in the Insurance Policy.
3. **Covered Transactions:** Claims that are covered by the Insurance Policy.
4. **Pre-Litigation Settlements:** Settlement of a claim prior to the filing of a lawsuit or demand for arbitration.
5. **Settlement During Litigation:** Settlement of a claim after commencement of a lawsuit or mandatory arbitration proceedings.

The cost of E&O insurance for residential transactions will be determined by the Insurance Company servicing the company policy. Since the rates in some states are higher than in others, the Agent's fair share will be determined according to the state(s) in which they are licensed and operating. State specific information which includes a copy of the declarations page/or policy, with specific information detailing the insurer, the amount paid per transaction and the deductible amount will be posted in the Virtual Office at [www.connectrealty.com](http://www.connectrealty.com). E&O for commercial transactions shall be established by the insurance company on a per transaction basis.

### COOPERATION

Agent agrees to cooperate with Broker in the defense of a claim or suit. If the Agent fails or refuses to cooperate, he or she may, at the option of Broker, be excluded from the protection afforded by this program. Broker shall have the right to make all decisions concerning the defense of the Claim, including choice of counsel. In the event the Agent objects to any decision made by Broker, Agent is entitled to obtain his or her own counsel at his or her own expense, but in such event the Agent shall not be relieved from the obligation to pay the Agent's portion of the



cost of the Claim as set forth herein. Claims and litigation may be settled at the sole discretion of the Broker.

## EXCLUSIONS

### 1. Pre-Employment Claims:

For claims made against Agent, which arose from transactions which occurred prior to the Agent entering into a Broker/Salesperson Agreement with the Company, the Company provides no Errors and Omissions coverage, or any other sort of indemnification. In such a case, the Agent is responsible to provide for his or her own defense. The Company shall have no obligation to provide representation to an Agent on any appeals from any judgment or arbitration award.

### 2. The following **EXCLUSIONS** are added to the Errors & Omissions Policy:

- A. Any claim arising out of any notarized certification or acknowledgment by an Insured of a signature without the physical appearance at the time of notarization of the person who is or claims to be the person signing the document;
- B. Any claim arising out of or connected with any transaction in which any Insured has a direct or indirect beneficial ownership interest as a Buyer or Seller of real property; however, this exclusion does not apply to the following:
- C. Any Real Property to which any Insured has taken legal title solely for the immediate resale and has entered into a written contract to sell not later than 120 days after taking legal title;
- D. Any Real Estate Transaction where the subject property was listed for sale with the NAMED INSURED, the subject property was the Insured/Owners primary residence, and the Insured/Owner was not the listing agent or Broker or selling agent or Broker.
- E. Any claim arising out of or connected with the formulation, promotion, Syndication, offer, sale, or management of any limited or general partnership or any interest therein;
- F. Any claim arising out of the actual or alleged commingling of or inability or the failures to pay, collect, disburse or safeguard any funds held by any insured, including, but not limited to, any such conduct with respect to real estate sales or Brokerage activities, property management activities, escrow or tax activities or insurance placements;
- G. Any claim arising out of any property management services where the Insured's ownership interest of said properties exceeds 10%. Connect Realty prohibits any Agent from activities involving property management; any claim arising out of the auction, sale or management of real property that is developed or built by any insured;

- H. Any claim arising out of the failure to effect or maintain adequate levels or types of insurance;
- I. Any claim for any appraisal in which any insured's compensation is determined by the valuation of the real property appraised.

Any claims made against or involving Brokers or Agents or their Assistants, that are excluded from the coverage afforded by the Insurance Policy will be handled in a specialized manner. Contact headquarters for further information.

Agents agree to promptly pay the entire cost of defense, attorney's fees incurred by Broker, amounts of any settlement or judgment against Broker resulting from any Claim.

- 3. Unless covered by the Insurance Policy, Broker and Agent shall bear the entire cost of the claim incurred, by multiplying the Agent's commission split at the time of the claim, in connection with the following:
  - A. 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.
  - B. Any liability for claims for damage to property or death or injury to persons arising out of use, removal or exposure to goods or products, composed in whole or in part, of asbestos or asbestos related materials.
  - C. Any injury, death, destruction or property damage caused by exposure to radioactivity or to any nuclear material.

### **POST-TERMINATION**

- 1. If a claim, demand, or lawsuit is made after termination of Agent's Independent Contractor Agreement, the Agent shall remain bound by the terms of this Office Policy Manual and/or Agreement.
- 2. In the event an Agent leaves the Broker with a Claim or Claims outstanding, or with Claims which arise after the Agent leaves Broker, Broker will deduct from pending commissions, as escrows close and are payable to Agent, an amount equal to the maximum due from the Agent pursuant to this program, apply those funds to Agent's portion of the actual costs incurred and refund the balance, if any, to the Agent. The failure of Broker to collect from Agent's commission all or a portion of such amounts due shall not relieve the Agent from the obligations created by this program.



## **AUTOMOBILE INSURANCE COVERAGE**

**All persons engaged in real estate activity involving the transportation of others within the respective states are required to carry an automobile insurance policy that covers Bodily Injury, Property Damage Liability and Uninsured Motorist. CONNECT REALTY DOES NOT PROVIDE ANY AUTOMOBILE COVERAGE OR LIABILITY COVERAGE AS PART OF ANY OTHER REAL ESTATE TRANSACTION INSURANCE COVERAGE POLICY. IT IS STRONGLY RECOMMENDED THAT YOU CONTACT YOUR AUTOMOBILE INSURANCE CARRIER AND DISCUSS WHAT CHANGES ARE REQUIRED TO PROPERLY COVER YOU AND YOUR VEHICLE.**

## **SERVICE AFFILIATIONS**

### **LOCAL BOARD /STATE/ NATIONAL ASSOCIATION OF REALTORS®**

All Agents of Connect Realty will be members of a Local Board/State/ and National Association of REALTORS® (providing that Connect Realty is a member of that particular Board and/or State Association). All Agents are responsible for their Affiliation dues and will promptly pay their dues when the billing is issued by the Board/Association/Affiliation. Agents with an unpaid dues balance fifteen (15) calendar days prior to their membership expiration date, may be terminated from Connect Realty.

