



Policy and Procedures Manual

Updated January 11th, 2012

Please note all the area's printed in Blue are the latest revisions to the policy and should be read very carefully.

Written by

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It is a requirement of all Realtors working under the brokerage to familiarize themselves with the Standard Operating Policies and Procedures of the Brokerage and furthermore, to fully understand that these Policy Directives can be viewed at any time 24/7 on the Company Website. Furthermore, it is important to also understand that the broker is always available to address questions from any member of the Brokerage including but not limited to Realtor and/or Staff.

All Associates working in the Brokerage will be required to acknowledge on via email, that they have read the updated Policies and Procedures sent out by the Broker and, that they are aware, they know how to save a copy of the Policy and Procedures as a PDF file on their desktops or know how to access the current version through the internet.

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Policies and Procedures

1. The Real Estate Act and Rules

There is legislation governing the real estate industry. This legislation is called The Real Estate Act referred to hereafter as “The Act”. It is your responsibility as an Associate of the Brokerage to adhere to the legislation laid down in The Act. The Real Estate Council of Alberta (RECA) has the authority to ensure that every Associate/Associate Broker/Broker and Brokerage complies with The Act.

RECA’s Code of Conduct is part of the legislation governing all real estate members. It is important and an ongoing requirement for all of us, irrespective of your

appointment i.e., Broker/Associate Broker or Associate that that we are familiar with all aspects of The Act, so we can follow it implicitly to avoid problems later on. It is important to remember that ignorance is no excuse when it comes to conducting your business in the Real Estate Industry. It is also important that we as an industry adhere to the principle of “The Golden Rule” embodied in our code of ethics. As members of the Canadian Real Estate Association, (CREA) we are also subject to, and bound by, CREA’s Code of Ethics and Standards of Business Practice. You are strongly advised to familiarize yourself with all aspects of CREA’s Code of Ethics and Standards of Business Practice and the Rules as without this knowledge it will be difficult to operate without running the risk of breaking the Rules and being subject to disciplinary action by RECA or by CREB. (your MLS Board).

Recently, CREB and RECA undertook to produce a Memorandum of Understanding (MOU). This MOU has in it a commitment by CREB and RECA to share information regarding Associates who have been found guilty and punished of offences either under the Act or that contravene CREB’s Rules and Regulations. This is not a punitive act but more to avoid problems arising from Brokers/Associate Brokers or Associates failing to report findings to the Executive Director of RECA which is a requirement under the act. Failing to disclose such occurrences can and often does result in further substantial fines by RECA., which bring hardship on our members.

1. (a) Our Brokerage Privacy Policy.

The Brokerage Privacy policy is located at paragraph 47. of this document. It applies to privacy within the office and privacy policies that are required at home to protect company client privacy.

2. Brokerage Policies and Procedures

As a Brokerage, we must also operate within the parameters of the legislation. The legislation lays down the administrative guidelines for the operation of all Brokerages. It is mandatory that all Brokerage members are members of;

- The Calgary Real Estate Board (CREB)
- The Alberta Real Estate Associate/Association (AREA)
- The Canadian Real Estate Associate/Associate Association (CREA)

3. Management of Revenue Properties

Our Brokerage including all company Associates will not accept the responsibility for the management of revenue properties for others. We as a Brokerage are not set up to deal with a trust account required by law for each revenue property in accordance with The Act. Also, property management does not fit the business model we have created for the Brokerage. The Brokerage including all of its members will therefore, accept no agency agreements whatsoever with respect to the management of property. This does not mean our Realtors cannot manage their own revenue properties.

4. Commercial, Leasing, Acreages and Farms

Undertaking the listing and selling of commercial real estate, businesses or the leasing of real property or selling of acreage properties or farms is a major undertaking not without considerable risk.

Associates should ultimately remember if they accept a commercial listing, a leasing opportunity or the evaluation of those types of listings, including acreages and farms, they do so on the understanding that they are holding themselves out as being competent in that discipline. Company Associates are advised to prepare themselves for the job (prior to entering into any listing agreement, purchase contract or offering advice or pricing on any buildings, land or businesses that would come under the banner of a commercial transaction) by taking passing and fully understanding the

necessary commercial courses provided by the commercial division of the Calgary Real Estate Board.

5. Brokerage Facilities and Payment Plans

Our office address is # 400, 7015 Macleod Trail S., Calgary, Alberta, T2H 2K6. We are located in the Entegra Business Centre, and share company offices with businesses of different types. All Associates should remember that when attending the business centre, there is an opportunity to talk to other non Realtors and therefore, Associates should dress accordingly when attending the business centre. The Brokerage's business model is designed specifically as a hub office where all our Associates work from home and reap the benefits of doing so by saving on monthly fees. There is one compensation plan only at the brokerage. Everyone pays the same monthly fee. That will never change. The current fee for our brokerage is \$175 per month, plus \$150 per deal conveyed. The plan is designed to satisfy the requirements of associates who wish to work entirely from home and reap the benefits of the cost savings by doing so.

Photocopier/fax/printer facilities are the personal responsibility of each Associate. These activities will be undertaken from wherever the Associate chooses to operate from.

