



# BERKSHIRE HATHAWAY HomeServices Gallo Realty

## POLICY & PROCEDURES MANUAL SALES DIVISION

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An Equal Opportunity Employer

The purpose of this manual is to provide all associates and staff with a clear and precise understanding of the related business policies of Gallo Realty, Inc. (t/a Berkshire Hathaway HomeServices Gallo Realty), and to provide a uniform standard of operating procedures for all personnel. Gallo Realty, Inc. may also be referred to as Gallo Realty, Company, Firm or Broker throughout this manual. Sales Agents may also be referred to as Sales Associates, Agents, Associates, or Salespersons throughout this manual. They are intended to mean the same thing.

The Policies and Procedures may be changed from time to time at the Company's discretion as local business conditions and local, state or federal regulations prescribe.

Staff and associates are encouraged to confer with management whenever any questions arise pertaining to the policies and/or procedures in this manual.

Gallo Realty wants to build and maintain a real estate firm with the best reputation possible in the eyes of the community and other REALTORS®. We insist on honesty, integrity, reliability and excellent service for our clients and customers.

Gallo Realty wants to provide an opportunity for associates and staff to be successful in a comfortable business environment. We are always open to suggestions and ideas that will make our office an enjoyable place to work.

#### **GALLO REALTY COMPANY GOALS:**

- Exceed the consumers' expectations for reliable service and professional assistance in the buying, selling or leasing of real estate.
- Provide our associates with the training, administrative assistance, latest technology, and marketing tools necessary to fulfill their financial expectations and professional goals.
- Maintain the highest standards of professional and ethical business practices in our dealing with the public and with our fellow REALTORS®, while trying to maintain a leading share of the real estate market in order to be profitable and successful in business.

#### **BERKSHIRE HATHAWAY HOMESERVICES:**

##### **Our vision is crystal clear**

*To be the best-recognized and most highly respected homeownership services brand in the United States and worldwide.*

##### **Our mission is succinct**

*To provide services and support that significantly increase the growth and profitability of the network's affiliates and agents.*

## **POLICIES AND PROCEDURES**

### **OFFICE HOURS**

The offices will be open Monday through Saturday as follows: 9:00 a.m. until 5:00 p.m. Sunday office hours will be 10:00 a.m. until 4:00 p.m. or until business is concluded for the day. This schedule does not preclude agents from conducting real estate business prior to opening, or after closing the office for the day.

### **DRESS CODE**

It is important for the Company and your personal business to maintain an image of professionalism to clients, customers and competing associates. One mark of professionalism has always been appearance. Being neatly dressed and well groomed not only instills your clients/customers confidence in your ability to conduct business on their behalf, but also instills confidence in ones self.

Gallo Realty Sales Associates are expected to present a professional image. Whenever an associate and/or staff member expects to be conducting real estate business, they should be dressed appropriately.

All desks should be kept as clear as possible and left in an orderly condition at night. There should never be any checks or money left on tops of desks or in desk drawers. All monies are to be immediately forwarded to the bookkeeper.

### **SMOKING POLICY**

Gallo Realty adheres to a smoke-free office policy. In a smoke-free office, smokers are required to refrain from smoking in any part of the office complex. Smokers are required to smoke outside of the buildings, either on the side or in the rear, not in front of the building.

### **PARKING**

All Agents and Employees should park in areas designated by each office to be used for staff parking.

### **OFFICE ETIQUETTE**

From time to time staff members have asked management to provide reminders of the importance of professional behavior in the workplace. Professionals are never seen spreading a negative attitude after a failed transaction or a bad day.

The following are key areas of importance:

1. Offering a negative attitude is not only a poor reflection of individual character, but can have a significant impact on otherwise positive and productive people within the office and is an attack on the team concept itself.
2. Special care must be exercised to limit the subject matter and choice of words in one's office conversation, as others are likely to be affected.
3. Inappropriate humor, including sexual or racial remarks, is simply not part of our professional workplace.
4. Complaints or criticisms regarding other sales or administrative staff members are never offered publicly in the office.

## **SEXUAL HARRASSMENT**

It is important to note that the firm will always adhere to all federal, state and local laws regarding the issue of sexual harassment. By definition, sexual harassment creates a hostile work environment. This type of harassment occurs when a person is subjected to unwelcome sexual behavior whether verbal, non-verbal, or physical, that is personally offensive, fails to respect the rights of others and interferes with the effectiveness of an individual's work. The following are examples of different forms of unwelcome sexual behavior which can constitute sexual harassment.

Verbal: Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, threats, suggestive or insulting sounds, i.e. whistling, etc.

Non-Verbal: Sexually suggestive objects, pictures, graphic commentaries, whistling, obscene gestures.

Physical: Unwelcome physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault, battery.

Accordingly, the above behaviors are unacceptable in the work place or off-premises with regard to the treatment of any member of this firm. Violation of these particular policies shall be grounds for immediate dismissal of any staff member or associate.

## **AGENCY**

Gallo Realty is a full-service real estate broker, providing seller representation, buyer representation, landlord representation and disclosed dual agency for in-house transactions. A Sales Associate may be designated as a seller's agent, a buyer's agent, and a dual agent. All Associates shall adhere to the rules and regulations of the Delaware Real Estate Commission in regards to agency law.

