



Brokerage Policies and Procedures Manual

3/01/2019

PUCEK REALTY, LLC
FOUNDER

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DISCLAIMER

This Brokerage Policies and Procedures document is derived from the Model Brokerage Policies and Procedures and various other Model Policies created by the Texas Association of REALTORS®. The Texas Association of REALTORS® specifically disclaims any liability, loss, or risk, personal or otherwise, incurred as a consequence, directly or indirectly, of the use and application of any of the model policy materials they furnish.

DEFINITIONS

The following terms are used in this manual:

Agent: a Broker or a Salesperson acting on behalf of a Principal.

Broker: a person or entity holding a real estate broker license issued by TREC.

Brokerage: an entity owned and/or sponsored by a Broker or Brokers for the purpose of brokering real estate transactions. As explained above, the Brokerage may also be referred to as the Broker. In this Policies and Procedures document, Brokerage refers to Texas Realty Resources, LLC d/b/a Elite Agents.

Principal: a person or entity who has authorized an Agent to act on his/her behalf.

Sales Associate: a Salesperson or Broker who works for the Sponsoring Broker as an independent contractor or employee.

Salesperson: a person holding a real estate salesperson license issued by TREC.

Sponsoring Broker: the Broker responsible for all brokerage activities of his or her firm.

TREC: Texas Real Estate Commission.

NOTICE TO SALES ASSOCIATES

ANY OF A SALES ASSOCIATE'S ACTIONS THAT VIOLATE THE PROVISIONS OF THIS POLICIES AND PROCEDURES MANUAL ARE UNAUTHORIZED AND OUTSIDE THE AUTHORITY OF THE SPONSORING BROKER – SALES ASSOCIATE RELATIONSHIP. ALL EXPENSE OR LOSS ARISING OUT OF A SALES ASSOCIATE’S ACTS SHALL BE BORNE SOLELY BY THE SALES ASSOCIATE. ALL EXPENSE OR LOSS SUFFERED BY SPONSORING BROKER AS A RESULT OF A SALES ASSOCIATE’S ACTS SHALL BE REIMBURSED BY THE SALES ASSOCIATE. ANY WAIVER OF THIS PROVISION BY THE SPONSORING BROKER WITH RESPECT TO ANY ACTIONS WILL NOT BE CONSTRUED AS A WAIVER WITH RESPECT TO ANY OTHER ACTION.

1. ADVERTISING AND MARKETING

ADVERTISING AND MARKETING

1.1 POLICY

1.1.1. DEFINITION

The term "Advertising" includes all written or oral statements or communications made by or on behalf of a Broker or Salesperson which induces or attempts to induce a member of the public to use the services of the licensed real estate agent or a service provider.

Advertising includes, but is not limited to, publications, radio and television broadcasts, all electronic media including email messages, text messages, social-networking websites and the Internet, business stationery, business cards, signs and billboards.

1.1.2. EXCLUSIONS

Advertising does not include: (1) communication from a Broker or Salesperson to a member of the public after the member of the public agrees to receive the service of the Broker or Salesperson, or (2) listings or other real estate information available to the public on a licensee's website, extranet or similar site that is behind a firewall or similar filtering software which requires a password or registration to access that information.

1.1.3. PROHIBITIONS

Sales Associate is prohibited from the following:

- (a) Advertising in a way that is materially inaccurate or misrepresents the property, terms, values, services, or policies;
- (b) Advertising a property subject to an exclusive listing agreement without the permission of the listing Broker and without disclosing the name of the listing Broker unless the listing Broker has expressly agreed to waive disclosure;
- (c) Failing to remove an advertisement about a listed property within ten (10) days after closing or termination of a listing agreement, unless the status is included in the advertisement;
- (d) Identifying the Salesperson as a Broker in advertising;
- (e) Advertising a property in a manner that creates a reasonable likelihood of confusion

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regarding the permitted use of the property; or

(f) Advertising in a way that indicates a limitation or preference based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

1.1.4. REQUIREMENTS

All advertising must comply with the following:

- (a) The Texas Real Estate License Act;
- (b) TREC Rules, including, but not limited to Rule 535.154;
- (c) The Real Estate Settlement Procedures Act (RESPA);
- (d) The Truth in Lending Act (TILA);
- (e) The Fair Housing Act;
- (f) The Americans with Disabilities Act;
- (g) Municipal ordinances regulating signs or billboards;
- (h) Credit and third-party financing or lending requirements; and
- (i) The National Association of REALTORS® Code of Ethics including, but not limited to, Article 12.

1.1.5 TRADEMARKS AND LOGOS

This brokerage has purchased or otherwise has the right to use the following marks, logos, slogans or other intellectual property:

- (a) REALTOR®;
- (b) Intellectual property authorized for Broker's use by a local affiliate of the Texas Association of REALTORS® as detailed on an attachment to this manual;
- (c) Intellectual property authorized for Broker's use by a franchisor as detailed on an attachment to this manual; and/or
- (d) Other intellectual property authorized for Broker's use as detailed on an attachment to this manual.

No mark, logo, slogan or other intellectual property or practice other than as described above may be displayed or otherwise used without the written consent of Sponsoring Broker. Use of any mark, logo, slogan or other intellectual property or practice described above must be in compliance with any applicable license or agreement regulating such use.

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1.1.6. SPONSORING BROKER'S ASSUMED NAMES

Sponsoring Broker must register assumed names with TREC prior to use. Assumed names must also be filed with the appropriate governmental office:

(a) If Sponsoring Broker is a business entity, the assumed name must also be filed with the Texas Secretary of State and with the clerk of the Texas county in which the business entity has its principal office.

(b) If Sponsoring Broker is an individual or sole proprietorship, the assumed name must be filed with the clerk of every Texas county in which Sponsoring Broker does business.

1.1.7. SALES ASSOCIATE'S ASSUMED NAMES

Sales Associate must submit assumed names to Sponsoring Broker for approval prior to use. Team names and other names that are not the name of the individual Sales Associate are assumed names that must be submitted. Sales Associate may not use assumed names unless Broker registers the Sales Associate's assumed names with TREC. Additionally, Sales Associate may not use assumed names until Sales Associate also files the assumed names with the appropriate governmental office.

1.1.8. SOLICITATIONS SENT BY FAX

(a) Statement of Intent to Comply:

It is the express written policy that all employees, brokers, and agents affiliated with the Brokerage are to comply with:

- (i) the Telephone Consumer Protection Act, which prohibits the sending of a fax that contains an unsolicited advertisement without the express permission of the recipient; and
- (ii) Applicable sections of Chapter 304 and 305 of the Texas Business and Commerce Code, which prohibit certain communications made for the purpose of solicitation.

(b) Prohibition Against Sending Unsolicited Faxes containing Advertisements:

An employee, broker, or agent may not send a fax that contains an advertisement to a person unless the recipient has expressly requested or consented to receive the fax.

Agents, brokers, and employees must not conduct mass or bulk faxing using email-based or Internet-based fax distribution systems or services. To avoid any confusion and any allegation of violation of the applicable do-not-fax statutes and rules,

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employees, brokers, and agents affiliated with the brokerage must comply with this policy.

(c) Examples of Faxes containing Advertisements:

Examples of faxes with advertisements include but are not limited to:

- (i) a fax soliciting a service (for example, a listing or agency relationship);
- (ii) a fax promoting the services offered by the agent or the brokerage;
- (iii) a fax sent to another broker or agent announcing a new listing or a reduction in a sales price; and
- (iv) a fax of an agent or brokerage newsletter.

(d) Faxes Sent in Response to a Request for Information:

(i) Information sent to a person who requested the information is not considered to be an unsolicited advertisement provided that it does not contain additional unsolicited advertisements or information that were not requested.

(ii) When faxing information in response to a request for information, the sender must:

- a. note on the cover sheet that it is being sent in response to the recipient's request;
- b. note on the cover sheet the date the request was received; and
- c. not include unsolicited advertisement or information along with the fax sending the requested information.

(e) Required Information in any Fax:

Any fax sent by an employee, broker, or agent must:

- a. identify the employee, broker, or agent on the cover sheet;
- b. identify the Brokerage;
- c. contain the Brokerage's and sender's contact information on the cover sheet (phone numbers, fax numbers, email address and mailing addresses); and
- d. comply with paragraph 4.

