



## INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT ("Agreement"), made this date, \_\_\_\_\_, 20\_\_\_\_, is by and between **Park and Refer Inc.**, a real estate brokerage whose office is at \_\_\_\_\_ ("Broker"), and \_\_\_\_\_, whose address is: \_\_\_\_\_ ("Contractor").

### RECITALS

1. Broker is a real estate brokerage which engages the services of real estate licensees for the purpose of generating referrals to listing and selling brokers who are not real estate licensees with Broker; and
2. Contractor has been issued a real estate license by the State of Colorado Real Estate Commission and desires to provide certain referral services that require such license to Broker, and Broker desires to engage Contractor to provide such services, as more fully set forth herein.

### AGREEMENT

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Independent Contractor. Contractor agrees to work for Broker as an Independent Contractor, and not as an employee; however, Contractor understands that Broker is legally accountable for the activities of the Contractor. All costs and obligations incurred by Contractor in conducting his/her independent business shall be paid solely by the Contractor, who will hold Broker harmless from any and all costs and obligations. Contractor will act independently as to the management of his/her time and efforts and will be responsible for timely payment of all of his/her own expenses, including but not limited to licensing renewals, cell phones, etc... as they are incurred. Contractor's working hours are discretionary, and Contractor need only devote such portion of Contractor's time and energy as Contractor deems appropriate to the furtherance of Contractor's business hereunder.
2. Referral Agent Services. Contractor agrees that they will be working exclusively in the capacity of a Referral Agent, meaning that Contractor shall only provide services relating to the referral of prospective clients to other real estate brokerage firms for the provision of real estate brokerage services, pursuant to the terms herein. Contractor shall not act as a listing broker (listing properties for sellers) or selling broker (showing properties to prospective buyers), or engage in any other real estate activities, unless otherwise specifically agreed to in writing by Broker. And absolutely NO Lender/Loan activity
3. Compensation. Broker's sole financial obligation to Contractor shall be to distribute to Contractor those sums earned by Contractor that are actually received by Broker, at the rates set forth herein. Any such commissions earned by Contractor shall be paid to Contractor by Broker promptly after receipt and processing of completed file, less any amounts owing to Broker. Commissions shall only be paid to Contractor if: (i) Contractor has an up-to-date and signed Independent Contractor Agreement, Policy Manual, and any other required human resources documentation on file with Broker; (ii) Contractor is current on any fees due to Broker; (iii) errors and omissions insurance provisions of paragraph 8 below are in compliance; and (iv) Contractor is not otherwise in breach or default of this Agreement.

Membership Fee Details: Contractor shall pay to Broker a 6 month, 1 year, or 2 year membership fee. The Contractor will receive a FREE 1 year membership renewal at the completion of their membership term in which Contractor successfully earns a paid referral commission. Otherwise, upon membership renewal due date, if not paid, there will be a 15 day grace period for payment, after which the Contractor's real estate license could be rendered inactive status with the state.

