

# Policies & Procedures

## **OFFICE POLICY BOOK**

In this policy book, the words Associate and ASSOCIATE/ASSOCIATE BROKER are synonymous in the meaning of the Alberta Real Estate Act. The word ASSOCIATE/ASSOCIATE BROKER means a person contracted by the Brokerage to sell or list real estate as described by the Real Estate Act.

Welcome to the team at Avenue Home Realty Inc.. We take great pride in providing exceptional real estate services to our clients through Honesty, transparency, ethics.

The policy manual is provided as a resource for our associates and employees in their daily activities. At all times Avenue Home Realty Inc. intends to abide by all federal, provincial, and municipal laws and regulations as well as those of our associations; The Real Estate Council Of Alberta, Calgary Real Estate Board (CREB®) Canadian Real Estate Association, Alberta Real Estate Association, Better Business Bureau.

All employees and associates will acknowledge receipt, understanding, and agreement to comply with each amendment as issued and compliance with this manual.

Avenue Home Realty Inc. reserves the right to amend and update this policy manual. Amendments will be published as handouts to all employees and associates, as well as discussed in meetings, Failure to attend a meeting where changes are discussed does not excuse the associate or employee from understanding and compliance.

It is the associate responsibility to become thoroughly familiar with the code of ethics, residential tenancies act, and stay current with any changes, the associate shall devote full time exceptional service in every moment to the public.

Consumption of alcohol, and or illegal substances, or under the influence in the office or during the course of company business is strictly prohibited and will result in immediate dismissal without warning.

### **REPRESENTATION:**

The associate has no authority to bind or obligate the Broker through any promise or representations other than normal business practice, such as tenancy agreements, or other agreements which will be processed subject to the approval of the broker. At all material times Associates are only permitted to engage in real estate activities under Avenue Home Realty Inc. The brokerage they are registered to.

### **TELEPHONE:**

Associates are responsible for ensuring that they are certain and verify the identity of the caller prior to divulging information. Personal contact information and details of any employees, associates, tenants or clients are the property of the brokerage and not to be released unless approved by the Broker.

### **SIGNAGE**

For rent, sale, lease signs and associated expenses will remain the sole responsibility of ASSOCIATE/ASSOCIATE BROKER.

### **HARRASEMENT POLICY/BULLYING**

Avenue Home Realty Inc. is a harassment free brokerage and strictly adheres to providing a workplace free from physical, sexual, emotional, bullying, violent free, abuse free environment.

Harassment takes many forms sexual harassment can be in ways of inappropriate touching, slapping, unwelcome advances, verbal innuendos, stalking, flashing, etc. For a full list of forms of sexual harassment and or if you or someone you know has been a victim please feel free to approach your broker or office manager in confidence.

Physical harassment may take the form of hitting, throwing objects, using weapons threatening, emotional harassment may take the form of verbal negativity, bullying.

In conclusion We at Avenue Home Realty Inc. do not condone any of this behaviour and we want to foster a safe, harassment free brokerage. Any incidents please fill out the complaint form and a member of management will handle in the strictest confidence.

### **Corrective Action and Discipline**

Management will act on the report based on the following conditions.

- the impact of the incident on the complainant
- the nature of the incident
- the degree of aggressiveness or physical contact
- the period of time and frequency of the incidents
- the vulnerability of the complainant

Management will listen to both sides of the story and may take further steps to mediate and come up with solutions based on the severity of the situation.

The following corrective actions may be considered depending on the particular incident and the factors involved.

- Apology
- Training
- Referral to an assistance program
- Reassignment or relocation
- Limiting access to certain areas of the organization
- Report to a professional body
- Suspension
- Discharge
- legal action

### **CONFIDENTIALITY:**

It is understood that all information pertaining to client's information, business dealings, financial information, contracts, client lists are to remain in the brokerage and all associates hereby adhere to respecting the privacy of our clients and brokerage by not divulging any such information without the prior approval of the broker. This shall remain in effect during the course of employment and three years after termination or departure from Avenue Home Realty Inc.. Those who solicit clients or associates or are found to have disclosed financial information, client lists, contracts will result in litigation against the associate.

### **LOCKBOX RENTAL**

Realtor lockbox and associated expenses will be the sole responsibility of the ASSOCIATE/ASSOCIATE BROKER. Lockboxes may be purchased from the Calgary Real Estate Board (CREB®). Lost lockboxes are subject to replacement fee incurred by the associate.

**Avenue Home Realty Inc. operates as a Designated Agency brokerage.** Industry professionals must ensure they carry out their responsibilities according to the requirements under Designated Agency, including both their practice and documentation.

**Absence of Industry Professional** – When an industry professional is not available to service their clients, the industry professional may appoint another industry professional with the brokerage as the temporary designated agent for their clients. The industry professional must notify the broker and the clients in writing of the effective dates and the contact information for the designated agent.

The broker will designate another industry professional to service the clients when a designated agent is not available to service their clients and is not able to appoint a replacement.

An industry professional who replaces a seller's designated agent must be aware of the potential conflicts should they have a client for seller's home after acting as their designated agent. If the parties agree, transaction brokerage may be a solution.

**Termination of an Industry Professional** – When an industry professional terminates from the brokerage, the broker will assign another industry professional to act as the designated agent on any current service agreements. The broker will consult with the client. This is subject to any other agreement the brokerage may have with the industry professional.

**Teams** – The brokerage will consider industry professionals working as teams as a single designated agent, unless the broker agrees to a different structure. Service agreements must indicate the team member names. When the space on the service agreement cannot accommodate all of the team member's names, industry professionals must attach a schedule with all the names.

**Broker Advice** – A Designated Agency agent may seek advice from the broker or delegate if the Designated Agency agent is not in a transaction brokerage situation. If the Designated Agency agent is in transaction brokerage situation, the broker must act as a transaction facilitator.

