



# **Policies & Guidelines Manual**

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## **Introduction**

This Policy Guideline Manual reflects the standard operating procedures of Keller Williams Realty Portland Premiere (KWPP). It is to be used as a guide for Associates of this brokerage to help promote cooperation, provide a clear explanation of standard practices and procedures, and to help prevent and settle disputes in order to enhance your productivity.

In addition to the Policy Guideline Manual, Associates are also held to the policies and guidelines of the Keller Williams Realty International Policies and Guidelines Manual (available online at [KWPPagents.com](http://KWPPagents.com) or through [KW.com](http://KW.com) directly). In the event that the two manuals contain conflicting information, the KWPP manual shall control in areas addressing local concerns.

Associates acknowledge their status as Independent Contractors and understand that the policies and procedures outlined in this Policy Guideline Manual are provided to assist Associates in conducting their business affairs in cooperation with other Associates in a manner consistent with Broker's duties under state law. Nothing in the Manual is intended to create an employment contract or in any way vary the terms of an Associate's separate Independent Contractor Agreement.

The right to amend and change content of the Policy Guideline Manual is reserved for KWPP on an as-needed basis. The amendments and changes shall be reviewed during Weekly Premiere Team Meetings directly following any change to the policy. It is the responsibility of each Associate to keep abreast of all policy changes and to understand the policy set forth.

## Chapter 1: Brokerage and Associate Affiliation

### I. Independent Contractor

The relationship of Associate to KWPP is that of an Independent Contractor. This relationship affords Associate maximum freedom and flexibility. All Associates must sign an Independent Contractor Agreement that includes an explanation as to how listings and compensation will be handled in the event Associate leaves the company. It must be signed by Associate upon affiliation with KWPP.

### II. Associate Affiliation Requirements

Associate accepts financial responsibility for the following:

#### A. Real Estate Licensing & Required Continuing Education for Renewal

1. Associate shall maintain their own current real estate license.
2. Associate shall meet all Continuing Education (CE) requirements as established by the Oregon Real Estate Agency.
3. Associate is responsible for completing the Continuing Education Record form and keeping Continuing Education certificates of attendance for three years after date of license renewal.
4. Associate is responsible for all CE, licensing and license renewal fees, and fees relating to name changes.

#### B. Membership in the Board of Realtors®

1. Associate agrees to become a member of the Portland Metropolitan Association of Realtors (PMAR) or other acceptable Portland Area Board of Realtors, the Oregon Association of Realtors® (OAR), and the National Association of Realtors® (NAR), and to be responsible for all applicable dues and fees.
2. Associate agrees to abide by the rules and regulations of these organizations. Associate also may join other Boards/Associations as a secondary membership.
3. Associate understands KWPP is a member of the Oregon Association of Realtors® and the National Association of Realtors®. Associates may belong to any of the Institutes and Societies within the Boards.
4. Associate agrees to become a member the Residential Multiple Listing Service (RMLS), unless granted waiver from service agreement.

#### C. New Licensee Training Requirements

1. All Associates licensed for less than one year and/or who have closed five or fewer transactions are required to complete all sessions of Ignite within six months of joining Keller Williams Realty Portland Premiere. New Licensees must also attend the Contract Training series taught by the Designated Principal Broker.
2. New Licensees must review with Designated Principal Broker and/or Productivity Coach their first five transactions.
3. New Licensees, who are not on teams, are required to participate in the Market Center's Productivity Coaching Program. See Appendix D for complete requirements of the Productivity Coaching Program. Additional information regarding mentoring and training may be obtained from the CEO/Team Leader.

### **III. Resolution of Disputes**

#### **A. Relations with Other Associates and Affiliates**

Associates and all individuals associated with KWPP are expected to conduct themselves in a professional manner in their relations with other Associates and other licensees and affiliates within the industry. Each Associate working as an Independent Contractor has agreed to use his or her best efforts to comply with all laws, regulations, policies, and procedures. To that end, courtesy, cooperation, and diligence are expected.

#### **B. Personal Disagreements**

Personal disagreements not involving real estate transactions, office procedures or policies, or real estate rules and laws should be resolved between Associates or other licensees without the matter affecting other Associates or involving participation by Designated Principal Broker. However, the Designated Principal Broker is available to informally assist Associates in resolution of such disagreements. No Associate shall allow any personal dispute to disrupt the operation of the office or interfere in any way with professional real estate activity.

#### **C. Disagreements Concerning Policy or Procedures**

Any dispute among or between Associates with respect to the application of the policies and procedures contained in this Manual will be decided by Designated Principal Broker and CEO/Team Leader. Decisions in such matters will be final; however, no decision regarding policies and procedures shall operate, or be construed, to amend, alter or conflict with any Associate's rights or duties under their Independent Contractor Agreement. The Independent Contractor Agreement shall control in regard to any dispute or disagreement relating thereto.

#### **D. Disagreements Concerning Real Estate Law, Rules or Transactions**

Any dispute among or between Associates involving any real estate transaction or application of real estate laws or rules shall be immediately brought to the attention of Designated Principal Broker. Such disputes shall be resolved in accordance with applicable real estate rules and law. Decisions in such matters shall be final. Decisions regarding real estate law and rules as they relate to a transaction are made pursuant to the supervisory duties imposed on Designated Principal Broker or authorized designees under real estate law and shall not be, or construed to be, the exercise of direction or control over Associates in the manner and means by which they conduct their business under independent contractor agreements.

#### **E. Disputes with Outside Brokers**

Agents are encouraged to resolve disputes. In the event a dispute cannot be resolved during the course of business the Market Center reserves the right to make the final decision as needed. The MC decision will be considered the final decision.

## Chapter 2: Office Policies

### I. Discrimination

#### A. Zero Tolerance Policy

It is the strict policy of KWPP that all professional real estate services and activities conducted under the supervision of the Designated Principal Broker, or authorized designee, be provided equally and fairly to all members of the public without regard to sex, race, color, religion, disability, familial status, national origin, sex (including gender identity and sexual orientation), marital status, sources of income, or age. As independent real estate professionals, all Associates are expected to know and abide by all state, federal, and local laws and regulations prohibiting discrimination. No unlawful discrimination by Associates of any kind will be tolerated, nor shall any Associate be a party to any plan by others to unlawfully discriminate. (See Harassment section below).

#### B. Discrimination Accusations

An investigation by KWPP will follow any accusation of discrimination. If the investigation confirms a violation of KWPP's policy against discrimination, the Associate's affiliation with KWPP will be terminated.

#### C. Harassment

1. KWPP does not tolerate discrimination or harassment in its workplace. Professional and respectful behavior is expected of all associates, brokers, managers, company employees, staff and customers. Harassment, in all forms including, but not limited to, verbal, physical, visual, religious, and sexual is strictly prohibited in this office.
2. In the event Associate, an employee, or any other staff person feels that he or she has been harassed, the incident must be reported immediately to the CEO/Team Leader, Market Center Administrator (MCA), or Designated Principal Broker. KWPP will maintain the confidentiality of the complainant to the extent possible under the circumstances. An investigation will commence, and a written report will be prepared. If the allegation involves the CEO/Team Leader, Market Center Administrator, or Designated Principal Broker as the accuser of such action, an outside investigator may be retained. Retaliation against complainants is strictly prohibited. Any employee, Associate, or staff found guilty of engaging in harassment may be subject to disciplinary action including suspension or termination.