(f) Compliance with Policy and Training.

Failure by an employee, broker, or agent to comply with this policy is grounds for termination of employment or affiliation. The brokerage may seek all legally permissible reimbursement of any fines, penalties, or liability the brokerage incurs as a result of the employee's, broker's, or agent's failure to comply with this policy.

1.1.9. SOLICITATIONS SENT BY EMAIL

Refer to Section 7. EMAIL POLICY

ADVERTISING AND MARKETING

1.2 PROCEDURE

1.2.1. PREAPPROVAL REQUIRED

Sales Associates must submit all advertising to Sponsoring Broker and receive written approval from Sponsoring Broker prior to publication or communication of the advertising. If advertising a specific property, the property owner's written consent to the terms and conditions of advertising must be submitted to Sponsoring Broker before publishing any advertising.

1.2.2. ADVERTISING REQUIREMENTS

All advertising must comply with the following:

- (a) All advertising must clearly and conspicuously identify the Sponsoring Broker.
- (i) All advertising must clearly and conspicuously display the name of Sponsoring Broker, or the assumed name of Sponsoring Broker, if the assumed name is registered with TREC.
- (ii) The Sponsoring Broker's name must be no smaller than fifty percent (50%) of the size of the largest item of contact information.
- (iii) If Sponsoring Broker's name or assumed name included in advertising includes a Salesperson's name, the advertisement must include a name of Sponsoring Broker that does not include the Salesperson's name (either Sponsoring Broker's name or an assumed name of Sponsoring Broker).
- (iv) Advertising may not, in any way, imply that a Salesperson is responsible for the operation of a real estate brokerage business.
- (b) All advertising must identify the advertiser as "agent," "broker" or "REALTOR ®" to identify the advertiser as a real estate agent.
- (c) Advertising may not, in any way, cause a member of the public to believe that a person not authorized to conduct real estate brokerage activity is personally engaged in real estate brokerage.
- (d) Advertising may not include any Sales Associate's team name, nickname, business entity name or other assumed name prior to receiving written approval from Sponsoring Broker.

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(e) Sales Associate's use of assumed names must comply with the following:

(i) Assumed names must be properly registered with TREC.

(ii) Sales Associates must determine the requirements for filing their assumed names with all applicable governmental entities and comply with those requirements (e.g. Secretary of State and County Clerks).

(a) Assumed names of individuals and sole proprietorships must be filed with the clerk of each Texas County in which Sales Associate does business.

(b) Assumed names of business entities must be filed with the Texas Secretary of State and with the clerk of the Texas County in which the business entity has its principal office.

(f) Sales Associates must properly form their business entities in accordance with Texas law and operate the business entity in accordance with Texas law including, but not limited to, the timely filing of franchise tax returns with the Texas Comptroller of Public Accounts.

(g) No terms may be advertised other than those authorized by the property owner.

(h) Each page of all Internet, electronic bulletin board or similar displays must comply with advertising requirements.

(i) All electronic marketing or solicitation (including, but not limited to, email, fax and telephone) is regulated by federal and state laws as well as TREC rules. Each Sales Associate must comply fully with all applicable laws and rules.

(j) An advertisement placed where it is likely to attract the attention of passing motorists or pedestrians must clearly and conspicuously identify the person publishing the advertisement as "agent," "broker" or "REALTOR®." Signs placed on or providing directions to real property are not subject to this requirement, but are subject to all other requirements.

(k) Any offer to rebate a portion of a commission in an advertisement must disclose that payment of the rebate is subject to the consent of the party represented.

(l) Recommendations or promotions in an advertisement of services of other real estate-service providers must disclose that Broker or Salesperson may receive

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compensation from the service provider, if compensation will be received.

(m) Statements of rankings of service providers in an advertisement must disclose the objective criteria upon which the ranking is based.

(n) Reference in an advertisement to a Salesperson offering, sponsoring or conducting TREC-approved courses is permitted only if the Salesperson is approved by TREC to offer such courses.

1.2.3. REVIEW BEFORE SUBMISSION

Sales Associates will carefully prepare and review all proposed advertising to ensure compliance with the ADVERTISING REQUIREMENTS detailed in 1.2.2 before submitting the proposed advertising to Sponsoring Broker for review.

1.2.4. ADVERTISING CONTRACT APPROVAL REQUIRED

Sales Associates must submit all contracts and agreements for any type of advertising or advertising products (including, but not limited to, web design, web hosting, graphic-arts design, printing and sign fabrication) to Sponsoring Broker and receive written approval from Sponsoring Broker prior to entering into the contract or agreement.

1.2.5. CHANGES

No changes may be made to any advertising unless the proposed changes are submitted to and approved by Sponsoring Broker in the same manner as described above for the initial submission.

1.2.6. OTHER BROKERS' LISTINGS

Sales Associate must provide to Sponsoring Broker written consent from the Broker holding the listing of property Sales Associate wishes to advertise.

1.2.7. JOINT ADVERTISING

Joint advertising with others must comply with all of the requirements in this chapter.

1.2.8. FAX POLICY

Sales Associates will comply with Sponsoring Broker's fax policy. Sponsoring Broker has adopted the Texas Association of REALTORS® Model Policy concerning solicitations sent by fax as Sponsoring Broker's fax policy unless a different fax policy has been adopted by Sponsoring Broker.

1.2.9. EMAIL

Sales Associates will comply with Sponsoring Broker's email policy. Sponsoring Broker has adopted the Texas Association of REALTORS® Model Policy concerning solicitations sent by email as Sponsoring Broker's email policy unless a different email policy has been adopted by Sponsoring Broker. **Refer to Section 7. EMAIL POLICY**

1.2.10. COLD CALLING POLICY

Sales Associates will comply with Sponsoring Broker's cold calling policy. Sponsoring Broker has adopted the Texas Association of REALTORS® Model Policy concerning cold calling as Sponsoring Broker's cold call policy unless a different cold calling policy has been adopted by Sponsoring Broker. Refer to Section 8. COLD CALLING POLICY

1.2.11. INTERNET/ONLINE POLICY

Refer to Section 9. INTERNET/ONLINE POLICY for information related to Internet usage including online advertising and marketing.

2.WORK AGREEMENTS AND COMPENSATION

WORK AGREEMENTS AND COMPENSATION

2.1 POLICY

2.1.1. WORK AGREEMENTS

(a) INDEPENDENT CONTRACTOR AGREEMENTS

The relationship between Sponsoring Broker and Sales Associates will be governed by the following Texas Association of REALTORS® forms: (1) Independent Contractor Agreement for Sales Associate (TAR 2301), and (2) Statement of

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Understanding (TAR 2302); or other written agreements approved by Sponsoring Broker.

(b) UNLICENSED EMPLOYEE AGREEMENTS

Sponsoring Broker as employer, or Sales Associate as employer, and the unlicensed employee will sign an agreement that includes all of the following at a minimum:

- (i) Description of duties the unlicensed employee has been hired to perform;
- (ii) Description of acts the unlicensed employee is forbidden to perform or may perform only under the direct supervision of a Broker or Salesperson;
- (iii) Terms of compensation, hourly, salaried or other;
- (iv) Confirmation of the employment relationship as being an employment at will;
- (v) Recital of any employee benefits including, but not limited to, leave, group benefit programs, profit sharing, bonus or similar special compensation and reference to any employer policies, manuals or handbooks detailing those benefits; and
- (vi) Any sample timekeeping or payroll form to be completed by the employee showing hours and days worked, overtime, leave or other information upon which compensation is calculated.

(c) LICENSED EMPLOYEE AGREEMENTS

Employees who are Brokers or Salespersons, but who will not be performing the functions of a Broker or Salesperson, will sign an agreement that includes all of the following at a minimum:

- (i) Description of duties the employee has been hired to perform;
- (ii) Description of acts the employee is forbidden to perform, or may perform only under the direct supervision of another even if the employee is a Broker or Salesperson;
- (iii) Terms of compensation, hourly, salaried or other;
- (iv) Confirmation of the employment relationship as being an employment at will;
- (v) Recital of any employee benefits including, but not limited to, leave, group benefit programs, profit sharing, bonus or similar special compensation and reference to any employer policies or handbooks detailing those benefits; and
- (vi) Any sample timekeeping or payroll form to be completed by the employee showing hours and days worked, overtime, leave or other information upon which compensation is calculated.