When two designated agents of the brokerage are in the same transaction, the broker must act as a transaction facilitator. When the brokerage delegates specific individuals to work with buyer and seller representatives, they may give unrestricted advice.

**Referrals** – When a designated agent is unable to service their client or is in a conflict of interest situation, they may refer a customer or client, with their consent, to another designated agent within the brokerage. The designated agents may agree to a referral fee, which must be in writing by way of an amendment of the exclusive buyer brokerage agreement or the exclusive seller listing contract.

The policies of the company are based on providing a complete real estate service to the general public in which the ASSOCIATE/ASSOCIATE BROKER can achieve maximum performance for maximum return. The management has finely tuned the operations of the Brokerage to satisfy the needs of the experienced ASSOCIATE/ASSOCIATE BROKER who has clearly defined their services for the market place.

The purpose of the Office Policy book is to set guidelines, which the ASSOCIATE/ASSOCIATE BROKER is required to stay within.

## **I. OFFICE FACILITIES**

- A.** the Brokerage provides a staffed office in which all ASSOCIATE/ASSOCIATE BROKERS can expect to conduct their business. The office hours are 8:30 a.m. to 5:00 p.m. Monday thru Friday, with a 24-hour answering service after hours (for those that subscribe to the service). The Broker shall provide space for the ASSOCIATE/ASSOCIATE BROKER to process listings and sales and a mailbox to receive correspondence and materials.
- B.** Should an ASSOCIATE/ASSOCIATE BROKER rent an individual desk with phone, sixty days written notice is required by administration should the ASSOCIATE/ASSOCIATE BROKER decide to give up the office space.
- C.** The consumption of alcohol and or illegal substances in the office or during the course of company business is strictly prohibited and could be cause for dismissal.

## **2. OFFICE ADMINISTRATION**

The Broker shall approve and process all properly completed listings, sales agreements, amendments, sales reports, conveyancing documents, trust and other moneys submitted by the salesperson, as required by the Alberta Real Estate Act, ASSOCIATE/ASSOCIATE BROKERS Association of Calgary, and any other legislative body.

The Broker shall receive all complaints and disputes in writing.

Any occurrence, which the ASSOCIATE/ASSOCIATE BROKER cannot resolve, shall be immediately noted in writing, to the Broker required by RECA, REA, and any other legislative body.

### **A. Expenses- General:**

The Broker shall be responsible for all expenses incurred by the Brokerage only. All expenses incurred by the ASSOCIATE/ASSOCIATE BROKER shall be borne by the ASSOCIATE/ASSOCIATE BROKER, Associate, and Associate Broker. Under no circumstances shall the ASSOCIATE/ASSOCIATE BROKER, Associate, and Associate Broker contract any services, supplies, signs, legal, advertising, promotional, charitable expenses or any other expenses in the name of the Brokerage. (Realty Executives Polaris.)

### **B. Expenses-Legal, Licensing, Damaging, and Public Relations:**

The ASSOCIATE/ASSOCIATE BROKER is responsible for all costs, expenses, or liabilities incurred by the ASSOCIATE/ASSOCIATE BROKER, ASSOCIATE/ASSOCIATE BROKER or Brokerage as a result of any actions of the ASSOCIATE/ASSOCIATE BROKER (error or omission, warranties, negligence, misrepresentation, sanctions imposed by RECA or any other Association or the courts of Alberta/Canada).

The ASSOCIATE/ASSOCIATE BROKER, ASSOCIATE/ASSOCIATE BROKER shall be charged by the Brokerage for any administration expenses relating to income verification, assignment of commission, third party demands, garnishees or other clerical services required of the Brokerage.

### **3. ASSOCIATE/ASSOCIATE BROKER OBLIGATIONS:**

#### **A. ASSOCIATE/ASSOCIATE BROKER Contract:**

It is the policy of the Broker to contract with licensed ASSOCIATE/ASSOCIATE BROKERS. The ASSOCIATE/ASSOCIATE BROKERS shall attend the office to receive mail and messages. The ASSOCIATE/ASSOCIATE BROKER shall devote full time professional service to the public with which the ASSOCIATE/ASSOCIATE BROKER carries on business, with regards to the Brokers business.

#### **B. Standards of Business Practice:**

The ASSOCIATE/ASSOCIATE BROKER is required to become thoroughly familiar with the "Code of Ethics" and the standard of Business Practice of the local Real Estate Association and to be conversant with the Alberta Real Estate Act and Regulations. The ASSOCIATE/ASSOCIATE BROKER must stay current with any changes, precedents or repeal of legislation or codes of conduct, which could affect his/her business practices at the local board and provincial level.

**As per Section 21 of the Real Estate Act Rules if any information provided to the Real Estate Council Changes, then the ASSOCIATE/ASSOCIATE BROKER shall notify the Executive Director and the brokerage immediately.**

ASSOCIATE/ASSOCIATE BROKER's are accountable for all expenses incurred on their behalf by the brokerage and will be billed for that on the following months' billing, which is prepared by the 25<sup>th</sup> of the month. The account is to be paid in full by the last business day of the current month, following billing by the Brokerage. If the account is not paid in full by the last day of the current month as described above, then the ASSOCIATE/ASSOCIATE BROKER acknowledges and agrees that he shall, in addition to payment of the amount outstanding, also be liable for the damages suffered by the Brokerage. It is further acknowledged and agreed that a genuine pre-estimate of the liquidated damages suffered by the Brokerage each month and payable by the ASSOCIATE/ASSOCIATE BROKER in respect of late payments shall be as follows:

\$50.00 for accounts, in aggregate, less than \$ 500.00;  
\$100.00 for accounts, in aggregate, between \$ 501.00 and \$ 1,000.00; and  
\$150.00 for accounts, in aggregate, between \$ 1,001.00 and \$ 1,500.00; and  
\$200.00 for accounts, in aggregate, between \$ \$ 1,501.00 and \$ 2,000.00.