### II. Office Security

Anyone issued an office key or building key fob is responsible for the safeguarding of the office. In the event that an office key and/or building key fob is lost or stolen, Associate must immediately inform the Agent Services Coordinator. There will be a charge for replacement of lost or stolen keys or key fob. KWPP and its employees are not responsible for any theft or loss of personal items left in the office. When leaving the office outside of business hours, Associate shall ensure all doors into the building are firmly secured.



### III. General Office Policy

#### A. Dress Standards

All staff and Associates shall maintain a professional appearance at all times. Professional appearance standards shall be Business Casual.

#### B. Pet-free workplace

The office is a pet-free workplace, except for the possibility of a Service Animal as a reasonable accommodation. Individuals who would like to request an accommodation for a Service Animal should notify the CEO/Team Leader or Market Center Administrator.

#### C. Smoke/Vape-free workplace

There is to be no smoking (including vaping) on the property.

#### D. Firearms

Can be on the property only if the carrier has a current concealed carry permit issued in the state of Oregon.

#### E. Drug Use

Illegal drug use will not be tolerated during working hours or in any circumstance where such use could otherwise reflect negatively on KWPP, its employees, or other Associates.

#### F. Office Cleanliness

Associates shall be responsible for keeping any office work area they use neat and clean. Associates, who use office facilities such as conference rooms or other meeting areas, are responsible for making sure the room is returned to its pre-meeting condition and is ready for use by others. KWPP shall be responsible for the general cleaning and maintenance of the office.

#### G. Changes in Name, Address and Telephone Number

All changes in name, address, and telephone numbers of Associate must be reported to the MCA. Associate is responsible for making changes with the Real Estate Agency and all memberships. Associate shall pay any fees associated with name, address and telephone number changes assessed by the Board/Association of REALTORS.

#### H. Maintaining Contact with Office

To ensure that real estate transactions proceed in a smooth, timely, and efficient manner, Associates are asked to be available to respond to clients, customers, and KWPP at reasonable times of the day. Associates should be available to KWPP by phone, text, or e-mail during business hours and should let KWPP know when they will be unavailable (for instance, for vacations).

Any extended absence shall require the Associate to delegate responsibilities to an associate to cover Associate's real estate business during absence. Failure to arrange coverage by an associate will constitute the granting of authority to Designated Principal Broker to make necessary assignment and determine the appropriate commission split, if applicable.

## **I. Weekly Office Business Meetings**

Weekly meetings shall be held on a consistent, scheduled basis for the purpose of providing Associates with information necessary to conduct their business activities. Changes in company policy, announcements, new listings, purchaser requests, market data, financing availability and other information regarding real estate sales will be discussed at business meetings. In addition, real estate and licensing law issues will be covered. Associates are encouraged to take advantage of all meetings as part of their business regimen. In accord, Associates are highly encouraged to attend all Weekly Office Meetings.

## **IV. Auto Insurance Requirements**

Each Associate must provide KWPP with evidence that they have secured and continues to maintain the minimum amount of automobile insurance as follows:

- Bodily Injury Limit \$250,000 per person \$500,000 per occurrence
- Property Damage Limit \$100,000
- In addition, it is highly recommended that each agent has a \$1 million umbrella policy.

**Each Associate must obtain a certificate naming Keller Williams Realty Portland Premiere as an additional insured, and as an additional insured, the carrier agrees to notify KWPP of any claims or policy cancellations.**

## **V. Phone Use**

### **A. Office Provided VOIP Phones**

An office phone is provided by KWPP upon request for the conduct of real estate business. Associate may use the office telephone for that purpose and should familiarize themselves with the system and its operation.

### **B. Professionalism**

Any office or mobile phone that Associate uses in their daily real estate business shall be answered in a manner, and programmed with a voicemail message, that acknowledges Associate's affiliation with KWPP and properly reflects the professionalism of KWPP.

### **D. Do Not Call List / Telephone Consumer Protection Act**

Associate shall be responsible for adhering to the National Do Not Call Registry and Telephone Consumer Protection Act requirements. The Telephone Consumer Protection Act (TCPA) regulates calls and texts to cell phones and landlines, auto-dialed calls, prerecorded calls, faxes, and calls to numbers on the Do Not Call (DNC) Registry. Class-action litigation for TCPA violations is increasing, potentially exposing associates to catastrophic financial damages. Associates should consult an attorney for guidance on the TCPA and DNC laws, including consent requirements, autodialer restrictions and prerecorded messages.

In the event that Associate is notified by an individual requesting no further contact from them or any other KWPP employee or licensee, Associate must remove that individual from their database. Associate must also forward the individual's name, address, phone, and e-mail to the Designated Principal Broker. A list of all individuals requesting no contact with KWPP shall be maintained at the Market Center. Associates shall be responsible for reviewing this list to ensure they are respecting the requests of the public and shall bear all financial responsibility for any infraction.

More information on the National Do Not Call Registry can be found at [www.donotcall.gov](http://www.donotcall.gov)

## **VI. Computer Usage**

Community computers are available for Associate use in the common areas. Community computers are for business use only. Associate is not permitted to add programs to the community computers or the server. Associate should not save any work on a community hard drive or server. Community computer files will be routinely flushed.

Associates who want to bring their personal computers or laptop to the Market Center and access the network and printers must have a functioning and updating antivirus program, and anti-spyware program.

## **VII. Legal and Tax Advice Prohibited**

While an Associate may explain the preprinted provisions of the standard listing and sale agreement and any other approved forms the parties may be asked to complete and/or sign, no Associate shall give legal advice to a party, other than the advice to seek independent legal counsel regarding the meaning and effect of the transaction and documentation related thereto.

No Associate shall give tax advice to a party, including advice pertaining to deductions, exemptions, and/or tax liabilities resulting from the purchase or sale of real estate. Tax inquiries, beyond the scope of real estate practice, shall trigger Associate's recommendation that the party consult an attorney, tax accountant or other appropriate expert.

## **VIII. Reporting Procedures**

Immediately report problems to the Designated Principal Broker and the CEO/Team Leader that pertain to:

- Automobile accidents occurring while Associate is participating in real estate brokerage transactions
- Criminal charges against Associate, with the exception of traffic offenses
- Civil lawsuits or administrative actions involving real estate brokerage transactions
- Oregon Real Estate Agency contacts concerning disciplinary actions or other purposes
- Party default under an executory or executed contract
- Threatened legal or administrative actions involving the parties and/or a real estate transaction

- Acts of discrimination committed by Associates or parties to transactions
- Any forms of harassment within the workplace, including conduct by vendors, visitors, customers, and clients
- Unresolved disputes between Associates, within or outside the office
- Physical injuries within the office or while in performance of services or duties in the name of the Broker
- Local Board/Association contacts concerning disciplinary action or other purposes. Designated Principal Broker to be notified immediately upon any formal complaint
- Attorney Inquiry/Notification. Associate is not to respond without consultation with the Designated Principal Broker or CEO/Team Leader.