### Contractor's Compensation Structure

- **Contractor shall earn a referral commission for a referral of any client, including oneself, to any real estate brokerage firm. Broker makes no representations or guarantees as to referral commissions paid by other brokerage firms. The typical referral compensation is 25% of the gross transaction commission but may be negotiated higher or lower by the Contractor. In the event the Contractor relies on the Broker to find a qualified agent for their referral, the Broker will find a qualified agent and charge that agent a 30% referral fee and the Contractor will still earn the typical 25% of the gross referral transaction subject to the admin fee schedule below. One exception, Broker will NOT locate a qualified agent for Contractor on a residential "Lease" referral.**
  - **The commission earned is subject to the following admin fee schedule payable to Broker. Commissions \$1,300 or less will be a 25% fee (example, \$900 commission earned = \$225 fee). Commissions \$1,300-\$3,600 will be a flat \$325 fee. Commissions \$3,600 or greater will be a 9% fee (Example, \$9,000 commission earned = \$810 fee).**
  - **Contractor SHALL NOT be permitted to serve in the capacity of a licensed agent for the purchase or sale of any property. For Contractor to SELL an owner occupied or investment property, you may sell FSBO, or MLS listing service or referral to a Realtor. There is a flat admin fee of \$95 to sell ONLY if you have earned a referral commission on the transaction. For Contractor to PURCHASE, Contractor shall be permitted to earn a referral and/or negotiate a lower sales price, subject to the admin fee schedule above, which shall be payable to Broker from closing escrow. You may use any Realtor, and we suggest asking for a higher referral amount.**
  - **NEW BUILD PROPERTY REFERRAL EXCEPTION TO TYPICAL FEE SCHEDULE: *In this specific referral situation, the Contractor refers any client or oneself, to purchase a new build property whereby Contractor signs the "builder agent commission agreement". Typically, a builder offers a 3% referral commission on the new home sales price, minus upgrades, to a referring agent. At closing Contractor shall earn 88% of total commission paid by builder (example, \$10,000 commission earned = \$1,200 admin fee, Contractor keeps \$8,800).***
4. Confidentiality. Contractor recognizes and acknowledges that in the course of Contractor's work for or engagement by Broker, Contractor will acquire, obtain or be exposed to certain confidential information of Broker, including but not limited to any and all information, materials, trade secrets, or other data disclosed or made available to Contractor or known by Contractor as a direct or indirect consequence of or through his or her work for or engagement by Broker. Without limiting the generality of the foregoing, such confidential information includes: (a) names, addresses, contact information, financial information, and any other information regarding Broker clients, and any lists or databases containing such information; (b) information regarding offers or pending transactions under any contracts; (c) information relating to the financial condition of Broker; (d) information regarding Broker's commissions or commission structures; and (e) information regarding Broker's competitive business strategies, systems and methodologies. Contractor further acknowledges and agrees that all such confidential information is proprietary to and is a valuable, special, confidential and unique asset of Broker, that Broker has taken and is taking reasonable steps to preserve the confidentiality and value of such confidential information. During the term of this Agreement and at all times thereafter, Contractor shall treat and maintain all confidential information in strict confidence and shall not publish, disseminate, divulge or otherwise disclose any such information to third parties for any reason or purpose whatsoever, without the prior written consent of Broker, which may be withheld by Broker in its sole and absolute discretion. Contractor shall not use any confidential information except to the extent necessary or required during the term of this Agreement to perform Contractor's duties to Broker.
5. Noncompetition. During the term of this Agreement and for a period of twenty-four (24) months thereafter, Contractor shall not, directly or indirectly own, manage, operate, control or participate in or be connected in any manner with the ownership, management, operation, or control of any business, entity or operation that (i) provides real estate brokerage services that are similar, competing or adverse to Broker, *namely a real estate brokerage firm established for the primary purpose of generating referrals to other traditional full service real estate brokerage firms in exchange for a referral fee*, and (ii) conducted in whole

or in part within the State of Colorado. Broker and Contractor agree that for each instance in which Contractor breaches the provisions of this section, he or she shall be liable to Broker for the greater of \$5,000 or one half (½) of the revenue which Contractor received from the ownership, management, operation, or control of such prohibited business, entity or operation during the thirty-six (36) month period following the breach. Nothing in this section shall be deemed to limit Broker's other available remedies, legal or equitable.