### **MULTIPLE LISTING SERVICES**

Connect Realty will maintain membership in local Multiple Listing Services (MLS) as deemed appropriate. All Agents of Connect Realty will become members of the Multiple Listing Service(s) that Connect Realty deems necessary in order for them to effectively conduct business in their specific marketplace(s). All costs Agentd with MLS membership including but not limited to dues, violation penalties and monthly/quarterly fees will be the responsibility of the individual Agent. In the event such costs are billed to Connect Realty the Agent will be billed by the company according to the procedures outlined in the "Costs & Expenses" section of this Manual.

### **LOCKBOXES AND SELLER'S DUTY TO PROTECT PERSONAL PROPERTY**

As needed, Agent's must purchase lockboxes for their use. In addition, Agents must have the Homeowner(s) acknowledge receipt of the company "Lockbox Authorization" disclosure which can be found as an attachment herein and in the Virtual Office of [www.connectrealty.com](http://www.connectrealty.com). Agents must pay for these devices and their own electronic keypads.

**DISCLAIMER:** At the time a lockbox is installed, homeowners must be informed that Connect Realty has no insurance coverage for listed properties or their contents. In addition, homeowners should be reminded to remove their valuables, firearms, and prescriptive drugs from sight or public access.

## **LISTINGS**

All listings are to be taken in the name of Connect Realty and all listings will remain the property of the agent with the exception of those leads and/or clients provided to the agent by Connect Realty. Upon termination or resignation these leads and/or clients will no longer be worked by the agent.

## **TYPES OF LISTINGS ACCEPTED**

Although Agents are encouraged to only take “Exclusive Right to Sell” listings, as Independent Contractors, they may, at their discretion, take other forms of listings that comply with the rules and regulations of the State regulations and the Board of Realtors and Multiple Listing Service. All expenses the Agent incurs with the marketing, advertising and servicing of listings, in whatever form they are taken, are the sole responsibility of the Agent. In those states where permitted, advertising expenses may be shared with the owner and addressed on the Seller’s Representation Agreements. Net Listing Agreements are highly discouraged at Connect Realty and are invalid in many in states; do not create them where prohibited.

## **RESPONSIBILITY OF AGENTS**

Agents shall complete all paperwork including the Seller’s Listing contract, the Buyer’s Representation Agreement, and/or Purchase and Sale Agreement along with the attendant documents, and/or provide the Closing Statements and Transaction Summary and must submit the full packages to the State Broker as required by state law and placed in the Transactional Manager portion of the Agents Virtual Office by 2:00 pm (local time) the next business day. This timeframe permits the Broker (or the appropriate person) to make timely deposits of Earnest Money. Agents are expected to perform all of the duties and services agreed to in the respective contracts. Earnest monies are to be turned over to the Broker or Branch Manager pursuant to state rules and regulations.

## **LISTING PROCEDURES**

When obtaining a new listing, the Agent should:

1. Complete the appropriate Listing Agreement, Multiple Listing Service listing forms and Data Entry forms. Do not use information from a previous listing sheet; check all details. Where applicable, the Agent will enter the listing information into the MLS, otherwise the Agent will input the MLS per their MLS member guidelines. After the Agent has obtained

an MLS number, Agent will place the data for a New Listing into the Virtual Office by completing the online listing information requirements and forwarding the required documents. Detailed instructions on how to process a new listing can be found in the Agents Virtual Office web site.

2. Make every effort to secure a clear (legible) and accurate copy of the legal description for the property.
3. Request a copy of any community association guidelines, memberships, condominium documents, or any documents that may impact the sale of the property etc. from the Seller or, if free to licensees, the Customer Service division of a Title Company.
4. Have the Seller(s) complete and sign the appropriate Seller's Property Condition Disclosure Statement and any other disclosures required by the State and/or MLS. Under no circumstances should an Agent complete, partially complete or advise the Seller on how to answer the questions asked in the Seller's Property Condition Disclosure Statement. Should a Seller refuse to disclose a material fact, or fraudulently complete any portion of the Seller's Disclosure Statement, Connect Realty will decline the listing or terminate the listing. The Agent must notify their Broker immediately upon such discovery.
5. Agent will have the Seller(s) complete all required Connect Realty forms as outlined in the Agent's Virtual Office website ("Submit New Listing").
6. Provide the Seller(s) information regarding the home warranty program, having the homeowner either accept the program or sign the waiver declining the coverage. If the homeowner is accepting the program, enroll the Seller(s) per the warranty application. If the Seller(s) is/are declining the coverage, complete the complete the waiver per the warranty application.
7. Provide the Seller's a copy of all endorsed documentation. All owners of record must endorse the listing agreement.
8. Send the originals of all documents, disclosures, notices, forms and agreements to the State Broker or designated corporate contact assigned to you.
9. Place a "For Sale" sign on the property (as allowed by local zoning laws) with proper authorization from the owner (as allowed by local zoning laws).
10. Install lockbox/key safe with owners' permission. Have the Owner endorse a Lockbox authorization form.
11. It is the Listing Agent's responsibility to exert as much effort and influence as possible to ensure that his/her listings are secure. The Agent should advise the owner to secure valuables and must check as frequently as deemed appropriate to ensure that other Agents using the lockbox/key safe have not left lights on and doors opened or unlocked. When discussing the use of the lockbox/key safe with the owner, both pros and cons of lockbox/key safe use should be explained. Be sure you have had the Homeowner(s) endorse the company disclosure documents as outlined in (5) above.
12. Interior virtual tour/videotaping of listings may be done only with the homeowner's written permission.

**RECOMENDATION:** Connect Realty recommends that the Agent use the electronic lockbox available at each local board so there is an electronic record of all who have entered the key safe. Agents must promptly report any irregularities to the MLS and your State Broker.