6. Operational Format for the Office

- Associates conduct their business, and bring in Seller Brokerage Agreements and all paperwork to the office reception area. During work hours, there are receptionists present to take paperwork and deliver it to our office mailbox. Associates should drop completed documentation at the office during office hours only as this is a secure facility not accessible by non resident workers.
- If our staff is not available or out, associates should request that the front end staff email our staff to announce the arrival of any documentation especially if it is time sensitive or contains deposit cheques.
- Parking is free for the first half hour but you must take an Impark ticket from the vending machine and place it on your dashboard if you park in the Centre 70 parking area. Otherwise there is one hour and two hour parking on the streets adjacent.
- Documentation Associates hand in must be complete in every way.

- A reference manual of the required forms pertaining to Sales and Listings can be found on our company web site at [www.carterrealty](http://www.carterrealty.com) in the password protected area at the bottom left hand side of the home page.
- Associates can access forms, fill them in and print them off to make this easier for all concerned.
- These forms can then be dropped at the Brokerage once completed.
- Please note that if documents are handed in incomplete, it is this Brokerage Policy to e-mail the offender once only to have the Associate rectify the issue.
- It is Brokerage Policy that no remuneration cheques will be released until all documentation is in our office files in accordance with the act and our policies. There will be no exceptions to this rule.
- The obtaining of all supplies and forms and equipment but not limited to Stationary, Listing Contracts, Purchase Contracts, Notices, Amendments, Agency Brochures etc., are the responsibility of each Associate and can be obtained either from Webforms, or from the Calgary Real Estate Board.
- The office does not provide computer systems for use by the Associates.
- The Brokerage does stock letterhead, envelopes, folder covers, Just Listed/Open House signs and Corplas condo signs. These items require a 24 hour turnaround after the request has been made as they are stored off site.
- The price list for these items can be obtained from our web site in the protected realtor only area.

7. Administrative Support

- The Brokerage will convey your completed documentation, paperwork and excess deposits to lawyers in time for closing.
- The Brokerage will notify all Associates when cheques are ready for pickup from lawyer's offices or from other brokerages. It is the Associates choice as to whether they pick up their cheque or have them delivered by Canada Post.
- Once cheques are delivered to our offices, cheques will be processed and paid out as soon as possible.

8. Licensed an Un-licensed Assistants

If an Associate chooses to hire an Assistant, the rules are as follows;

- In accordance with The Act, Unlicensed assistants must not be paid based on a portion or a percentage of a remuneration earned. They can

only be paid based on a salary agreement between the Associate and the employee.

- It is the responsibility of the Associate to arrange for the paying of the Unlicensed Assistant and for the deduction of CPP/EI/holiday pay etc., with regard to Unlicensed or Licensed Assistants.
- While at the Brokerage, a licensed Assistant will be charged the identical rate an Associate is charged.
- Errors and Omissions Insurance is excluded for Unlicensed Assistants.
- It is the Associate's own responsibility to ensure they are in compliance with the act with regard to RECA's Guidelines regarding Unlicensed Assistants (what they can and cannot do).
- A guide as to what activities an unlicensed assistant can undertake can be obtained from the brokerage by reading CREB rules and Regulations which every Associate is provided with and is also available on-line.
- Current Licensed Assistants can be paid a salary by the employing Associate/Associate Broker or by the sharing of a remuneration.
- Without exception, Licensed Assistants must participate in our company Commercial General Liability Insurance. Who pays for it is entirely a decision between the Realtor employing the Assistant and the Assistant. The Brokerage will not pay for any Realtor or Assistant's coverage.

9. Independent Contractor Status

The Brokerage regards all Associates of the Brokerage as fully independent contractors and as such, has no company health plans, pension plans or benefits of any kind available to Associates, licensed or unlicensed assistants. The Brokerage will not personally employ Associates, licensed or unlicensed assistants. It is the personal responsibility of the Associate/ Associate Broker to make deductions and remit to the correct respective agencies such as Canada Revenue Agency (C.R.A.), accountants etc., all monies including but not limited to wages or payments of any kind i.e., income tax, EI, CPP, GST holiday pay etc., that the Associate/Associate Broker would be liable to pay to or on behalf of an employee.

10. Reporting of Pending, Pending to Firm or Straight Sales

• **Per CREB Rules and Regulations** It is the Associate's/Associate Broker's *personal responsibility* to ensure that all pending, pending to firm and straight sales are reported within 2 business days. Failure to report within this time frame will automatically result in the generation of a warning

or a summary fine by CREB. This is not a function of the Brokerage. In the first week of January, 2012 however, CREB amended the rule to state that if the Seller of property so desired, the Seller could instruct the seller's Realtor not to report a sale a C/S or to inform other showing Realtors of a conditional sale until another offer was generated. At this time, the listing Realtor would have to disclose to the Selling Realtor there was a Conditional Sale on the property. In any event, if a Seller gives this instruction, it is Brokerage Policy that the listing Realtor will immediately obtain that instruction from the seller in writing and will forward either a hard copy or an electronic copy of the signed instruction from the Seller to the Brokerage which would file such instruction in the listing file.

- The reporting of cancelled listings will be the responsibility of the Broker having received a signed cancellation from the seller which has been endorsed by the Associate.

11. Documentation and Outgoing Referrals.

- RECA has specifically instructed all Brokerages that the Brokerage must produce referral acknowledgements in the file of each client if they have been referred to another Realtor where the referring Associate is earning a referral fee.
- The referral acknowledgement must contain the following;
 1. The amount or the percentage of the fee the referring Associate is earning from the referral.
 2. The signature of the referred party agreeing to the fee arrangement.
 3. An Agreement by the referred party to the paying of such a referral fee.
- It is mandatory to present the Agency Relationships document to all purchasers. This document must accompany the sales trade record sheet when submitted.
- Agency Relationships documents should be signed by all purchasers and the Associate.
 - If the purchaser refuses to sign the Agency Disclosure document, the Associate should themselves sign and date the disclosure and note on it that the buyer was explained the document on a specific date but refused to sign the document.
 - This document should immediately be submitted to the Brokerage and placed on file at the Brokerage at the time the buyer refused to sign the document, not submitted later on. By doing this, the Brokerage has a record prior to a dispute, which places the Associate

in a much stronger position in the case a dispute for remuneration does subsequently arise.