## **IX. Observance of Safety Practices**

All Associates are encouraged to be cognizant of unsafe situations and to avoid unsafe practices. Some suggestions are:

- Get a prospect's full name, address and telephone number at the first meeting.
- If you are hesitant about meeting for the first time, or are otherwise concerned about a buyer or seller, ask another Associate or trusted person to accompany you.
- Have your buyers and sellers meet you at the real estate office, never at a vacant property, and use your car or take separate cars.
- While showing a property, unlock the door and allow the prospects to enter first, and keep them in front of you at all times.
- Don't carry large amounts of cash or wear expensive jewelry during showings and open houses.
- When leaving the office, always let someone know where you will be.
- Use caution and judgment and practice safety at all times. DO NOT put yourself in an unsafe or compromising position.

## **X. Sign Policy**

### **A. For Sale Signs**

It is Associate's responsibility to adhere to all governmental guidelines and regulations, and Associate is solely responsible for their sign placement. "Offer Pending" signs may be posted after acceptance of an offer. No signs, including "Offer Pending" or "Sold" signs, shall be posted without the express permission of the owner. All signs must adhere to the Keller Williams Identity Standards.

Without a current listing contract, signs are not to be left on the property. Signs must be removed within two days after expiration or closing.

Note: The company's Registered Business Name is "Keller Williams Realty Portland Premiere." State law requires that this Registered Business Name must be prominently and obviously displayed on all marketing material.

## **B. Directional and Open House Signs**

Directional and Open House signs will be sold to Associates at cost. It is Associate's responsibility to adhere to all governmental and HOA guidelines and regulations. Associate is solely responsible for their sign placement.

## **XI. Office Hours**

Except for holidays, administrative staff will be available and the Bridgeport office open to the public Monday through Friday from 8:30 a.m. to 5:00 p.m.

The office will be closed for the following holidays:

New Year's Day

Memorial Day

Juneteenth

July 4th

Labor Day

Thanksgiving

Friday After Thanksgiving

Christmas Eve

Christmas Day

Use of the office by Associates outside of office hours is allowed provided Associate follows office security policy, ensuring the office is secured when Associate leaves.

## **XII. Commission and Expenses**

### **A. Associate Business Expenses**

KWPP shall not be responsible for any expense incurred by Associate in the performance of their business duties unless assumed and accepted by KWPP in writing in advance. Associate shall indemnify and hold KWPP harmless from any unauthorized charges. Any inspections, services or other inducements offered to customers or clients by Associate must be approved in advance by KWPP and shall be at the Associate's sole expense.

### **B. Professional Referrals**

If Associate chooses to provide a referral of any workman or professional, Associate shall provide at least three names in any given category and shall encourage client to exercise their own due diligence. Associate must disclose any financial benefit, direct or indirect, resulting from the referral of a workman or -professional. **Associate may not tie any inducement to their commission, or share their commission with an unlicensed client, customer, or other person.** Associate shall not accept any inducement from any Settlement Service Provider in violation of the Real Estate Settlement Procedures Act (RESPA) and accepts full responsibility for familiarizing themselves with RESPA requirements and limitations. If in doubt, Associate agrees to confer with the Designated Principal Broker prior to taking any action which may violate RESPA.

### **C. Commission Advance Programs**

We do not allow the use of Commission Advance Programs/Early Commission Loan Programs.

### **D. Agent Billing**

Associate will be billed for monthly KWPP Resource Fee plus color copies, signs, office rental, and any other appropriate expenses they incurs. The invoices will be emailed to Associate by the 11<sup>th</sup> of the month and are due by the 20<sup>th</sup> of the month. Associate is required to keep a credit card number on file with KWPP. On the 20<sup>th</sup> of the month the credit card on file will be used to pay the monthly invoice. Any check payable to KW Realty Portland Premiere returned by the bank is subject to a returned check fee.

## **XIII. Document Control**

### **A. Review of Documents**

Oregon Administrative Rules require the Designated Principal Broker to review each document of agreement generated in a real estate transaction within seven business days after it has been accepted, rejected, or withdrawn. In order for the Designated Principal Broker to adhere to this rule, all of these such documents shall be submitted through Command for review within three business days of acceptance, rejection or withdrawal.

### **B. Office Records**

The Designated Principal Broker is required by law to maintain records regarding all professional real estate activity conducted by anyone associated with the office. For that purpose, the Designated Principal Broker shall maintain files on all listings and prospective sales (active, expired, canceled/terminated, rejected). Associate shall direct all written offers, listing agreements, earnest money documents, receipts, correspondence and other real estate transaction documents to the appropriate file. **Associates are strongly encouraged to keep a journal/communication log of their professional real estate activities for each transaction** and place copies in the relevant files. The entries are for Associate's benefit and safeguards Associate in the event of a dispute. Associate has an affirmative contractual obligation to cooperate and assist the Designated Principal Broker in the maintenance of adequate records of professional real estate activity. To that end, Associate shall be familiar with and act in strict accordance with policies and procedures established to ensure Associate will not have access to nor obtain confidential information concerning another client involved in the same transaction.

### **C. Confidential Files and Information**

The Designated Principal Broker shall maintain all files in a secured and restricted location. Associates requiring access to the Designated Principal Broker files must obtain permission from the Designated Principal Broker. Associate should not discuss client information with other associates in the Market Center.

#### **XIV. Prospective Recruits**

All licensed and unlicensed Associates shall honor the privacy and hold in strictest confidence the identity of prospective recruits who tour the Market Center, attend company functions, or otherwise express an interest in joining KWPP.

## Chapter 3: Errors and Omissions (E&O) Coverage

### I. E&O Claims

KWPP provides Errors and Omissions insurance for Associate's real estate activity. Associates are responsible for a \$56 E&O charge per transaction.

Associates must report any potential claims or disputes immediately to the Designated Principal Broker. Associates are not to settle disputes without Designated Principal Broker discussion and approval. Associate or their Rainmaker/Team Leader is to notify the Designated Principal Broker immediately if they receive a letter through any source from an attorney, OREA, or OAR/PMAR indicating a potential claim against the agent or Market Center.