6. Compliance and Advertising. Contractor is and shall remain licensed and in good standing with the State of Colorado Real Estate Commission ("Real Estate Commission") throughout the term hereof. Contractor will in all ways conduct him/herself in full compliance with the Statutes and Rules of the Real Estate Commission, and in a way which reflects the high standards of the Broker. **DORA has strict rules about what you can and can't do when it comes to advertising your services as a real estate agent and being a referral agent is no different. If you'd like to advertise on social media, website, written or otherwise, you are required to send us a copy so that we can review it for compliance.**
7. Automobile. Contractor will utilize his/her own automobile for any real estate referral activity and will maintain a liability and property damage insurance policy, covering any vehicles used to transport third parties or to conduct any activities related to Contractor's responsibilities hereunder, and shall furnish a copy of said policy to Broker upon request.
8. Errors and Omissions Insurance. **Contractor is currently covered by the Broker's group E&O policy. This policy is a "going forward" policy which DOES NOT cover Contractor for past acts prior to joining Park and Refer Inc.** Contractor may independently obtain additional E&O insurance which does cover past acts. Contractor understands that he/she is responsible for payment of the deductible amount for each Errors and Omissions claim. Contractor shall immediately notify Broker of any circumstances likely to give rise to any kind of claim or complaint against Contractor and/or Broker. In the event of a claim, lawsuit, license complaint or arbitration demand *which is not wholly covered by insurance* shall be the responsibility of the Contractor.
9. Indemnification. As material consideration for Broker entering into this Agreement, Contractor agrees that for all actions taken by Contractor during his/her contractual relationship with Broker, Contractor will forever indemnify and harmless Broker, as well as its employees, agents, members, managers, family members, heirs, shareholders, successors, and assigns, from any and all claims, complaints, causes of action, REALTOR arbitrations, demands, damages and liabilities of every kind whatsoever, whether known or unknown, including without limitation any action, omission, negligence or any other basis of liability or complaint, **in any form or forum**, brought by any third party against Broker. No action or complaint related to or arising out of a real estate transaction in which Broker was involved may be brought by Contractor against any party, in any forum, without the prior written consent of the Broker, which may be granted or withheld in Broker's sole subjective direction.
10. Termination. Either party may terminate this Agreement at any time by providing written notice to the other party. In the event that Contractor terminates his/her contractual relationship with Broker for any reason, all outstanding referrals that: (i) were obtained through the efforts of the Contractor during the term of this Agreement, and (ii) are not under contract to purchase or sell, shall be transferred to Contractor or to Contractor's new employing broker, on Contractor's behalf. Broker shall retain all rights and ownership of any referrals obtained by Contractor that are under contract to purchase or sell that have not yet closed. Notwithstanding the foregoing, if Contractor violates this Agreement, Broker may terminate this Agreement immediately and without advance notice for cause, in which case Broker shall retain all rights and ownership of any referrals obtained by Contractor that have not yet closed. Contractor specifically agrees to continue to fully cooperate with Broker as necessary to resolve or complete any transactions, claims or disputes which are pending at the time, or which arise after Contractor's contractual relationship with Broker terminates, related to or arising from Contractor's contractual relationship with Broker, and Contractor shall indemnify and hold Broker harmless from all such matters.
11. Contractor Payment of Taxes. Contractor understands and agrees that, because Contractor is an Independent Contractor and not an employee of Broker, Broker will not withhold any Federal or State income taxes, or Social Security (FICA) or Unemployment (FUTA) taxes, from Contractor's earned commissions. Contractor is personally responsible for paying any and all Federal and State income, Social Security, Unemployment, and other taxes, and for maintaining all expense records of the same as required by law. Contractor represents to Broker that all such amounts will be paid when due. Contractor shall indemnify and hold Broker harmless from any liability or costs related to the payment of any such taxes. Contractor further understands and acknowledges that Broker provides NO Workman's Compensation insurance coverage for Contractor's benefit. Contractor hereby specifically waives such coverage and represents to Broker that he/she understands that, if

Contractor desires such coverage, Contractor must personally obtain such coverage directly from the State of Colorado or an insurance carrier of Contractor's choice, at Contractor's sole expense.

12. Intra-Office Dispute Resolution. In the event of a dispute involving two or more Contractors, all of whom are licensed with Broker, Contractor authorizes Broker sole and absolute discretion in resolving said dispute, and Contractor agrees to abide by the decision of the Broker. Contractor also agrees to hold harmless and indemnify Broker against any claim, action or lawsuit of any kind, and from any loss, judgment, or expense, including attorney's fees, arising from or relating in any way to the resolution of said dispute.
13. Addendum. The following addendum is hereby incorporated into this Agreement: Office Policy Manual. A copy of this policy manual will be given to all Contractors.
14. Miscellaneous.
  - Any notice required to be given pursuant to this Agreement shall be given in writing and delivered in person or by certified or registered mail.
  - In the event of any dispute between the parties arising out of or in any way related to this Agreement, or in any litigation to enforce the terms of this Agreement, the prevailing party shall be entitled, in addition to any other remedies, to recover its costs and reasonable attorneys' fees incurred in connection with such dispute or litigation.
  - The waiver by Broker of a breach of any provision of this Agreement by the Contractor shall not operate or be construed as a waiver of any subsequent breach by the Contractor. No delay on the part of Broker in enforcing its rights under this Agreement shall operate or be construed as a waiver thereof.
  - No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by all of the parties hereto; the parties acknowledge that this is the complete and final expression of their Agreement.
  - The invalidity or unenforceability of any provision of this Agreement shall not impair or affect in any manner the validity, enforceability or effect of the remainder of this Agreement.
  - Contractor shall not assign any or all rights hereunder, or delegate any duties hereunder, without the prior written consent of Broker, which may be given or withheld in Broker's sole and absolute discretion. Broker reserves the right to assign, pledge, hypothecate, or transfer this Agreement, or its interest herein, provided that Contractor's rights and privileges granted herein shall not be affected.
  - Notwithstanding anything to the contrary contained herein, Broker may set off any obligations Contractor has to Broker against any Broker obligation to pay compensation or other sums to Contractor.
  - All remedies of Broker hereunder are distinct, cumulative, non-exclusive, and in addition to any other rights or remedies available at law, in equity, by statute or otherwise.
  - All rights and remedies of Broker hereunder, and all unperformed covenants, agreements and obligations of Contractor, shall survive the termination of this Agreement.
  - This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado. In addition to any obligations imposed by this Agreement, Contractor and Broker shall abide by Colorado law.