- It is now possible to pay a referral to an unlicensed person; however, the normal rules apply. This does not mean that any Associate may send out mass produced letters stating that they will pay a referral as this specific activity would become an incentive the brokerage would not permit.
- No referral fee will be paid to an unlicensed person directly by the Associate. The payment can only be made by the brokerage to the unlicensed person; furthermore, payment to an unlicensed person will only be made once the brokerage has a record of the SIN number and full name and address of the individual as the brokerage will keep a paper-trail of all referrals in case CRA requests it.

Note: Without exception, it is Brokerage Policy that real estate remuneration cheques will not be released to any Associate until the correct documentation required under The Act, has been received by the Brokerage and is in the brokerage files

12. Working with Buyers and Sellers

It is highly recommended that brokerage members use the Buyer Brokerage forms supplied by AREA when working with buyers. These forms not only spell out to both parties their responsibilities to each other, but they clarify how the Realtor will be paid so there are no misunderstandings.

- Procedures for working with Buyers can be obtained from the Brokerage.
- The Landlord and Tenant Act is available for downloading at the RECA web site in PDF Format It contains details of the correct procedures for Landlords and Tenants and the required procedures for providing a Tenant with notice to show listed property.
- Associates are encouraged to pick up a copy of The Landlord and Tenant Act from the Harry Hays Building if they cannot download the documentation.
- A listing contract checklist can be obtained off the Brokerage website.
- A purchase contract checklist can be obtained off the Brokerage website.

13. Advertising and other Marketing Materials

While the choice of style will remain with the associate to a degree, all advertising and personal promotional item not limited to bus benches, business cards, newsletters, web sites etc., must be approved by the

Broker prior to printing or installation. Furthermore, as a minimum, all advertising in magazines, on business cards and bus benches must contain the company logo in the correct colours plus your telephone number and should be in accordance with the current RECA guidelines. Ignorance of the requirements is no excuse.

RECA takes the view that incorrect, misleading or false advertising is unacceptable. As a minimum, the following is mandatory when running any form of advertising associated with the Brokerage i.e., all real estate Advertisements.

- Advertisements must include the Associate/Associate Broker's name as it appears on the industry member's licence.
- All Advertising must contain the Brokerage name as it is registered at AREA. The Brokerage name is registered as **Carter & Associates Realty** (*note we have an ampersand not the word "and" in our name.*)
- All Advertisements should contain a legitimate telephone number.
- Web pages must contain the correct name of the Brokerage as it is registered, the Brokerage Address plus a telephone contact number on each page of the web site or, must be in an area of the site that remains constant on a move to other pages within the site.
- Adherence to Brokerage Policies and Conventions is mandatory
- Business cards are mandatory and in accordance with CREB Rules and Regulations, must be left at all properties the brokerage members show.

14. Incentives

Under the NEW rules, incentives are legal, but only if the Brokerage offers them as a whole and if they are offered to all clients or prospects.

An incentive means anything that is advertised, communicated or offered by a Brokerage for the purpose of attracting business to the Brokerage and includes a promise, good i.e., air-miles, service, game of chance, contest or anything of value prior to writing a purchase or listing contract.

To better understand Incentives – the rule is, “one does it, all must do it” i.e., it is a brokerage wide policy and not one that is decided upon by one member of the brokerage only.

15. Inducements

Our company policy on the offering of inducements. Para 24(2) and 24(3) of the Real Estate Act states that “an Associate Broker or an Associate must not, directly or indirectly, provide an inducement unless the details of the inducement are provided in writing **and the Broker has provided**

“approval for the inducement” which will not be unreasonably withheld. An inducement can now be cash under the new rules, but not, the sharing of a remuneration or remuneration.

16. Guaranteed Sales

The Brokerage, including all its Associates will not under any circumstances, guarantee sales of homes for any Brokerage Member or member of the public.

17. Expenses

The fee structure of the office is set. The Brokerage unilaterally reserves the right to increase Brokerage fees at the Brokers discretion after a notice period of 30 days. The current fee status is mentioned in paragraph 5 above.

18. Monthly Billing

- Billing will take place monthly.
- All brokerage members are required to settle their monthly bill within 5 days of the issuing of an invoice by the brokerage. Failure to settle a monthly bill will result in a service charge of \$25 for any unpaid amount which will be applied on 15th of each month.
- Each Associate who is issued an invoice will be e-mailed with the total of the outstanding balance on his or her account. That e-mail will be deemed the date and time of issue of the invoice.
- **NSF cheques** received by the office for the payment of invoices will be charged back to the person in default at a rate of \$25 plus the original amount.

19. Professional Conduct.

- There is no dress code for delivery of documentation to the office however as stated previously, members will be meeting with other members of the public in the building which could turn into business for them so it is suggested each person dress accordingly.