## **OFFICE MEETINGS AND CARAVANS**

Gallo Realty generally holds quarterly sales meetings for the entire company (more may be scheduled when circumstances call for it). Individual office meetings are held at the discretion of the broker. Generally sales meetings, when scheduled, are held on Wednesday morning at 9am unless otherwise notified. All Sales Agents are expected to attend company and office meetings.

If an office holds a "Caravan" it is expected of all full-time Agents who are on the duty schedule. The Agents are expected to attend the FULL caravan, not just selected properties. The previewing of new listings generally takes place on Wednesday morning at 9am unless otherwise notified. To have a listing on Caravan, the sales associate must fill out the Caravan Request form and submit it along with the rest of the paperwork required for new listings. Properties will be scheduled for Caravan per the schedule distributed by the Broker/Manager.

## **FULL-TIME AGENTS**

Real Estate must be the Agent's prime source of income. They are expected to participate in all company functions and projects. They are in the office on a regular basis for the purpose of conducting company business. They are contributing to the company's inventory on a regular basis with marketable listings and frequent settlements.

Agents are expected to call in for messages on a regular basis and provide staff with their schedule when not in the office.

Full-time Agents will receive:

1. Opportunity Time/Back-up time.
2. Participation in Company's incentive programs.
3. Company bonuses.
4. Entitled to waivers of Company commissions when selling their primary residence.
5. All other benefits offered by the Company from time to time.

### **PART-TIME AGENTS**

Real Estate is not their prime source of income.

Part-time Agents are not eligible for:

1. Company's waivers of commissions on any transaction.
2. Opportunity time, unless Manager approves.
3. Any other benefit to Agents outlined in this Manual, except for incentive or bonus programs.

### **OPPORTUNITY TIME**

"Opportunity Time" is for **FULL** time Agents only, who are familiar with office listings and contribute to office listing inventory. "Opportunity time" is the designated time, during the day, when agents are on duty to receive inquiries from sale and listing prospects. "Opportunity time" is voluntary. Each Agent who volunteers will be assigned a designated time to be on duty in the office.

Each individual office may have its own particular procedures regarding "Opportunity Time," but in all cases the Agents are responsible for the following:

1. The primary Agent is responsible for taking all telephone and walk-in inquiries on buying and selling real estate,
2. Taking inquiries from other REALTORS® about company listings, when the Listing Agent is not available to take the call,
3. Assist with front desk duties if asked by management when the Secretary is not in, or not available.
4. Be knowledgeable about office listings being advertised during the current and previous week.

Agents may switch their designated time to accommodate schedule changes, but the Agent scheduled originally for that time is responsible to ensure that their "opportunity time" is covered. No appointments are to be scheduled for the time an Agent is on duty unless that Agent has someone cover for them. "Opportunity time" is very important to each Agent's business and to the company. Everyone's co-operation is necessary for all to be successful in this business.

Any inquiries received by an Agent on "opportunity time" should be followed up by that Agent unless the prospect asked for a specific person. If it is discovered that the prospect is working with another Agent, the prospect will be turned over to the original Agent. **REMEMBER TO ASK:** "Are you working with another Agent?"

### **INTERNET SALES INQUIRIES**

Inquiries on specific company listings will be forwarded to the Listing Agent. All other inquiries will

be distributed at the sole discretion of the Broker/Manager.

### **OUTGOING REFERRALS**

Gallo Realty® is a member of Berkshire Hathaway HomeServices. When referring a client to another brokerage, Agents are encouraged to use a company that is part of our network. The typical referral fee to be charged is 25%. Any referral fee less than 25% must be approved by the Broker.

### **INCOMING REFERRALS**

All incoming referrals will be disbursed at the discretion of the Broker/Manager. Any referrals, which are sent to our firm due to farming or canvassing by a particular Agent, will be given to that Agent to handle.

### **CONTRACTS**

All contracts written are to be approved by the Manager or Broker before ratification, whenever feasible. All contracts should be typed whenever possible. Make sure all attachments and addenda are included, i.e. Property Disclosures, etc.

Once ratified, the Sales Agent should fill out the Checklist form and submit the contract to the Broker along with any deposit monies as soon as possible, but no later than 2 days, so we are in compliance with MLS and Delaware Real Estate Commission guidelines.

### **TRANSACTION MANAGEMENT**

All sales contracts shall be kept in an online Transaction Management system of Broker's choice. Agents shall be responsible for uploading any necessary documents that pertain to the transaction as the Broker/Manager directs. Settlement checks shall not be issued until the Agent has completed any necessary tasks that the Broker/Manager has prescribed for the Transaction Management system.

### **ESCROW DEPOSITS**

The ideal deposit with Agreement of Purchase is \$1,000 with the full 10% of sales price due at acceptance of an offer. Deposits received within 15 days of the scheduled settlement must be in certified funds.

Money deposited in Gallo Realty's escrow account may be placed into an interest bearing account if:

1. Deposit is over \$50,000 and is to be held for 90-days or more.
2. W-9 federal tax form is completed by purchaser

A copy of any and all checks should be kept in the office file. When a deposit check is given to the Listing Agent, have the Agent sign a deposit release form. The deposit release form releases the Sales Agent from responsibility for custody of the deposit. In lieu of a release form, photo copy the check and have the receiving agent sign the photocopy. Deposit checks are deposited when the contract is ratified. If offers are rejected, the deposit check can be returned to buyer.