In the event of a claim, Associates are required to notify the Designated Principal immediately, and cooperate fully with the Designated Principal Broker when they receive notice of a claim or potential claim filed against them. Associates shall not attempt to handle the claim themselves, discuss the matter with any third party, assert any standard of care, admit any liability, agree to attend the meetings with the other party, or initially retain their own attorney. **Lack of timely notification can result in loss of coverage by insurance for the Market Center and Associate.**

**Associate and their Rainmaker/Team Lead are responsible for the full E&O Deductible of \$10,000. Invoices are payable as accrued by legal counsel.**

### II. Regulatory/Legal Assistance

All questions pertaining to regulatory and legal issues shall be directed to the Designated Principal Broker. If a lawsuit or administrative action is filed or threatened against Associate based upon Associate's professional real estate activity, Associate shall notify the Designated Principal Broker and provide the Designated Principal Broker with Associate's entire transaction file and chronology of events. The Designated Principal Broker shall report the matter to the Errors and Omissions carrier as required by the insurance policy and shall provide all relevant documentation to Carrier's appointed legal counsel. The cost of defending the suit, action, or threat shall be apportioned as provided in the Associate's Independent Contractor Agreement.

**Legal fees and costs incurred on Associate's behalf for claims exempt from coverage shall be the sole responsibility of Associate.**

### III. Personal Transaction E&O Coverage

Listings for Associates' personally owned property (owner occupied only) are covered by the E&O insurance. Personal purchases of property are **NOT** covered by the E&O insurance. Personal investment transactions are **NOT** covered by the E&O insurance. Prior to listing or writing an offer for one's own personal transaction, Associate must notify Designated



Principal Broker to ensure all requisite provisions are inserted into the transaction documents.

In order for the sale of an owner-occupied personally owned property to be covered by E&O insurance, but the agent seller must ensure all of the following requirements are met: 1) property disclosure was provided to the buyer, 2) a home inspection was performed by a licensed inspector, 3) a home warranty was put in place at closing for the new owners, and 4) a standard sales contract was utilized.

*Additional Information regarding Personal Transactions can be found in Chapter 5.*

#### **IV. Attendance at Client's Hearings or Proceedings**

Associate shall not grant Client's informal requests to attend any hearing or proceeding, including but not limited to Small Claims Court, mediation, or arbitration, without obtaining the Designated Principal Broker's prior consent. Associate shall be especially mindful and cautious of any request to attend a proceeding as support or witness for Client and shall notify and obtain prior consent from the Designated Principal Broker.

## Chapter 4: Partnerships, Teams, and Assistants

*KWPP has adopted the following guidelines for use by the Market Center CEO/Team Leader in determining when it is appropriate for individual members of a team to have a reduced Market Center Cap. Understanding that it is impossible to anticipate and cover every circumstance and situation, the CEO/Team Leader shall have sole discretion in applying these guidelines and for handling situations not covered herein.*

***Teams shall not be created for the sole purpose of receiving a reduced cap.***

### I. Partnership Guidelines (Two Licensed Real Estate Brokers)

#### A. Qualifications

Associates shall demonstrate sound business reasons for forming the partnership. Written Partnership Agreement and all corresponding documents relating to the partnership shall be subject to review by Market Center prior to acceptance, and copies thereof shall be stored at the Market Center

#### B. Written Agreement

Partners are required to have a detailed written agreement between themselves. At a minimum, the agreement must address compensation and split agreements, termination of agreement by either party, and performance expectation for both parties. This agreement is to be approved by the Market Center CEO/Team Leader. Commissions generated shall be shared pursuant to the Written Agreement

#### C. Liability

All liability and responsibility for professional real estate activity shall be shared in its entirety between partners

#### D. Caps

Partnerships are required to carry **two full caps**, as both can act as Rainmakers. The only exception is married couples or domestic partners living in the same household filing one tax return jointly. Commission payouts can only be paid out based upon approved Team Agreements.

#### E. Married Couple/Domestic Partner Partnerships

A Partnership or Team/Group consisting of a married couple or domestic partners living in the same household filing one tax return jointly shall be charged one full cap during each anniversary year.

#### F. Keller Williams Realty International Royalty Cap

The Keller Williams Realty International Royalty cap and the associated 6% split is never reduced or waived. It shall be unaffected by any change in the Market Center cap.

### II. Teams and Groups Guidelines

*For Keller Williams ranking purposes only, a Team is considered to be two Licensed Real Estate Brokers and a Group is three or more Licensed Real Estate Brokers.*

## **A. Qualifications**

To qualify as a Team/Group, one member of the Team shall be designated as the Rainmaker/Team Lead and shall hold a Principal Broker License. The Rainmaker/Team Lead will review Team/Group transaction documents and act as the first line of defense in the supervision of the team members' individual real estate activity.

## **B. Written Agreement**

Rainmaker/Team Lead is required to have a detailed written agreement with each of their Team members. At a minimum, the agreement must address compensation and split agreements, termination of agreement by any member, and performance expectation for all parties. This agreement is to be approved by the Market Center CEO/Team Leader. A copy of the signed written agreements for all Team members shall be provided to the Market Center. Without a written agreement, there will be no cap reduction. If Team Agreement changes, the changes will need to be reapproved and updated with the Market Center.

## **C. Liability**

All liability and responsibility for professional real estate activity shall ultimately be on Rainmaker/Team Lead.

## **D. Minimum Commission Contributions by Team Members**

In order to qualify for reduced caps for Team Members, the total commission contributions of a Team Member to the Rainmaker/Team Lead must be a minimum of **30%** of every commission received. This guideline is specifically to preclude agents who are simply periodically referring clients to other agents from forming as a team for the purpose of reducing caps. If commission requests are submitted without at least 30% allocated to the Team, additional cap will be charged at 30%.

## **E. Team Caps**

The Rainmaker/Team Lead shall pay a **full cap**. Team members associated with the Team/Group shall each pay a reduced **\$7,500** cap. Each Team member shall bear sole responsibility for their individual cap. If the Rainmaker/Team Lead does not pay a full cap over the course of the year, their Team/Group status shall be terminated.

## **F. Maximum Team Cap**

Teams/Groups may be eligible for a maximum total Team Cap. This may be discussed and approved by the CEO/Team Leader.

## **G. Recruiting**

Teams cannot recruit agents from within the Market Center. The hiring of Market Center staff requires prior consultation with the CEO/Team Leader.

## **H. Keller Williams Realty International Royalty Cap**

The Keller Williams Realty International Royalty cap and the associated 6% split is never reduced or waived. It shall be unaffected by any change in the Market Center cap. Each Team member shall bear sole responsibility for their full royalty fee.

## I. Separation Clause

All Team/Group Written Agreements must include a clause determining what happens in the event the relationship ends. If transactions are in escrow, they will be paid with the current terms unless otherwise noted in the agreement. Agreements must define which clients belong to the team and which clients are solely the team member's and will no longer be owned by the team upon termination. At time of separation, clients will be ruled by separation clause for a maximum of 18 months, after which the agent no longer has a contractual obligation to the team.

## J. Associate Sponsorship

Efforts to improperly influence a new agent's choice of sponsor (for Keller Williams Realty Profit Sharing purposes) over another more appropriate source shall not be tolerated.