## TRANSACTIONAL AND SALES PROCEDURES

### SHOWING PROPERTIES

Prior to showing property to a prospective Buyer, the Agent should have the prospect(s) receive and acknowledge the following Connect Realty and/or state disclosures:

- State Agency Law Disclosure
- Dual Agency/or Consent to Represent More Than One Buyer or Seller
- Representation Agreement (client) or Commission Fee Agreements (customer)

Seller's are to be counseled by the Agent as to the methods of preparing or staging property to place it in a condition for showing. Staging costs may be negotiated with the Seller and should be referenced on the Representation/ or Compensation Fee Agreement with the Seller. In the event the Seller breaches the Agreement, the Agent is entirely responsible for the full payment due to the vendor providing the services. Agent will have the Buyer(s) complete all required Connect Realty, documents as outlined in the Agent's Virtual Office website ("Submit New Sale").

Agents will provide the Buyer information regarding the Home Warranty program options and, unless provided by the Seller, have the Buyer either accept the program or sign the waiver declining the coverage. If the Buyer(s) is/are declining the coverage, complete the waiver per the warranty application. (See ATTACHMENTS)

Agents will insure the contract, addenda, notices, exhibits and disclosures are completely signed, dated, and accepted! Any amendments to the contract should be made using appropriate counter-offer forms. Mentors working with Novice Agents are responsible for reviewing and correcting all new licensee paperwork. If there are any unresolved concerns contact the State Broker. All closings must be handled by a state approved title company, Escrow Company, a state licensed attorney, or closing agent.

All signed documents, including those outlined in the Agent's Virtual Office "Submit New Sale" module will be forwarded to the State Broker.

Agents will process the Earnest Money Deposit per procedures described under **Earnest Money Deposits or as directed in the Manual or by their State Broker**. A copy of the Earnest Money



check should be included in the transaction file and submitted with any Purchase and Sale contract documentation.

Agents must keep the State Broker updated on any changes to the contract, closing date changes, or any other issues that may arise prior to closing. Updates are to be posted in the Agent's virtual transaction Branch Manager in a timely manner.

**The commission check must be wired or sent via over-night mail to Connect Realty headquarters (HQ). The final settlement statements or HUD-1 and Transaction Summary sheet must be signed by the appropriate parties and reviewed by the State Broker before sending to Connect Realty HQ. A copy of the wire transfer is also required to confirm funding. The Agent Coordinator for the state shall be responsible for submitting the Agent's completed paperwork to the Commission Payment department. NOTICE: Connect Realty reserves the right to withhold payment of an Agent commissions until all required Broker documents; updates and requested paperwork are received by the State Broker. Absent the requisite documentation, the payouts will not be issued.**

#### **PRICE OR TERM CHANGES**

Changes in price, terms etc. must be forwarded to the State Broker in writing no later than 2:00 pm (local time) the next business day. All authorizations must indicate the date, the property address, the owner's name, the current price, terms, etc. and the new price, terms, etc. Any and all formats/forms must comply with applicable Department of Real Estate Regulations and State Law.

#### **TRANSACTION FILES**

A complete transaction file shall be maintained in the State Broker's office. All documents therein must comply with the current requirements of the State and local laws and ordinances.

#### **AGENCY RELATIONSHIPS / DISCLOSURE**

Agency disclosures are made available to all clients/customers of Connect Realty as required by State law. All potential customers will be informed of the agency options at the first meaningful contact by the Agent. This requirement applies to Sellers as well as Buyers. Any litigation arising from the Agent's failure to make the proper disclosures is the responsibility of the Agent.

#### **EARNEST MONEY DEPOSITS**

Any earnest money accepted with an offer or executed contract shall be taken in the form of a check or cashier's check only. It is a strict company policy that Agents never receive earnest money in the form of cash. All earnest money must be taken in as directed by the State Broker shall be properly handled according to the rules and regulations established by the State law. The State Broker shall establish the procedural guidelines necessary to comply with State regulated requirements. The State Broker procedural guidelines shall be posted in the Virtual



Office of [www.connectrealty.com](http://www.connectrealty.com). All earnest money decisions concerning its disposition other than a normal closing will be handled by the State Broker or Branch Manager.

**NO COMMINGLING:** At no time shall an Agent deposit any earnest money into their personal account or turn the earnest money over to a Buyer or Seller. The improper handling of earnest money may be grounds for immediate dismissal from Connect Realty.

### **COMMUNICATION AND E-MAIL**

Consistent and timely communication is important. Agents need to rely on their "ConnectRealty.com" e-mail as their main form of communication with Management. Because the headquarters has an operating schedule from 7:00 AM to 7:00 PM Central Time, "ConnectRealty.com" e-mail should be checked at least three (3) times each day; morning, afternoon, and evening.

#### **Unsolicited Commercial Email/Spamming**

A User may not use the Connect Realty service to transmit unsolicited commercial e-mail messages or deliberately send excessively large attachments to one recipient. Any unsolicited commercial e-mail messages or a series of unsolicited commercial e-mail messages or large attachments sent to one recipient is prohibited. Spamming is absolutely prohibited.

### **CONFIDENTIALITY**

All records, files, documents, and correspondence of the company Brokers and the Agents, as well as all conversations between any persons Agentd with Connect Realty are considered to be confidential and no person Agentd with Connect Realty shall use them to the advantage of themselves or any other person, firm, partnership, or corporation to the detriment of the company either during their association with Connect Realty or at any time afterward.

### **RESTRICTIVE COVENANTS AND CONFIDENTIAL INFORMATION**

1. Connect Realty recognizes and agrees that all customer names and profiles that an Agent possesses at the onset of his/her relationship with Connect Realty or personally develops through listings and sales during the term of Agent's relationship with Connect Realty (collectively "Agent's Data") constitute valuable business assets of an Agent that are entitled to protection as confidential information. Connect Realty promises that it will not, either during the term of Agent's association with Connect Realty or at a any later date, attempt to obtain or exploit Agent's Data and will not stop or circumvent Agent from taking his/her Agent Data when Agent's relationship with Connect Realty terminates.
2. Agents recognizes that Connect Realty has spent substantial time, effort, and money to develop Connect Realty customer base, agent team, materials, and technologies. Except for Agent's Data, which is not covered by this Section, the names and profiles of customers who have bought or sold real estate through Connect Realty and also of Agent's who are Agentd with Connect Realty, all materials and documents produced by Connect Realty, and all technologies deployed or utilized by Connect Realty constitute



valuable business assets of Connect Realty and/or other Agents Agentd with Connect Realty and are entitled to protection as confidential business information and/or trade secrets. Agent promises that he/she will not, during the time of Agent’s association with Connect Realty or at any later time, divulge, sell, exchange, or distribute to any person or entity any of the information described herein.