20. Harassment Policy

Harassment of any kind but in particular of a verbal, physical or a sexual nature directed at staff, fellow Associates or the general public will not be tolerated at the Brokerage. Any Brokerage member found to have

harassed a member of the office staff, a member of the public or another Brokerage member will be subject to immediate dismissal from the Brokerage. A complaint will also be filed with RECA by the Broker. All associates should also be aware that harassment is a police matter and will be reported accordingly.

21. Minimum Levels of Income Expectation

While there is no actual expectation at the Brokerage that Associates must have a minimum number of sales per year, the reality is that in order to justify the cost of merely retaining a real estate license, payment of Board Fees, upgrading course fees etc., the brokerage takes the position that in order to simply cover these items, Associates should be aware that it will take a minimum of 2 annual sales to cover those items alone.

Ultimately, it is the individual Associate's financial position, not the Brokerage's that will determine a personal minimum level of income in order to make this a worthwhile career

22. Remunerations, Other Remuneration, Benefits, Deductions and Payments.

- To avoid misunderstandings, shared remuneration agreements with another Brokerage member or with a member of a different Brokerage should always be in writing, signed by both parties and dated.
- The agreement should also include the length of time the agreement is to run and the actual property the agreement pertains to.
- Exclusive sales should always detail whether the Brokerage will pay other Brokerages to find a client and at what rate they will pay other Brokerages.
- If an Associate is working with a new home builder, the Associate's remuneration will be required to be made out to the Brokerage and the Brokerage will pay the Associate.
- It is the policy of the Brokerage to allow Associates to take listings to another Brokerage upon a transfer provided the Seller agrees in writing and the Associate leaving obtains all of the correct documentation for the brokerage.
- If an Associate terminates from the business, the listing will remain with the Brokerage as the listings are the property of the Brokerage, not the Associate.
- Payment of fees for AREA, REIX, Local board and membership dues are entirely the responsibility of the Associate.

- Remuneration disputes should be resolved if possible, without having to go to the Calgary Real Estate Board. Arbitration at CREB in the event of a dispute is final and the decision not always as expected.

23. Confidentiality

- Client confidentiality is of utmost importance in our business: Confidentiality plays an important roll in how we deal with our customer verses our client in sole and only until September 30th 2008, Dual Agency situations.
- Client confidentiality also applies when an Associate performs a market evaluation but does not get the listing by placing restrictions on what an Associate can and cannot subsequently disclose to other parties.
- Brokerage information is confidential. Brokerage members will not disclose or discuss Brokerage policies or operating procedures or, give away access codes to the private Realtor area on the Brokerage Web Site to anyone without the express written permission of the Broker. The passwords on this area will change from time to time and when it does, all Associates will receive an update as to the new passwords and access codes.

24. Insurance – REIX, Personal Vehicle and General Liability Insurance.

- All Brokerage members must carry and show proof of commercial vehicle coverage i.e., class 7 rated insurance for the coverage of the conveying of clients in the vehicles they lease, rent or own in case of an accident.
- The Brokerage has purchased a General Liability Insurance policy covering each Associate for items NOT covered by REIX. It is Brokerage Policy that to work at Carter & Associates Realty, every Associate and Associate Broker participates in the group insurance plan operated through a Brokerage selected insurance broker. The cost is currently \$250 per annum and will be automatically billed each year on the renewal date of the policy.
- All Associates are covered by REIX insurance for up to \$1,000,000 per incident.
- Associates should be aware that, no insurance company will cover cases of Fraudulent Misrepresentation as mentioned previously,

25. Associates Purchasing or Selling Their Own Properties

Transactions sometimes take place whereby an Associate or an Associates Spouse or a Relative is buying or selling a property personally or in which she or he holds an interest or is negotiating on their behalf. It is important that all Associates adhere to the Real Estate Act which states

62(1) An industry member trading in real estate on the industry member's own behalf, either directly or indirectly, must disclose in writing:

(a) to a buyer or seller who is not represented by an industry member:

(i) any interest, direct or indirect, that he has in the transaction;

(ii) that the industry member is authorized under the Act;

(iii) the name of the brokerage with which the industry member is registered;

(iv) complete details of any negotiations for a further trade of the real estate or the industry member's interest in it to another person; and

(v) any information within the knowledge of the industry member that could materially affect the value of the real estate.

(b) to the industry member representing a buyer or seller:

(i) that the industry member is authorized under the Act; and

(ii) the name of the brokerage with which the industry member is registered.

62(2) When any person employed by or associated with a brokerage wishes to acquire an interest in a property that is listed for sale with or managed by the brokerage, the brokerage must immediately:

(a) disclose to the seller of the property the existence of a conflict of interest;

(b) disclose to the seller the name of the buyer and the nature of their relationship to the brokerage;

(c) disclose to the seller any confidential information of the seller that buyer may have already received;

(d) disclose to the seller who will be representing the buyer with respect to the transaction; and

(e) provide the seller with an opportunity to seek legal and independent advice.

62(3) Sub-section (2) above applies to a broker, associate broker, associate, director, shareholder, official or an employee of a brokerage or any of their immediate family members. Under no circumstances must any Associate in the Brokerage sell or purchase a property without the contract

coming through the brokerage. This is not optional, and is the way the vast majority of Brokerages in the city operate.

If an Associate/Associate Broker/Broker goes ahead and sells their own personal property, it is important to understand that under no circumstances will the sale be covered by REIX in the event of a claim, and that the private purchase or sale was in direct contravention of the brokerage Policy and Procedures Associate's/Associate Brokers are strongly advised to list property they own personally or have any interest in, however small, with the Brokerage.

