



**SIT BACK - WE'VE
GOT YOU COVERED**

POLICIES & PROCEDURES

- 1. Administrative rules and State Statutes:** Associates shall maintain all Rules governing the association, State and National Association of Realtors. Associates shall hold themselves to a higher standard, acting professional in all their transactions and courteous to all they come in contact with. See Administrative Rules (Condensed) below.
- 2. Sexual Harassment:** As a professional we will maintain a professional working environment. It is unacceptable to flirt or degrade anyone. Please keep your business on a professional level.
- 3. Selling of Agents Own Properties:** Agents are allowed to sell their own properties. It is expected that an agent will disclose all major and minor defects in the property that they know of. It is also expected that as the seller they will encourage the buyer to have an independent inspection done on the property to make sure the property meets up to the buyers expectations. E & O insurance does not cover the brokerage on these properties. However the brokerage will still take the same amount into it's account. This money shall be used at the Brokers discretion.
- 4. Independent Contractor's Agreement:** Is hereby made apart of these Policies and Procedures.
- 5. Earnest Money:** Associates agree to turn in Earnest Money within 3 business days of an accepted offer or within the terms the Buyer and Seller have accepted.
- 6. Forms:** Associates agree to only use state approved forms for handling transactions.
- 7. Closings:** As Pertaining to State Law, It is The Agents duty to attend all Closings to assure the closing documents are the same as what was written in the Real Estate Purchase agreement. If circumstances arise where The Agent is unable to attend the closing (or at least review the settlement documents prior to the closing) they will immediately make the Broker aware so that the clients best interest can be looked after.

ADVERTISING POLICY

- 1. Advertising Expense Responsibility:** Associate shall be responsible for, and pay for all of associate's advertising. Associate has no authority and shall not obligate, commit, or bind or make any financial obligations on behalf of R AND R Realty, LLC.
- 2. Design of Signage Material:** All signage including, but not limited to, "For Sale" yard signs, open house signs, directional signs, etc . . . must have Broker's written approval prior to ordering. The design, colors, and style must meet the Broker's Standards.
- 3. Brokerage Disclosure in all Advertising:** All advertising including, but not limited to, newspaper, magazine, radio, television, internet, on site, and off site displays, brochures, direct mail advertising, car signs, business cards, etc, shall include the full name of "R AND R Realty, LLC", pursuant to Administrative Code Rule R160-6.1.5.1 of the "Division of Real Estate" No Abbreviated Form is permitted and shall not be used. Associate shall insure that the brokerage name (R AND R Realty, LLC on all display and print advertising such as newspaper and magazine advertising, business cards, car signs, internet materials, direct mail advertising, brochures, flyers and promotional pieces, ect. . . is at least one-half the size of the associate's name pursuant to Administrative Rule R16206.1.5.5 of the "Division of Real Estate."
- 4. Blind Ads:** All Associate advertising of any type which does not include the name of the Brokerage (R AND R Realty, LLC) is a blind ad and is prohibited. The single exception is if the Associate advertises a property privately and the Associate has an ownership interest in the property and the advertisement includes one of the terms identified in Provision 5.
- 5. Associate's Pesonal "For Sale by Owner" or "For Lease or Rent by Owner":** All Real Estate owned by the Associate that is not listed, may advertise privately so long as the advertisement includes the words "Owner-Agent" or the words "Owner-Broker", whichever is applicable.