## K. Termination

Should the relationship between Team Member and the Team end, or should the Team disband, Associate's cap shall immediately revert to the full Market Center Cap. If Associate had reached the "third-cap" level, graduating them to a 100% compensation level with the Market Center, but there is still time remaining until Associate's next anniversary, Associate shall pay toward the full Market Center cap on any new escrows which are opened after the termination of their association with the Team.

## L. Disputes

Disputes between Rainmaker/Team Lead and Team Members should be negotiated between themselves directly to resolve. Ultimately if a resolution cannot be reached, the final decision to be by the CEO/Team Leader and/or Designated Principal Broker.

## III. Assistants

### A. Unlicensed Assistants

1. Associates may employ, or otherwise engage, such Unlicensed Assistants as they believe beneficial to Associate's business. Unlicensed Assistants shall be the responsibility of the Associate alone. The hiring Associate shall supervise closely their Unlicensed Assistant's activities and be solely responsible for any and all employer/employee duties and responsibilities resulting from the hiring of the assistant.
2. The Unlicensed Assistant will be employed by Associate as an employee and not as an Independent Contractor. The Unlicensed Assistant shall be deemed solely an employee of Associate and not an employee or Independent Contractor of KWPP. Associate shall observe and comply with all applicable laws governing employees, including laws governing payment of regular and overtime wages, maintenance of time records, and taxation of employees. **No Associate may pay an Unlicensed Assistant, directly or indirectly, any portion of a real estate commission.**
3. No Cap shall be assessed to the Unlicensed Assistant providing administrative support. Unlicensed Assistants may not hold an open house and must comply with all federal, state, and local laws, rules, and regulations relating to their unlicensed status.

4. **Associate shall strictly prohibit the Unlicensed Assistant from engaging in professional real estate activity.** Such activity by an Unlicensed Assistant may be grounds under the Associate's Independent Contractor Agreement for termination of the Agreement. An Unlicensed Assistant cannot make inside sales calls, show or hold Open Houses, nor conduct any other professional real estate activity.

#### **B. Licensed Assistants**

1. Oregon real estate law requires that Associates who have Licensed Assistants obtain a Principal Broker's license. Qualified Associates may engage Licensed Assistants under a written Broker Associate/Licensed Personal Assistant Agreement. An Associate who engages a Licensed Assistant may pay the assistant directly for services other than those qualifying under OREA regulations as professional real estate activity. However, any agreement regarding the sharing of commissions between an Associate and a Licensed Assistant must be consistent with the Associate's Independent Contractor Agreement, office policy and state law. Associates shall be responsible for making certain any professional fees or necessary dues are paid. No Licensed Assistant may establish an agency relationship with a client that is different from the agency relationship between the hiring Associate and the client.
2. No Cap shall be assessed to the Licensed Assistant who functions in an administrative role. A Cap shall be assessed once the Licensed Assistant negotiates, presents, shows property, or conducts other professional real estate activity. It is the responsibility of the Rainmaker/Team Lead to inform the Market Center if a Licensed Assistant will be doing any of the above-mentioned activities. The Rainmaker/Team Lead shall accept primary financial responsibility for their failure to inform the Market Center of the Licensed Assistant's changed status.

#### **C. Associate Accounting Responsibilities**

The State of Oregon and the Internal Revenue Service will likely treat Unlicensed Assistants and certain Licensed Assistants as employees, rather than independent contractors. As an employer, the Associate will have to file reports and pay taxes as applicable: Federal Withholding, FICA (Social Security), State Withholding, Federal Unemployment tax, State Unemployment tax, Tri-Met tax, Workers Compensation Insurance, and city and county taxes. Associates are advised to seek competent legal and tax advice before entering into an employment or independent contractor arrangement with any assistant.

## Chapter 5: Advertising Requirements

### I. Keller Williams Realty Requirements

- A. All marketing materials must include the ownership statement, “Each Office Is Independently Owned and Operated”
- B. The KWPP Market Center logo must appear on all marketing materials. This logo may not be reconfigured.



- C. The complete KW Branding Guidelines can be found online:  
<https://www.kwconnect.com/page/marketing/logos-branding>

### II. Real Estate Agency Compliance

- A. Associates agree to comply fully with OAR 863-015-0125 regarding all advertising for professional real estate activity.
- B. Associates licensed in Washington agree to fully comply with WAC 308-124B-210 regarding all advertising for professional real estate activity.

## Chapter 6: Personal Transactions

*Purchasing or selling your personal residence and/or investment properties is one of the greatest advantages you have as a real estate professional, and it is our goal to preserve this advantage.*

### I. Guidelines

#### A. Brokerage Association

Associates may engage in the purchase and sale of real estate only under the Designated Principal Broker's supervision and in the Brokerage name. All Personal Transactions must be processed through KWPP. Associate shall notify the Designated Principal Broker of their intent to purchase or sell real property for their own account prior to entering into any purchase agreement or offering property for sale. Associate shall be responsible for a personal transaction fee and any advertised co-op commission.

**Associates shall not market their personal listings as For Sale by Owner.**

#### B. Personal Transaction Qualifications

Agents are allowed a maximum of two personal transactions per year. This only applies to the agent's immediate family members (associate, spouse, children or mother or father). All personal transactions need to be approved by the Designated Principal Broker or CEO/Team Leader.

#### C. E&O Coverage

E&O coverage applies to personally owned listings that are owner-occupied only. There is no E&O coverage for a purchase transaction or a purchase or sale of investment properties.

*Additional Information regarding Personal Transaction E&O can be found in Chapter 3.*

#### D. Personal Transaction Requirements

1. Seller Property Disclosures are provided to the buyer
2. A home inspection must be performed by a licensed inspector (paid by buyer or seller)
3. Agent Selling must provide a Buyers Home Warranty
4. Agent must disclose that as the Seller or Buyer, they are licensed in Oregon or Washington

### II. Agency and Disclosures

#### A. Dual Agency

Associates, representing themselves in a real estate transaction, may not also represent the buyer or seller in the sale of said property. If Associate enters into a sale agreement with an unrepresented buyer, Associate shall declare in writing that they do not represent buyer and that they represent the seller exclusively.

## **B. Real Estate License Disclosure**

Associates must fully disclose that they are licensed in Oregon or Washington at the first contact with any prospective seller or buyer, or the seller's or buyer's agent. Associates must also disclose any information or advantages gained as a result of their real estate license status. Associates shall state clearly in any disclosure of agency that the Associate is representing only their own interests and is not acting as an agent for the other party in the personal transaction.

### **1. Intent to Profit Disclosure**

When personally purchasing property or when Associate has any personal or financial interest in a transaction, Associate shall disclose their license status and intent to profit from the transaction.

### **2. Purchase of Associate's Own Listing**

If Associate is purchasing property listed with KWPP, Associate shall disclose in full any involvement with the property prior to the offer to purchase and expressly disclose any information gained as a result of the involvement. If Associate intends to purchase one of their own listings, they must give the owner a chance to withdraw the listing and seek other representation prior to making any offer. If the seller wishes to continue to have the Brokerage represent him in the purchase, Designated Principal Broker shall appoint an Associate, other than the purchasing Associate, to represent the seller in the sale.