The Broker of the Brokerage agrees to list the property personally for a greatly reduced fee, once in any calendar year. Subsequent sales will be at a rate agreed to by the brokerage and the Associate.

If an Associate/Associate Broker does sell their own property themselves, and the brokerage incurs damages or has to pay out legal fees or any deductibles as a result of being sued, the Associate/Associate Broker will be required to repay the deductible to the brokerage in full immediately the cost is incurred. It is important to be aware, that REIX will sue any offending Associate in any Brokerage in order to recover any and all monies that REIX pays out in order to settle a claim by any injured party against a Brokerage if the property was listed or sold by the Realtor owner personally. This includes but is not limited to, settlements to avoid a court judgement, the recovery of deductibles paid out by the brokerage, legal and court costs, REIX expenses and costs, Lawyers fees.

26. Disclosure of Associate Related to a Seller or Buyer

In accordance with the Act we are required to fully disclose & seek acknowledgement from all parties to the contract if an Associate is related to a purchaser or a seller.

- Our company policy requires that if you are related to a purchaser, you disclose that fact in the terms section of the Purchase Contract as follows; Notice is hereby given, that the listing/selling associate is related to the buyer/seller of the property

- When an associate is related to a seller, disclosure should be made at the earliest opportunity but in any event, no later than when made on a purchase contract and prior to acceptance by both parties.

27. Keys and Lock Boxes Policies and Security

- Keys for properties listed with the Brokerage must be housed in the Calgary Real Estate Board Kim system). In accordance with CREB rule 15.02 (5) No other system is acceptable.

- Allowing entry into Property and properly securing a property upon exit is a function of our profession as Associates. Associates must check all windows and doors before exiting the property and leave the property in the same condition it was found in.
- Good manners and CREB protocol dictate that when any Realtor shows a property they must leave a business card.
- The delivery, collection or the handing over of keys for walkthrough inspections and possession must only be allowed upon receipt of a signed trust letter stating that the keys will only be released with permission of the listing Brokerage, the seller or the seller's lawyer. This permission will be provided through the Brokerage.

28. Home Inspection Procedure.

During the transaction, this can be an extremely important and emotional time for the buyer and for the seller. In any event it is the policy of this Brokerage that when we are the listing Associate we fully discuss with the seller what the seller's requirements are with regard to a licensed Associate being in attendance for the property inspection.

- The listing Realtor must discuss with the seller, the seller's expectations with regard the home inspection if it is a condition of the purchase contract.
- It is strongly suggested that at least one licensed Associate is in attendance at the inspection and for the full duration of the inspection.
- If the Brokerage is the listing Brokerage, it will be the Brokerage's Associate that will ultimately be responsible for ensuring there is a clear commitment and understanding by both Associates that one or the other will be in attendance at all times on our listings.
- [A home inspection is NOT a viewing opportunity for friends, family, or others. The only person to be in attendance at a home inspection are the purchasers or their delegated representatives.](#)
- Property inspectors and buyers should not be left inside Brokerage Listings unaccompanied by a Realtor unless this has been brought to the seller's attention and approved by the seller prior to the inspection.

29. Impending Possible Legal Action and Representation Policies

Threats of legal action, e.g., potential errors and omissions insurance claims are sometimes made. If any Associate is threatened with legal action they must follow the following rules;

- Inform the Broker **IMMEDIATELY**.

- Do not discuss the matter with the accuser
- **NEVER ADMIT LIABILITY**
- **Contact REIX IMMEDIATELY**
- **Do NOT make promises to the Accuser of any kind in order to avoid the situation.**
- REIX will not pay any claim if it is established that misrepresentation was fraudulent. The responsibility for payment of or for a claim of expenses related to litigation or settlement or both will lie entirely with the Associate if it is found to have been fraudulent.
- Complaints and disputes should be handled delicately. If in doubt, refer the complainant to the Broker.
- Remember all parties to a contract are free to obtain legal advice therefore always encourage clients to seek legal representation if they believe they would feel more comfortable in doing so.
- Never discourage a client from obtaining legal advice.

30. Office Co-operation

- Associates/Associate Brokers will not discourage another Realtor from showing a Brokerage listing. The MLS Listing contract is quite clear about the spirit of cooperation.
Remember, listings are the property of the Brokerage not the listing Associate.
- Referring experts such as lawyers, inspectors, and appraisers is often requested. Brokerage members are encouraged to offer a minimum of three names of each trade or profession to sellers or buyers. Brokerage Associates should not allow themselves to be drawn into conflicts of interest situations.
- [Let the client make the decision as to whom they wish to select for the job they want done.](#)

31. Documents Required Upon Submission of A Purchase Contract to The Brokerage.

- A fully completed Trade Record Sheet (obtainable off the company website)
- Copy of the Purchase Contract
- A copy of the title on the property being purchased
- A copy of all amendments and addendums if applicable
- A copy of all Extension Agreements if applicable

- A copy of all Notices removing conditions
- The Agency Disclosure Document
- Agency Customer Versus Client Status Consent Form if applicable.
- Copy of any Referral Disclosure signed by the relevant party.
- A computer copy of the Listing while it is active (which will show the remuneration rate offered to the selling Associate).
- All other documents referred to in the contract including the signed Property disclosure document if there is one.
- If a home is listed and sold by the same Associate, a Common Law Transaction Brokerage Form must be filled in and signed by both parties prior to the realtor presenting any offers as well as the Agency Relationships form.