- 6. Advertising Listed Properties:** Associate shall not advertise any property the Associate does not have listed, except Associate has ownership in the property that is privately advertised. Associate may advertise a listing of another Associate only if the Associate has written permission of the Seller, and the Listing Agent, and the listing Broker. The written authorization shall state the Associate is not a sub-agent of the Seller.
- 7. Information from Listing:** Associate is only authorized to advertise information contained in the Listing. Associate shall not advertise any information that contains derogatory or misleading information concerning the property or the Seller or the Listing Agent/Brokerage.
- 8. Compliance with all advertising regulations:** Associate acknowledges that the Federal Law (Truth in Lending-Regulation Z); Department of Housing and Urban Development (HUD); the Division of Real Estate of the Department of Commerce of the State of Utah; The National Association of Realtors; and other governing agencies impose certain regulations on advertising, as well as the Associate's dealing with the general public. Associate acknowledges that he/she is familiar with regulation Z, the Real Estate licensing laws, the Board of Realtors Code of Ethics and Standards of Practice, and the Multiple Listing Service By-Laws and agrees to abide by them.
- 9. Advertising Terms of Financing:** Associate shall not advertise financing terms (monthly payment, interest rate, down payment, etc) without disclosing all the terms as required by Regulation Z of the Truth in Lending Act. Further, Associate shall not participate in advertisements with others (loan brokers, loan officers, banks etc.) with contain financing terms unless all terms required by Regulation Z are also Disclosed.
- 10. Equal Housing Opportunity Act:** Associate shall always comply with the "Equal Housing Opportunity Act" and shall not act or advertise in any way to deny equal professional services to any person for reasons of race, color, religion, sex, disability, familial status, national origin, or sexual orientation status.
- 11. Written permission for Sign:** Associate shall not place any sign on any property unless the Associate has a written and signed Listing Agreement or other documentation allowing it, giving the property owner's/Seller's written consent to such a sign pursuant to Administrative Code Rule R162-6.1.2

Administrative Rules (Condensed)

6.1.1. False Devices. A licensee shall not propose, prepare, or cause to be prepared any document, agreement, closing statement, or any other device or scheme, which does not reflect the true terms of the transaction, nor shall a licensee knowingly participate in any transaction in which a similar device is used.

6.1.1.1 & 6.1.1.2. Loan Fraud/Double Contracts. A licensee shall not participate in a transaction in which a buyer enters into any agreement that is not disclosed to the lender, which, if disclosed, may have a material effect on the terms or the granting of the loan.

6.1.2. Signs. It is prohibited for any licensee to have a sign on real property without the written consent of the property owner.

6.1.3. Licensee's Interest in a Transaction. A licensee shall not either directly or indirectly buy, sell, lease or rent any real property as a principal, without first disclosing in writing on the purchase agreement or the lease or rental agreement his true position as principal in the transaction. For the purposes of this rule, a licensee will be considered to be a "principal in the transaction" if he: a) is himself the buyer or the lessee in the transaction; b) has any ownership interest in the property; c) has any ownership interest in the entity that is the buyer, seller, lessor or lessee; or d) is an officer, director, partner, member, or employee of the entity that is the buyer, seller, lessor or lessee.

6.1.3.1. Disclosure of Licensed Status. Regardless of whether a person's license is in active or inactive status, a licensee shall not fail to disclose in writing on any agreement to buy, sell, lease or rent any real property as a principal that the licensee holds a Utah real estate license.

6.1.4. Listing Content. The real estate licensee completing a listing agreement is responsible to make reasonable efforts to verify the accuracy and content of the listing.

6.1.4.1. Net listings are prohibited and shall not be taken by a licensee.

6.1.5. Advertising. This rule applies to all advertising materials, including newspaper, magazine, Internet, e-mail, radio, and television advertising, direct mail promotions, business cards, door hangers, and signs.

6.1.5.1. Any advertising by active licensees that does not include the name of the real estate brokerage as shown on Division records is prohibited except as otherwise stated herein.

6.1.5.2 If the licensee advertises property in which he has an ownership interest and the property is not listed, the ad need not appear over the name of the real estate brokerage if the ad includes the phrase "owner-agent" or the phrase "owner-broker".

6.1.5.3. Names of individual licensees may be advertised in addition to the brokerage name. If the names of individual licensees are included in advertising, the brokerage must be identified in a clear and conspicuous manner. This requirement may be satisfied by identifying the brokerage in lettering which is at least one-half the size of the lettering which identifies the individual licensees.

6.1.5.4. Advertising teams, groups, or other marketing entities which are not licensed as brokerages is prohibited if the advertising states "owner-agent" or "owner-broker" instead of the brokerage name.

6.1.5.5. Advertising teams, groups, or other marketing entities which are not licensed as brokerages is permissible in advertising which includes the brokerage name upon the following conditions:

(a) The brokerage must be identified in a clear and conspicuous manner. This requirement may be satisfied by identifying the brokerage in lettering which is at least one-half the size of the lettering which identifies the team, group, or other marketing entity; and

(b) The advertising shall clearly indicate that the team, group, or other marketing entity is not itself a brokerage and that all licensees involved in the entity are affiliated with the brokerage named in the advertising.