3. The Parties agree that, except as specifically provided to the contrary in this Agreement, any grievance shall be resolved exclusively by good faith arbitration. For purposes of this Article 3, the terms “Party” and “Parties” include Connect Realty, employees, contractors, representatives and Agent.
4. Agent acknowledges that Connect Realty would suffer extreme costly and irreparable harm, loss, and damage if any of the provisions of this Agreement are violated by Agent. Agent agrees that Connect Realty shall be entitled to seek extraordinary relief to temporarily enjoin violations of this Agreement by Agent and that Connect Realty may seek extraordinary or injunctive relief in the federal and state courts of the State of Texas, in any court of competent jurisdiction outside the State of Texas, as well as in good faith arbitration and if justice requires, in more than one of them, all without having to first comply with the requirements of this Section identified as “RESTRICTIVE COVENANTS AND CONFIDENTIAL INFORMATION”. The specifics of this Section 4 shall not be deemed to preclude or narrow the judicial or arbitral powers regarding extraordinary relief.

#### **POWERS OF ATTORNEY**

If a Power of Attorney becomes necessary for the Buyer or Seller to facilitate the sale, the document should be drawn by an attorney or qualified professional. If an Attorney-in-Fact or other similar legal document is being utilized in a transaction, a certified true copy of the document must be obtained and placed in the file.

#### **REAL ESTATE SETTLEMENT PROCEDURE ACT (RESPA)**

Agent shall at all times be familiar and comply with RESPA. RESPA Guidelines Section 9 states the following:

“Section 9 of RESPA prohibits home Sellers from requiring home Buyers to purchase their settlement services from a particular company either directly or indirectly, as a condition of sale. Buyers may sue a Seller who violates this provision for an amount equal to three times all charges made for the title insurance.”

A website available to review the RESPA guidelines is [www.respanews.com](http://www.respanews.com) (click on the link to “RESPA Essentials Defined”). The Agent shall complete and sign the RESPA guideline as outlined in the required Virtual Office documents.

### **DISCLOSURES**

#### **AGENCY DISCLOSURE REQUIREMENTS (STATE SPECIFIC)**



Agents must comply with all federal, state, and local disclosure requirements as directed by their State Broker. As stated in a previous section, any litigation arising from the Agent's failure to make the proper disclosures is the responsibility of the Agent.

### **RELATIONSHIPS WHICH MUST BE DISCLOSED**

When Agents represent Buyers and/or Sellers with whom they have a material relationship (family members, close friends, or business Agents). The material relationship must be disclosed, in writing, to all parties. The same is true if the Agent has a material relationship with a service provider.

### **AFFILIATIONS**

The Agent is to disclose to the State Broker all other business associations or affiliations with which the Agent is involved or intends to become involved with in the future. The business and/or affiliations must be approved or disapproved by the State Broker or Management.

Connect Realty is a Corporation. The Agent is not permitted to Agent their affiliation with Connect Realty in conjunction with any other business and/or business affiliation that are not part of Connect Realty without the express written consent from the Management of Connect Realty. Additionally, any affiliation an Agent has with another business must be disclosed to the customer/client in writing with a statement that Connect Realty does not have any affiliation expressed or implied to the other enterprise.

### **DISCLOSURE OF MATERIAL FACTS**

Agents should be aware that current judicial decisions have ruled that Agents, Brokers and Sellers may be held liable both for misstatement of material facts and for failure to reveal material facts of which either should have been aware.

Misrepresentation can be intentional, negligent or innocent. Agents should minimize liability for misrepresentation or for failing to disclose material facts by practicing the following guidelines:

1. Avoid statements of fact that have not been verified by the Seller or through investigation. Never give a "professional opinion" regarding anything related to the property.
2. Provide and/or request a copy of the Seller's Disclosure form for the Buyer.
3. Make only those representations that are consistent with Seller's Disclosure form.
4. Encourage the Buyer to confirm statements through other sources, such as public records, further inspections by licensed and bonded professionals, etc.

### **EPA--LEAD BASED PAINT TESTING/TARGET HOUSING**

Federal law requires that individuals before renting, buying, or renovating housing built prior to 1978 receive certain disclosures and an informational pamphlet. Connect Realty Agents must comply with the EPA regulations in providing the requisite disclosure forms and a copy of the booklet, "Protect Your Family from Lead in Your Home." Documentation of the compliance must



be included in a complete Sales Package. More information for testing labs in your area is available at 800-424-LEAD. Buyers are entitled to test for lead within ten (10) days of the Purchase and Sale Agreement.

#### **OTHER COMPANY MANDATED DISCLOSURES**

- **HUD-RADON GAS INSPECTION & MOLD NOTICE**
- **HOME WARRANTY**

#### **LEGAL / TAX ADVICE**

No Agent shall give legal advice to a customer or client. The Agent is, however, authorized to and should explain the paragraphs of the standard listing and sales contracts and the actions required by both parties resulting from these agreements.

No Agent shall give tax advice to a client/customer, specifically if this advice pertains to IRS regulations regarding deductions, exemptions, and/or tax liabilities resulting from the purchase or sale of real estate. The Agent is authorized to and should provide information to the client/customer regarding the payment, prorated amount, or distribution of real estate property taxes.

If a legal or tax question is of the type that is beyond the scope of real estate practice and training, the Agent should suggest that the inquiring individual consult an attorney or tax accountant.