32. Documents Required Upon Submission of a Seller Brokerage Agreement (Listing Contract) to the Brokerage

- The original Signed Seller Brokerage Agreement (Listing Contract).
- Associates are advised NOT to obtain a Property Disclosure Statement from the Seller. The Brokerage takes the view as AREA does that by signing this document, it places the Seller in a potentially vulnerable position.
- A new copy of the Title to the property which can be obtained through the brokerage (Associates are advised to set up an account with SPIN in order to pull the relevant documents as it is less expensive than having the office pull the documents).
- Mortgage Verification Document (where a mortgage exists on the property).
- Referral Acknowledgement (if applicable).
- Confirmation slip that the that the Associate has personally ascertained that the property is measured correctly or, has had a qualified company measure the property.
- In the case of a condominium a copy of the Condo Plan showing the registered size and CADS Sheet showing the Management Company Address etc.
- The CREB letter signed by the seller if the seller does not wish his/her name(s) disclosed on the listing while on the MLS. (If you place a listing on the MLS without a written request signed by the party requesting anonymity, CREB will generate an automatic fine).

33. Trust Account Policies

- Associates/Associate Brokers are to deliver to the Brokerage all deposits in sufficient time to facilitate the Brokerage placing the deposit monies into the company Trust Account within two banking days or longer (only if agreed to by both parties in writing) per clause 3.2 (if the contract is the Standard AREA Purchase Contract).
- Under the new rules, Associates must inform a seller immediately in the event a deposit of a further deposit is not received on time or, if the cheque is returned as NSF.
- Returning of trust deposits will be per the terms of the contract upon the collapse of a transaction and in accordance with Broker's responsibilities pursuant to The Act.
- It is Brokerage policy that before a deposit is returned, the Brokerage will not return the deposit until it has confirmed that the cheque has cleared the Brokerage's Trust Account.

34. Awards and Contests

- As an acknowledgement for their work, the brokerage will provide the Top Producer for our office with the company Top Producer award at the first meeting in January of each year for closed business for the previous year – Jan 1 – Dec 31.
- The Top Producer will have the automatic permission of the Broker to advertise the fact that they were the Top Producer for those years in which they obtained the award.

35. Resignations and Terminations

- It is the Brokerage policy that any Associate can provide three days written notice to the Brokerage should they wish to transfer to another Brokerage.
- It is Brokerage policy to reserve the right to terminate any Associate of the Brokerage immediately upon sufficient grounds.
- Once an Associate has given notice to leave or received notice of termination, the Associate must settle the office account upon leaving or if there is a remuneration account balance due, the amount owed will be deducted from the remuneration payable and the balance forwarded to the Associate upon notification from the lawyers that the remunerations can be released.
- Should there be nothing in the Associate's remuneration account, then the Associate/Associate Broker must agree to pay the account up in full.

36. Vacation Time

- When Associates leave on vacation, it is important to delegate duties to someone at the Brokerage that will be responsible for handling requests for showings and the presentations of offers etc., while the Associate is away on vacation.
- Associates are advised to agree in writing, if and how (i.e., a flat fee or a percentage) the Associate covering for the vacationing Associate will be paid for facilitating a successful sale, listing of property or the showing of buyers.

37. Incoming Ad Calls

The Brokerage does not have a central paging system to facilitate calls to the office therefore, all signs and ads run by the Associate should contain the Associate's personal telephone, Cell or pager number.

38. Associate Acknowledgement of Receipt of Policy and Procedures Manual

- From time to time, the policy and procedures of the Brokerage will be amended. Associates will be required to acknowledge they have read and fully understand those policies and procedures both upon joining the brokerage and from time to time when requested.
- The policy and Procedures Manual for our company can be found on the internet in the Realtor password protected part of the site at www.carterrealty.ca.
- A letter of acknowledgement stating that the Associate has read, fully understands and knows how to access the Standard Operating Procedures online, will be placed into each Associates file upon joining the company or from time to time as required by the Brokerage.
- From time to time, Associates will be required to acknowledge via e-mail, that they have re-read and fully understand our Policy and Procedures. A copy of that acknowledgement will be placed into each Associates record.

39. Associate Records

- An Associate record must be started upon signing and is to consist of the following
 - GST number
 - Business information
 - Personal information including
 1. Copy of the contract

2. Policy and Procedures Manual Acknowledgement Form
3. CREB Transfer Document
4. RECA Registration.
5. Copy of the active Real Estate License.
6. Car insurance (with business coverage liability)
7. Evidence from the insurance company that the Associate has been added to the General Liability Insurance Coverage.
8. Next of Kin contact numbers and name.
9. Home telephone number.
10. Business Telephone number if different from the home number.
11. Cell phone number
12. E-mail Address
13. Web Page URL address if any.

40. Mail and Communication between Brokerage, Associates and the Public

It is vital that all members working at the Brokerage can demonstrate that they can be contacted by the Broker, clients and the general public. The minimum level of communications is as follows;

- All Associates at must a minimum, carry a pager or a cell phone.
- Must have an e-mail address, which is checked on a regular basis (CREB provides each Associate with a CREB email address automatically. All mail from the CREB e-mail account can be forwarded to a personal e-mail account.
- The Broker must be able to contact each Associate promptly to keep the Associate informed of important industry changes that will affect the way business is conducted by the Brokerage.

41. Paging Service

The Brokerage does not provide a central office paging system. Paging is arranged

and paid for by each Associate through a plan and supplier of the client's own choosing if they wish to have a paging system.