6.1.5.6 If any **photographs** of personnel are used, the actual roles of any individuals who are not licensees must be identified in terms which make it clear that they are not licensees.

6.1.5.7. **Any artwork** or text which states or implies that licensees have a position or status other than that of sales agent or associate broker affiliated with a brokerage is prohibited.

6.1.5.8. Under no circumstances may a licensee advertise or offer to sell or lease property without the **written consent** of the owner of the property or the listing broker. Under no circumstances may a licensee advertise or offer to sell or lease property at a lower price than that listed without the written consent of the seller or lessor.

6.1.5.9 If an active licensee advertises to purchase or rent property, all advertising must contain the name of the licensee's real estate brokerage as shown on Division records.

6.1.6. **Double Commissions.** In order to avoid subjecting the seller to paying double commissions, licensees must not sell listed properties other than through the listing broker. A licensee shall not subject a principal to paying a double commission without the principal's informed consent.

6.1.6.1. A licensee shall not enter or attempt to enter into a concurrent agency representation agreement with a buyer or a seller, a lessor or a lessee, when the licensee knows or should know of an existing agency representation agreement with another licensee.

6.1.8. **Unprofessional Conduct.** No licensee shall engage in any of the practices described in Section 61-2-2, et seq., whether acting as agent or on his own account, in a manner which fails to conform with accepted standards of the real estate sales, leasing or management industries and which could jeopardize the public health, safety, or welfare and includes the violation of any provision of Section 61-2-2, et seq. or the rules of this chapter.

6.1.9. **Finder's Fees.** A licensee may not pay a finder's fee or give any valuable consideration to an unlicensed person or entity for referring a prospect in a real estate transaction, except as provided in this rule.

6.1.9.1. **Token Gifts.** A licensee may give a gift valued at **\$50 or less** to an individual in appreciation for an unsolicited referral of a prospect which resulted in a real estate transaction.

6.1.10. **Referrals and Provision of Settlement Services.**

6.1.10.1 Referrals of Prospects to Lender or Mortgage Broker. A licensee may not receive a referral fee from a lender or a mortgage broker.

6.1.10.2 Providing Settlement Services. A licensee may not act as a real estate agent or broker in the same transaction in which the licensee also acts as a mortgage loan officer or loan originator, appraiser, escrow agent, or provider of title services.

6.1.11. **Failure to Have Written Agency Agreement.** To avoid representing more than one party without the informed consent of all parties, principal brokers and licensees acting on their behalf shall have written agency agreements with their principals. The failure to define an agency relationship in writing **will be considered unprofessional conduct and grounds for disciplinary action by the Division.**

6.1.11.1,2 & 3. A principal broker and licensees acting on his behalf who represent a seller/buyer shall have a written agency agreement with the seller/buyer defining the scope of the agency (exclusive or limited). which demonstrate that the principal broker has obtained the informed consent of both buyer and seller to the limited agency as set forth in Section R162-6.2.15.3.1.

6.1.11.3.1 **A licensee may not act or attempt to act as a limited agent in any transaction in which:** a) the licensee is a principal in the transaction; or b) any entity in which the licensee is an officer, director, partner, member, employee, or stockholder is a principal in the transaction.

6.1.11.5. A principal broker and licensees acting on his behalf who act as a property manager shall have a written property management agreement with the owner of the property defining the scope of the agency.

6.1.11.6. A principal broker and licensees acting on his behalf who represent a tenant shall have a written agreement with the tenant defining the scope of the agency.

6.1.12. **Signing without legal authority.** A licensee shall not sign or initial any document for a principal unless the licensee has **prior written authorization** in the form of a duly executed power of attorney from the principal authorizing the licensee to sign or initial documents for the principal. A copy of the power of attorney shall be attached to all documents signed or initialed for the principal by the licensee.

6.1.12.1. When signing a document for a principal, the licensee shall sign as follows: "(Principal's Name) by (Licensee's Name), Attorney-in-Fact."

6.1.12.2. When initialing a document for a principal, the licensee shall initial as follows: "(Principal's Initials) by (Licensee's Name), Attorney-in-Fact for (Principal's Name)."