When a check is returned to a buyer, have the buyer sign a check release form. When returning a check by mail, make a note of the return in an enclosed letter to the buyer. When returning a deposit to a co-broke Agent, have the agent sign a receipt for the deposit.

## **REQUESTING CHECKS FROM ESCROW**

When requesting a check to be released from escrow, please give the bookkeeping office a minimum of three banking days to release the check. For a settlement, if it is an in-house sale, the Selling Agent should request the check. If the check is being requested for a release, than a signed release from both the Buyer(s) and Seller(s) must be included.

## **PRESENTING OFFERS TO SELLERS**

1. Offers are to be presented by the Listing Agent. If the Listing Agent is out of the area, the offer will be presented by the Sales Manager, or by an Agent designated by the Sales Manager after consultation with the Sales Agent. The Listing Agent will be notified of the offer as soon as possible.
2. Multiple Offers – when the Listing Agent has multiple offers to present to the Seller, they should consult the Broker for advice. If the Listing Agent has written one of the multiple offers, than the Broker must present the offers to the Seller.
3. All offers are to be presented immediately in person, if the Seller is local, by telephone if the Seller is out of the area, followed by fax or electronic transmittal when possible. Record the time and date the offer was received and the times and dates attempts were made to contact Seller.
4. Seller must receive a copy of all offers, hand delivered if possible, by fax, electronically or mail if hand delivery is not possible. (When client is out of the area.)
5. All counters, changes and/or agreements must be in writing and must be initialed and dated by all principal parties to the offer.
6. After contracts are ratified, Agents must keep the office files updated and should have copies of all contract, addendum, cost sheets, deed, tax receipts and a copy of the deposit check.
7. After a contract has been ratified and the sale fails to settle, the deposit must remain in escrow until buyer and seller sign a release form directing who receives the deposit.

When a contract has been ratified, the Sales Agent is responsible for the following:

1. Record sale on the Sales Board.
2. Place contract folder and all copies in broker/manager's mailbox.
3. Ensure that all dates and terms in the contract have been satisfied per the terms of the contract.
4. Keep in contact with all parties to the contract and respond in a timely manner.
5. Attend final settlement and deliver final settlement documents and commission checks to the Broker.

## **GENERAL LISTING PROCEDURES:**

Listings taken by Agents shall be Exclusive Right-To-Sell listing agreements. Any Exclusive Agency agreements must be approved by the Broker/Manager. Once a listing has been procured, the Sales Agent is responsible for the following:

1. Make sure all required disclosures have been completed and signed by the Seller. The Agent shall NOT fill-out any disclosures, nor suggest any answers to any disclosure questions. The Agent may describe what a question may mean, but in no way shall aid and assist the seller in completing any disclosure forms.
2. Make sure all other required documents are completed and signed by the Seller.
3. Give listing folder and all relevant documents to the front desk.

4. Enter the property in the appropriate MLS system. **Note:** Listings should not be entered into the MLS until the listing folder has been given to the front desk.

### **COMMISSION RATES**

Gallo Realty normally charges a commission of 5% - 6% of the sales price, with the exception of mobile homes on leased ground, where the commission is 10%, with a minimum commission of \$2,500.

All commissions are negotiable, but Sales Agents do NOT have the authority to reduce, or deduct costs from Gallo Realty's portion of the commission. Any reduction of commission will be decided by the Manager or Broker. The Broker has the authority to deduct commissions paid to Agents where a negotiated commission has not been approved by Broker.

### **SUBDIVISIONS AND PROJECTS**

In the event a Sales Associate has a lead on a subdivision of homes, lots, condominiums, mobile home park/lots or a commercial project, which sale Sales Associate feels may be listed by the firm, the Sales Agent must include the Broker/Manager in the negotiations with the Owner. Gallo Realty is experienced in developing a mutually beneficial marketing program for investors, developers and builders. Each situation is different and each project requires a specific marketing plan.

### **ADVERTISING AND MARKETING**

The company ads are placed in several news media throughout the area. Properties are selected on a rotating basis (most properties on average will appear once-twice per month in our regular ads). New listings are given priority, followed by open houses and price reductions.

Gallo Realty has a Marketing Department that coordinates all advertising and maintains an advertising file on all active listings. It is the responsibility of the Listing Agent to submit ads for their listings and to notify the Marketing Department when they want a specific property advertised in a specific publication. If you need assistance in preparing an ad for your listing, the Marketing Department will help you. However, company ads will be the Marketing Department's top priority.

It should also be noted that Berkshire Hathaway HomeServices has strict guidelines regarding the use of the franchise name, seal and logo. All ads and marketing materials should be submitted to the Broker/Manager for approval and must adhere to the requirements of Berkshire Hathaway HomeServices as well as the Delaware Real Estate Commission and the Board of REALTORS. All other external communications (newsletters, brochures, postcards, special letters, etc.) should be reviewed by the Broker/Manager prior to release/ mailing.

### **SIGNS**

A sign on a property is the best advertising a listing will get. Always make sure that the sign on a listing is visible from a distance and is in good condition. One of the measures the public uses to judge a company is the condition of a sign on a listing. Another prospective seller in a neighborhood may measure an Agent's professionalism and service by how the sign is maintained on their neighbor's property when considering which company will list their property. When placing a sign on the property, try and place it so it can be seen by prospects approaching from either direction.