**THE UNDERSIGNED AGREE TO THE TERMS AND CONDITIONS SET FORTH ABOVE AND ACKNOWLEDGE RECEIPT OF A COPY HEREOF.**

**CONTRACTOR**

**BROKER**

\_\_\_\_\_  
**Contractor Signature**                      **Date**

\_\_\_\_\_  
**Park and Refer Authorized Signature**      **Date**

**Print Name:** \_\_\_\_\_

**By:** \_\_\_\_\_



By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

### Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

### Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

### Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

### Line 6

Enter your city, state, and ZIP code.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/Businesses](http://www.irs.gov/Businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.



**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.**

You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.**

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.**

You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

\*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.**

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

# **OFFICE POLICY MANUAL**

**for**

**COLORADO LICENSEES  
Park and Refer Inc.**

**Updated**

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**Office Policy Manual  
for  
Park and Refer Inc.  
Brokerage Firm**

**General.** Below is the text of the Office Policy Manual (“Manual”) for **Park and Refer Inc.** (“Brokerage Firm”) addressing the policies of Brokerage Firm and the Employing Broker and the independent contractors/licensees (each a “Licensee”) working under them. Unless the context requires otherwise, whenever used in this Manual, the term “Broker” shall refer to the Employing Broker and a Managing Broker, if Brokerage Firm or the Employing Broker has designated such a Managing Broker.

**RECITALS**

1. Brokerage Firm is not a traditional real estate brokerage firm, in which Licensees act as listing brokers (listing properties for sellers) or selling brokers (representing prospective purchasers of properties); and
2. Brokerage Firm provides Licensees that do not desire to serve as full-service traditional real estate licensees with the opportunity to serve as Referral Agents, or active licensees who legally earn commissions on real estate transactions based on referrals; and
3. The policies set forth in this Manual are intended to be broad in nature. While Brokerage Firm does not typically provide traditional real estate brokerage services to customers, the policies in this Manual are designed to cover many situations and many contingencies. To the extent the policies in this Manual are inapplicable to Licensee’s business of referring customers to other real estate licensees for the provision of traditional real estate brokerage services, such portions of this Manual shall be inapplicable to Licensee. Should Licensee be unclear as to the applicability of any particular provision or provisions herein, Licensee shall clarify with same with Employing Broker or Managing Broker.

NOW, THEREFORE, the parties agree as follows:

**1. REFERRAL ONLY REAL ESTATE TRANSACTIONS**

**Referrals Only.** Licensees are engaged by Brokerage Firm to refer clients to other real estate brokerage firms, which in turn provide traditional real estate brokerage services to such referred clients. Licensees are not permitted to provide traditional real estate brokerage services, such as listing properties for sellers or representing prospective purchasers of properties, or Loan/Lender activity of any kind. **Under no circumstances will the Park and Refer Agent accept any Earnest Money checks or consideration for Earnest Money.**

2. **BROKERAGE RELATIONSHIPS.** The Park and Refer agent should always disclose to their client that the licensee is simply referring their business to a realtor who is perfect for their real estate needs, and no brokerage/agency relationship is established with the Park and Refer agent.

3. **LICENSEE'S PURCHASE AND SALE OF PROPERTY**

**Licensee Sales and Purchase.** When a Licensee sells or purchases a property in which the licensee has an ownership interest:

**For Licensee to SELL an owner occupied or investment property, you may sell FSBO, or utilize an MLS listing service or referral to a Realtor. There is a flat admin fee of \$95 to sell ONLY if you have earned a referral commission on the transaction. For Contractor to BUY, Contractor shall be permitted to earn a referral and/or negotiate a lower sales price, subject to the admin fee schedule, which shall be payable to Broker from closing escrow. You may use any Realtor, and we suggest asking for a higher referral amount. Many Licensees have received a 60% referral fee or more on their own deals.**