It is specifically agreed that these charges are in the nature of pre-estimated liquidated damages and not as penalty, and shall not constitute nor is intended to replace any obligation to pay interest if any.

The ASSOCIATE/ASSOCIATE BROKER is responsible for keeping current with all legislation, which may affect his/her business. The Real Estate Act, Regulations and Amendment, Social Services Act, Income Tax Act, GST act, Capital Gains, Residential Landlord and Tenant Act, and all other relevant legislation all must be adhered to in conducting his/her day to day business. ASSOCIATE/ASSOCIATE BROKERS are fully responsible for everything they say and do. They must represent all facts and details in accordance with the Real Estate Act and Regulations, and their duties as ASSOCIATE/ASSOCIATE BROKER of the Brokerage, in the spirit of true, plain, and full disclosure.

It is the responsibility of the ASSOCIATE/ASSOCIATE BROKER to stay current with information literature, courses, seminars and meetings that will keep the ASSOCIATE/ASSOCIATE BROKER current with the

industry's practices. The Broker expects the ASSOCIATE/ASSOCIATE BROKER to devote adequate time to maintaining the highest possible standards and practices.

The consumption of alcohol and or illegal substances in the office or during the course of company business is strictly prohibited and could be cause for dismissal.

**C. Representations:**

The ASSOCIATE/ASSOCIATE BROKER has no authority to bind or obligate the Brokerage through any promise or representations other than normal business practice such as listings, agreements or purchase and sale etc., which will be processed subject to the approval of the Broker.

**D. Co-operation with other Brokerages:**

It is the policy of the Brokerage to co-operate with all other Brokers and ASSOCIATE/ASSOCIATE BROKERS.

**E. Processing a Listing:**

The ASSOCIATE/ASSOCIATE BROKER is required to submit accurate and completed Listing Agreements immediately to the Broker for approval. The ASSOCIATE/ASSOCIATE BROKER is required to adhere to listing policy referred to in section IV. The Brokerage reserves the right to impose penalties if the ASSOCIATE/ASSOCIATE BROKER does not complete the information within 2 business day.

**F. Processing a Transaction:**

The ASSOCIATE/ASSOCIATE BROKER shall submit upon receipt, all sales documents, conveyance documents, trust or other moneys and other requirements set out in section V. the Brokerage reserves the right to impose penalties if the ASSOCIATE/ASSOCIATE BROKER does not submit information within 2 business days.

**G. Contact with the Office:**

The ASSOCIATE/ASSOCIATE BROKER must maintain constant contact with the office as to his/her whereabouts at all times. It is the responsibility of the ASSOCIATE/ASSOCIATE BROKER to inform the Broker how his/her business is to be handled in the event he/she cannot be reached in a 24 hour period of time. Failure to do so shall result the Broker providing services and the ASSOCIATE/ASSOCIATE BROKER risks forfeiting all commissions due to him/her.

**H. Vacations:**

ASSOCIATE/ASSOCIATE BROKERS who are planning vacations or absence from the office for more than two (2) days are required to inform the Broker in writing seventy-two (72) hours prior to departure. Failure to do so may result in the Broker providing such service required in the interests of better servicing the public with regards to the Brokerages' business. The ASSOCIATE/ASSOCIATE BROKER risks forfeiting commissions due to him/her.

**I. Telephone:**

ASSOCIATE/ASSOCIATE BROKERS are responsible for ensuring that they are certain of the identity of the caller prior to divulging information and are responsible for ascertaining that the subject call was indeed intended for them, not the Broker or another ASSOCIATE/ASSOCIATE BROKER.



ASSOCIATE/ASSOCIATE BROKERS must ensure that they have the authority to divulge any information to clients or other ASSOCIATE/ASSOCIATE BROKERS prior to doing so. E.g. Details of an offer on a property when it may be detrimental to a client, such as the sale price, terms and conditions. All information given must be in accordance with the Privacy Act, and The Alberta Real Estate Act and Code of Conduct.

Long distance calls of any nature are to be charged to the ASSOCIATE/ASSOCIATE BROKER'S personal account.

**J. Automobile Insurance:**

Each ASSOCIATE/ASSOCIATE BROKER shall maintain insurance coverage of Two Million Dollars (\$2,000,000.00) Liability (Business Use Rider) and more.

**K. Private/Semi-Private Office – Personal Content Insurance:**

It is mandatory that any ASSOCIATE/ASSOCIATE BROKER renting a private or semi-private office maintain personal contents and liability insurance coverage for their belongings.

**L. Liability Insurance:**

It is the responsibility of the ASSOCIATE/ASSOCIATE BROKER to have liability insurance coverage while conducting business.

**M. Sign Policy:**

All signs must have the approval of the Brokerage, and meet the requirements of the Alberta Real Estate Act, Code of Conduct, all relevant municipal governing bodies, and the Realty Executives Graphic Standards. All ASSOCIATE/ASSOCIATE BROKER is there responsibilities to know the guidelines and all municipal bylaws in all areas they work.

**N. Advertising Policy:**

All advertising is the expense of the ASSOCIATE/ASSOCIATE BROKER. The ASSOCIATE/ASSOCIATE BROKER is required to write his/her own ads. All advertising must be carefully checked to ensure that the proper representations have been made, and comply with the real estate advertising standards and consumer service guidelines.

The Broker reserves the right to change or amend an ad that does not adhere to the image we wish to project.

All advertising must be approved by the Broker. All ads must display the name Avenue Home Realty Inc.. This includes all print, electronic, web-based, and social media advertising, including but not limited to web pages and linked web sites.

All Ads must comply with the Alberta Real Estate Act, CREA, AREA, the CREB ® and must identify the brokerage "Avenue Home Realty Inc."

No ads shall make reference to any illegal suites or revenue, or any other unauthorized use. Ads submitted for personal rental properties must comply with the Alberta Real Estate Act, Rules, and Code of Conduct, and they must show the company name.