**Prior to placing a sign on a listing or entering the listing into the MLS, the Listing Agent**

**must record the new listing on the new listing board and submit the listing file to the front desk.** This is a must, because most inquiries are received when the sign is first placed on the property and the office needs to be aware of the listing.

It is the Listing Agent's responsibility to ensure the sign is clean, and to return it to the office after settlement or when the listing is terminated. All signs are to be returned to the sign storage shed.

### **LOCKBOXES**

When ever possible, a listing should be on lock box.

The Company has a limited number of lock boxes, which Agents may use on a "first-come, first-serve" basis. All Company lock boxes must be signed in and out with the administrative staff. Agents are also able to purchase their own lock boxes. Agents shall be responsible for returning lockboxes to the front desk, and will be charged for lost lockboxes.

### **KEYS**

The key to a sale may be the key itself. One of the most important facets of merchandising our listings is to be able to show the prospective Buyer a property WHEN the Buyers want to see it. Many out-of-town prospects are in the area only one or two days and must see a property at a specific time or they may not be able to see it at all. Also, many prospects, when unable to see a property at the time of their choosing, will move on to other properties - thus limiting the possibilities for a sale of a particular property. In addition, lockboxes can malfunction, making it impossible to retrieve a key. For these reasons, we cannot afford to be hindered by the inability to locate keys at any time. The Listing Agent will be responsible for making sure that the front desk has at least 1 set of keys THAT WORK and are properly tagged. If the property is both a rental and a sale, separate keys should be made for the sales drawer rather than using the rental keys reserved for tenants. All Agents are responsible for signing out keys and returning them as soon as possible.

Encourage Sellers to allow the use of a lockbox on the property. Lock boxes make it much easier for Agents to show the property and permit greater exposure for the Seller. We feel that our lockbox system is a secure one and we need to explain the procedure thoroughly to our Sellers and obtain their signatures on the authorization form prior to installing a lockbox.

### **PHOTOGRAPHS**

Agents are responsible for taking pictures of the property with a digital camera. The files must be forwarded to the administrative staff for company use in advertising and marketing. Several interior and exterior shots should be taken, as the MLS can support multiple photos.

### **VIRTUAL TOURS**

The Company provides free virtual tours for our sales listings. Each sales property should have a virtual tour, unless the property is under construction or in need of extensive repair. Agents must complete and submit the appropriate forms to schedule a tour.

### **FARMING**

Agents are encouraged to "farm" neighborhoods and communities that they are familiar with. Agents shall not have "exclusive" rights to any neighborhood, community or area. Although the company provides Agents with the basic supplies and a percentage of postage for farming, the company reserves

the right to charge the Agent for expenses if it feels their farming is too excessive.

**LEGAL NOTICES**

If a Sales Associate receives notice that there may be pending legal action regarding a particular transaction and/or any notice regarding any action undertaken by the Sales Associate, the Sales Associate shall IMMEDIATELY notify the Broker. From that point, the Broker shall supervise the situation and the Sales Associate shall not discuss the matter with any other person or entity, nor provide any documentation to any other person or entity without the Broker's approval.

**COMMISSIONS AND BONUS PROGRAM**  
**SALES ASSOCIATES COMMISSION SCHEDULE**

<b><u>Level</u></b>	<b><u>Gross Commission</u></b>	<b><u>Percentage</u></b>
1.	0 - \$19,999	50%
2.	\$20,000 - \$39,999	55%
3.	\$40,000 - \$64,999	60%
4.	\$65,000 - \$84,999	65%
5.	\$85,000 - \$119,999	67.5%
6.	\$120,000 – \$164,999	70%
7.	\$165,000 – \$209,999	72.5%
8.	\$210,000 - \$274,999	75%
9.	\$275,000 - \$349,999	77.5%
10.	\$350,000 and up	80%

**COMMISSION LEVELS**

Commissions are based on income received at settlement less any deductions for referrals, fees, or settlement costs which were agreed to by management. The current franchise fee due to Berkshire Hathaway HomeServices is 7% of the gross commission as it appears on the settlement sheet. This fee will be deducted from the gross commission before the commission is split with the Agents. Any reductions or adjustments in the dollar amount owed to the company made by, or agreed to, by an Agent at settlement will come from the Agent's side of the commission.

Commission levels will be determined on the gross commission income generated by each associate over a 12-month period, January 1 to December 31. All new Sales Agents will have their first commission level determined after being with the company 15 months. Thereafter their commission level will be determined over a 12-month period as described above. Agents recruited from other firms will have their level determined by management, based on the Agent's previous year's performance with the other firm. The Agent should provide a report on their closed sales, signed by their previous Sales Manager.

All commission levels shall be determined by the Broker/Manager and shall be kept strictly confidential.

## **REFERRALS & WARRANTY PROGRAMS**

All referral commissions paid by other brokers or builders will be split as follows:

70/30, with 70% of the commission due to the associate, and 30% due to the company, after the 7% franchise fee. If the Associate is at a level where a co-broke sale would generate more than 70%, then the Associate will receive the rate they would receive for a co-broke sale. Management reserves the right to determine what is to be considered a “referral” and what is to be determined a “commission.”