4. **LICENSE RENEWALS, TRANSFERS AND RESPONSIBILITY FOR CONTINUING EDUCATION**

- a. **Transfer to Brokerage Firm.** When a Licensee transfers to Brokerage Firm, Licensee shall abide by this Manual and the Brokerage Firm's Independent Contractor Agreement. Broker and the transferring Licensee shall jointly and severally have responsibility for completing the proper transfer of the license. Licensee shall work as an independent contractor and agent of Brokerage Firm and will, prior to actively engaging in any real estate activities, sign Brokerage Firm's independent contractor agreement.
- b. **Renewal of License.** When a Licensee's real estate license is renewed, Licensee will warrant to Broker that all necessary continuing education courses have been taken in accordance with the requirements of the Colorado CREC. Proof of this may be required by the Commission. Licensee agrees to provide such proof if requested by either the Commission or Broker. Regardless of such proof, Licensee shall be responsible for monitoring the renewal of Licensee's licenses and, between Broker and Licensee, Broker shall bear no responsibility for Licensee's failure to meet these requirements. Should Licensee fail to take and pass the necessary continuing education classes, Licensee understands that Licensee shall no longer be allowed to practice real estate in the State of Colorado and must cease and desist immediately. Licensee shall immediately inform Broker if Licensee becomes aware of a transfer or renewal deficiency. Brokerage Firm is not responsible to provide courses that are approved for continuing education credit.

- c. **Transfer of License from Brokerage Firm.** When a Licensee transfers Licensee's license from Brokerage Firm to another brokerage, Licensee shall first notify Broker, then immediately notify the Colorado CREC that Licensee no longer works under Brokerage Firm and Broker shall no longer be responsible for the actions of the Licensee. Further, Licensee shall halt all real estate activity in the name of Brokerage Firm. Unless agreed elsewhere to the contrary, all referrals, are and remain the property of the Broker.

5. **DELEGATION OF AUTHORITY AND SUPERVISION.** Broker shall delegate authority as Broker deems it reasonable to do so on a case-by-case basis. Broker may withhold a delegation of authority at Broker's sole and absolute discretion. Employing Broker shall not contract with Licensee so as to circumvent the requirement that the Broker supervise employed Licensees. Notwithstanding any delegation of authority, Broker shall supervise Licensee as follows:

- a. **Experienced Licensees.** Broker shall reasonably supervise experienced licensees having **two years or more** of experience by:
  - i. Maintaining this office policy describing the duties and responsibilities of Licensee. A copy of the written policy shall:
    - (1) be given to, read and signed by each Licensee; and
    - (2) be available for inspection, upon request, by any authorized representative of the CREC.
  - ii. If Licensee would like to advertise on social media, website, written or otherwise, you are required to send us a copy so that we can review it for compliance.
  - iii. Nothing in this section shall prohibit Employing Broker from delegating supervisory authority to other experienced Licensees. Employed Licensees who accept supervisory authority from Employing Broker shall bear responsibility with Employing Broker for ensuring compliance with the Commission statutes and rules by all supervised Licensees. Any such delegation of authority shall be in writing and signed by the Licensee to whom such authority is delegated. A copy of such delegation shall be maintained by Employing Broker for inspection, upon request, by any authorized CREC representative.

- iv. Employing Broker shall not contract with Licensee so as to circumvent the requirement that the Broker supervise employed Licensees.

b. **Less Experienced Licensees.** In addition to the foregoing requirements of paragraph A of this section, Employing Broker shall provide a higher level of supervision for Licensees having **less than two years** of experience by:

- i. Providing specific training in office policies and procedures.
- ii. Being reasonably available for consultation.
- iii. Nothing in this section shall prohibit Employing Broker from delegating supervisory authority to other experienced Licensees.
  - (1) Employed Licensees who accept supervisory authority from Employing Broker shall bear responsibility with Employing Broker for ensuring compliance with the Commission statutes and rules by all supervised Licensees.
  - (2) Any such delegation of authority shall be in writing and signed by the Licensee to whom such authority is delegated. A copy of such delegation shall be maintained by Employing Broker for inspection, upon request, by any authorized Real Estate Commission representative.

6. **PROPERTY MANAGEMENT – BUSINESS SALES.** No Licensee shall participate in or handle the rental and/or management of residential or commercial real estate or participate in the sale of a business opportunity **other than property which the Licensee owns**, without the prior written consent of Broker, which consent may be given or withheld in the sole and absolute discretion of Broker. Licensee shall notify Broker in advance of any management activities for properties in which the Broker has an ownership interest. Broker's approval of one Licensee for property management or sales of business opportunities, shall not serve as a precedent for any other Licensee to participate in property management or sales of business opportunities. Any property management services of a Licensee shall be conducted and performed in accordance with the then applicable Property Management and Leases section of the Colorado Real Estate Manual, and then applicable Rules and Policy Statements of the Colorado CREC and all then applicable requirements of Colorado real estate license law.