All ASSOCIATE/ASSOCIATE BROKERS must make themselves familiar with the various advertising deadlines and meet these deadlines to ensure publication on the proper dates.

The policy of the company is to present all listings in the most favorable light. It is also expected that all listings shall have exposure to the market place unless otherwise agreed to in writing by the seller.

There must be a legal binding written service agreement in place with the office prior to advertising a property.

#### **O. Correspondence and Promotional Materials:**

The ASSOCIATE/ASSOCIATE BROKER is responsible for any personal brochures or other promotional material; the Broker must approve the content prior to printing. Any and all brochures, promotional items, cards, signs, etc. that display the "Avenue Home Realty Inc." REALTOR®, and MLS® registered trademark must be authorized by the Broker. Any materials reproduced with the logo without the consent of the Broker, and made by an unauthorized supplier, will result in the materials being confiscated and could result in litigation against the person or persons that reproduce the registered trademark Realty Executives, REALTOR®, MLS® without authority to do so.

#### **P. Complaints and Disputes:**

Upon notification of any complaints or dispute, the ASSOCIATE/ASSOCIATE BROKER shall inform the Broker in writing immediately. Upon notification from the Broker, the ASSOCIATE/ASSOCIATE BROKER shall forthwith and diligently handle all complaints and disputes as a result of their actions. If the Broker is required to attend complaints or disputes (in person or in writing), all associated costs are to be borne by the ASSOCIATE/ASSOCIATE BROKER.

#### **4. LISTINGS**

All listings must be completed on the most current contracts supplied by RECA, AREA, Web forms, from Realtor Link and Repree or any approved contract provided by the brokerage.

All MLS® listings must be sixty (60) days or longer as per the Calgary Real Estate Board (CREB®) . All exclusive listings shall be determined by the seller and the brokerage.

The listing contracts and data input forms are to be completed by the ASSOCIATE/ASSOCIATE BROKER and approved by the Broker. Any information provided must be confirmed through the appropriate authorities (City Hall, land titles etc.). Written confirmation on existing financing should be obtained from the mortgagee to avoid future problems. Standard forms are available requesting mortgage information on behalf of the seller. These forms must be signed by the Seller.

The ASSOCIATE/ASSOCIATE BROKER(s) shall obtain a title search and financial information of all his/her listings. It is advisable to obtain written confirmation of outstanding balances or payout figures from the mortgage holder.

Upon receiving the listing from the seller, there is an obligation by the ASSOCIATE/ASSOCIATE BROKER to outline to the Seller what steps will be taken to market the property as in the written service agreement. Approval for signs, ads, and access are required.

The Broker reserves the right to refuse listings of a controversial nature and also reserves the right to transfer any listings not adequately serviced by the listing ASSOCIATE/ASSOCIATE BROKER.

All commissions are negotiated between the ASSOCIATE/ASSOCIATE BROKER and the Seller, depending on the services being provided. This must be approved by the Broker.

Only the Broker can authorize the cancellation or transfer of a listing. There shall be no "pocket" or general listings. All listings must be submitted to the office immediately (exclusive and MLS®).

The ASSOCIATE/ASSOCIATE BROKER shall submit to the Brokerage any amendments, cancellations, and mutual general release forms with regard to status of the listing, within 24 hours of signing.

All ASSOCIATE/ASSOCIATE BROKER must keep a copy of agency relationships, the comparative market analysis, contracts, service agreements, any and all marketing and advertising in their files for all properties listed.

#### **MEASUREMENTS:**

All listings are required to have RMS (Residential Measurement Standard) uploaded prior to Activating the listing. The ASSOCIATE/ASSOCIATE BROKER is responsible for all costs associated and can provide the RMS by means of:

- 1) By independent 3<sup>rd</sup> party measurement services
- 2) By Associates personal measurement based on the guidelines established by the Calgary Real Estate Board (CREB®).

It is not acceptable to use the previously listed size of a property without first verifying by one of the above sources that the size is accurate.

\*\*\*Regardless of the method by which the associate determines the listed size of the property, evidence of how they arrived at the listed (diagrams, survey plan, assessment ect.) size MUST be given to the brokerage as part of the listing documents and a disclosure placed in the private remarks as how the size was arrived at and that the "buyer or buyers associate should verify listed size if deemed material by the buyer."

#### **Commercial Listing:**

The above policy on listings also applies to Commercial Listings with the following additional conditions:

##### **A. General:**

Any listing containing four or more legal suites, or an individual revenue producing property or business, require formal financing statements. Prior to the acceptance of a binding offer, this statement should specify the time period to which they apply, to be signed and dated by the seller. Any statements or pro forma presented by the Salesperson will contain the following statement: **NOTE: The information given above has been obtained from the sources we understand to be correct, but it is not guaranteed**

and is subject to conditions existing at the time of any transaction taking place. It is further subject to inspection by the purchaser. Sale of property is subject to prior sale, withdrawal or changes without notice. Potential purchasers are urged to obtain their own independent legal and accounting advice concerning this information.

**B. Disclosure Statements:**

Prior to listing or selling a property, which would require a disclosure statement; it is the ASSOCIATE/ASSOCIATE BROKER'S duty to establish what is required prior to proceeding. After proceeding, it is the ASSOCIATE/ASSOCIATE BROKER's duty to supply and deliver the required forms to carry out the requirements under the Alberta Real Estate Act.

**C. Illegal Suites:**

It is the responsibility of the Listing ASSOCIATE/ASSOCIATE BROKER to ascertain from the civic authority, the status of suites, and to advise the Seller and indicate on the Listing copy (including the Seller's copy): "Property contains accommodation which is not authorized," if that happens to be status.

No ASSOCIATE/ASSOCIATE BROKER may advertise, using any media, a suite which has not been approved as "legal" by the local governing body in writing. This includes the use terms such as "In-law suite, "Mother-in-law suite" or the like which could be mis-interpreted by the consuming public as being a legal suite.