6.1.13. Counteroffers. A licensee shall not make a counteroffer by making changes, whiting out, or otherwise altering the provisions of the Real Estate Purchase Contract or the language that has been filled in on the blanks of the Real Estate Purchase Contract. All counteroffers to a Real Estate Purchase Contract shall be made using the State-Approved Addendum form.

6.2.1.2. **Forms Prepared by an Attorney.** Any licensee may fill out forms prepared by the attorney for the buyer or lessee or the attorney for the seller or lessor to be used in place of any form listed in R162-6.2.1 (a) through (g) if the buyer or lessee or the seller or lessor requests that other forms be used and the licensee verifies that the forms have in fact been drafted by the attorney for the buyer or lessee, or the attorney for the seller or lessor.

6.2.1.3. Additional Forms. If it is necessary for a licensee to use a form for which there is no state-approved form, for example a lease, the licensee may fill in the blanks on any form which has been prepared by an attorney, regardless of whether the attorney was employed for the purpose by the buyer, seller, lessor, lessee, brokerage, or an entity whose business enterprise is selling blank legal forms.

6.2.1.4. **Standard Supplementary Clauses.** There are Standard Supplementary Clauses approved by the Utah Real Estate Commission which may be added to Real Estate Purchase Contracts by all licensees. The use of the Standard Supplementary Clauses will not be considered the unauthorized practice of law.

6.2.2. **Copies of Agreement.** After a purchase agreement is properly signed by both the buyer and seller, it is the responsibility of each participating licensee to cause copies thereof, bearing all signatures, to be delivered or mailed to the buyer and seller with whom the licensee is dealing. The licensee preparing the document shall not have the parties sign for a final copy of the document prior to all parties signing the contract evidencing agreement to the terms thereof. After a lease is properly signed by both landlord and tenant, it is the responsibility of the principal broker to cause copies of the lease to be delivered or mailed to the landlord or tenant with whom the brokerage or property management company is dealing.

6.2.3. **Residential Construction Agreement.** The Real Estate Purchase Contract for Residential Construction must be used for all transactions for the construction of dwellings to be built or presently under construction for which a **Certificate of Occupancy has not been issued.**

6.2.5. **Guaranteed Sales.** As used herein, the term "guaranteed sales plan" includes: (a) any plan in which a seller's real estate is guaranteed to be sold or; (b) any plan whereby a licensee or anyone affiliated with a licensee will purchase a seller's real estate if it is not purchased by a third party in the specified period of a listing or within some other specified period of time.

6.2.5.1. In any real estate transaction involving a guaranteed sales plan, the licensee shall provide full disclosure as provided herein regarding the guarantee:

(a) **Written Advertising.** Any written advertisement by a licensee of a "guaranteed sales plan" shall include a statement advising the seller that if the seller is eligible, costs and conditions may apply and advising the seller to inquire of the licensee as to the terms of the guaranteed sales agreement. This information shall be set forth in print at least one-fourth as large as the largest print in the advertisement.

(b) **Radio/Television Advertising.** Any radio or television advertisement by a licensee of a "guaranteed sales plan" shall include a conspicuous statement advising if any conditions and limitations apply.

(c) **Guaranteed Sales Agreements.** Every guaranteed sales agreement must be in writing and contain all of the conditions and other terms under which the property is guaranteed to be sold or purchased, including the charges or other costs for the service or plan, the price for which the property will be sold or purchased and the approximate net proceeds the seller may reasonably expect to receive.

6.2.6. Agency Disclosure. In every real estate transaction involving a licensee, as agent or principal, the licensee shall clearly disclose in writing to his respective client(s) or any unrepresented parties, his agency relationship(s). The disclosure shall be made prior to the parties entering into a binding agreement with each other. The disclosure shall become part of the permanent file.

6.2.6.1. When a binding agreement is signed in a sales transaction, the prior agency disclosure shall be confirmed in the currently approved Real Estate Purchase Contract or, with substantially similar language, in a separate provision incorporated in or attached to that binding agreement.

6.2.6.1.1. The blank in paragraph 5 of the approved Real Estate Purchase Contract for "Listing Broker" shall be filled in with either the principal broker's individual name or the principal broker's brokerage name. Notwithstanding the fact that either the principal broker's name or the brokerage name may be shown in paragraph 5, filling in the name of the brokerage does not change the agency relationship with the seller.