## 7. TRAINING

**Dissemination of Information.** Broker may have virtual meetings as determined by Broker. Licensees are encouraged to communicate to Broker any perceived need for meetings on a regular or special basis. Broker may use a variety of approaches (i.e., web conferences, written memorandums, etc.) to disseminate items of potential interest to Licensees. This could include, but not be limited to:

- i. Changes in CREC Rules and Regulations
- ii. Changes or additions to this Manual
- iii. Presenting new ideas on ways to do business
- iv. Sharing of “War Stories” or local events

**8. FAIR HOUSING AND DISCRIMINATION.** Broker and all Licensees shall comply with all applicable Federal and Colorado State and Local Fair Housing and Discrimination laws. Here is a link to the Federal HUD overview concerning Fair Housing and Discrimination [HUD Fair Housing](#). Licensees shall continue to educate themselves to remain knowledgeable about the current state of fair housing and discrimination laws. The Brokerage Firm and Licensee shall not discriminate on the basis of race, color, creed, religion, sex, national origin, ancestry, physical or mental handicap or disability, marital status, or familial status, source of income, sexual orientation, age, gender identity and expression, genetic information, immigration status, primary language or any arbitrary characteristics. If Licensees encounter illegal discrimination, the Licensee shall so inform Broker. The Broker and the Licensee will address each situation on a case-by-case basis.

## 9. DO NOT CALL

### a. No cold calling.

- i. **General Rule.** No Licensee, employee of Brokerage Firm, employee of a Licensee, or anyone acting on their behalf (a “Caller” in this section) shall initiate any **telephone solicitation** (subject only to the limited exceptions below). **Telephone solicitation means** the initiation of a telephone call or message for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, made to any person. Examples of telephone solicitation are calls soliciting seller listings, buyer listings, and tenant listings. **Exceptions.** In spite of the foregoing general prohibition against telephone solicitation, Licensees, their employees, and employees of Brokerage Firm may initiate telephone solicitations as follows:

- (1) To any person with whom Brokerage Firm has an **established business relationship**. An **established business relationship means** either of the following:
  - (a) The consumer, within the eighteen (18) months immediately preceding the date of the telephone call, has engaged Brokerage Firm for some services. For example, a call can be made to a seller client within the eighteen month period after the expiration of a listing or the closing on the sale of that seller's property. A call can be made to a buyer client within the eighteen month period after the expiration of a buyer listing or after the buyer closes on a purchase.
  - (b) The consumer, within the three (3) months immediately preceding the date of the telephone call, has made an inquiry or application for services from Brokerage Firm. Examples would be a buyer who registered with a Licensee at an open house which the Licensee was conducting for a seller, or a buyer who registered for a seminar offered by the Licensee. Even if there is an established business relationship, the exception for established business relationships shall not apply to any consumer who has expressly terminated the relationship or otherwise asked not to be called by the caller or Brokerage Firm.
- (2) The person making the call has a **personal relationship** with the recipient of the call. A **personal relationship means** any family member, friend, or acquaintance of the person actually making the call.
- (3) The person making the call has obtained the consumer's prior express invitation or permission for the call. Such permission must be evidenced by a signed, written agreement between the consumer and caller which states that the consumer agrees to be contacted by the caller and includes the telephone number(s) to which calls may be made.

- b. Establishing and Maintaining Brokerage Firm-Specific Do Not Call List.** If a caller telephones an individual who requests not to receive future telephone calls, the caller will e-mail the name of the person called, the telephone number called, the date and time of the call to the Employing Broker or, if the Employing Broker has delegated the supervisory duties of Brokerage Firm to a Managing Broker, then the e-mail will be made to the Managing Broker. The Employing Broker, or the Managing Broker if there is a managing broker, will maintain the Brokerage Firm-specific Do Not Call List. Within three (3) business days of receiving a new caller who wishes to be on the Brokerage Firm-specific Do Not Call List, the person responsible for the Brokerage Firm-specific Do Not Call List will add such individual's name and number to the list. The Brokerage Firm-specific Do Not Call List will be provided by the person responsible for the List to Brokerage Firm Licensees as new names are added to the list.
  - c. Training.** Licensees, their employees, and other employees of the Company will be trained in the procedures above as they are trained on other matters relating to this Manual.
  - d. Accessing the National Do Not Call Database.** Except for the three exceptions identified above in this section, Brokerage Firm does not permit general cold calling or phone solicitation. Therefore, there is no need for Licensees, their employees, or employees of Brokerage Firm to access the national or state Do Not Call database.
  - e. Improper Use of Do Not Call.** Licensees, their employees, and other employees of Brokerage Firm shall not use the Do Not Call registry for any purpose whatsoever. Without limiting the generality of the foregoing, they shall not use the Do Not Call registry to identify persons to call.
- 10. ANTI MONEY LAUNDERING.** The USA Patriot Act of 2001 requires that all “financial institutions” must establish anti-money laundering programs. The term “financial institutions” includes “persons involved in real estate closings and settlements.” Real estate brokers remain subject to existing reporting requirements for transactions in cash or currency exceeding \$10,000.00.