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2.1.2. COMPENSATION

Any and all compensation paid to Sales Associate must comply with all applicable laws, including, but not limited to, the Texas Real Estate License Act, TREC rules and the Real Estate Settlement Procedures Act (RESPA).

WORK AGREEMENTS AND COMPENSATION

2.2 PROCEDURE

2.2.1. WORK AGREEMENTS

(a) INDEPENDENT CONTRACTORS

Prior to commencing work, each independent contractor Sales Associate will sign the Texas Association of REALTORS® Independent Contractor Agreement for Sales Associate (TAR 2301) or other similar agreement approved by Sponsoring Broker.

(b) ANNUAL CONFIRMATION FOR INDEPENDENT CONTRACTORS

Sales Associates will execute a Statement of Understanding (TAR 2302) or other similar document approved by Sponsoring Broker each year to confirm the relationship with Sponsoring Broker.

(c) UNLICENSED AND LICENSED EMPLOYEE AGREEMENTS

Prior to commencing work, each unlicensed or licensed employee will sign an employment agreement.

2.2.2. COMPENSATION

(a) RECEIPT OF COMMISSION

All compensation received or earned by Sales Associates for performing licensed activities must be paid directly to Sponsoring Broker unless Sponsoring Broker has authorized, in writing, an alternative method of payment. Should Sales Associates expect to receive any compensation from anyone, other than the party represented, Sales Associates must disclose this in writing and obtain written consent from the party represented to receive such compensation.

Sales Associates must provide Sponsoring Broker a written copy of such disclosure and consent. If a party Sales Associate does not represent agrees to pay a service

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provider in the transaction, the Sales Associate must also obtain written consent from that party to accept any compensation from the service provider. Sales Associates must also provide Sponsoring Broker a written copy of such consent.

(b) PAYMENT OF COMMISSION

All compensation earned by Sales Associates will be paid by Sponsoring Broker directly to the Sales Associate unless otherwise agreed upon in writing. Sponsoring Broker will pay compensation to Sales Associate's entity only if Sales Associate provides evidence of entity being properly licensed with TREC.

(c) SHARING COMMISSIONS

Requests to share compensation must be submitted to Sponsoring Broker in writing and include an explanation detailing the purpose of the compensation sharing. A Sales Associate must also obtain the consent of a client if any part of the Sales Associate's compensation is shared with another party to the client's real estate transaction.

(d) DISCLOSURE OF FEES FROM RESIDENTIAL SERVICE COMPANIES

Sales Associates will use TREC Form RSC-1 to disclose fees paid by residential service companies to a Sales Associate for advertising or other services.

(e) COMMISSION DISBURSEMENT

All required paperwork for the transaction must be uploaded in to the back-office system at least 48 hours prior to the closing date to be eligible for table funding (payment at closing). If paperwork is not received in time, agent will be paid once brokerage receives the check. Regardless of timing, all required paperwork for any transaction must still be uploaded in to the back-office system.

3. ESTABLISHING COMPETENCY

ESTABLISHING COMPETENCY

3.1 POLICY

3.1.1. AUTHORIZATION TO ACT

Sales Associate is authorized to act on behalf of Sponsoring Broker only in areas in which Sponsoring Broker, in writing, has designated Sales Associate as competent to act.

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3.1.2. DESIGNATIONS AT SPONSORING BROKER'S DISCRETION

The decision to authorize a Sales Associate as competent to act is solely at the discretion of Sponsoring Broker and may be changed or altered by Sponsoring Broker at any time.

3.1.3. MAINTENANCE OF REQUIRED LICENSES AND CERTIFICATIONS

Sales Associates will ensure that their licenses, certifications or other qualifications, that are necessary to act in all areas in which Sponsoring Broker has authorized them to act, remain active, current and in good standing.

3.1.4. REQUIRED EDUCATION REQUIREMENTS

Sales Associates will complete all continuing education requirements in a timely manner.

3.1.5. ADDITIONAL LICENSES, CERTIFICATIONS AND EDUCATION

Requirements for a Sales Associate to obtain additional licenses, certifications and additional education instruction are solely at the discretion of Sponsoring Broker.

3.1.6. COMPLIANCE WITH CODE OF ETHICS

Sales Associate will comply with the National Association of REALTORS® Code of Ethics with regard to competency including, but not limited to, Article 11.

ESTABLISHING COMPETENCY

3.2 PROCEDURE

3.2.1. AUTHORIZATION AGREEMENT

Sponsoring Broker and each Sales Associate will sign and date an Agreement:

- (a) Detailing all areas in which Sales Associate is authorized to act;
- (b) Describing in detail the licenses, certifications, and other qualifications

Sponsoring Broker requires Sales Associate to maintain to continue to qualify as competent in any area; and

- (c) Detailing the additional education instruction Sponsoring Broker requires Sales Associate to complete to continue to be competent in any area.

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The written agreement may state areas of practice in which Sponsoring Broker has elected not to practice or to prohibit Sales Associates from practicing, and may be amended to expand or delete additional areas in which a Sales Associate is authorized to practice.

3.2.2. MAINTENANCE OF REQUIRED LICENSES AND CERTIFICATION

Sales Associate will maintain the licenses, certifications and other qualifications required by Sponsoring Broker.

(a) Sponsoring Broker will regularly confirm that each Sales Associate maintains the licenses, certifications and other qualifications designated in the agreement.

(b) Sales Associates will provide Sponsoring Broker with documentation showing: (1) the timely renewal of all licenses and certifications, (2) the completion of continuing education classes, and (3) the completion of additional education instruction required by Sponsoring Broker.

3.2.3. REQUEST TO CHANGE AUTHORITY TO ACT

Sales Associate may request Sponsoring Broker to consider expanding Sales Associate's areas of competency and authorization. Upon such request, Sponsoring Broker will inform Sales Associate of the additional licenses, training, certifications and education Sponsoring Broker requires of Sales Associate to achieve such additional competency and authorization.

3.2.4. CHANGE IN AUTHORITY TO ACT

If Sponsoring Broker elects to change or alter Sales Associate's authority to act, Sponsoring Broker will immediately notify Sales Associate in writing.

3.2.5. NOTIFICATION OF TREC CHANGES

Sponsoring Broker will give each Sales Associate notice of any changes to the Texas Real Estate Licensing Act, TREC rules or TREC promulgated contract forms before the effective date of the changes.

3.2.6. FORWARDING OF TREC NOTICES

Sponsoring Broker will forward to each Sales Associate any mail or other correspondence from TREC received by Sponsoring Broker concerning Sales Associate within ten (10) calendar days after receipt.

4. RECORDS MANAGEMENT

RECORDS MANAGEMENT

4.1 POLICY

4.1.1. RECORDS DEFINED

Sponsoring Broker will maintain the following (the "Records"):

- (a) Disclosures;
- (b) Compensation agreements (including listing agreements, buyer representation agreements and other written commission and compensation agreements);
- (c) Work files;
- (d) Contracts and related addenda;
- (e) Receipts and disbursements of compensation for services;
- (f) Property management contracts;
- (g) Appraisals, broker price opinions and comparative market analyses;
- (h) Agreements between Sponsoring Broker and Sales Associates, including independent contractor and employment agreements; and
- (i) Delegations of authority from Sponsoring Broker to other persons.

4.1.2. DURATION OF MAINTENANCE

Sponsoring Broker will maintain the Records in an easily accessible format for at least four years from the: (1) date of closing, (2) termination of the contract, or (3) end of a real estate transaction. Sponsoring Broker may elect to maintain the Records for a longer period.

4.1.3. DISASTER PLAN COMPLIANCE

Sponsoring Broker will maintain all Records in accordance with a written disaster recovery plan that has been approved by Sponsoring Broker.

4.1.4. OWNERSHIP OF RECORDS

All Records created or maintained during the relationship between Sponsoring Broker and a Sales Associate are the property of Sponsoring Broker.