- Individual Associates are free to select any provider they wish for paging services.
- The Associate will arrange for payment of his/her pager and paging time used direct with the paging company of the Associates choice.
- The brokerage will not accept third party billing or collect payments for or on behalf of any paging company.

- As with cell phones, there are numerous plans with varying limits placed on the number of pages one can receive each month. It is wise to check out all plan options to find out the best one that will suit the Associate.

42. Deposits on Quick Closings

Our Brokerage policy is very clear. If there is a quick possession (less than 14 days) on a listing A BANK DRAFT MUST BE THE DEPOSIT ALL OFFERS WRITTEN ON OUR PROPERTIES. IT MUST ALSO BE STATED AS SUCH IN PARA 2.2 (THE TRANSACTION) AND IT MUST BE WRITTEN IN THE OFFER AS A BANK DRAFT NOT A CERTIFIED CHEQUE!

The reasoning behind this is simple. Contrary to popular belief, a certified cheque does not remove the money from the payee's account, it simply let's the person certifying the cheque know that the money is in the account at the time the cheque is certified.

Please note the following: A CERTIFIED CHEQUE CAN HAVE A STOP PAYMENT PLACED AGAINST IT SO BE AWARE OF THIS, FURTHERMORE, A BANK DRAFT IS ABSOLUTELY WATER TIGHT BECAUSE THE FUNDS ARE REMOVED FROM THE ACCOUNT IMMEDIATELY AND MADE PAYABLE TO THE BROKERAGE TAKING THE DEPOSIT.

It is important that Associates understand that they will be held personally liable for any shortfall in monies i.e. the deposit funds not being available if it goes to court as we as the listing Realtor have a fiduciary duty under the listing agreement to be diligent and to provide reasonable skill and care and to provide full accounting for all monies. Furthermore, it is also in the listing contract and, covered in the agency disclosure acknowledgement document required to have signed by every purchaser.

43. The Policies and Procedures Manual

These policies and Procedures are not intended to be an exhaustive manual of do's and don'ts. They are assembled to offer a reference manual from which to work. This manual will be made available to all company associates via the password protected area available only to Associates on the company web site. From time to time the Policies and Procedures of the Brokerage will inevitably be amended to reflect the changes taking place in our industry and in the rules and regulations governing it. [When these changes are made in this manual, the company will draw All Associates attention to it via e-mail or through the MLXchange Broker](#)

information area. Amendments after Jan 2007 will always appear in Blue Text until the next amendment.

This reference manual has been produced to lay down the minimum expectations that the Brokerage operates under and to make it easier for Associates to interpret what is required from them in order to lessen the likelihood of litigation against the Brokerage and its Associates. These procedures are in no way meant to interfere with or impede our Associates in the day to day running of their businesses. They are simply a framework of rules under which all Brokerage Associates agree to operate under while Associates at the Brokerage.

44. Remuneration Cheques

Some lawyers are quick to send out remuneration cheques upon the closing of a deal, others will not send but require Associates to pick up cheques from their offices and to deliver them to the Brokerage. In the case where we are called by the lawyer and they state that the cheque is ready for pickup, the Brokerage will normally call the Associate to let them know the cheque is ready. The Associate then can arrange to collect the cheque or have the cheque posted to the Brokerage if the Brokerage holding the cheque agrees to that method of transmittal (not all brokerages do).

The Brokerage does not employ a receptionist therefore, couriers should not be sent to the office as office hours are only from 8:00 am until 4:30 pm. In the event an Associate chooses to have a courier pick up items, those items must be couriered to the Associates home office. All courier bills and charges must be made out to the individual Associate not the Brokerage. Remuneration cheques will not be issued until the balance of remunerations from the lawyers trust account has been deposited into the Brokerage's Commission Account. Associates can assure themselves of prompt payment from the Brokerage by ensuring the deposits cover all of the remuneration. Remember, the Act dictates that cooperating Brokerages get paid out first, so if there is a balance of remunerations due, Associates will have to wait until they are received by the company and paid into the Brokerage's Commission Account before they get paid themselves. Associates can normally expect to be paid out within three days following deposit of the remuneration cheques into the Brokerage Commission Account.

45. Remuneration Draws on Firm Sales

There are lenders in the city who are prepared to advance money to Associates with

firm sales. Contact the brokerage for the names of the companies if required.

46. Written Service Agreements.

It is now mandatory to have a written service agreement with a seller for a listing. These agreements supersede the old listing contract. Associates using the Seller Brokerage Agreement are not required to provide the Appendix to the Real Estate Listing Contract.

While RECA has made the buyer service agreement non mandatory, RECA and our company still advise that buyer Brokerage Agreement is still a good idea. Associates are urged to furnish and explain them to the value of using a written Buyer Brokerage Agreement.

47. Company Privacy Policy

Carter & Associates Realty is a member of The Canadian Real Estate Association (CREA) and adheres to and abides by the principles set out in the CREA Privacy Code.

The Policy Statement

This office only collects personal information necessary to effectively market and sell the property of sellers, to locate, assess and qualify properties for buyers and to otherwise provide professional and competent real estate services to clients and customers in accordance with the Policies and Procedures and the Rules and Regulations of the Calgary Real Estate Board of which it is also a member.

Privacy Officer - The Person In Charge

Donna Carter, Associate Broker and Co-owner of Carter & Associates Realty is the **Privacy Compliance Officer** responsible for privacy compliance at Carter & Associates Realty.