One frequent step in the chain of laundering money is to deposit currency (such as U.S. dollars) into the banking system. The following are two examples by which money launderers might attempt to launder money through a real estate broker:

Example A. An apparent buyer might use cash as earnest money. The apparent buyer would have the broker deposit the cash earnest money in the broker's trust account. The buyer would later use a contingency to terminate the contract, and in the normal course of events would receive a check back for the refund of the earnest money, there by receiving funds back which have been entered into the banking system.

Example B. A buyer might use cash as earnest money, and later use cash for the buyer's down payment at closing. After closing, the buyer completes a cash-out refinance (often with inflated home values and an artificially high loan balance) taking the equity out of the property through funds which are now part of the banking system.

A money launderer might attempt to sanitize more than \$10,000 (in Example A) and \$20,000 (in Example B) by using a series of installment payments of cash. In either example, the earnest money might be \$30,000, ten thousand submitted with the offer, another \$10,000 due after the offer is accepted by the seller, and another \$10,000 due after the expiration of the buyer's due diligence contingency.

With the second example, the seller might carry financing requiring monthly payments from the buyer of \$10,000. A year later, using combinations of the schemes above, the buyer closes on a cash out refinance and takes \$160,000 out of the property. Money laundering schemes can also be done in combination with other loan fraud schemes (see section on Loan Fraud below in this Manual).

In light of the foregoing, Brokerage Firm and licensees:

- a.** Shall not accept tenders of cash in excess of \$10,000 and shall report offers of such tenders to the Broker.
- b.** Shall not break up deposits of tendered cash. For example, if a buyer attempts to tender \$15,000 to Brokerage Firm as an earnest money deposit, Brokerage Firm shall not break up the tender into two installments to be deposited separately.
- c.** Shall report any transactions to Broker in which the buyer has done both of the following: (a) tendered more than \$10,000 in cash to Broker or Brokerage Firm prior to closing; and (b) terminates the contract pre-closing so that the buyer is entitled to receive more than \$10,000 through a check or wire.
- d.** Licensees shall be generally aware of, and on the lookout for, transactions which fit the examples above. Licensees shall report such transactions to Broker.

11. **SEXUAL AND OTHER UNLAWFUL HARASSMENT.** Employing Broker and Brokerage Firm are committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated. As an example, unwanted sexual advances (both overt and subtle) are a form of misconduct that is demeaning to another person, undermines the integrity of the employment or other relationship, and is strictly prohibited. "Harassment" means words or conduct which unreasonably interferes with an individual's work performance, or otherwise creates an intimidating, hostile or offensive working environment.

Any Licensee, employee of a Licensee, or employee of Brokerage Firm, who wants to report an incident of sexual or other unlawful harassment from another Licensee, another employee of a Licensee, another employee of Brokerage Firm, or from a client of Brokerage Firm should promptly report the matter to the Employing Broker who will handle the matter in a timely and confidential manner. Among other things, the Employing Broker will investigate the report as necessary, on a case-by-case basis. If the Employing Broker is unavailable or the reporting individual believes it would be inappropriate to contact that person, the reporting individual should immediately contact the Managing Broker, if Broker has designated a Managing Broker other than the Employing Broker, or Broker's general counsel in lieu thereof, who will investigate the matter in the same fashion as prescribed for the Employing Broker above. Reporting individuals can raise concerns and make reports without fear of reprisal. The report does not have to be in writing. It is helpful if details of dates, times, places and witnesses, if any, to the harassment can be provided.

Sexual harassment does not include occasional compliments, unless the recipient of the compliments has requested that the giver of the compliments not make such compliments. It is not contrary to the policy of Brokerage Firm for persons employed or affiliated with Brokerage Firm to date, except in circumstances where one of such persons report directly or indirectly to the other such person. No dating is permitted in such circumstances. The Employing Broker will, however, consider requests from affected persons to transfer them to other open positions with Brokerage Firm for which they are qualified so that such persons are not in the same reporting lines.

Any Licensee or other person engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of their relationship with Brokerage Firm.