4.1.5. PRIVACY POLICY

Sales Associate will comply with Sponsoring Broker's privacy policy. Sponsoring Broker has adopted the Texas Association of REALTORS® Model Privacy Policy as Sponsoring Broker's privacy policy unless a different privacy policy has been provided by Sponsoring Broker. The Privacy Policy will always be available online within the back-office system.

4.1.6. CONFIDENTIALITY OF RECORDS

A client's personal information including, but not limited to, any personal identification information (e.g., social security number, driver's license number, birth date), and financial information (e.g., bank account information, credit card number) is considered confidential. Sponsoring Broker will continue to maintain such information with the same level of privacy and confidentiality after termination of the relationship between Sponsoring Broker and Sales Associate that was required while Sales Associate was associated with Sponsoring Broker. Refer to the Brokerage's Privacy Policy for more information.

RECORDS MANAGEMENT

4.2 PROCEDURE

4.2.1. COSTS OF CREATION AND DELIVERY

Each Sales Associate is responsible for the payment of any expenses or costs incurred in connection with the creation and delivery of the Records relating to Sales Associate's activities.

4.2.2. DELIVERY TO SPONSORING BROKER

Sales Associates will deliver to Sponsoring Broker any Records created or executed by Sales Associate within one business day after creation or execution.

4.2.3. TRANSACTION MANAGEMENT SYSTEM

To ensure compliance of records management, the Brokerage will provide Sales Associates with access to a transaction management system (a component of the back-office system). Sales Associates must upload all required paperwork/records for any real estate transaction in to the system.

4.2.4. PROTECTION OF PERSONAL INFORMATION

A client's personal information including, but not limited to, any personal identification information (e.g., social security number, driver's license number, birth date), and financial information (e.g., bank account information, credit card number) may not be disclosed to third parties unless approved in writing by Sponsoring Broker. Refer to the Brokerage's Privacy Policy for more details.

4.2.5. VERIFICATION UPON TERMINATION

Upon termination of the relationship between Sponsoring Broker and a Sales Associate, Sales Associate will verify that Sponsoring Broker has copies of all Records in Sales Associate's possession.

5. TRUST ACCOUNTS

TRUST ACCOUNTS

5.1 POLICY

5.1.1. DEFINITION

A trust account is an account managed by one party for the benefit of another in a banking institution authorized to do business in Texas. Trust money means client's money, earnest money, rent, unearned fees, security deposits, or any money held on behalf of another person.

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5.1.2. ACCOUNT MAINTENANCE

Only Sponsoring Broker is authorized to maintain a trust account. Any trust money held by a Sales Associate must be deposited in Sponsoring Broker's trust account. Money may be transferred or withdrawn from Sponsoring Broker's trust account only by Sponsoring Broker or Sales Associates authorized, in writing, by Sponsoring Broker.

5.1.3. INSURED ACCOUNTS

Sponsoring Broker may maintain multiple trust accounts. All trust accounts will be maintained at an institution providing deposit insurance (e.g., FDIC, NCUA).

5.1.4. NO COMMINGLING

No money other than trust money may be maintained in Sponsoring Broker's trust account. Sponsoring Broker may deposit into the trust account a reasonable amount intended to pay account service fees if a detailed record of the deposit and payment of such fees is maintained.

5.1.5. CONVERSION TO COMMISSION

Trust money that is converted into a commission upon the occurrence of an event must be transferred out of the trust account no later than the 30th day after the date of the event.

5.1.6. DISBURSEMENT OF TRUST MONEY

Upon written demand of any or all Principals, Sponsoring Broker or Sales Associate with written authority from Sponsoring Broker must properly disburse trust money held by Sponsoring Broker in accordance with the agreement under which the trust money was received not later than the 30th day after the date the demand is made. If by a subsequent written agreement, all parties to a real estate transaction authorize the Sponsoring Broker maintaining trust money to disburse the trust money in a manner not in accordance with the agreement under which the money was received, the Sponsoring Broker must pay the trust money to the party or parties entitled to the money under the subsequent written agreement not later than the 30th day after the date the Sponsoring Broker receives the subsequent written agreement. If the Sponsoring Broker cannot reasonably determine to which party or parties the trust money should be disbursed, Sponsoring Broker may pay the money into the registry of a court, interplead the parties and seek an order from the court for proper disbursement.

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5.1.7. RECORDS MAINTENANCE

Records of each deposit, withdrawal and other activities in Sponsoring Broker's trust account must be maintained for at least four years from the date the document is received or created.

TRUST ACCOUNTS

5.2 PROCEDURE

5.2.1. ACTIONS AUTHORIZED

Only Sponsoring Broker or Sales Associates with written authority from Sponsoring Broker may withdraw or transfer money from any trust account.

5.2.2. PROMPT DEPOSIT

Trust money that comes into the possession of Sponsoring Broker or Sales Associate must be promptly: (1) deposited in Sponsoring Broker's trust account, or (2) deposited with an escrow agent authorized in Texas in accordance with the agreement of the principals of the transaction. Trust money required to be deposited in Sponsoring Broker's trust account must be deposited no later than the close of business of the second (2nd) working day after the date of receipt of the funds by Sales Associate or Sponsoring Broker.

5.2.3. NOTIFICATION OF DISBURSEMENT

Each time any disbursement of trust money occurs, Sponsoring Broker will notify all parties in writing.

5.2.4. RECONCILIATION

Each individual client and third-party trust account balance will be reconciled monthly.

6. FIDUCIARY DUTY OF AGENTS

FIDUCIARY DUTY OF AGENTS

6.1 POLICY

6.1.1. DUTIES

In a principal-agent relationship, the Principal is owed the highest level of fiduciary duty by the Agent. This duty includes the following:

- (a) Trust;
- (b) Confidential treatment of information;
- (c) Honest business dealings;
- (d) The highest duty of performance;
- (e) Loyalty;
- (f) Reasonable care in all matters of representation; and
- (g) Proper accounting for all monies and other things of value.

6.1.2. RELATIONSHIPS

Brokers and Salespersons may: (1) represent Principals, and (2) assist others with whom no agency relationship exists. Sales Associates must provide all parties with a clear explanation of their relationship as being one of the following:

- (a) A client, being represented as a principal by the agent;
- (b) A customer, with no agency relationship, but receiving assistance;
- (c) An unrepresented party, with no agency relationship and receiving no assistance; or
- (d) A party represented by a Broker other than Sponsoring Broker.

6.1.3. DISCLOSURE OF STATUS AS SALESPERSON OR BROKER

Sales Associate must disclose his or her status as a Salesperson or Broker in writing, either before entering into any sales contract or lease or within the sales or lease contract itself, when engaging in a real estate transaction on behalf of:

- (a) Sales Associate;
- (b) A business entity in which Sales Associate is more than a 10% owner;
- (c) A trust for which Sales Associate acts as trustee or is a beneficiary; or

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(d) Sales Associate's spouse, parent or child, including situations in which they may be a beneficiary of a trust.

Sales Associate will also comply with the National Association of REALTORS® Code of Ethics requirements regarding disclosure of interest including, but not limited to, Articles 4 and 5.

6.1.4. INTERMEDIARY RELATIONSHIPS OPTIONAL

Sponsoring Broker has no obligation to agree to enter into an intermediary relationship. However, without an intermediary relationship, Principals on both sides of the transaction may not be jointly represented. An intermediary relationship is the only method available to jointly represent Principals on both sides of the transaction.

6.1.5. AUTHORIZATION OF INTERMEDIARY RELATIONSHIPS

Sales Associates will consult with Sponsoring Broker to determine if an intermediary relationship will be permitted in connection with any given transaction.

6.1.6. LIMITATION OF INTERMEDIARY ACTIONS

Sponsoring Broker's and all Sales Associates' actions are limited as an intermediary.

(a) Intermediaries may not disclose:

(i) That the seller will accept a price less than the asking price, unless the disclosure is authorized in writing by the seller;

(ii) That the buyer will pay a price greater than the price submitted in a written offer, unless the disclosure is authorized in writing by the buyer; or

(iii) Any confidential information of either the buyer or the seller unless:

(1) authorized by the buyer or the seller in writing, (2) required by law,

(3) required by the Texas Real Estate License Act, (4) required by a

court order, or (5) the information materially relates to the condition of the property;

(b) Intermediaries may not treat either party dishonestly or violate the Texas Real Estate License Act.