Any fees received from a warranty company will be paid 100% to the Agent.

## **DISBURSEMENT OF COMMISSIONS**

Commissions are paid on net dollars received by the Company on a transaction after any expenses incurred by the Company in receiving payment or collection of the commissions are first deducted. Co-op Brokers share court costs, any other fee or other related costs incurred to collect a commission and these costs shall be deducted from the gross commission.

The Company reserves the right to impound in its escrow account any commission received where there is evidence of pending legal actions or costs to be incurred to prosecute, defend or settle a dispute and further reserves the right to meet any expenses incurred to defend the commission directly from the funds held.

## **COMMISSION CHECKS**

Commission checks will be distributed to Agents in a timely matter. In order to receive your check, the Agent is to deliver to the Manager the following items:

1. Check from settlement.
2. Sales Folder with signed settlement sheet
3. Lockbox turned in (if applicable).
4. Sign (if applicable)

## **TERMINATING AGENTS**

In the event an Agent voluntarily or involuntarily terminates affiliation with Gallo Realty, all earned commissions shall be paid, after the termination date, at Level 1. This shall include bonuses and referrals.

## **SELLING BONUSES AND BUILDER REFERRALS**

If an Associate collects a “selling bonus” from the sale of a cooperating broker’s listing or Gallo Realty property or a builder’s direct sales incentive, over and above the usual commission for such a transaction, those additional fees will not be shared by Gallo Realty. These bonus programs are designed to spur a higher level of sales activity, and Gallo Realty will not diminish their impact upon its Associates. These commissions are subject to the current franchise fee.

However, where the builder, or anyone else, offers a referral or bonus for introducing a customer/client to him/her and this is the sale or major compensation being offered, exclusive of the usual commission for such a transaction, then this “bonus” or “referral” will be considered commission earned by Gallo Realty and will be shared with the Agent according to the commission schedule in effect at the time.

**WAIVER OF SALES COMMISSION**

If an Agent or Employee buys or sells their primary home, Gallo Realty will waive its commission one time (for one single transaction) in every 24-month-period for full-time Agents and/or full-time employees of the Company who have been with the Company at least one year. The property must be a primary residence. The company portion of the commission will be waived on either the listing or selling side, whichever applies, but not both.

**REQUIREMENT TO LIST AND SELL THROUGH GALLO REALTY**

All Agents and Employees of Gallo Realty shall list properties they own or purchase properties through Gallo Realty. Each licensed Agent, whether selling or purchasing a personal property is required to disclose to all parties that they are a licensed REALTOR in the State of Delaware. This is intended to include properties in Corporations, Limited Partnerships or other forms or entities.

**EXPENSES - COMPANY/AGENT**

Company is Responsible for:

Office Space (full-time agents)  
Desk  
Telephone  
General Office Supplies  
Stationery & Envelopes  
Business Mail Postage & Bulk Mailings  
Yard Signs  
Copy & fax machines  
Digital cameras

Brokerage Supervision  
Administrative Support  
In-House Training  
Franchise National Training  
Franchise Marketing Materials  
Training Materials (tapes, videos, etc.)  
General Advertising of Properties

Agent is Responsible for:

Pens & Pencils  
Note Books & Yellow Pads  
A percentage of Farming Postage  
Calculators  
Personal Assistants  
Special Supplies (color paper, etc.)  
Errors & Omissions Insurance  
MLS Fees/REALTOR Dues

Business Cards (first order free)  
Personal Computers & Supplies  
Personal Promotion & Advertising  
Name Riders & Specialty Signs  
Auto Expenses  
Express Mail  
Licenses & Permits (see below)  
Continuing Education

Agents are responsible for obtaining and paying for any business license required by any municipality.

**DESK FEES**

All full-time Sales Agents and Assistants will be charged a monthly technology fee, which is currently \$125.00. Part-time agents will be charged a monthly fee of up to \$60, to be determined at the Broker's sole discretion. This desk fee covers marketing programs and expenses, technology expenses and other office related expenses provided by the Broker. Broker reserves the right to change the Desk Fee and/or agent expense structure at any time without notice.

## **AGENT DISPUTES**

Real Estate is a competitive business. Situations will arise which create conflicts of interest between Sales Agents.

The Company recommends that the Agents work out these types of situations between themselves in order to avoid any misunderstanding and ill feelings should one of these occasions occur.

If a fair solution can't be obtained, then a decision will be rendered by the Manager/Broker. A meeting with the two Agents involved will be arranged. All facts will be reviewed to ensure that a fair and equitable solution can be obtained. The Manager/Broker decision will be final.

## **PERSONAL ASSISTANTS**

The Delaware Real Estate Commission has no regulations covering personal assistants who are employed by licensed Associates. The Commission has requested that the Delaware Association of REALTORS® conduct a study of the issue and submit recommendations on what regulations, if any, will be required in order to create a standard policy throughout the State.

Until the Commission issues some direction on policy, personal assistants are expected to function as employees of licensed real estate Agents, but are not to perform any duties that come under the Delaware Code which are prohibited by an unlicensed person.

A licensed assistant on the other hand is a different matter. A licensed assistant is in fact a licensed Associate and is required to abide by all the obligations under the law, regulations and Code of Ethics. As a licensed Associate, they must be under the guidance and control of a Broker of Record at a designated location (office or branch office). Any activity pertaining to the selling or leasing of real estate must be under the supervision of the Broker.