The following disclosure language shall be included in the Sales Agreement where Associate is purchasing their own listing.

*"The buyer in this transaction is the listing agent. As the listing agent, the buyer has been privy to information regarding the property, the seller's motivation to sell and current market condition not available to other buyers. Seller has consented to the agent representing both the seller and themself in this transaction understanding that agent may apply the real estate commission paid by the seller to agent's transaction costs. Agent is purchasing the property with the intent to resell the property for a profit. Seller is advised to seek such separate legal and financial advice regarding this transaction as they deem appropriate."*



## Chapter 7: RESPA Policy

*Associates are required to comply with the Real Estate Settlement Procedures Act at all times. Referral fees are specifically addressed to clarify the federal law requirements and the necessity for compliance.*

### I. Prohibition Against Kickbacks and Unearned Fees

Regulation X details the elements of a RESPA Section 8 violation:

- A. Pursuant to Section 8, paying or receiving a fee or a "thing of value" for the referral of business related to a settlement service provider without rendering a service is illegal under RESPA. Examples of "settlement service provider" include, among others, real estate brokers and agents, mortgage bankers and mortgage brokers, title companies and title agents, home warranty companies, hazard insurance agents, appraisers, and home and pest inspectors.
- B. Regulation X also prohibits the splitting of any settlement charge except for paying for actual services rendered. If no or nominal services are performed or if duplicative fees are charged, an unearned fee exists, and payment of this fee violates Section 8.
- C. Regulation X makes clear that any agreement or understanding that a thing of value will be given in exchange for a settlement service referral need not be written or even verbalized. This agreement can be established by a practice, pattern or course of conduct.
- D. Regulation X gives a list of the real estate-related services. These "settlement services" include, without limitation, any services related to:
  - 1. The origination, processing or funding of a federally related mortgage loan
  - 2. Mortgage broker services such as counseling, taking applications, obtaining verifications and appraisals, lender-borrower communications, etc.
  - 3. Title company services
  - 4. An attorney's legal services
  - 5. Closing document preparation
  - 6. Credit reports and appraisals
  - 7. Property inspections
  - 8. Conducting the settlement
  - 9. Mortgage insurance
  - 10. Hazard, flood or casualty insurance, and homeowner warranties
  - 11. Mortgage life, disability or similar insurance
  - 12. Real property taxes and assessments
  - 13. Real estate broker services

### II. Regulation X Allowances

- A. Payments for services actually rendered by attorneys, title companies, lenders, and real estate brokers and between real estate brokers "pursuant to cooperative brokerage and referral arrangements or agreements."

- B. Ownership of an interest in a settlement service company, such as a mortgage brokerage or title insurance company, as long as broker (1) discloses the relationship when referring customer or client to the affiliated business; (2) does not require use of the person or entity as a condition for the sale or purchase of a home; and (3) payments received are limited to a return on ownership interest (as compared to volume of referrals received).

### **III. Referral Fee Reminders**

- A. Don't pay referral fees to providers of settlement services other than pursuant to a referral agreement with another real estate broker. RESPA generally forbids paying someone for the mere referral of business.
- B. No "gifts" or fees may be given to individuals who refer business to settlement service providers, including, but not limited to, acceptance of a "gift" from a title company or mortgage broker in the form of advertising fees or flyer production.
- C. When someone performs a service, that party should be paid a fee that is reasonably related to the benefit received. They should not be given an excessive payment that blatantly announces itself as a reward for steering business in the direction of a certain company.
- D. Don't ask for or receive fees for referring business, unless request or receipt is pursuant to an established written broker-to-broker or broker-to-sales agent fee arrangement.

## Chapter 8: Listing Policy

### I. Listing Agreements

Associates may take listings only in the name of KWPP on an approved form. All listings shall be Exclusive Right-to-Sell Listings. Associates shall make certain all owners, including spouses, sign the listing and **shall designate receipt of disputed earnest money “100% to seller.”**

### II. Agency Disclosure

Oregon law requires real estate licensees to provide the seller with a copy of the statutory Oregon Real Estate Agency Disclosure Pamphlet upon the first contact with the seller, typically defined as the time of the listing presentation. Associate shall note by date the seller's receipt of the Pamphlet in the listing file and shall explain fully the Pamphlet and the agency relationships involved prior to providing further professional real estate services.

### III. Disclosed Limited Agency

Associates shall seek the seller's signature on a Disclosed Limited Agency Agreement simultaneously with presentation of the Agency Pamphlet. Associates must fully explain disclosed limited agency relationships, including Associate's ability to represent both the seller and the buyer and the role of Associate's Designated Principal Broker, prior to seeking such agreement. The signed Disclosed Limited Agency Agreement for Sellers shall be attached to the listing agreement as an addendum.

### IV. Designated Agency

In a transaction involving the exclusive representation of the seller and buyer by two Associates within KWPP, the Designated Principal Broker shall represent both the seller and the buyer as the Disclosed Limited Agent, pursuant to a Disclosed Limited Agency Agreement. Such representation must be agreed to by the seller in the Disclosed Limited Agency Agreement for Sellers and shall be consistent with the applicable duties and responsibilities set out in the Oregon Real Estate Agency Disclosure Pamphlet. All representation shall be consistent with Company policies and procedures established to ensure Associates will not have access to, and will not obtain, confidential information concerning the other party in the same transaction.

### V. Seller's Property Disclosure Statement

Associates shall explain to sellers their duties as owners with respect to property disclosure statements as set forth in ORS 105.465 to 105.490. Unless excluded under ORS 105.470, each seller of a 1-4 residential property, in order to limit buyer's ability to terminate the transaction, must deliver to each buyer who makes a written offer a seller's property disclosure statement in the statutory form. If seller refuses to complete the form, Associate will note this on the form and provide a copy to Designated Principal Broker. Associates shall not advise or assist the seller in filling out the disclosure form, other than the advice to complete the form to the best of seller's ability and to include not only current defects but

also prior problems and efforts to remedy. Associate shall review the form for completeness, bring to the clients' attention any discrepancies reasonably apparent to the Associate by visual inspection of the property, and ensure that necessary supporting documentation is included with the disclosure statement.

## **VI. Property Security**

The listing Associate shall use reasonable care to ensure that listed properties are reasonably secure. Associates shall oversee the use of lock boxes and monitor the access by real estate agents to confirm they are conducting themselves in a professional manner and are maintaining reasonable security. Associate shall discuss the advantages and disadvantages of lock box use with sellers and abide by the seller's decision regarding lockbox use.

Associate shall counsel seller to safeguard valuables. If the property is occupied by a tenant, Associate must obtain written permission from the tenant prior to the photographing of the interior.