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6.1.7. APPOINTMENTS TO EXPAND INTERMEDIARY RELATIONSHIP

Sponsoring Broker may elect to expand the intermediary relationship by appointing separate Sales Associates to offer opinions and advice to each of the parties. In the event Sponsoring Broker makes the appointments, written notice of the appointments and the identity of the specific Sales Associates must be given to the parties.

6.1.8. INTERMEDIARY WITHOUT APPOINTMENTS

If no appointments are made, Sponsoring Broker and all Sales Associates remain as intermediary. However, no opinions or advice may be provided to any party.

6.1.9. CONFIDENTIALITY REQUIRED

All Sales Associates must maintain all confidential information of all parties. Only the appointed Sales Associate may offer opinions and advice to the party to whom appointed.

FIDUCIARY DUTY OF AGENTS

6.2 PROCEDURE

6.2.1. VERIFICATION OF NO EXISTING REPRESENTATION

Before representing a party, Sales Associate must determine that the party is not currently represented. A Sales Associate may not interfere in any way with an existing exclusive agency relationship, or suggest to the party how to terminate the relationship.

6.2.2. EXPLAIN AGENCY CONCEPTS

As soon as an agency relationship between a Principal and an Agent appears likely to exist, the Agent will inform the Principal of the following:

- (a) The agency relationship will be a special agency. The Agent cannot bind the Principal. The Principal will be required to approve, in writing, all materials terms and conditions of any transaction documents;
- (b) The terms and conditions under which the agent expects to receive compensation;
- (c) The date and, if relevant, the time when the agency relationship begins;

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(d) The authority Agent is granted including, but not be limited to:

(i) The creation and use of marketing, advertising or other promotional displays related to the property and its owner; and

(ii) Access to the property for the Agent and others, including Brokers, Salespersons, inspectors and the public;

(e) The terms and conditions under which confidential information may and should be disclosed to others;

(f) The efforts the Agent will use to market or locate a property;

(g) The duties of the Agent to disclose information that might affect a buyer's or seller's decision; and

(h) The duties of accounting for monies or other things of value by the Agent. Sales Associate will comply with the National Association of REALTORS® Code of Ethics requirements regarding the necessity of written agreements including, but not limited to, Article 9.

6.2.3. DISCLOSURE OF REPRESENTATION

Sales Associates must disclose who they represent at the first contact with another party, or with a Broker or Salesperson who represents a different party (including at open houses). The disclosure of representation may be made orally or in writing. If the disclosure is made orally, it must be confirmed in writing in the contract or lease or other written document not later than the time of execution of the contract or lease.

6.2.4. INFORMATION ABOUT BROKERAGE SERVICES

At the first substantive dialogue between a Sales Associate and a person relating to a specific property, Sales Associate must present to the person the TREC Information About Brokerage Services disclosure form (IABS) and explain the IABS to the party.

(a) A substantive dialogue is defined as a meeting or written communication, excluding conversations at an open house. A substantive dialogue can occur when communicating by email, texting or other electronic communication.

(b) The Sales Associate must document, in writing, the nature of the relationship with the person and attempt to obtain his or her signature on the IABS form. In the event the person refuses to sign the IABS, Sales Associate will note the refusal in writing, preferably on a copy of the IABS form.

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6.2.5. CONSUMER PROTECTION NOTICE

(a) Sales Associate must provide a link to a TREC Consumer Protection Notice (CPN) in a readily noticeable place on the homepage of each business website, labeled:

(i) "Texas Real Estate Commission Consumer Protection Notice", in at least 10 point font; or

(ii) "TREC Consumer Protection Notice", in at least 12 point font.

(i) A "business website" means a website on the internet, including a social media platform, that

(i) is accessible to the public;

(ii) contains information about Sales Associate's real estate brokerage services; and

(iii) the content of the website is controlled by Sales Associate.

(ii) For the purposes of providing the required link on a social media platform, the link may be located on

(i) the account holder profile page; or

(ii) a separate page or website through a direct link from the social media platform or account holder profile.

(b) Sales Associate must ensure the CPN is displayed in a readily noticeable location in each place of business Sponsoring Broker maintains.

6.2.6. PRESENTATION OF OFFERS

Sales Associates will present all offers received to buy, sell, lease or rent property as quickly as possible to the client, and will present subsequent offers after the client has accepted an offer, unless the client has agreed otherwise in writing.

6.2.7. BROKER PRICE OPINIONS

In the process of negotiating a listing, Sales Associates will prepare a broker price opinion or comparative market analysis on the property to provide to the client. Before providing to the client, Sales Associate will submit the broker price opinion or comparative market analysis to Sponsoring Broker for approval.

The broker price opinion or comparative market analysis must include the following written statement:

"THIS IS A BROKER PRICE OPINION OR COMPARATIVE MARKET ANALYSIS AND SHOULD NOT BE CONSIDERED AN APPRAISAL OR OPINION OF VALUE. In making any decision that relies upon my work, you should know that I have not followed the guidelines for development of an appraisal or analysis

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contained in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.”

6.2.8. DISCLOSURE TO PRINCIPALS

Agents will convey to their Principals all known information that would affect the Principal’s decision on whether to make or not make, accept or reject offers, and all other significant information applicable to the transaction.

6.2.9. DISCLOSURE TO BUYERS

Sales Associates will disclose, in writing, any known significant defect to the property to a potential buyer that would be a significant factor to a reasonable and prudent buyer in making a decision to purchase the property.

6.2.10. DECISIONS TO TERMINATE REPRESENTATION

Sales Associates must consult with Sponsoring Broker in response to a Principal's request or Sales Associate's desire to terminate an agency relationship. Sponsoring Broker's decision will control with respect to any action to be taken, including any demand for compensation or reimbursement owed by the Principal.

6.2.11. ACTIONS UPON TERMINATION OF REPRESENTATION

Upon the termination of the agency relationship with the client, Sales Associate must immediately cease acting as the client’s representative and comply with the following:

- (a) Cease all advertising about the property within ten (10) days;
- (b) Remove all signs from the property;
- (c) Remove all MLS listings concerning the property;
- (d) Remove all information about the property from websites controlled by Sales Agent or Sponsoring Broker; and
- (e) Cease publication of all other communication in any form about the property.

6.2.12. CONSENT FOR INTERMEDIARY RELATIONSHIP

Before representing both parties to a transaction, both parties must be Principals, and written permission must be obtained from both Principals. In order to obtain written consent, Sales Associates will provide the appropriate listing agreement or buyer/tenant

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representation agreement to the respective parties and will obtain the appropriate signatures. Both parties to a transaction may be represented only as an intermediary. Without the consent of both parties, only the initial client may be represented.

6.2.13. APPOINTMENTS TO EXPAND INTERMEDIARY RELATIONSHIP

In the event Sponsoring Broker makes appointments of Sales Associates to communicate with and carry out instructions of the Principals in an intermediary relationship, notice of the appointments and the identity of the specific Sales Associates must be given to the Principals, using the Texas Association of REALTORS® Intermediary Relationship Notification form (TAR 1401).

7.EMAIL POLICY

EMAIL POLICY

7.1 Statement of Intent to Comply:

It is the express written policy that all employees, brokers, and agents affiliated with the Brokerage are to comply with all rules and statutes applicable to solicitations sent by email. Specifically, the brokerage intends to comply with:

- (a) Chapter 321, Texas Business and Commerce Code, "Regulation of Certain Electronic Mail";
- (b) Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM); and
- (c) Administrative rules enacted by the FCC and other governmental agencies related to CAN-SPAM and Chapter 321 of the Business and Commerce Code.

7.2 Definition of an Established Business Relationship

For the purposes of this policy, an established business relationship exists with a person with whom the employee, broker, or agent has had a voluntary two-way communication that has not been terminated. Past clients and customers are persons with whom an established business relationship exists. Persons who have made inquiry with the employee, broker, or agent in the recent past are persons with whom an established business relationship exists.