6.2.6.2. When a lease or rental agreement is signed, a separate provision shall be incorporated in or attached to it confirming the prior agency disclosure. The agency disclosure shall be in the form stated in R162-6.2.6.1, but shall substitute terms applicable for a rental transaction for the terms "buyer", "seller", "listing agent", and "selling agent".

6.2.6.3. Disclosure to other agents. An agent who has established an agency relationship with a principal shall disclose who he or she represents to another agent upon initial contact with the other agent.

6.2.7. Duty to Inform. Sales agents and associate brokers must keep their principal broker or branch broker informed on a timely basis of all real estate transactions in which the licensee is involved, as agent or principal, in which the licensee has received funds on behalf of the principal broker or in which an offer has been written.

6.2.8. Broker Supervision. Principal brokers and associate brokers who are branch brokers shall be responsible for exercising active supervision over the conduct of all licensees affiliated with them.

6.2.8.1. A broker will not be held responsible for inadequate supervision if:

(a) An affiliated licensee violates a provision of Section 61-2-1, et seq., or the rules promulgated thereunder, in contravention of the supervising broker's specific written policies or instructions; and

(b) Reasonable procedures were established by the broker to ensure that licensees receive adequate supervision and the broker has followed those procedures; and

(c) Upon learning of the violation, the broker attempted to prevent or mitigate the damage; and

(d) The broker did not participate in the violation; and

(e) The broker did not ratify the violation; and

(f) The broker did not attempt to avoid learning of the violation.

6.2.8.2. The existence of an independent contractor relationship or any other special compensation arrangement between the broker and affiliated licensees shall not release the broker and licensees of any duties, obligations, or responsibilities.

6.2.9. Disclosure of Fees. If a real estate licensee who is acting as an agent in a transaction will receive any type of fee in connection with a real estate transaction in addition to a real estate commission, that fee must be disclosed in writing to all parties to the transaction.

6.2.10. Fees from Builders. All fees paid to a licensee for referral of prospects to builders must be paid to the licensee by the principal broker with whom he is licensed and affiliated. All fees must be disclosed as required by R162-6.2.10.

6.2.11. Fees from Manufactured Housing Dealers. If a licensee refers a prospect to a manufactured home dealer or a mobile home dealer, under terms as defined in Section 58-56-1, et seq., any fee paid for the referral of a prospect must be paid to him by the principal broker with whom he is licensed.

6.2.12. **Gifts and Inducements.** A gift given by a principal broker to a buyer or seller, lessor or lessee, in a real estate transaction as an inducement to use the services of a real estate brokerage, or in appreciation for having used the services of a brokerage, is permissible and is not an illegal sharing of commission. If an inducement is to be offered to a buyer or seller, lessor or lessee, who will not be obligated to pay a real estate commission in a transaction, the principal broker must notify the party who will pay the commission that the inducement will be offered. This rule does not authorize a principal broker to give any type of inducement that would violate the underwriting guidelines that apply to the loan for which a borrower has applied.

6.2.13. **"Due-On-Sale" Clauses.** Real estate licensees have an affirmative duty to disclose in writing to buyers and sellers the existence or possible existence of a "due-on-sale" clause in an underlying encumbrance on real property, and the potential consequences of selling or purchasing a property without obtaining the authorization of the holder of the underlying encumbrance.

6.2.14. **Personal Assistants.** With the permission of the principal broker with whom the licensee is affiliated, the licensee may employ an unlicensed individual to provide services in connection with real estate transactions which do not require a real estate license, including the following examples:

(a) Clerical duties, including making appointments for prospects to meet with real estate licensees, but only if the contact has been initiated by the prospect and not by the unlicensed person;

(b) At an open house, distributing preprinted literature written by a licensee, so long as a licensee is present and the unlicensed person furnishes no additional information concerning the property or financing and does not become involved in negotiating, offering, selling or filling in contracts;

(c) Acting only as a courier service in delivering documents, picking up keys, or similar services, so long as the courier does not engage in any discussion of, or filling in of, the documents;

(d) Placing brokerage signs on listed properties;

(e) Having keys made for listed properties; and

(f) Securing public records from the County Recordors' Offices, zoning offices, sewer districts, water districts, or similar entities.

6.2.14.1. If personal assistants are compensated for their work, they shall be compensated at a predetermined rate which is not contingent upon the occurrence of real estate transactions. Licensees may not share commissions with unlicensed persons who have assisted in transactions by performing the services listed in this rule.