Therefore, when a licensed Independent Contractor becomes an Assistant to another licensed Independent Contractor, both are equally accountable to the Broker. In their capacity as licensed Independent Contractors, they are equally responsible for their actions. In their relationship, the Assistant is under the direction of the Agent, which means one can give the other directions as to when, where and how some task is to be done. What it does not mean is that one can excuse the other or blame the other for an omission or violation of law, regulation, ethics or Company policy.

Because the Assistant is licensed, the Assistant cannot hide behind the licensed Agent if the Assistant violates a real estate law, regulation or the Code of Ethics. Again, the Assistant is an Independent Contractor licensed under the Broker and therefore makes the Broker responsible for the Assistant's actions.

Gallo Realty's policy for licensed Assistants will be as follows:

1. Licensed Assistants will be considered Independent Contractors and classified as part-time Associates.
2. Licensed Assistants will not be assigned floor time but may cover another Independent Contractors floor time when needed.
3. All matters of compensation for tasks performed for an Associate by a licensed Assistant is between the Assistant and the Associate.

4. Licensed Associates are Independent Contractors with Gallo Realty and must sign an “Independent Contractor’s Agreement” and abide by same.
5. Any commissions earned by a licensed Assistant will be paid by the Company through regular Independent Contractor disbursement procedures.

### **AGENT TEAMS**

Gallo Realty recognizes that the formation of Agent “Teams” is now a part of the real estate industry. The policies and procedures for Agent Teams shall be handled in the following manner:

All “Teams” must get prior approval from management to operate as a “Team,” and management reserves the right to determine the set-up of each team on a case-by-case basis, especially in regards to production and commission levels. All licensed team members must sign an Associate Agent agreement, to be approved by Broker.

Gallo Realty recognizes two types of “Team” formations. A “Team” consisting of two or more FULL-TIME sales agents (Type A), and a team consisting of one primary FULL-TIME sales agent with licensed assistants and/or employees (Type B).

### **TEAM TYPE A**

The first type of “Team” shall consist of two or more FULL-TIME licensed sales agents. All production shall be entered into our system under the “Team” name. However, production levels shall be determined by the number of members in the team. Commission checks shall be made out to each team member, split proportionately between each team member. In instances where the “Team” has set-up a separate entity for accounting purposes, such as an LLC, commission checks can be made out to the separate entity.

Each team member shall be responsible for contributing listings and sales. Each team shall be scheduled for one duty time slot on the duty schedule. Advertising can be in the name of the “Team” or the names of each “Team” member. As far as Year-end Franchise Awards are concerned, the “Team” shall receive one award in the name of the “Team.”

### **TEAM TYPE B**

The second type of “Team” shall consist of one primary FULL-TIME sales agent with licensed assistants. All production and commissions shall be in the name of the primary agent. Only the primary agent shall be scheduled for duty time. All advertising shall be in the name of the primary agent. The licensed assistants are allowed to cover for the primary agent’s duty time. Licensed assistants are not entitled to awards or sales bonuses. Office space for licensed assistants shall be determined by management.

### **EMAIL AND INTERNET POLICY**

These rules shall apply to all staff and agents using any type of computer or electronic device that is connected to the company network, as well as anyone using a company email address. The following rules shall also apply to any use of the company’s fax machines, copiers, voicemail and any other communications medium.

1. The email and Internet system/network is to be used for business purposes only.
2. The email and Internet system/network is for authorized users only.

3. The email and Internet system/network is the property of Gallo Realty, Inc., and user should not expect privacy.
4. The use of other user's login/password info is prohibited.
5. Personal use of the email and Internet system/network for commercial or illegal activity and gambling is prohibited.
6. The email and Internet system/network may not be used for religious or political causes.
7. The email and Internet system/network may not be used to download or transmit material that is offensive, obscene, vulgar, or threatening; material that deals with sexual implications, race, sexual orientation, age discrimination, national origin, or disability and any other protected class in the State of Delaware; or any transmission that may be considered objectionable by the recipient.
8. The email and Internet system/network may not be used to send or receive copyrighted materials, proprietary information, or any similar materials without authorization.
9. Gallo Realty, Inc. reserves the right to access all email and Internet messages sent or received by any user without the permission of the user.
10. Any user who becomes aware of violation of the E-Mail and Internet Policy has an obligation to report such violations to his or her supervisor.
11. Game playing and "streaming" are prohibited.
12. Violators of the E-Mail and Internet Policy are subject to disciplinary action up to and including termination.

### **SOCIAL MEDIA POLICY**

Use of Third-Party Social Media Sites (Facebook, YouTube, Twitter, etc.)

There are hundreds of providers of social media services in which real estate agents may participate. The purpose of this policy is to provide guidelines intended to provide both agents and the brokerage with legal liability risk management and to protect the brokerage's reputation and good will in the community. Like with blogging, the scope of this policy is intended to relate to use of social media in connection with the real estate business, but regardless of the social media service being used, when related to the real estate business the Agent should observe these guidelines.

Agents are required to read and be familiar with the policies and requirements of any site on which they participate and to comply with the requirements of that site. In particular, Agents should know the privacy practices and policies of the sites. Where options are provided, the Agent shall / may select an option which provides a level of protection to Users of Agent's social media site consistent with the level of protection afforded by the brokerage at the brokerage's web site.