#### **PENALTY FOR LATE OR MISSING DOCUMENTS**

State real estate commissions/departments may audit any Broker at any time. Therefore, the Agent **must** submit all state and Broker required documents for listings and contracts to his/her State Broker in a timely manner – no later than 2:00 pm (local time) the next business day for Listing Contracts, Buyer Representation Agreements, and Purchase/Lease/or Option Contracts with all attendant documents. Should that deadline prove to be unfeasible (i.e. due to catastrophic computer/fax failure or serious accident or illness) the Agent must present the documents within forty-eight (48) hours to the Broker or into the Virtual Office. Failure to do so may result in the withholding of commissions until required and requested paperwork is properly submitted. This provision, in no way excuses the delivery of Earnest Money as required under state law. **NOTICE: Connect Realty reserves the right to withhold payment of Agent commissions until all required Broker documents; updates and requested paperwork are received by the State Broker. Absent the requisite documentation, the payouts will not be issued.**



## **PAYMENT UPON SUSPENSION OR TERMINATION**

When an Agent terminates their association with Connect Realty or is terminated by the company, the Agent's portion of the commission due in any transaction opened but not yet closed will have their commission withheld until all file documents are received by the Broker. Agents are prohibited from canceling a sale they have pending with Connect Realty in order to rewrite the transaction under the new Broker to whom the Agent is transferring. Any transaction related with the Agent which results in a closing after separation will be paid according to the corresponding percentage of commission 80-20. After twelve (12) months, no referral commissions will be shared.

When an Agent is under suspension by Connect Realty for any reason, the commission portions that would be normally payable to the Agent will be suspended for the same period. In the event the Agent is not returned to active status all commission residuals are forfeited.

Commissions earned by an Agent for listings closed, sales closed or referrals closed will be paid to the Agent in full less any outstanding fees owed to Connect Realty once the Agent returns to the active status.

Should an Agent be investigated by the state real estate commission or the state licensing board for any violation of the state licensing rules or laws resulting in a revocation of the Agent's license, the Agent will be immediately terminated from Connect Realty. All commissions, bonuses, and residuals pending during and after the license revocation shall be forfeited by the Agent. Should the said investigation result in a license suspension, the Agent shall forfeit any commissions, bonuses, and residuals until such suspension had ended. All investigations will be reviewed on a case by case basis by the State Broker and Connect Realty as to the Agent's continued association with the company.

## **COSTS & EXPENSES**

### **PARTICIPATION FEE**

The Agent will be solely responsible for paying for his/her own business expenses; (i) real estate license fees and occupational taxes, (ii) insurance, including but not limited to errors and omissions liability ("E&O Insurance") and auto insurance, (iii) transportation, (iv) business cards, brochures, flyers, postcards, promotions, yard signs and frames , or any other marketing materials, (v) entertainment expenses, club dues, and other expenses incidental to the conduct of his/her activities and services provided as a real estate agent, (vi) internet website development and maintenance, and (vii) fees assessed by the company for listing on the [www.connectrealty.com](http://www.connectrealty.com) website and for a personal replicated website, for access to the Connect Realty intranet and e-mail system and for other benefits of association with the company



(collectively, "Participation Fees"). "Participation Fees" are defined as an annual fee to be determined by Connect Realty. The annual participation fee is currently \$200.

The Agent agrees that any required and unpaid Participation Fees owed may be withheld from commission payments by the company in its sole discretion. Any fees billed to Connect Realty for the Agent's Board Association/MLS/Keycard will be submitted to the Agent's account and shall be paid by the Agent immediately. The Agent further agrees, that should the Board Association/MLS/Keycard fees become delinquent and jeopardize Brokers access to the MLS, the Agent will be suspended or their license affiliation rescinded.

### **INCURRED EXPENSES**

The Agents acknowledges that they are an independent contractor as outlined in Connect Realty's Independent Contractor Agreement. As an independent contractor the Agent is responsible for all costs Agentd with operating as a real estate license. The company shall not be liable to the Agent for any expenses incurred by him/her or for any of his/her acts. Agent shall not have the authority to bind the company by any promise of representation unless specifically authorized in writing by the State Broker or Management.

### **OFFICE SUPPLIES AND MARKETING MATERIALS**

Most office supplies and marketing material such as personalized letterhead, envelopes, brochures, etc. may be purchased through the "approved suppliers" located in the Virtual Office of [www.connectrealty.com](http://www.connectrealty.com).

### **BUSINESS CARDS**

Agents are responsible for purchasing their own business cards. The cards can be purchased through the Connect Realty approved suppliers located at [www.connectrealty.com](http://www.connectrealty.com) or if through another vendor, a sample must be submitted to and approved by Connect Realty. Requests may be submitted to Connect Realty via email to [BizCardApproval@ConnectRealty.com](mailto: BizCardApproval@ConnectRealty.com). Such approval shall not be unreasonably withheld. When an Agent is using a photo, only professionally produced, business quality photos may be used.

### **SIGNS/FRAMES**

Agents must purchase their own "for sale", "open house", and directional signs and sign riders for use on their listings. Any sign branded with the Connect Realty logo must be ordered from an "approved supplier". Links to the approved yard sign vendors are available on [www.connectrealty.com](http://www.connectrealty.com). The placement of all Connect Realty signs must comply with all regulations of the state, local municipalities, associations and MLS rules in which they will be used. Penalties for violations of said regulations are the sole responsibility of the Agent.

The Company may consent to the utilization of an existing DBA to include the utilization of its yard signs, open house signs, and all marketing materials. This approval is "subject to" the regulations of the Department of Real Estate and must provide for Connect Realty Branding. The



Company and the Agent shall mutually establish the Connect Realty Branding to be utilized on the existing yard signs. Said Branding material shall be designed by the Company and the material paid for by the Agent.

### **TITLES & DESIGNATIONS**

Agent's are not permitted to assign Titles or Designations to themselves that they have not earned or been assigned in writing to by Connect Realty (ie: Agent, Agent Broker, State Broker, etc.). Any misrepresentation intentional or unintentional may be grounds for termination from Connect Realty.

### **REFERRALS / RELOCATIONS**

Outgoing referrals may be sent through the Connect Realty Referral Services Division; however, all outgoing referrals to Agents affiliated with Connect Realty shall remain in house. Referrals may be placed using the Agent's Virtual Office module titled "Relocation Services". The Referral Services Division will place the referral as outlined below.