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7.3 Requirements concerning any Email:

An employee, broker, or agent may not send any email or use an email address/account that:

- (a) falsifies transmission information or other routing information;
- (b) contains false, deceptive, or misleading information either in the subject line or in the text of the message;
- (c) contains any obscene or offensive material;
- (d) does not identify the employee, broker, or agent as the sender of the message;
- (e) does not contain the sender's contact information containing at least the return email address and telephone number; or
- (f) does not comply with:
 - (i) Paragraph 7.4 if the message contains an advertisement; or
 - (ii) Paragraph 7.6 if the message is in response to a request for information;
- (g) does not closely resemble the agent's, employee's, or broker's real name;
- (h) uses offensive, racist, or sexually explicit terms;
- (i) references activities that are prohibited by law, regulation, or the National Association of REALTORS®' Code of Ethics;
- (j) does not closely resemble the agent's, employee's, or broker's real name;
- (k) makes reference to geographic locations outside of the jurisdiction of the license they hold;
- (l) causes confusion with another company name, another activity or industry, or any service marks or trademarks not owned by the brokerage;
- (m) is shared by another person in order to protect confidentiality in real estate activities;
- (n) is used for the purpose of sending unsolicited email (SPAM).

7.4 When Emails containing Advertisements May be Sent:

An employee, broker, or agent may not send an email message that contains an advertisement to a person unless:

- (a) the email message complies with Paragraph 7.3;
- (b) the sender has verified that the recipients' email addresses are not on the brokerage's do-not-email list by following the procedure described in Paragraph 7.7(a);
- (c) an unsubscribe notice is conspicuously in the text of the message that informs the

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recipients how to unsubscribe and be placed on the brokerage's do-not-email list;

(d) the message is not sent to an email address with a domain name registered with the FCC as a commercial mobile radio service (CMRS) domain name;

(e) one of the following conditions exists:

(1) an established business relationship exists with the recipient; or

(2) the subject line is preceded with "ADV:".

Note: CMRS domain names are registered at

transition.fcc.gov/cgb/policy/DomainNameDoanload.html. Such domain names send messages directly to wireless devices such as cell phones and pagers. Persons using CMRSs many times will have their primary email boxes forward email to the CMRS. The domain names affected by this restriction are those with the domains to which email is sent directly to the CMRS.

7.5 Examples of Emails containing Advertisements:

Examples of email messages with advertisements include but are not limited to:

(a) an email message soliciting a service (for example, a listing or other agency relationship);

(b) an email promoting the service offered by the agent or brokerage;

(c) an email sent to other brokers or agents announcing a new listing or a reduction in a sales price;

(d) an email containing the agent's or brokerage's newsletters; and

(e) e-cards in which the sender is promoting services offered by the sender or the brokerage.

7.6 All Email Messages:

A. Information sent to a person who requested the information is not considered to be a message containing an unsolicited advertisement provided that it does not contain additional unsolicited advertisements or information that were not requested.

B. When emailing information in response to a request for information, the sender must:

(1) note in the text of the message that it is being sent in response to the recipient's request;

(2) note in the text of the message the date the request was received; and

(3) not insert unsolicited advertisement or information along with the email sending the requested information.

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C. Communications with clients are considered to be client communications and not advertisements.

D. Communications to past customers and clients which contain advertisements must comply with Paragraph 7.4. Communications to past customers or clients that contain only information about previous transactions and are not a solicitation of future business are not considered to be messages with advertisements.

E. Email to others requesting information or to facilitate a transaction for a customer or client may not contain advertisements. For example, the employee broker, or agent may request information from or provide information to a service provider such as a title company lender, inspector, or other person in connection with a pending or prospective transaction. Such email may not include unsolicited advertisements along with the email.

F. When forwarding information from other sources by email, agents, brokers, and employees must state: "The information is provided from _____ (source). I have no reason to believe it to be false or inaccurate. The information or link is for informational purposes only. I do not warrant or guarantee the information for accuracy or completeness. You may wish to independently verify the information." Or similar wording to convey the same disclaimer.

G. Email related to a real estate transaction should be sent via electronic signature systems (e.g. DocuSign) and the brokerage's transaction management system ("back-office") so that a compliant electronic trail is stored with the transaction. Email sent outside of these systems must be retained by the agent, broker, or employee to ensure a complete archival of the transaction has been created.

H. The agent, broker, or employee is to include an approved email signature that includes at least the following:

- (1) their name;
- (2) the brokerage's name or logo with name prominently displayed;
- (3) title that includes one of the terms described in Section 1.2.2 (b);
- (4) their telephone number;
- (5) brokerage website or agent website if approved by broker

I. If an agent, broker, or employee uses sold property data in email messages, they may not quote the address unless the information is directed to a prospect or client only. The use of sold data in email for mass marketing tools may include only non-specific information about sold property.

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7.7 The Brokerage's Do-Not-Email List:

A. The do-not-email list will be available for all to view in the back-office system. Before sending any message containing unsolicited advertisement, the sender must verify that the email address is not on the brokerage's do-not-email list. Specifically, the employee, broker, or agent must log on to the back-office system to view the do-not-email list.

B. The managing Broker is the person in the brokerage who is responsible for maintaining the brokerage's do-not-email list.

C. The person named in Paragraph 7.7(B) is responsible for timely updating the brokerage's do-not-email list. The responsible person will comply with posting updates to the do-not-email list on the back-office system and will honor adding any requests to the list within 3 days.

D. Addresses on the do-not-email list will be maintained on the list for 5 years (not less than 5 years) provided that all domain names registered with the FCC as CMRS domain names will remain on the list continually.

E. The brokerage will monitor compliance with this policy. The person responsible for maintaining the list must maintain records that record the dates the list was updated.

7.8 Unsubscribe Request, Requests to Be Placed on the Do-Not-Email List and Removing Addresses from Agents' Email Distribution Lists:

A. If an employee, broker, or agent receives a request to place an email address on the brokerage's do-not-email list, the employee, broker, or agent must promptly forward the request via email to the managing Broker.

B. If an employee, broker, or agent maintains email distribution lists (for example, email groups in email programs), the employee, broker, or agent must delete addresses in these lists or groups that are on the brokerage's internal do-not-email list. Agents who maintain their own distribution lists must run a check against the brokerage's do-not-email list not less than every 30 days.

C. A request to unsubscribe to email sent by the employee, broker, or agent is a request to be placed on the brokerage's do-not-email list and the employee, broker, or agent must, in response, follow the procedure outlined in Paragraphs **7.8(A) and 7.8(B)**.

7.9 Use and Distribution of the Do-Not-Email List

A. The do-not-email list maintained and used by the brokerage may be used only for the purpose of complying with applicable statutes and rules. The brokerage does not sell, rent, lease, purchase, or use the list for any other purpose. Any cost for maintaining the lists is paid by the brokerage. The brokerage does not allocate that cost to others.

B. An employee, broker, or agent may not give, copy, or distribute any information on the do-not-email list maintained or used by the brokerage to any person who is not an employee, broker, or agent of the brokerage for any purpose, including but not limited to other brokerage firms, other agents, friends, relatives, or business associates.

7.10 Compliance with Policy and Training.

A. The brokerage will monitor compliance with this policy by employees, brokers, and agents via the brokerage’s CRM (contact relationship management) system.

B. Failure by an employee, broker, or agent to comply with this policy is grounds for termination of employment or affiliation. The brokerage may seek all legally permissible reimbursement of any fines, penalties, or liability the brokerage incurs as a result of the employee’s, broker’s, or agent’s failure to comply with this policy.

8. COLD CALLING POLICY

COLD CALLING POLICY

8.1 Statement of Intent to Comply:

It is the express written policy that all employees, brokers, and agents affiliated the Brokerage are to comply with all rules and statutes applicable to cold-calling. Specifically, the brokerage intends to comply with:

- (a) the Telephone Consumer Protection Act;
- (b) the Telemarketing Consumer Fraud and Abuse Prevention Act;
- (c) the Texas Telemarketing Disclosure and Privacy Act;
- (d) the FTC’s telemarketing sales rules (TSR); and
- (e) the FCC’s regulations concerning telephone solicitation.

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8.2 Definitions:

A. Cold Call. A "cold call" is an unsolicited telephone call made to any person for the purpose of: (1) selling a service to the person called; or (2) soliciting the opportunity to provide any service. Cold calls include but are not limited to calls made to solicit a listing or any type of agency relationship.