Agents should remain aware that items posted on social media sites may be forwarded or used for purposes other than originally intended. Agents should be aware of this when making decisions as to what to include on their social media sites.

### **Posting of Professional Contacts/Qualifications (e.g., LinkedIn)**

1. Agent is responsible for assuring that any listing of qualifications, credentials or training contained on the site is current, accurate and not misleading. Any changes to the foregoing shall be promptly revised on the site.

2. Agent shall not falsely claim association with any person or group
3. Notwithstanding any provision herein, Agent remains responsible for complying with the license laws and regulations governing the conduct of licensees and all applicable local, state and federal laws.
4. Agent is responsible for assuring that the content conforms to the standards established in the Code of Ethics

#### Posting of text (e.g., Facebook, MySpace, Twitter)

1. All text shall be the Agent's own and not plagiarized or copied from another party without that party's permission. This shall not prohibit the use of reasonable quotations from the writings of others or writing for which the Agent has received permission to use or using writings consistent with the practices of the site (e.g., retweeting). No content which infringes the rights of any third party may be used.
2. Agent shall assure that writings do not contain unauthorized disclosures of confidential information of clients, customers or REALTOR®
3. Agent is responsible for assuring that the use of the site is consistent with the Code of Ethics, local, state and federal laws and all applicable real estate license laws and regulations, including where necessary identifying Agent.

#### Posting of comments to social media pages of others

1. Any statement regarding the brokerage shall clearly disclose the Agent's relationship to the brokerage
2. The Agent shall disclose his/her status as a real estate professional as a part of any real estate related statement
3. Agent may/may not accept compensation for placing a comment on a site
4. Agent is responsible for assuring that the use of the site is consistent with the Code of Ethics, local, state and federal laws and all applicable real estate license laws and regulations, including where necessary identifying Agent.

#### Posting of photos (e.g., Instagram, Flickr)

1. Agent is responsible for assuring that that Agent is authorized to use any photo posted to the site (to avoid copyright issues)
2. Agent shall secure permission to post for marketing purposes the image of another person on the site
3. If an image has been materially altered in any way by Agent, the fact that the image is altered shall be disclosed
4. Agent is responsible for assuring that the use of the site is consistent with the Code of Ethics, local, state and federal laws and all applicable real estate license laws and regulations, including where necessary identifying Agent.

#### Posting of audio/video (e.g., YouTube)

1. Agent is responsible for assuring that that Agent is authorized to use any audio/video posted to the site (to avoid copyright issues)

2. Agent shall secure permission to post for marketing purposes the image of another person on the site
3. If an image has been altered in any way by Agent, the fact that the image is altered shall be disclosed
4. Agent is responsible for assuring that the use of the site is consistent with the Code of Ethics and all applicable real estate license laws and regulations, including where necessary identifying Agent.



## **GALLO REALTY EQUAL HOUSING OPPORTUNITY POLICY**

### **Policy Statement**

Gallo Realty has the legal, ethical and moral responsibility to do everything in its power to prevent any associate or employee from committing any act or making any statement which could be perceived in any way as discriminatory. Company management must make certain that all associates and employees know and understand Company policy regarding listing property, showing homes, negotiating offers, and serving the needs of Buyers, Sellers, Landlords and Tenants without discriminatory effect, in order to prevent illegal acts from taking place. These policies are set forth to ensure that the Company and all its associates comply with both the letter and the spirit of the Fair Housing laws.

THESE POLICIES ARE NOT RECOMMENDATIONS. They must be followed by everyone associated with Gallo Realty. The courts have ruled that a broker may be responsible for the acts of its Sales & Rental Associates in fair housing matters; therefore, the Company may not be in a position to defend any Sales or Rental Associate charged in a fair housing matter where these policies and procedures have not been followed. Any Sales or Rental Associate or employee who agrees to act on behalf of a seller or landlord in obtaining a renter or purchaser is subject to all policies pertaining to Fair Housing.

**VIOLATIONS OF THIS POLICY MAY REQUIRE DISCIPLINARY ACTION, RE-EDUCATION OR BOTH. POLICY INCLUDES BUT IS NOT LIMITED TO THE FOLLOWING:**

1. During the conduct of our business, no Agent or Employee shall make any statement or perform any act which could have the effect of:
  - Implying that the presence or anticipated presence in a neighborhood of persons of any race, color, religion, sex, familial status, age, handicap or national origin will or may have results such as:
    - Lowering the property values
    - Changing the composition of the block or neighborhood
    - Making the area less safe
    - Contributing to a decline in the quality of the schools
  - Implying that persons of a particular race, color, religion, sex, familial status, age, handicap or national origin will be less able to obtain financing on a property.
  - Implying that we, as licensees of Gallo Realty adhere to race, color, religion, sex, familial status, age, handicap or national origin stereotypes which might result in different treatment in dealing with minority groups in the sale or purchase of housing, including telling racial/ethnic jokes and/or making derogatory remarks to one another, to agents or employees of another company, to a buyer/tenant or seller/landlord, or to anyone who might become a buyer/tenant or seller/landlord, or who might be in a position to report our remarks to others.