#### ***OUTBOUND REFERRALS***

The Referring Agent may recommend that the referral be placed with a particular Agent or Connect Realty Affiliate. Whenever possible, that request will be honored. If the request cannot be honored or there is no request from the Referring Agent, the Referral Services Division will place the referral in the order outlined below:

1. With a Connect Realty Agent or Connect Realty Affiliate who is on the Referring Agent's team;
2. With any other Connect Realty Agent or Connect Realty Affiliate in the marketplace;
3. With a qualified outside real estate Broker.

A referral fee of thirty percent (30%) will be requested on outbound referrals going to other brokerages; a twenty percent (20%) fee will be requested for internal Connect Realty referrals. Outbound referral fees to other brokerages cannot be guaranteed at 30% however; Connect Realty will make every effort to achieve the requested percentage. Referral fees received by Connect Realty will be split with the Referring Agent based upon their current commission schedule. The Agent will not incur an E & O charge per transaction on outbound referrals.

#### ***INBOUND REFERRALS FROM AN OUTSIDE COMPANY***

Assignment of incoming referrals will be based primarily on the consumer's requirements and the Agent who, in the opinion of the Broker or the Referral Services Division, can best meet those requirements.

Reassignment of assigned inbound referrals between Agents is not allowed. If the receiving Agent is unable to fulfill the needs of the inbound referral customer for any reason, the receiving Agent



must immediately communicate that situation to the State Broker for reassignment. Submit communications to: [referralservices@connectrealty.com](mailto:referralservices@connectrealty.com).

#### **TERMINATION OF RELATIONSHIP**

1. Connect Realty will immediately terminate an Agent in the event his/her license is revoked by any State licensing agency. Connect Realty may, at its discretion, terminate an Agent in the event his/her license is suspended by any state licensing agency.
2. Furthermore, Connect Realty may terminate any Agent who is convicted of any illegal act which is a felony or performs any act of moral turpitude, dishonest or dishonorable dealings, gross negligence or reckless conduct, or other conduct when taken as a whole, substantially fails to meet generally accepted standards of care in the practice of real estate in their respective states. Upon termination, Agents will forfeit any and all fees, paid to Connect Realty.
3. Agent's relationship with Connect Realty will continue for an indefinite period. The Agent may terminate Agent's association at any time, with or without cause or notice. Connect Realty may terminate Agent's association at any time, with or without cause with written notice to the Agent.
4. Termination of Agent's association with Connect Realty will not terminate any of the continuing rights or obligations of either the Agent or Connect Realty under this Agreement, including but not limited to the covenants contained in this Section.
5. When Agent's association with Connect Realty terminates for any reason the company will release and allow the Agent to take all solo listings and Buyer agency contracts that are not pending sale and the Agent was responsible for obtaining. If the Agent shares listings or agency contracts with other Agent's Agentd with the company the listings or agency contracts will remain with the company The Agent, however, will receive his/her full share of the related commission upon closing of a property transaction.
6. If the Agent owes the company any Participation Fees or other amounts at the time of Agent's termination or if any amounts become due after termination the Agent authorizes the company to deduct these amounts from any commissions or other amounts due the Agent until Agent's account with the company has been fully paid.



## ALTERNATIVE DISPUTE RESOLUTION

### MEDIATION/ARBITRATION

Any disputes between Agents with regard to the overall operation of Connect Realty as to the mechanics or interpretation of guidelines, rights to commissions or division of commissions, together with any other guidelines that may be published in the future, shall be subject to mediation or arbitration as herein provided upon the application of either or both parties to the dispute. Often the local MLS service, state associations, or state universities offer affordable mediation services to complaining parties.

Whenever possible, the dispute should be settled between the Agents themselves, or the Agents and the State Broker or Branch Manager prior to arbitration. In the event a resolution to the disputed matter cannot be reached, a request for an arbitration hearing shall be submitted to the President of Connect Realty as soon as possible. The request for a hearing must be in writing and must include a brief statement of the matter in dispute. Copies of the request shall be provided to the Agents and State Broker and/or Branch Manager involved.

Whenever a dispute involves a sales commission, the parties to the dispute must submit a detailed statement prior to closing, setting forth all the facts bearing on the question involved. Copies of such statements should be forwarded a minimum of three days prior to the hearing. In those disputes not involving sales commissions, detailed statements will be forwarded to the President of Connect Realty.

An immediate investigation of all disputes submitted will be conducted. All Agents do hereby acknowledge the mutual benefit to the Agents and the right of Connect Realty to conduct the investigation and concede the same to be privileged under the law, without liability or invitation of privacy or defamation.

Prior to the arbitration hearing, the parties to the dispute shall sign a written acknowledgement stating the date and time of the hearing and setting forth the binding nature of the decision rendered. Hearings may take place face-to-face, via teleconference or via web conference at the discretion of the President of Connect Realty.

All disputes or claims between The Agent and other licensee(s) Agentd with Broker, or between the Agent and Broker, arising from or in any way connected with this Agreement, which cannot be adjusted with the parties involved, shall be submitted to the Association of REALTORS® of which such disputing parties are members for arbitration pursuant to the rules of State law. The Federal Arbitration Act, Title 9, U.S. code, Section 1, et seq., shall govern this Agreement. Legal counsel for either side shall not be admitted to these hearings. The decision of the arbitration panel shall be rendered in writing and shall be final.



## SECTION TWO—SUBSTANTIVE COMPLIANCE

### GENERAL POLICIES

#### ADVERTISEMENT

Agents are responsible for the placement and payment of any and all advertising whether it be print, radio, television, Internet or direct mail. All advertising must comply with the Federal and State Fair Housing Laws and the regulations of the appropriate state in which it is being placed, and must be submitted to and approved by the State Broker or Management in writing or electronically prior to placement. Classified advertising using the same format as that which has been previously approved needs no additional approval. Violation may be grounds for suspension and/or termination.