B. Established Business Relationship. An "established business relationship" exists with a person who: (1) was a party to a transaction with the brokerage within the eighteen (18) months immediately preceding the cold call; or (2) has made inquiry with the brokerage within the three (3) months immediately preceding the cold call. An example of an established business relationship includes a relationship with a person who listed a property for sale with the brokerage in the previous eighteen (18) months or a person who called inquiring about a listing in the previous three (3) months.

8.3 Maintaining the Do-Not-Call Lists:

A. The brokerage maintains two do-not-call lists:

- (1) a downloaded list from the national do-not-call registry for the following area codes: 512; and
- (2) an internal do-not-call list.

B. The managing broker is the person in the brokerage who is responsible for maintaining both do-not-call lists.

C. The person named in Paragraph 8.3(B) is responsible for updating the internal and national do-not-call lists not less often than every 30 days. The responsible person will comply with the following procedure when downloading, updating, and storing the national do-not-call list.

D. Numbers on the internal do-not-call list will be maintained on the list for 5 years. Only the person named in Paragraph 8.3(B) may authorize any name to be purged from the internal do-not-call list.

E. The brokerage will monitor compliance with this policy. The person responsible for maintaining the lists must maintain records that record the dates the lists were updated.

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8.4 Cold Calling Procedures

A. An employee may not make cold calls unless the employee is a licensed broker or salesperson.

B. Before making a cold call the employee, broker, or agent must verify that the number to be called is not on the national do-not-call list and is not on the brokerage's internal do-not-call list.

(1) Cold calls may be made to a person with whom the brokerage (not the agent from a prior firm) has an established business relationship if the number to be called is not on the brokerage's internal no-call list. The person making the call must properly use the compliance service to verify that an established business relationship exists and that the person may be called.

(2) The employee, employee, broker, or agent maintains a written record evidencing the established business relationship (for example, a file evidencing that the person called was a party to a prior listing agreement or other agency agreement in the preceding eighteen (18) months or a written record that the person made inquiry with the brokerage in the preceding three (3) months);

C. When making a cold call, an employee, broker, or agent:

(1) may make the call only during the following times:

(a) 9:00 a.m. to 9:00 p.m., Monday through Saturday; and

(b) 12:00 p.m. to 9:00 p.m. on Sunday.

(2) may not use a caller-ID blocking device;

(3) may not use an auto-dialing device;

(4) may not use prerecorded messages;

(5) may not employ or use persons who are not licensed brokers or agents to make cold calls;

(6) must promptly identify himself and his affiliation with the brokerage at the beginning of the conversation;

(7) must, upon request, provide the person called with the caller's and brokerage's contact information, including the name of the caller's manager;

(8) must promptly honor any request to place the number on the brokerage's internal do-not-call list by following the procedure described in Paragraph 8.5;

(9) may not hang-up on the person before the person called offers a response or makes a request to be placed on the brokerage's internal do-not-call list (even if the person called is rude to the caller);

(10) may not use any obscene or offensive language (even in response to offensive or obscene language);

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- (11) must be polite at all times (even in response to any insulting or angry comments);
- (12) may not call a number back if the person called hangs up;
- (13) may not engage in any practice that is considered to be harassment;
- (14) must let the phone ring at least 4 times before hanging up and may not let the phone ring more than 6 times if it is not answered

8.5 Procedure to Place a Number on the Brokerage's Internal Do-Not-Call List:

If an employee, broker, or agent receives a request (either orally or in writing) to place a number on the brokerage's internal do-not-call list, the employee, broker, or agent must:

- (1) submit the request via email to the person named in Paragraph 8.3(B) not later than 5 days after the employee, broker, or agent receives the request; and
- (2) must verify that the number is placed on the brokerage's internal do-not-call list by accessing the list not later than 3 days after the employee, broker, or agent has submitted the request to the person named in Paragraph 8.3(B).

8.6 Use and Distribution of the Do-Not-Call Lists

A. The do-not-call lists maintained or used by the brokerage may be used only for the purpose of complying with applicable statutes and rules. The brokerage does not sell, rent, lease, purchase, or use the lists for any other purpose. Any cost for downloading or maintaining the lists are paid by the brokerage. The brokerage does not allocate that cost to others.

B. An employee, broker, or agent may not give, copy, or distribute any information on the do-not-call lists maintained or used by the brokerage to any person who is not an employee, broker, or agent of the brokerage for any purpose, including but not limited to other brokerage firms, other agents, friends, relatives, or business associates.

8.7 Compliance with Policy and Training

A. The brokerage will monitor compliance with this policy by employees, brokers, and agents.

B. Failure by an employee, broker, or agent to comply with this policy is grounds for termination of employment or affiliation. The brokerage may seek all legally permissible reimbursement of any fines, penalties, or liability the brokerage incurs as a result of the employee's, broker's, or agent's failure to comply with this policy.

9. INTERNET/ONLINE POLICY

The Brokerage operates online as a virtual office model and does not have a physical office location where employees, agents, or brokers work and access the Internet. Additionally, the Brokerage does not provide any type of Internet access for employees, agents, or brokers. Internet access and usage is the sole responsibility of the employee, agent, or broker.

The Brokerage does not provide email accounts but all employees, agents, and brokers affiliated with the Brokerage must adhere to the EMAIL POLICY when conducting business on behalf of the Brokerage.

9.1 Newsletters

If an agent, broker, or employee uses email newsletter services, they must adhere to the following:

- A. must not use a service that shares, resells, or uses for their own purposes the email addresses of the subscribers to the newsletter;
- B. the newsletter must be a voluntary subscription process such as a sign-up request form and must not be sent to those who have not asked or consented to receive it;
- C. any newsletter that asks for personal information must also contain either a copy of or a hyperlink to the brokerage's privacy policy;
- D. must identify the brokerage as outlined in the ADVERTISING AND MARKETING section for each issue of a newsletter;
- E. each edition of any electronic newsletter must include instructions that advise the recipient how to unsubscribe;
- F. must retain a record of all subscription and removal requests and must promptly remove from the distribution list any person who requests to be removed;
- G. if a newsletter includes content from or links to any other source, the inclusion of the content or link must not violate any copyright law or any other law.

9.2 Identity Standards

In addition to the items outlined in the ADVERTISING AND MARKETING section, agents, brokers, and employees must adhere to the following:

A. when publishing images online, agents and employees should create the images either by scanning high-quality masters provided by the brokerage or using electronic versions the brokerage provides;

B. not use or authorize others to use the brokerage's name within an agent's or third-party's domain name without the brokerage's permission;

C. not use third-party copyrighted or trademarked images, graphics, logos, cartoons or clip art pictures on Web sites or within graphical marketing without permission from the copyright holder. Must document permission to use third-party marks. Must be careful to maintain the size proportions, color, shape and print format of third-party names, logos or other graphical images in Web sites or when used as hyperlinks;

D. must acknowledge trademark and registration holders by using the appropriate symbols such as ® or TM (for example, see NAR's brochure concerning use of the term "REALTOR®" and the REALTOR® trademark);

E. must identify the brokerage as outlined in the ADVERTISING AND MARKETING section on each page of a Web site that the brokerage or agents maintain;

F. must identify the brokerage as outlined in the ADVERTISING AND MARKETING section when listing the brokerage name in search indices, business directories, portals or industry related directory sites;

G. must identify the brokerage as outlined in the ADVERTISING AND MARKETING section in template or database-generated Web pages provided by industry-related sites such as real estate association sites or multiple listing services;

H. must identify the brokerage as outlined in the ADVERTISING AND MARKETING section in any advertisements published on the brokerage's, agent's, or a third-party's Web sites.