Also on the Agreement for Purchase and sale, the purchaser will be made aware in writing that the property contains accommodation that is not authorized, and has been informed of the consequences of such ownership and the potential loss of income should such use be discontinued.

**D. Condominium Title:**

With sales involving suites, townhouses, bare land condominiums, etc., the seller must provide current financial statement and bylaws, as required in a purchase agreement (condominium documents). It is also necessary to provide an investor purchaser with any restrictions on rentals. Sales involving new condominium units also require a rental disclosure statement from the developer. Also, the monthly maintenance amount must be stated in the Purchase Agreement and sale.

All required information on condominiums shall be obtained from the registered condominium board, association, or condominium Management Company.

**FOR ALL CONDOMINIUM TRANSACTIONS were you represent the purchaser, you must present to the purchaser the possibility that they may have a professional condominium document review completed by a professional condominium document review service for a fee. It is the responsibility of the ASSOCIATE/ASSOCIATE BROKER to make this information available to the purchaser and should the purchaser waive the right a "Condominium Document Review Waiver" must be completed and submitted to the brokerage at the time of submission of the deal.**

**5. TRANSACTION POLICIES**

**Associates/Associate Brokers Responsibility: Associate /Associate Brokers are responsible for keeping a copy of all written transactions completed or collapsed. Originals of all documents**

**signed on behalf of the brokerage must be turned into the brokerage within 2 business days. An administrative fee will apply for all late paperwork in the sum of not less than \$25 per day per file or as determined by the broker for the particular offence. In the event the ASSOCIATE/ASSOCIATE BROKER is not responsive to requests from the brokerage for the required documents to complete the file and the broker or administrative staff is required to obtain documents on behalf of the ASSOCIATE/ASSOCIATE BROKER an additional administrative penalty will apply not less than a full deal fee as outlined in current contractor plans or as determined by the broker for the particular offence.**

To collect commission, there must be a signed legal and binding Listing contract or referral documents stating the amount to be paid, and signed by the party paying this money to Avenue Home Realty Inc.. Verbal agreements may not be enforceable and the ASSOCIATE/ASSOCIATE BROKER runs the risk of not collecting moneys owed, also there must be a legally binding Purchase Agreement, signed by all parties. The process of obtaining a signed Purchase Agreement may require extensive negotiations between parties. The end result must be a written agreement, which is clear and is understood by all parties. Care should be taken to ensure that all dates on the agreement correspond with dates on other agreements that may have a bearing on this transaction.

All associates must obtain a copy of a current Land Title for the prospective property prior to the writing of any offer to purchase in order to ensure the purchaser is aware of any caveats, Covenants, easements or the like registered on the existing title and may address such issues that may arise. Where the property is a condominium (bare land or otherwise) will obtain a copy of the Survey plan registered with the land titles office as well. The ASSOCIATE/ASSOCIATE BROKER must verify the registered legal size from the survey plan and what the registered size includes prior to Writing the offer to purchase so as to advise the buyer of any conflicts between the registered size or parking information and that of the MLS® listing.

It is best practice to advise all purchasers of any existing historical data available through reasonable means (i.e. Board Data, municipality data etc.) This should also be done prior to the writing of any offer to purchase. During the course of preparation of the offer to purchase the brokerage recommends the use of the Property inspections and reports form (PIRF) in order to properly advise purchasers of common inspections and reports available to them so conditions can be properly prepared to represent the desires of the purchaser for those reports.

All ASSOCIATE/ASSOCIATE BROKER should advise prospective purchasers that a representation agreement must be completed at the earliest opportunity to establish in writing the obligations of the brokerage and client after the explanation of consumer relationships and the respective acknowledgements.

## Working with Purchasers

### **A. Deposits**

All deposits on real estate transactions must be placed in the Trust Account immediately upon receipt, therefore, all ASSOCIATE/ASSOCIATE BROKERS receiving cheques or money orders must submit them immediately to the office along with the required forms. Forms will include the following information:

- Complete Fintrac Receipt of Funds Record
  - ASSOCIATE/ASSOCIATE BROKER's® name, Seller's name, Purchaser's name, addresses of both parties
  - Address of Property

- Copy of Purchase Agreement and sale (accepted or not)
- Type of deposit enclosed (cheque or draft) and the amount
- Sales transaction number (if further deposit)

Cash deposits and other forms of payment are not accepted. Wires, Direct Deposit, and money orders are acceptable and must be made payable to "Avenue Home Realty Inc. IN TRUST". The sections of the Real Estate Act are specific regarding deposits and are to be observed carefully.

The section of the Real Estate Act is most specific regarding deposits and is to be observed carefully.

All deposits received late will be recorded as a late deposit and an "amendment to purchase contract" must be signed by all parties to the contract, as to when the deposit shall be delivered to the brokerage. A late deposit may jeopardize the Associate's/Associate's Brokers position in the company. If a deposit to trust is found out to be "insufficient funds" then all parties to the purchase contract will be notified as soon as possible.

#### **B. Transaction Record Sheets:**

A Transaction Record Sheet is required on every transaction involving an ASSOCIATE/ASSOCIATE BROKER from the office, even if the transaction has subsequently collapsed. The Transaction Record Sheet is to be completed in full by the ASSOCIATE/ASSOCIATE BROKER and submitted to the Broker with the Agreement of Purchase and Sale attached along with other required documentation.

The form for the office must be completed in full, in particular the commissions, lawyers, important dates, and full particulars of addresses for all parties.

#### **C. Collapsed Sales:**

The proper form must be completed and submitted to the office, along with the reason for the collapse. ASSOCIATE/ASSOCIATE BROKERS must get written notice from their clients on how to proceed. Forms approved by Alberta Real Estate Association or RECA are to be used (non-waiver of conditions or instructions from the lawyers).