In the event the State Broker or Branch Manager agrees to coordinate any joint or co-op advertising on behalf of the Agents, all Agents participating in the advertising must pay for their share of the advertising prior to its placement. No Agent has the authority to order or place any advertising, including, but not limited to public relations articles, interviews, radio and television shows, etc. on behalf of the Connect Realty.

#### ANTITRUST LAWS

**THE SHERMAN ACT** - this statute enacted in 1890 was the first modern United States antitrust law and remains the cornerstone of all the federal antitrust statutes. It establishes two broadly stated principles of antitrust policy:

Section 1 of the Sherman Act prohibits agreements, combinations or conspiracies between two or more persons, firms, corporations, or associations which unreasonably restrain trade. Section 2 of the Act prohibits the monopolization or any attempted monopolization of any market for a particular product or service.

These very general precepts of the Sherman Act have achieved specific meaning through a process of court interpretation, which has continued for more than ninety (90) years. The selected cases most applicable to real estate Brokers and the real estate industry have been compiled by the National Association of Realtors® as Volume 2 of its publication, Antitrust and Real Estate.

It is not necessary to show a written contract to prove a violation of the Act. "Understandings," formal or informal, written or oral, express or implied, are enough for a court or jury to infer that an agreement has been reached. As the Supreme Court said in a leading antitrust case, "A wink of the eye or a shrug of the shoulder is often more important than a formal handshake."

**THE CLAYTON ACT** - The Clayton Act was enacted by Congress in 1914, and was the next major antitrust statute. Its approach differs from the Sherman Act in two basic ways:

1. While the Sherman Act applies to restraints of trade which have a present anti-competitive effect, the Clayton Act represents an effort to stop anti-competitive practices in the beginning by outlawing future conduct resulting in an unreasonable restraint of trade.
2. While the Sherman Act deals in broad principles, the Clayton Act is concerned with a limited number of specific subjects such as exclusive bidding arrangements (Section 3); acquisitions or mergers (Section 7); interlocking boards of directors (Section 8).

**THE ROBINSON-PATMAN ACT** - The Robinson-Patman Act enacted in 1936, amended the Clayton Act and deals with discrimination in prices charged various customers. The basic purpose of the Robinson-Patman Act was to protect small businessmen by putting constraints on the ability of a large company to command price discounts by use of greater purchasing power. The Federal Trade Commission is the enforcing agency for this law.

**THE FEDERAL TRADE COMMISSION ACT** - The Federal Trade Commission Act authorizes the FTC to enforce these federal laws. Such authority is shared with the Department of Justice. The FTC also enforces Section 5 of the Federal Trade Commission Act, which prohibits "unfair methods of competition" and "deceptive practices." Under this general provision, the FTC has enjoined potentially anti-competitive conduct before it could ripen into a violation of any of the antitrust laws.

In addition to having the authority to seek injunctions, the FTC is authorized to sue in federal court to recover refunds for consumers who have been injured by violation of an FTC rule to cease and desist.

### **ANTITRUST COMPLIANCE**

The following are suggestions from state regulatory agencies on how Agents may avoid giving the appearance of any impropriety under antitrust law when negotiating listing contracts or communicating with licensees Agentd with other firms:

1. Agents may never indicate to prospective clients that agreements exist between Brokers with regard to the fee or commission rate charged. For instance, Agents may never make a statement like "all Brokers in the area charge seven percent (7%) commission".
2. Agents must avoid giving the appearance that any critical terms of the listing contract are "standard" or "non-negotiable". The commission rate, listing period, or "protection period" should not be pre-printed in the listing contract. Also, Agents must avoid making statements such as "the standard listing period in the community is 120 days" to clients or prospective clients.
3. Never discuss commission rates or other listing terms with an Agent from another firm in any way that appears to attempt to restrain trade. For instance, Agents should never say



“firm XYZ’s commission rate is unfair and we should never cooperate with them” or “we should never cooperate with anyone who charges a fixed rate”. Violating this provision is ground for immediate termination of the Agent.

### **CONSEQUENCES FOR NON-COMPLIANCE**

Violations of the various federal Acts constitute crimes and the penalties for such are quite severe, including significant fines, and/or imprisonment. It is a felony to violate the Sherman Act, the corporation may be fined up to one million dollars for each offense, and the offending individual fined up to one-hundred thousand (\$100,000.00) dollars and imprisoned for up to three (3) years for each offence. Fines are not tax deductible. Antitrust suits also provide for civil penalties, including treble damages, attorney fees, and all the costs of litigation. Therefore, any Agent, Broker, Branch Manager, employee, or Executive Officer of Connect Realty engaged in such conduct is subject to immediate dismissal without the possibility of reinstatement.

### **DRUG, ALCOHOL, OR SUBSTANCE ABUSE**

The Agent will acknowledge the drug, alcohol and substance abuse policy of the company which is a separate document requiring signature.

### **NO CALL PROVISIONS**

Agents agree to be familiar with and shall comply with the “No Call” provisions and will be personally responsible for any violations thereof.

### **NON-DISCRIMINATION**

This company is an equal opportunity employer and does not discriminate either in its hiring practices of contractor’s or employees based upon a person’s race, color, gender, religion, national origin, age, familial status, and mental or physical handicap.

Similarly, no contractor or employee of Connect Realty shall discriminate in the conduct of the Broker’s business against any other person for any of the same reasons.

### **PRODUCT ENDORSEMENT/ VENDOR RECOMMENDATIONS**

Agents may not use the Connect Realty name, logo, or refer to their association with Connect Realty in any endorsement or promotion of outside products and services other than those offered by Connect Realty.

Sellers and Buyers often request recommendations for vendors (i.e. pest inspectors, home inspectors, attorneys, lenders, etc.). Agents may provide clients and customers with a list of vendors. Agents will not provide opinions on the quality of service provided by vendors. Connect



Realty recommends that when an Agent is referring a vendor, that at least three (3) vendors of the same profession be given to the Seller and/or Buyer.