6.2.14.2. The licensee who hires the unlicensed person will be responsible for supervising the unlicensed person's activities, and shall ensure that the unlicensed person does not perform activity which requires a real estate license.

6.2.14.3. Unlicensed individuals may not engage in telephone solicitation or other activity calculated to result in securing prospects for real estate transactions, except as provided in R162-6.2.14.(a) above.

6.2.15. **Fiduciary Duties.** A principal broker and licensees acting on his behalf owe the following fiduciary duties to the principal:

6.2.15.1 & 6.2.15.2. Duties of a seller's or lessor's agent & Duties of a Buyer's Or lessee's agent. A principal broker and licensees acting on his behalf who act solely on behalf of the seller/buyer or the lessor/lessee owe the seller/buyer or the lessor/lessee the following fiduciary duties:

(a) Loyalty, which obligates the agent to act in the best interest of the seller/buyer or the lessor/lessee instead of all other interests, including the agent's own;

(b) Obedience, which obligates the agent to obey all lawful instructions from the seller/buyer or lessor/lessee;

(c) Full disclosure, which obligates the agent to tell the seller/buyer or lessor/lessee all material information which the agent learns about the buyer or lessee or about the transaction;

(d) Confidentiality, which prohibits the agent from disclosing any information given to the agent by the seller/buyer or lessor/lessee which would likely weaken the seller's or lessor's/lessee's bargaining position if it were known, unless the agent has permission from the seller/buyer or lessor to disclose the information. This duty does

not require the agent to withhold any known material fact concerning a defect in the property or the seller's/buyer's or lessor's/lessee's ability to perform his obligations;

- (e) Reasonable care and diligence;
- (f) Holding safe and accounting for all money or property entrusted to the agent; and
- (g) Any additional duties created by the agency agreement.

6.2.15.3. Duties of a limited agent. A principal broker and licensees acting on his behalf who act as agent for both seller and buyer, or lessor and lessee, commonly referred to as "dual agents," are limited agents since the fiduciary duties owed to seller and to buyer, or to lessor and lessee, are inherently contradictory. A principal broker and licensees acting on his behalf may act in this limited agency capacity only if the informed consent of both buyer and seller, or lessor and lessee, is obtained.

6.2.15.3.1. In order to obtain informed consent, the principal broker or a licensee acting on his behalf shall clearly explain to both buyer and seller, or lessor and lessee, that they are each entitled to be represented by their own agent if they so choose, and shall obtain written agreement from both parties that they will each be giving up performance by the agent of the following fiduciary duties:

(a) The principal broker or a licensee acting on his behalf shall explain to buyer and seller, or lessor and lessee, that they are giving up their right to demand undivided loyalty from the agent, although the agent, acting in this neutral capacity, shall advance the interest of each party so long as it does not conflict with the interest of the other party. In the event of conflicting interests, the agent will be held to the standard of neutrality; and

(b) The principal broker or a licensee acting on his behalf shall explain to buyer and seller, or lessor and lessee, that there will be a conflict as to a limited agent's duties of confidentiality and full disclosure, and shall explain what kinds of information will be held confidential if told to a limited agent by either buyer or seller, or lessor and lessee, and what kinds of information will be disclosed if told to the limited agent by either party. The limited agent may not disclose any information given to the agent by either principal which would likely weaken that party's bargaining position if it were known, unless the agent has permission from the principal to disclose the information; and

(c) The principal broker or a licensee acting on his behalf shall explain to the buyer and seller, or lessor and lessee, that the limited agent will be required to disclose information given to the agent in confidence by one of the parties if failure to disclose the information would be a material misrepresentation regarding the property or regarding the abilities of the parties to fulfill their obligations.

(d) The Division and the Commission shall consider use of consent language approved by the Division and the Commission to be informed consent.

6.2.15.3.2. In addition, a limited agent owes the following fiduciary duties to all parties:

- (a) Obedience, which obligates the limited agent to obey all lawful instructions from either the buyer or the seller, lessor and lessee, consistent with the agent's duty of neutrality;
- (b) Reasonable care and diligence;
- (c) Holding safe all money or property entrusted to the limited agent; and
- (d) Any additional duties created by the agency agreement.