## **VII. Listing Processing Procedures**

Listing Associates shall be responsible for completing all appropriate support forms concerning a new listing. All MLS documents and profile sheets shall be submitted to Designated Principal Broker for review prior to the submission deadline established by MLS rule. Should the seller refuse MLS submission, Associate shall obtain written instructions to that effect, and it shall be the listing Associate's responsibility to honor the seller's wishes. Timely dissemination of listing information is the policy of KWPP and in the seller's best interests. All new listings shall be submitted to the MLS and made available to other Associates in a timely manner and within MLS time constraints.

## **Chapter 9: Buyer Brokerage**

### **I. Buyer Agency – Exclusive and Limited**

An Oregon real estate licensee may represent a buyer exclusively, the buyer and seller, or two buyers in the same transaction. Prior to agreeing to represent a buyer, Associates shall confirm the buyer has not executed an exclusive representation agreement with another licensee.

At the first substantive contact (when property needs and/or financing are discussed), Associate shall provide buyer with a copy of and fully explain OREA's Disclosure Pamphlet and the Disclosed Limited Agency Agreement. Associate shall have buyer initial and date the Pamphlet, provide buyer a copy, and retain a copy for the transaction file.

The use of a Buyer Representation Agreement is strongly encouraged, detailing the duties and obligations of licensee and client.

The signed Disclosed Limited Agency Agreement shall be attached as an addendum to any written agency agreement between the buyer and Associate. Associate shall carefully honor the duties imposed on disclosed limited agents. Associate acting under any disclosed limited agency agreement shall preserve the lawful confidences of each party.

Associate shall fully explain all materials, the resulting agency relationships, and KWPP's role, and shall note within their file the date each was presented.

### **II. Designated Agency**

When one KWPP Associate represents a buyer exclusively and another KWPP Associate represents the seller exclusively, KWPP's Designated Principal Broker becomes the Disclosed Limited Agent in the transaction. Confidentiality shall be honored and preserved throughout the transaction and thereafter in accordance with KWPP policy and procedures. Associate's failure to follow these policies and procedures is grounds for termination of the Independent Contractor relationship.

### **III. Procedures When Representing Buyers**

Associate, when representing a buyer, must carefully distinguish between exclusive and limited agency. It is imperative that Associate use the proper forms, obtain the necessary agreements and conduct their activities in a manner appropriate to the created agency relationship. Associate shall, to the best of their ability, anticipate potential conflicts resulting from representation of the buyer and bring any potential conflicts to the attention of Designated Principal Broker in a timely manner. Associates must strictly adhere to Company policies and procedures to honor confidences and secure documentation. When undertaking dual representation in a transaction, Associate shall routinely remind the parties of the dual nature of their representation and the limits that representation places on Associate. Breach of such policies and procedures may be considered a material breach of Associate's Independent Contractor Agreement.

When acting as a buyer's broker, all communication with a seller shall be through the listing agent. If contacted directly by seller, Associate will immediately explain s/he is the exclusive representative of the buyer and, as such, is legally obligated to relay any conversation between him/her and the seller to the Buyer. At the end of the conversation, Associate shall contact the seller's agent and inform him/her that seller contacted Associate.

## Chapter 10: Selling Policies and Procedures

### I. Information Provisions

Unlicensed Associates may be permitted to provide factual information on listings which is normally found on public websites and property data sheets. These Associates shall indicate that they are not licensed agents, are allowed to relay only limited factual data, and further requests for information may be obtained only through Associate.

### II. Agent Limitations:

Agents are limited to listings and transactions within their scope of knowledge and logistics. If outside of agent's scope of knowledge, agent should refer the business to an agent with appropriate expertise or discuss activity with Designated Principal Broker. **Commercial sales** are defined under a separate Chapter. To handle commercial transactions, an agent needs to be a member of the KW Commercial Group or have a KW Commercial Group member Co-List/sale or refer to a Commercial Group member.

### III. Confidentiality of Offers Intra-office

Do not discuss the possibility of receiving an offer with any associate prior to obtaining a signed Sales Agreement. Limit any discussion of the details of an offer to the Listing Agent and their Designated Principal Broker. Refrain from inquiring about the specifics of a transaction in which you are not involved.

### IV. Representing More Than One Buyer on the Same Property

Associates representing competing buyers shall not attempt to discover the terms or conditions of the other offer. ***No Associate shall represent more than one buyer at a time seeking a particular property without: (1) the express permission of Designated Principal Broker and (2) having a signed Disclosed Limited Agency Agreement with each buyer.***

### V. Offers and the Sales Agreement

#### A. Timeliness in Offers

All offers and counteroffers must be presented in a timely manner. Associate must make every effort to present the offer or counteroffer as soon as possible. Any verbal presentation should be followed as soon as possible with a hard copy forwarded by email or whatever means of communication is most expedient under the circumstances.

The time and date of presentation shall be noted on each offer or counteroffer, and the receiving party shall, as soon as possible, sign and date the form to indicate an acceptance, or initial and date the form to indicate a rejection or counteroffer. A copy of these notations on the offer or counteroffer shall be furnished promptly to the cooperating broker.

## **B. Presentation of Offers**

All offers must be presented to the seller by the listing Associate in a timely manner. Associate must record, for the transaction file, the time and date of presentation. Associate presenting the offer must make a full, fair, complete and coherent explanation of the offer to the seller.

Associate shall not favor one offer over another or fail to present an offer or neglect to inform the seller of any potential offer known to Associate. The selling agent may be present at the presentation if the agent makes such a request, and the seller approves. Upon selling agent's request, Associate must provide selling agent with a copy of seller's written instructions, denying selling agent the opportunity to present the buyer's offer. No offer shall be presented without a final agency disclosure as required by Oregon law.

Associates shall endeavor to have the seller respond promptly in writing to any and all offers. If the seller wishes to allow an offer to lapse by its own terms without making a written rejection or counteroffer, Associate shall document that occurrence in the transaction file, notify the buyer's agent or if no agent, the buyer, and make a record of the date and time of notification for the office file. Signed rejected offers shall be provided to the buyer with the date and time recorded in the transaction file.

In the case of multiple offers which include Associate's client's offer, each shall be presented by the respective client's agent, unless seller, in writing, denies selling agent access. It is recommended that Associate refer the buyer (in a dual representation scenario) to another agent within or outside the company. Associate may request and accept a referral fee from the agent receiving the buyer. Associate shall disclose to buyer any referral arrangement. If Associate, pursuant to seller's written instructions, proceeds with the presentation of all offers, Associate shall, with due diligence, conduct himself/herself in an unbiased, equitable, and ethical manner.

## **C. Source of Funds/Buyer Representations**

The Sale Agreement mandates that buyer have sufficient funds to close unless s/he discloses a contingent source of funds. "Sufficient funds" is analogous with verifiable funds. A seller has the legal right to require confirmation that funds are liquid and immediately available.

It is KWPP's policy to make verification of funds a condition of the sale agreement when the offer involves a large down payment or cash purchase.

## **D. Earnest Money**

Earnest money may be in the form of a check, promissory note, or tangible property. Associates should not accept cash.

All checks accepted by KWPP Associates shall be made payable to the title company agreed upon by the parties.