#### **D. Return Deposits:**

Deposits held in the Broker's Trust Account will be returned on un-accepted offers after the following conditions have been met:

- Receipt on non-waiver of conditions

OR:

- Sufficient time elapsed to allow clearing of cheque (min 14 days)
  - Direction to the Broker as per the purchase contract, in compliance of the Alberta Real Estate Act.
- Written instructions have been obtained from both Seller (s) & Purchaser (s)

#### **E. Excess Deposits:**

Excess deposits will be released when either of the following conditions have been met:

- When a signed Release form has been received prior to completion, the excess deposit will be released to the Purchaser's solicitor.

- The excess deposit will be released directly to the Seller's solicitor upon receipt of written request from the Seller's solicitor.
- Any other instructions agreed to by lawyers for the buyer and seller.

## **6. COMMISSIONS:**

ASSOCIATE/ASSOCIATE BROKERS are entitled to their commissions at the time the transaction has been paid out. Direct deductions will be taken from a commission to pay any balances on the ASSOCIATE/ASSOCIATE BROKER'S account. Payout days will be determined by the Brokerage.

All transactions must be complete, all documentation submitted, and release in writing from seller's lawyer before commissions are released.

**IF AN AGENT HAS A GARNASHEE THE BROKERAGE WILL CHARGE \$25 (TWENTY FIVE DOLLARS) PER CHECK THE BROKERAGE HAS TO ISSUE TO THE GARNASHEE**

**IF AN ASSOCIATE/ASSOCIATE BROKER NEEDS A CHECK TO BE RE ISSUED THERE WILL BE A CHARGE OF \$50 (FIFTY DOLLARS) TO RE ISSUE THE CHECK**

On all Listings, the listing ASSOCIATE/ASSOCIATE BROKER and client shall determine a set commissions schedule and percentage split between and Listing portion and the Selling portion.

When one or more Associates/Associate Broker are involved and are splitting the selling or the listing portion of the commission, all commissions shall be split equally unless otherwise agreed in writing.

In the case of a referral commission, the ASSOCIATE/ASSOCIATE BROKER receiving the referral shall receive a percentage of the gross listing or gross Selling portion if the commission according to the referral agreement signed by ASSOCIATE/ASSOCIATE BROKERS. A letter of acknowledgment of a referral must be signed by the client of the respective ASSOCIATE/ASSOCIATE BROKER receiving the referral. NOTE: To avoid confusion it is necessary to have in writing all agreements between Brokers and ASSOCIATE/ASSOCIATE BROKERS with respect to splitting of fees on referrals.

Avenue Home Realty Inc. will, in certain situations as determined by The Real Estate Licensing Act of Alberta, pay a referral fee to a non-licensed member of the public under the following circumstances:

- a) The person receiving monies are NOT doing so in a manner which could be construed as a trade in real estate as defined by Real Estate Act.
- b) The proper written disclosures have been made to all parties of the transaction and said disclosure forms part of the brokerages file.
- c) The person receiving the referral provides such personal information as deemed necessary by the brokerage, including but not limited to, Social Insurance Number, Full Name, Date of Birth, Address, GST Number, etc.
- d) The receiving person will be issued a T-4A statement
- e) The person receiving the referral and/or the referring ASSOCIATE/ASSOCIATE BROKER understands a transaction fee will be deducted from the referral amount by the brokerage determined by the broker on an adhoc basis.



Note: To avoid confusion, it is necessary to keep in writing all Agreements between the other Associates/Associate Brokers and Associates/Associate Brokers with regard to splitting of commissions and referral fees and referrals acknowledged by buyer and seller.

**Cutting Commissions:**

It is the Company's preference to NOT cut commissions however, should the ASSOCIATE/ASSOCIATE BROKER determine it necessary they may do so. If said ASSOCIATE/ASSOCIATE BROKER is on a commission split plan with the brokerage the brokerage will still require its applicable split of the commission agreed to in the listing, a fee equal to the agreed split of the end(s) based on 7% on the 1<sup>st</sup> 100,000 and 3% on the balance of the final selling price, or a full current deal fee, at the discretion of the brokerage and its broker.  
Non

**Inducements to Incentives:**

An incentive as defined by the Real Estate Council is anything a brokerage advertises, communicates or offers to the public to attract business. This includes travel miles, gifts, contests, gift certificates, games of chance, or anything else of value. Incentives must be Brokerage wide and the incentive must be offered by the Brokerage, not by any individual person. Brokerage incentives must be available to all clients or potential clients of the brokerage, regardless of which professional from the brokerage that they are working with.

No ASSOCIATE/ASSOCIATE BROKER shall advertise, promote or offer any other incentive.

An inducement is anything the brokerage offers or gives to a person who is, or could be, a party to a Real Estate transaction, meant to assist, persuade or cause that person to enter into a particular Real Estate transaction.

ALL incentives must be approved by the broker. To offer an inducement the ASSOCIATE/ASSOCIATE BROKER must:

- 1) Receive written approval from the Broker
- 2) Give the details of the inducement in writing.

**7. PAYMENT OF COMMISSIONS:**

**A.** All commissions received by the Broker on behalf of the ASSOCIATE/ASSOCIATE BROKER will be credited to the ASSOCIATE/ASSOCIATE BROKER's account with the Broker subject to the following:

- That the Broker has received the prescribed transaction fee.
- There are no other claims from other ASSOCIATE/ASSOCIATE BROKERS or other Brokers.
- The ASSOCIATE/ASSOCIATE BROKER'S account is in good standing with the Broker.

**NOTE:** Account in good standing means there are no claims against the Broker incurred by the ASSOCIATE/ASSOCIATE BROKER or claims against the ASSOCIATE/ASSOCIATE BROKER by the Broker.