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9.3 Referencing Online Information

When referencing online sources of information, agents, brokers, and employees must adhere to the following:

- A. When sending information from other sources, must include an approved Information Disclosure (ID) in references to third party content or Web sites. For example, “The information provided is from _____ (source). I have no reason to believe it to be false or inaccurate. The information or link is for informational purposes only. I do not guarantee or warrant the information for accuracy or completeness. You may wish to independently verify the information.” or similar wording to convey the disclosure;
- B. Generally, should not investigate, verify, or confirm information from another source, unless the agent or employee has reason to believe that the information is false or inaccurate;
- C. Not copy, paste, or quote other sources (in text or graphics) in Web sites, emails, or other communications without quoting the source and including a disclosure statement as described in 9.3(A);
- D. May not block, hide, or minimize references or information about third party authorship, copyright marks, trademarks and other registration marks when citing information from other sources in Web sites or email;
- E. Must obtain advance written permission from any third-party source or copyright holder if intending to use the information (including text, graphics, logos or trademarks) in any publication (newsletters or Web sites) and must document permission from the author;
- F. Must not charge consumers for linking or providing information that is available in the public domain;
- G. Must exercise reasonable care to maintain trademark image distinctiveness when printing, emailing or referencing the names, logos, marks or images of third-party content;
- H. Must abide by the “terms of use” or “display usage policies” on third-party Web sites;
- I. Not modify, edit, or summarize third-party property data without express written permission;
- J. Not hide, edit, mislead, or create confusion when citing information about another broker’s listings (including the listing brokerage, agent or owners). When providing information to a consumer about another broker’s listing, the communication should be clear that the listing is not their listing. The information must contain all information that your MLS requires (for example, listing broker’s and/or listing agent’s name may need to be included);
- K. Proprietary brokerage data displayed within the brokerage may not be republished in a public format (for example, linked or framed into an agent’s Web site or forwarded via email) without the brokerage’s permission;
- L. May not provide proprietary brokerage information to third-party Internet Web sites or design or marketing services without the brokerage’s permission;

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M. Must keep documentation of permission to use information from third parties in writing and stored in the brokerage's permanent records.

9.4 Online Property Marketing Guidelines

When publishing property ads online, agents, brokers, and employees must adhere to the following:

- A. Use a disclaimer similar to the statement found in Section 9.3(A);
- B. Include a "publication date" indicating the original placement or latest update to the information published online;
- C. Update or remove any online property advertisements as soon as possible after the status of the information changes and, in no event, permit inaccurate information to be left online for more than 5 days;
- D. Must include in any online marketing advertisements any disclosures or statements that may be required. For example, the agent's license status must be disclosed, the information must not be likely to mislead the viewer, the information must not violate any law (such as fair housing laws), and any required disclosure must be included (such as information relating to rebates or concessions);
- E. Must include all appropriate symbols, such as brokerage logos, fair housing symbols, MLS, REALTOR®, and other appropriate symbols or graphics that normally are included in traditional property advertisements;
- F. All online property marketing should direct the public to contact the agent or brokerage for more information;
- G. Follow syndication rules of MLS;
- H. May not republish or recreate listing inventory manually on their personal Web sites. An agent or broker may provide a link to the information maintained on the brokerage's Web site.
- I. May purchase a gateway or data feed service (e.g. IDX service) at their own expense from vendors that the brokerage approves to maintain a single-channel of property input, update and display of listing data on their personal Web site only.
- J. Not integrate gateway or data feed services from approved vendors into unapproved third-party Web sites such as unapproved template-based Web site services;
- K. All property records appearing on agent Web sites should be accompanied by a link to the "privacy policy" and "terms of use" statements;

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- L. Online ads should feature a link to the property record from approved inventory sites only;
- M. Not place property information into sites that share, link to, or resell the information to any entity, unless otherwise stated in this manual or permitted by the brokerage;
- N. Not forward, copy, paste, duplicate, frame-in an agent Web site or otherwise publish or transmit listings data from other brokerage firms without appropriate permission (for example, a reciprocal agreement from the other broker or permitted to do so as a member of a multiple listing service);
- O. Not use services that email or transmit non-brokerage listing data to consumers if the service changes, hides, suppresses or modifies the listing data, including the omission of the listing contact information;
- P. Not quote the address of sold property unless the information is directed to a prospect or client only. The use of sold data on Web sites or on mass marketing tools may include only non-specific information about sold property.

9.5 Agent Website Guidelines

When creating websites, agents and brokers must adhere to the following:

- A. No Web sites from third parties, such as trade associations, free services, or paid services may display the Brokerage name, link to the brokerage's property inventory, or display any information about the brokerage without the brokerage's consent;
- B. The domain name and content on an agent's personal Web site must comply with the brokerage's identity standards;
- C. The domain name of an agent's personal site must not be offensive, racist or sexually explicit;
- D. The domain name of an agent's Web site must not violate any law or regulation (for example, the Real Estate License Act or TREC rules);
- E. Unless otherwise authorized, agents may not use domain names that include the brokerage's name or the brokerage's trademarks (For example, www.brokerage.org or www.brokerage-agentname.org);
- F. Not use domain names that confuse the agent's Web site with the brokerage's trademarks, services, or slogans;
- G. Not use domain names that create confusion as to the identity of the brokerage or the agent with another real estate brokerage, agent, or real estate related service;
- H. Not use domain names that confuse the site, agent or brokerage with any other type of industry, site, or service;

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- I. Not use domain names that confuse the site with public domain information such as a school site, mapping services, weather services or town information site;
- J. Web sites not provided by the brokerage must register and renew all domain names under the agent's name only;
- K. Web sites not provided by the brokerage should post copyright notices on the Web site in the agent's name;
- L. Must avoid framing information from other Web sites if it may cause confusion as to the source of the information;
- M. Web sites not provided by the brokerage should avoid using navigation frames, pop-up windows, new browser windows, java code, multimedia code, or other displays that hide, suppress or confuse the names, logos or trademarks of third-party content within or upon leaving the agent's Web site;
- N. Information about properties on the agents' Web sites must include any required disclosure statements. All information about property placed on an agent's Web site must include a "publication date" indicating the most recent update;
- O. Must timely update or remove any online property advertisements on the agents' Web sites and must comply with any applicable MLS rule or state or federal statute or regulation;
- P. Must include all appropriate symbols, including brokerage logos, fair housing symbols, MLS logos, REALTOR® trademarks, and other relevant symbols or graphics;
- Q. Online marketing from an agent's Web site should direct the public to contact the agent or brokerage for assistance or further information;
- R. Online marketing may not feature third-party contact information (for example, the seller's contact information);
- S. Within the footer of each page of an agent's Web site, the agent must include:
 - a. a link to a separate page containing the brokerage's privacy policy;
 - b. the Equal Housing Opportunity Logo or a link to www.hud.gov;
 - c. a link to a separate page containing a "Terms of Use" notice;
 - d. a copyright notice in the agent's name; and
 - e. the brokerage's or agent's name.
- T. Agents with Web sites not provided by the brokerage must monitor and ensure that no links exist to or from the agent's Web sites to or from other sites that may contain offensive, racist, or sexually explicit content.

9.6 Online Agent Promotion Guidelines

When promoting themselves online, agents and brokers must adhere to the following:

- A. Agents may not promote themselves on sites or email services that contain or link to advertising for sites that engage in offensive, racist, or sexually explicit content;
- B. Agents' marketing activities on the Internet may not compromise brokerage identification standards by using text, graphics, pictures, or fonts that do not meet the brokerage's standards;
- C. Agents may not use online marketing to portray the impression that the agents' or brokerage services are available in any area beyond appropriate license jurisdictions;
- D. Agents may not participate in personal marketing sites or services that focus on price or commission structures not approved by current brokerage policies;
- E. Agents that publish the agent's name or other information in search engines, portals, directories, newsgroups, or trade association sites must comply with the following:
 - a. Agents must publish within all directories or search engines, the agent's contact information and an appropriate description of the agent's and brokerage's services;
 - b. Agents may not use subject lines, search words, keywords or metatags that involve terms unrelated to real estate or racist, sexually explicit, or offensive terms for the purposes of attracting Web traffic;
 - c. Agents must periodically check Web site listings in search indices for accuracy and completeness;
 - d. Agents must document and archive submissions to any search index or directory at the time of initial entry or any update;
- F. Agents may not use barter-based marketing services (such as banner swaps or link exchanges) that may "swap" items (such as banner ads or cross-links) that contain, host or link to sites that engage in offensive, racist or sexually explicit content;
- G. Agents may not use search portals or directories that exaggerate the agents' or brokerage's services, skills, or specialty areas;
- H. If an agent's association with the brokerage ceases for any reason, the agent must remove or edit personal marketing entries in search engines or other sites and remove references to the brokerage.