If client refuses to tender the earnest money in a timely manner or tenders a check rejected by a financial institution, Associate (after reminding client of their legal obligation to provide the contracted sum) must immediately notify seller's agent or seller (if unrepresented) and Designated Principal Broker of buyer's failure to perform.

## **E. Counter Offers**

All counteroffers shall be on the standard form provided by Broker. Associates shall record the date and time of the presentation of any counteroffer.

Associate shall encourage their client to make a counteroffer to, or reject in writing, any unacceptable counteroffer. If the client wishes to allow a counteroffer to lapse by its own terms without making another counteroffer, or written rejection, Associate shall document that occurrence in the transaction file.

A copy of any rejected counteroffer shall be provided to the offeror, with the date and time shall be recorded in the transaction file. This procedure shall be repeated for each, and every counteroffer made and presented during the negotiation of a transaction.

It is incumbent on Associate to explain to buyer or seller that a counteroffer is, in effect, a rejection of the previous offer or counteroffer, and the presentation of a new offer to the other party. With the counteroffer, only the terms which vary from the original offer are inserted on the form and all terms remaining the same from the original offer shall be incorporated by reference. Any terms from previous counteroffers which are intended to be carried forward also must be incorporated by reference.

## **F. Communication To Cooperating Brokers**

Each Associate who is a listing agent may decide whether he or she shall disclose to cooperating agents the existence of other offers with approval of Designated Principal Broker; however, if asked, such disclosure is required. When there is an accepted offer, Associate must disclose its existence to cooperating brokers upon first contact.

## **G. Addenda**

The purpose of an addendum is to elaborate on terms in the original offer or counteroffer(s) or add a provision by mutual agreement to an already existing contract. Addenda never are to be used in place of a counteroffer. Drafting language on an addendum is one of the final arenas in which Associate may inadvertently practice law without a license. Associates acknowledge the import of drafting coherent clear provisions and shall confer with Designated Principal Broker when in doubt of the efficacy and appropriateness of the words written.

## **VI. Referral Fees**

The Associate will have many opportunities to give and receive referrals of prospective buyers and sellers and they are encouraged to make referrals to competent colleagues

within the industry. All referral fees must go through KWPP. Associates shall confirm all referral fee agreements in writing prior to sending or accepting a referral. When dealing with brokers from other states, Associates shall request written evidence that the broker is licensed and actively practicing real estate in his or her state, before agreeing to pay that broker a fee. Obtaining a copy of the broker's current license and written verification from their Designated Principal Broker of their active status will satisfy this requirement.

## **Chapter 11: Closing Procedures**

### **I. Listing Associate**

All real estate transactions conducted through Broker shall be closed in escrow unless the parties specifically agree otherwise in writing. It shall be the listing Associate's responsibility to assist the parties and the escrow company in successfully completing the closing. OREA places primary responsibility for the closing on KWPP. As KWPP's agent, Associate agrees to exert best efforts to attend all of their closings. Upon acceptance of an offer to purchase, the listing Associate shall open escrow with the escrow company designated in the earnest money agreement by transmitting to the escrow company a copy of the fully executed sale agreement and earnest money check. The listing Associate shall thereafter assist the parties as required in fulfilling the escrow instructions. The listing Associate shall keep the seller fully informed as the escrow progresses and shall plan to attend the closing with the seller's approval.

### **II. Selling Associate**

The selling Associate shall make certain that the listing agent opens escrow as provided in the sale agreement. The selling Associate shall maintain contact with the listing agent and keep the buyer informed as escrow progresses. The selling associate should always attend the signing appointment with their client or send another KWPP associate in their absence.

### **III. Failed Transactions**

Associates shall immediately notify Designated Principal Broker of any sale that may not close or does not close as provided in the sale agreement. Unless excused from performing, failure to perform constitutes a breach of the contract, triggering a duty on the part of Associate to (1) advise client to seek independent legal counsel prior to proceeding and then, if client still refuses to proceed, (2) inform the other party's agent, or if unrepresented, the other party, of client's decision.

If Associate's client wishes to execute their unilateral, contractual, right to terminate the transaction on the basis of a failed condition, Associate shall obtain a signed memo from client or draft one pursuant to client's instructions (and have client sign it), informing the other agent of client's decision, the basis therefore, and instructions for disbursement of earnest money and/or other funds. Associate will forward the memo to the other agent, escrow, and their Designated Principal Broker. In the instance of a unilateral right to terminate following the memo, a standard termination shall be sent to all parties, releasing each and every one of them from liability.

If both parties agree to terminate the transaction, Associate shall obtain a fully executed termination agreement from the parties and provide it to their Designated Principal Broker.

Associates shall not counsel parties on whether agreements are enforceable or make any representation regarding distribution of earnest money without the express consent of Designated Principal Broker.

## Chapter 12: Appendix

### TCPA Compliance & Indemnity Agreement

The Do Not Call Registry is a list of phone numbers from consumers who have indicated their preference to limit the telemarketing call they receive. I agree that I will not call registrants on the Do Not Call Registry and that I will comply with federal, state, and local regulations related to telemarketing. I agree to comply with any Market Center Policies and Guidelines related to telemarketing, TCPA Compliance, and the Do Not Call Registry. I agree to stop calling anyone who requests that I stop calling them for a period of five hears after that request.

### RESPA

The Real Estate Settlement Procedures Act (“RESPA”) governs the provision of settlement services to consumers. It requires certain disclosures and outlaws kickbacks between real estate brokers and the providers of settlement services. I agree to comply with RESPA and to have any agreements that I have with a settlement service provider reviewed by legal counsel knowledgeable about RESPA.

### Fair Housing

Fair Housing laws protect consumers from discriminatory practices. Discrimination in the sale, rental and financing of dwellings is prohibited. I agree to comply with federal, state, and local fair housing laws and regulations.

### Indemnification

I agree to familiarize myself with federal, state, and local laws and regulations governing telemarketing, the provision of settlement services (including RESPA) and fair housing. I AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE DESIGNATED PRINCIPAL BROKER, KWPP, AND KELLER WILLIAMS REALTY INTERNATIONAL, INC. FOR ALL DAMAGES AND EXPENSES, INCLUDING FEES AND COSTS, INCURRED DUE TO ANY INVESTIGATIONS, CLAIM OR DISPUTE ARISING FROM OR RELATED TO MY ACTIVITIES, INCLUDING ANY ALLEGED VIOLATIONS OF FEDERAL, STATE AND LOCAL LAWS OR REGULATIONS GOVERNING TELEMARKEETING (including alleged violations of the Do Not Call Registry), THE PROVISION OF SETTLEMENT SERVICES (including alleged violations of RESPA) AND FAIR HOUSING. I have read and understood this Compliance Indemnity Agreement and I have been encouraged and given the opportunity to have this agreement reviewed by my own legal counsel.

### Code of Ethics and Standards of Practice of the National Association of Realtors®

I agree to follow and comply with the current NAR Code of Ethics and Standards of Practice.