**NOTE:** While remarks may be made and jokes told with no discriminatory intent on the part of the speaker, the effect of such statements on a listener may indicate a willingness on our part to discriminate. It should be emphasized that when we hear such remarks and statement and remain silent, silence is interpreted as assent.

Any associate or employee who hears such remarks must recognize the danger to our collective livelihood in allowing them to pass unnoticed. The license of the person who made the remarks, as well as the licenses of those who hear or know about them and do nothing, may be in jeopardy.

Each of us has a responsibility to help those who may be in violation and not realize it. For your own protection as well, it is suggested that upon hearing or learning of questionable statements or incidents, the associate or employee should disassociate himself or herself from the sentiment expressed and seek assistance directly from the Manager/Broker

2. Fair housing law must be discussed with a Seller or Landlord at the time of the listing. The fair housing brochure must be reviewed and unequivocal commitment to abide by the law obtained.
3. Any Seller/Landlord who refuses to abide by the law and whose listing was, therefore, refused by the Agent shall be reported immediately to the Broker.
4. Any Seller/Landlord who makes a home unavailable for showing on account of race, color, religion, sex, familial status, age, handicap or national origin shall be reported immediately to the Broker.
5. Any apparent or suspected discriminatory act or statement on the part of a Seller/Landlord in rejecting or countering an offer shall be reported immediately. Proper guidance in what to relay back to the buyer/tenant must be obtained from the Broker prior to delivery of the rejection or counter-offer.
6. Consistent qualifying techniques must be used with all Buyers/Tenants and adequate records must be maintained by Agents to demonstrate that all Buyers/Tenants are asked the same questions and given equal treatment. Documentation includes prospect information, prospect needs and wants, services requested and how the prospect was financially qualified.
7. The Broker has available the brochure *What Everyone Should Know About Equal Housing Opportunity*.
8. No Agent or Employee shall make any representation, either directly or by innuendo, that a neighborhood will be difficult/easy to sell because of the presence or absence of persons of a particular race, color, religion, sex, familial status, age, handicap or national origin – that is more or less safe, that schools are better or not as good, that property values are increasing or decreasing.

9. No Sales/Rental Associate shall refuse to list or show a property in a market area served by Gallo Realty because of the presence/absence of a particular race, color, religion, sex, familial status, age, handicap or national origin.
10. All Agents or Employees shall provide equal service without regard to Buyer's/Tenant's or Seller's/Landlord's race, color, religion, sex, familial status, age, handicap or national origin. Areas of service when inconsistent treatment might be given may include, but are not limited to, the following:
  - a. Greeting when entering or calling the office
  - b. Acts of courtesy and hospitality
  - c. Initial meeting to discuss needs
  - d. Qualifying and financing information asked and given
  - e. Personal information required
  - f. Availability and quality of properties shown
  - g. Follow-up procedures
  - h. Method of determining which properties to show
11. Agents will offer to show all properties available in a market area within a Buyer's/Tenant's price range and objective criteria, to make it clear to the minority Buyer/Tenant that we will show homes in non-minority areas and to make it clear to the non-minority Buyer/Tenant that we will show homes in integrated or minority neighborhoods.
12. Any harassment of Sales/Rental Associates, employees, buyers/tenants or sellers/landlords by anyone in carrying out our obligations under the law shall be reported immediately to the appropriate manager/broker.
13. No Sales/Rental Associate or employee shall volunteer any information concerning the race, color, religion, sex, familial status, age, handicap or national origin of residents or prospective residents of any building, neighborhood, community or geographical area.
14. Sales/Rental Associates and employees agree to abide by management policies limiting solicitations, mailings, telephone and/or personal contacts in areas, neighborhoods or developments which management has determined to be sensitive in order to avoid the appearance of panic selling or blockbusting.
15. Ads and marketing materials must not imply preference, limitation, or discrimination on the basis of race, color, religion, sex, familial status, age, handicap or national origin. As a rule, all wording in property ads and marketing materials should relate to the property being offered, not to people. It should not, in any way, describe who should or should not live in a particular home.

In addition, the equal housing logo must appear in all advertising that is larger than 4 column inches. The size of the logo should be proportionate to the size of the ad, and should always be large enough that the type is clearly legible.

## **PROGRAM FOR COMPLIANCE**

Gallo Realty has adopted procedures for correcting inappropriate acts and statements. While the intent of acts or statements may not be discriminatory, the effect may be, and in order to determine whether or not disciplinary action is required, the following steps are to be followed:

1. **REPORT TO THE SALES MANAGER** – Sales/Rental Associates and employees who know of questionable acts or statements should report to the Manager/Broker who will investigate the nature of the situation. If necessary, he or she will consult with legal counsel or others to gain further guidance. In the event that the associate or employee is unable to reach the Manager/Broker, an officer of the company should be notified.
2. **REMEDIATION** - Based upon investigation, the Manager/Broker will determine further action. Depending upon the severity of the act or statement, actions may include, but will not be limited to the following:
  - a. Verbal warning
  - b. Letter of censure to individual's file
  - c. Re-education program
  - d. Suspension of listing and selling activity
  - e. Dismissal

Any action taken will be documented in writing.

**NOTE:** None of the above shall be deemed as modification to the Independent Contractor Agreement. Gallo Realty reserves the right to terminate that agreement at any time.