**B.** Upon commission credited to the ASSOCIATE/ASSOCIATE BROKER'S account, it shall be paid to the ASSOCIATE/ASSOCIATE BROKER subject to the following:

- That the ASSOCIATE/ASSOCIATE BROKER has adhered to the policies of the Broker.
- Payment of the ASSOCIATE/ASSOCIATE BROKER'S expense account.



- Third party demand of garnishee. All Garnishees will be Charged \$25 per check that is issued
- Assignment of commission by the ASSOCIATE/ASSOCIATE BROKER.

**C.** Until the brokerage has a completed file the broker will reserve the right to withhold the payout to the ASSOCIATE/ASSOCIATE BROKER until the file is complete.

## **8. ASSOCIATE/ASSOCIATE BROKERS PURCHASING/ LISTING PERSONAL PROPERTY:**

All purchases and sales made by the ASSOCIATE/ASSOCIATE BROKER on his/her own behalf, an interest or involvement as per the definition under the Alberta Real Estate Act; this transaction must be made through the Brokerage. There are to be no private transactions. ASSOCIATE/ASSOCIATE BROKER'S must inform the other party prior to any offers being written that they have an interest in the property, as per the Alberta Real Estate Act, Rules, and Code of Conduct. ASSOCIATE/ASSOCIATE BROKER interest in a transaction must be declared in the purchase contract and the Brokerage that the ASSOCIATE/ASSOCIATE BROKER IS LICENSED WITH.

### **Associates/Associates Brokers Listing Personal Property:**

Associates/Associate Brokers will be required to sign an Indemnity Form should personal property be listed with the Company; associates are hereby made aware that the errors and omissions insurance fund (REIX) does not apply in personal trades.

### **A. CONFLICT OF INTEREST (from Rules and Regulations)**

Conflict of interest means a "real or apparent incompatibility between an industry member's interests and the interests of the client or potential client."

This includes any staff of Avenue Home Realty Inc. and unlicensed assistants  
TELEPHONE:

Associates are responsible for ensuring that they are certain and verify the identity of the caller prior to divulging information. Personal contact information and details of any employees, associates, tenants or clients are the property of the brokerage and not to be released unless approved by the Broker..

### **DISCUSSION AND IMPLICATIONS**

The onus is always on the ASSOCIATE/ASSOCIATE BROKER to disclose any real or apparent incompatibility between their interests and the interests of the client. This would include, among other things, any real estate or mortgage transactions deemed potentially in conflict including those involving relatives, friends, business associates, staff of Avenue Home Realty Inc., and/or involving an ownership interest in a property.

Occasionally a conflict of interest may arise related to monetary or remuneration issues. For example, there may be situations in which a greater commission, a larger flat fee, or even a bonus, could provide more benefits to an ASSOCIATE/ASSOCIATE BROKER puts additional efforts into selling properties, these are to be disclosed to the buyer.

Conflict of interest issues most frequently arise when an ASSOCIATE/ASSOCIATE BROKER is involved in personal real estate trades or mortgage deals. These potential areas of conflict are fully examined under Sections 62 and 75, Personal Real Estate Trades and Personal Mortgage deals.

## **B. TRADES AND DEALS (from Rules and Regulations)**

### **B.1 – Personal real estate trades (Section 62)**

**(1)** An industry member trading in real estate on the industry's 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 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 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.

**(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 (the) 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.

**(3)** Sub-section (2) above applies to a Broker, Associate Broker, ASSOCIATE/ASSOCIATE BROKER, Director, Shareholder, Official or an employee of a brokerage or any of their immediate family members.

For any personal trade as defined above, it is the recommendation of the brokerage that you do not enter into transactional brokerage.

### **B.2 PERSONAL MORTGAGE DEALS (Section 75)**

An industry member dealing in mortgages on the industry member's own behalf, either directly or indirectly, must disclose in writing to the borrower, lender, vendor or purchaser of the mortgage, as the case may be:

- (1)** Any interest, direct or indirect, that the industry member has in the transactions;
- (2)** That the industry member is authorized under the Act;
- (3)** The name of the brokerage with which the industry member is registered;
- (4)** Complete details of any negotiations for a further disposition of the mortgage or the industry member's interest in it; and

**(5)** Any information within the knowledge of the industry member that could materially affect the acceptance, issuance, sale or purchase of the mortgage.

## **9. PROPERTY MANAGEMENT**

**Be advised that you are not able to function as a Property Manager in any manner while under contract to Avenue Home Realty Inc. unless you are a 33.3% or more shareholder/owner in the property being managed, or a licensed property manager under the Real Estate Act of Alberta and have explicate written permission of the broker/brokerage. Whether you earn a fee or not in this regard is inconsequential. YOU MUST NOT ENGAGE IN PROPETY MANAGEMNET UNLESS YOU ARE A SUBSTATIVE OWNER AS DESCRIBED ABOVE.**

## **10. PROTECTION OF CLIENT INFORMATION**

**All agents and staff must adhere to the industry standards and practice as set out by the Real Estate Council of Alberta.**

Section 42 (C):

Industry members must not: use confidential obtained from any person for personal gain nor should that information be used for any purpose other than for which it was obtained.

Section 44(1):

In addition to the requirements of relevant legislation on the protection of personal information, an industry member must not disclose information regarding a client, property or transaction to another person unless:

- (A) Authorized by the clients, or;
- (B) Required by law

## **11. ARBITRATION & DISPUTES:**

The ASSOCIATE/ASSOCIATE BROKERS must have written agreements with all other Brokers and Associates/Associates Brokers with regard to splitting or sharing commission. The Broker will try to avoid arbitration and disputes about commissions through negotiations with other Brokers or Associates/Associate Brokers. The Brokerage and ASSOCIATE/ASSOCIATE BROKER will adhere to the Calgary Real Estate Board (CREB®) guidelines for Arbitration and Disputes. The Broker reserves the right to unilaterally agree to settle their matters on behalf of the ASSOCIATE/ASSOCIATE BROKER.