The Privacy Compliance Officer shall be made available to consumers in the event of a complaint about a compliance issue regarding privacy. The responsibilities of the Privacy Compliance Officer shall include;

- Establish and update information protection policies
- Ensure that company policies are implemented by the company and other organizations to which data-processing functions may be outsourced
- Establish criteria for classification of information
- Evaluate the accessibility of sensitive information and take corrective action where necessary

- Provide education to employees and Associates on the importance of information protection
- Will be the first line of contact in the company to address and attempt to resolve a consumer privacy complaint to the satisfaction of the consumer.

47.1 The Collection, Use and Disclosure of Personal Information

Only the information necessary to facilitate the real estate transaction or otherwise provide professional and competent service to clients and customers will be collected. No personal information shall be collected from an individual without first obtaining the consent of the individual to the collection, use and dissemination of that information. Express consent (whether oral or written) must always be obtained except in the following situation

- Consent may be implied where the information is not sensitive and where it can be reasonably assumed that the individual would expect the information to be disclosed in this fashion. Once information is collected, it will be used and disclosed only for the purposes of marketing a client's property in compliance with the policies of The Calgary Real Estate Board. All representation agreements must include the approved privacy clauses.

47.2 Disclosure for New Purposes

- Anyone using personal information for some new purpose that extends beyond the consent already provided under the Calgary MLS Rules and Regulations and Privacy Policies must obtain the express consent of the person for that use.
- Requests for information by law enforcement officials, lawyers, private investigators or other agents or subpoenas for documents issued by the court must be referred to the (privacy officer/office manager and broker/agent as appropriate).

47.3 Protecting Information

Information must be protected in a manner commensurate with its sensitivity, value and its' criticality. This policy applies regardless of the media on which information is stored, the location the information is stored at, the systems used to process the information or the processes by which the information is handled. Associates should be careful and sensitive about the collection and disclosure and transmission of information;

- Meetings with customers and clients on company premises must take place in a private area (an office or the board room) and in a manner which

will ensure confidentiality and never in a public area or in an area where there is another company member present.

- Meetings with customers in public places such as coffee shops, open hotel areas, restaurants and places where other personnel may overhear conversations is totally discouraged by the company as it compromises the security and privacy of information. Furthermore, it is entirely the Associates responsibility to ensure and protect the confidentiality of dealings and client information.
- Incoming mail and faxes must be either routed directly to the intended recipient (the Associate) through transmittal to their own private home offices or to the company location where it will be collected and secured in a locked area until requested in person by the Associate.
- The transmittal of faxes to clients where the destination is not in a private residence should only be done after first obtaining the express permission of the client to ensure the client can receive and permits the faxes to be sent to a non private location.
- Where Information intended to be transmitted by fax is involved, permission to transmit that information should be obtained immediately prior to the transmittal process, in a confidential manner and should never be sent to a communal fax machine unless the recipient is present to receive it directly.
- It is the responsibility of the individual Associates who have home offices that all files, communications between clients and Associates and real estate related items including all correspondence and proprietary Real Estate Programs such as but not limited to Aurora, and MLXchange which have been licensed to a specific Associate be secured and/or password protected.
- Information from files will be made available to company Associates in the office only on an “as needed” basis.
- Company associates must request mail and other items directly from the appropriate staff member, Privacy Officer, Broker, Office Manager or other designated employee who will personally hand them the required information, faxes, mail etc. Storage of information will be in filing cabinets designated by the Office Manager to contain personal and/or sensitive information not limited to contracts notices, letters, details of transactions and all correspondence etc., which will be kept secured at all times.

All personnel having computer passwords will ensure that passwords (not limited to passwords which will access the company web sites or The

Calgary Real Estate Board computer systems and web sites) are kept strictly confidential and must not be shared with any unauthorized persons. The sharing of confidential password(s) or client documentation with any unauthorized party will be grounds for instant dismissal from the company. Furthermore, the company will immediately inform any and all compromised parties of the offence(s). This office has in place a record retention policy and destruction policy. Once it has been decided to destroy records they will be appropriately destroyed by shredding only.

47.4 Accuracy of Personal Information

- To ensure the quality of the information collected insofar as possible, personal information should be collected directly from the consumer
- Public property information (taxes, assessment data etc.) should always be verified
- Disclaimers of accuracy in the form approved by the office should always be attached to any disclosure of information.

47.5 Access to Personal Information

- Copies of any privacy brochure approved by this office should be available to the public in the reception area of the office
- The individual set out in Section 3 as being responsible for privacy compliance is the person responsible for responding to access requests and all such requests will be referred to him or her. All staff and salespersons will co-operate fully with the privacy compliance officer in responding to requests
- On written request and appropriate identification satisfactory to the organization an individual will be advised of personal information about him/her retained in the firm's records
- Where information cannot be disclosed (for example the information contains reference to other individuals or is subject to solicitor-client privilege) the individual will be given reasons for non-disclosure
- An individual may have appended to a record, any alternative information where the office is of the view that the appended information is, in fact, correct
- An administration fee may be charged to supply the information.

47.6 Compliance

All complaints from any individual concerning the collection, use or disclosure of their personal information or concerning the individual's ability to access their personal information must be referred to the **Privacy Compliance Officer**, who will attempt to resolve the complaint to the individual's satisfaction. In the event the complaint cannot be resolved internally he or she will be advised of where to direct their complaint.

Dated January 11, 2012

Ken Carter
Broker/Owner
Carter & Associates Realty
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