## **PUBLIC IMAGE**

All persons Agentd with Connect Realty are to conduct their business activities so as to enhance and promote the good will and reputation of Connect Realty. Remember, the way you are perceived by others is how our company is perceived. Every individual conducting business with Connect Realty must be treated with courtesy and respect. If someone becomes unruly, belligerent, or threatening please get to a safe place and report the incident to your State Broker. Agents should at all times present a positive, professional, and personable image through personal attire, language, behaviors, correspondence, and in the care and maintenance of their automobile. If you send written notes, forms, or instructions, please edit messages and use a spell checking devise. Inappropriate jokes or harassment of any kind is strictly prohibited.

## **SEXUAL HARRASSMENT**

Harassment of Connect Realty contractor's, employees, applicants, Agents, customers, clients and vendors are not tolerated. The term "harassment" includes, but is not limited to, slurs, jokes, and or other verbal, graphic or physical conduct relating to an individual's race, color, gender, sexual orientation, religion, national origin, citizenship, age or disability. "Harassment" also includes sexual advances, requests for sexual favors, offensive touching, and other verbal, graphic or physical conduct of a sexual nature.

No State Broker, Branch Manager or other member of Management has the authority to suggest to any Agent, employee or applicant that the individual's association, awards, or future advancement will be affected in any way by the individual's entering into (or refusing to enter into) any form of personal relationship with the State Broker, Branch Manager or any member of Management.

If an Agent believes that a member of management, Agent, employee, customer or vendor has acted inconsistently with this policy, they should bring this to the attention of their State Broker, Branch Manager or any member of Management.

Agents will not be penalized in any way for reporting improper conduct. All complaints will be held in strict confidence and disclosure of details will be limited to the parties involved, the State Broker and/or Branch Manager, the Senior Management of Connect Realty and any local or state agency that has jurisdiction in the subject matter.

Complaints of harassment found to be totally and completely without basis, will not be tolerated and appropriate measures may be taken. This should not discourage you from making a



legitimate complaint if you believe you have been a victim of sexual, racial, religious, ethnic, or any other harassment.

## **TRADEMARKS, INTERNET, WEBSITES**

1. The Agent agrees:
  - A. To comply with all laws and Connect Realty policies and guidelines that apply to the dissemination of unsolicited e-mail (“spam”) and faxes and to the use of telephone calls to market Agent’s services or to solicit listings or prospective Buyers;
  - B. To adhere to and comply with the Privacy Policy that Connect Realty publishes from time to time for the Connect Realty website, [www.connectrealty.com](http://www.connectrealty.com) and with the terms of use that the company prescribes from time to time for the Connect Realty intranet;
  - C. To adhere to and comply with Connect Realty guidelines and restrictions that apply to the registration, ownership, and use of domain names for websites that display the corporation trademarks or logo, and to the display and use of the “Connect Realty” name, trademarks, and logo on the internet, and to the use of metatags and other devices and technologies that attract internet search engines to such websites.
2. An Agent may display the company trademarks or logo and display or use the “Connect Realty” name, trademarks or logo on proprietary websites and/or advertising paid by the Agent with the advance written approval of artwork and text. Connect Realty will arrange for the Agent to be represented on the [www.connectrealty.com](http://www.connectrealty.com) website but without express permission from corporate compliance with any policies and procedures promulgated by Connect Realty. Agents may not use the Connect Realty name or logo in the domain name, letterhead, or URL, or metatags of any website with which Agent is associated or in any internet advertising that Agent places without prior written approval of Connect Realty.
3. When a Agent affiliated with this company terminates for whatever reason, his/her permission to use the Connect Realty name, and logo will unconditionally and immediately cease and the Agent must immediately destroy all business forms that are associated with the company and must comply with all corporate policies and guidelines regarding website revisions and/or abandonment. If, with Connect Realty’s permission, the Agent has used any variation of the company name in a domain name, the Agent will immediately transfer registration of the domain name to Connect Realty without compensation or remove the site.
4. The Agent agrees to handle all residential real estate transactions in the name of Connect Realty or an approved DBA. In the event a DBA is utilized, DRE regulations pertaining to such use shall be adhered to by Agent. The Agent agrees not to do anything by action, conduct, statement or association that might damage the goodwill associated with the company name, trademarks, or reputation or causes the public to lose confidence in the Connect Realty organization.
5. The Agent will have no authority to incur obligations on Connect Realty behalf and promises:



- A. not to sign any contract, agreement, lease, or note in the name of Connect Realty except in a Brokerage transaction as an Agent for Connect Realty and acting on the behalf of their client or customer;
- B. not to open or maintain any bank account or investment account in the name of Connect Realty;
- C. not to endorse for collection or deposit in Agent's personal account(s) any check, money order, or other negotiable instrument made payable to Connect Realty.

### **REPRESENTATIONS**

The Agent represents to Connect Realty that:

1. The Agent is duly licensed as a real estate Broker or real estate salesperson in the state in which the Broker of Record is located and that the Agent is currently authorized to act as a Real Estate Professional in that state.
2. The Agent is not now, and has not within the five years preceding the date of this Agreement, been a defendant in any lawsuit alleging professional misconduct or violation of any deceptive trade practice or consumer protection law, and is not currently the subject of an investigation by any real estate commission or similar oversight body.
3. The Agent expressly represents and warrants that The Agent is free to Agent with Connect Realty and that the Agent is not bound by a promise or commitment to any other real estate company, agency, association, firm, person, or entity that prohibits or prevents the Agent from entering into this Agreement.
4. No representative of Connect Realty has represented that the Agent can earn a living, or for that matter any income whatsoever, listing or selling real estate whether working part-time of full-time. The Agent recognizes that the predominant method of earning income in association with Connect Realty is through the sale of real estate. Any additional income earned through team-building and recruiting activities is purely supplemental.

### **MISCELLANEOUS PROVISIONS**

1. If any provision of this Agreement is found to be void or unenforceable by any court or arbitration panel such finding will have no effect on any other provision of this Agreement and all other provisions will remain in full force and effect.
2. This Agreement, including all schedules, policies & procedures, and guidelines issued by Connect Realty constitute the entire agreement and understanding between the parties and supersedes any prior agreement or understanding relating to the subject matter of this Agreement. No change, amendment, or waiver of any provision of this Agreement will be valid unless in writing and signed by both the Agent and Connect Realty.