If the Broker agrees to arbitration as a means of settlement of the commission split, the ASSOCIATE/ASSOCIATE BROKER is required to post the arbitration moneys requested plus 5 % of the disputed amount to the Broker. The minimum fee charged for any arbitration is \$250.00 per Realty Executives ASSOCIATE/ASSOCIATE BROKER involved in a dispute.

Noncompliance of these terms shall immediately place the ASSOCIATE/ASSOCIATE BROKER out of good standing with the company and may result in a claim against the ASSOCIATE/ASSOCIATE BROKER by the Broker.

The ASSOCIATE/ASSOCIATE BROKER shall be charged for any correspondence, which may be required of the Broker to respond to any disputes, complaints, and arbitrations involving the ASSOCIATE/ASSOCIATE BROKER by the broker.

The ASSOCIATE/ASSOCIATE BROKER shall be charged for any correspondence, which may be required of the Broker to respond to any disputes, complaints, and arbitrations involving the ASSOCIATE/ASSOCIATE BROKER.

**CONFIDENTIALITY:**

It is understood that all information pertaining to clients information, business dealings, financial information, contracts, client lists are to remain in the brokerage and all associates hereby adhere to respecting the privacy of our clients and brokerage by not divulging any such information without the prior approval of the broker.

This shall remain in effect during the course of employment and three years after termination or departure from Avenue Home Realty Inc.. Those who solicit clients or associates or are found to have disclosed financial information, client lists, contracts will result in litigation against the associate.

**12. RESIGNATIONS AND TERMINATIONS:**

Should an ASSOCIATE/ASSOCIATE BROKER rent an individual desk with a private phone or fax line, 60 days written notice is required should the ASSOCIATE/ASSOCIATE BROKER decide to give up the office space and desk.

Should an ASSOCIATE/ASSOCIATE BROKER decide to leave the office, 60 days written notice of termination is required. Notice must be given on or before the 25<sup>th</sup> of the previous month.

Where the contract between the ASSOCIATE/ASSOCIATE BROKER and the Broker has been terminated, the ASSOCIATE/ASSOCIATE BROKER shall be eligible for commissions on transactions written prior to termination. However, if there are any incomplete transactions, the Broker will deduct the administration fee and any other expenses until completion of the transaction and commission pay-out.

ASSOCIATE/ASSOCIATE BROKERS must make certain that his/her accounts are in good standing, office key and policy book returned and desk is cleaned out.

All Listings being serviced by the ASSOCIATE/ASSOCIATE BROKER may be held by the Broker unless the Broker and Seller otherwise agree to transfer to another Broker.

All Listings transferred will be subject to a transfer fee equal to a deal fee for each listing. The ASSOCIATE/ASSOCIATE BROKER will execute an Assignment Agreement to the new Broker to cover the transfer fee.

The Broker reserves the right to terminate any ASSOCIATE/ASSOCIATE BROKER'S contract at any time for any reason.

**RESTRICTED LICENSE MODELS**

**The ASSOCIATE/ASSOCIATE BROKER may only trade in the license category they are licensed to do so:**

- Residential Real Estate (Which included rural Residential) \_\_\_\_\_
  
- Commercial Real Estate \_\_\_\_\_
  
- Rural Real Estate \_\_\_\_\_  
(which includes agribusiness but does not include rural residential)
  
- Property Management \_\_\_\_\_
  
- Mortgage brokerage \_\_\_\_\_
  
- Condominium property management \_\_\_\_\_
  
- Appraisal \_\_\_\_\_

If you trade in any mode, you are not authorized to trade in as above you will be terminated immediately.

Avenue Home Realty Inc.  
Tiffany Khuu  
Broker, Realtor, Condominium & Property Manager  
Residential/Commercial/Rural  
Office: 403.802.4663 Ext. 237  
Cell: 403.399.8658

Suite 301, 1324 11 Ave SW  
Calgary, AB T3C 0M6

**ACKNOWLEDGEMENT OF INDEPENDENT  
CONTRACTOR STATUS**  
(Office Copy)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

By \_\_\_\_\_  
(ASSOCIATE/ASSOCIATE BROKER)

1. I have entered into an ASSOCIATE/ASSOCIATE BROKER contract with **AVENUE HOME REALTY INC.** hereinafter referred to as "Broker".
2. I acknowledge that I am not an employee but an independent contractor paid by commission.
3. I acknowledge that I am responsible for all of my own expenses and that the Broker will not be deducting EI, CPP or income tax from my commission cheques.
4. I further acknowledge that as an independent contractor, I am not entitled to be paid any vacation pay.

\_\_\_\_\_  
Signature

**RECEIPT OF POLICY BOOK, MONEY LAUNDERING & TERRORIST COMPLIANCE PROGRAM,  
PRIVACY POLICY AND WORKING ALONE GUIDELINES**

I \_\_\_\_\_ of the City of Calgary agree that I have received the above-mentioned Manuals and Guidelines for Avenue Home Realty Inc..

I have been made aware of and agree to the Realty Executives standards, as laid out in the Policy Manual of Business Practice. I now and hereafter agree to be bound by these policies and it's amendments from time to time. I have read and understood page 3 of the Policy Manual.

I acknowledge that I have received the Money Laundering and Terrorist Property Compliance Program Office Policy for Avenue Home Realty Inc.. I agree to comply with the requirements of the code as set forth by FINTRAC (Government of Canada).

I acknowledge that I have received the Privacy Policy for Avenue Home Realty Inc.. I agree to comply with the requirements forth code as set forth by Alberta's Personal Information Protection Act and CREA.

I acknowledge that I have read and understood "Working Alone Safety Guidelines for REALTORS®" provided by the Alberta Real Estate Association.

\_\_\_\_\_  
ASSOCIATE/ASSOCIATE BROKER'S Signature

\_\_\_\_\_  
Date