- 12. SAFETY AND PREMISES SECURITY MEASURES.** Brokerage Firm has zero tolerance for violence. Any Licensee, employee of a Licensee, or employee of Brokerage Firm who is violent, or who threatens to be violent, in Brokerage Firm's offices or on the job, whether toward any client, coworker, Licensee, Broker or other Brokerage Firm official or representative or member of the public, will be subject to discipline, up to and including immediate termination of their relationship with Brokerage Firm. If you are attacked or threatened with violence, or see someone else being attacked or threatened, you should take appropriate steps: to protect yourself and others; to avoid causing more violence; and to notify emergency personnel (e.g., call 911 for fire, police or ambulance help) and Broker.

The measures outlined in the remaining provisions of this section are intended to help assure that Brokerage Firms are accessible only to Licensees, their employees, Brokerage Firm employees, clients, and other persons who have a legitimate reason to be in Brokerage Firm's offices, such as delivery service personnel or vendors.

Guests should be with a Licensee, employee of a Licensee or employee of Brokerage Firm at all times and should not be left alone or allowed to wander through Brokerage Firm's offices by themselves. All Licensees, employees of Licensees and employees of Brokerage Firm should feel free to ask anyone they see whom they do not recognize as a Licensee or employee and who is not with another Licensee or employee if that persons needs assistance and whom he or she is there to see. Licensees, employees of Licensees and employees of Brokerage Firm should also promptly let the Broker know if anyone is in Brokerage Firm's offices who is not a Licensee, employee of a Licensee, employee of Brokerage Firm, or authorized guest.

**13. HANDLING OF CONFIDENTIAL INFORMATION**

- a. Confidential information.** The following information is confidential between a licensee and his or her Client:
- i.** The seller or landlord is willing to accept less.
  - ii.** The buyer or tenant is willing to pay more.
  - iii.** Information regarding motivating factors for the Client.
  - iv.** Information that a Client will agree to other financing terms.
  - v.** Material information about a Client not required by law to be disclosed.
  - vi.** Facts or suspicions which may psychologically impact or stigmatize a Client's property.

Examples of confidential information are the Client's relocation, divorce, or pending foreclosure. Confidential information does not include information which a Licensee is required to disclose by law. Confidential information does not include information which the Client authorizes a Designated Broker to disclose. For example, as a means of attracting offers, the seller may wish to inform the market that the seller is motivated.

- b. Inadvertent disclosure.** In general, individual designated brokers should handle communication within the office in a way which is mindful of the potential that other Licensees in the office may represent buyers and sellers who have an interest adverse to Clients of the individual designated broker. Prior to designated brokerage, it was common for brokers to share the motivations of the buyer or seller during office sales meetings, for example.

Under designated brokerage, the law specifically prohibits the sharing of confidential information, unless the Client has authorized such disclosure. Situations where inadvertent disclosure of confidential information may occur include, but are not limited to:

- i.** Meetings or marketing sessions,
  - ii.** Shared fax or copy machines,
  - iii.** Shared computer networks, printers, and file directories,
  - iv.** In-office mailboxes,
  - v.** Handwritten telephone messages,
  - vi.** Phone conversations or meetings with clients,
  - vii.** Conversations with affiliated business providers,
  - viii.** Production boards,
  - ix.** Social functions.
- c. Disclosure within Brokerage Firm.** Brokers shall not disclose such confidential information to other Licensees in the Brokerage Firm. Licensees in the Brokerage Firm shall not seek out such confidential information from designated brokers or from any Brokerage Firm file.
- d. Review of client communication.** Licensees, other than the Employing Broker, shall not review communication from Clients which is not directed to that Licensee.

**14. FILE LOCATION - CENTRALIZED FILES.** Broker shall maintain a central virtual file for the Licensee in regard to their referral transactions and any signed IC Agreement and Policy Manual. Such file shall be kept consistently with the Brokerage Firm’s centralized file system. The term “file” as it is used in this section shall include, but not be limited to, paper/physical files, electronic files, or both of them.

**15. GENERAL - COMPLIANCE**

- a. Non-Compliance.** Without limiting any specific remedy provisions in the body of this Manual, the failure of Licensee to comply with any of the policies herein may be considered by Brokerage Firm and Broker, in Broker’s sole and absolute discretion, as cause for terminating Licensee’s independent contractor relationship with Brokerage Firm. Additionally, no commission check will be issued to Licensee for any transaction until all procedures have been complied with and until any prior defaults have been cured.
  
- b. Compliance with License Law.** If any policy contained herein conflicts with Colorado law, then Colorado law shall supersede the conflicting policy or policies. In addition to any requirement stated in this Manual, Licensee shall abide by Colorado license law.

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Licensee \_\_\_\_\_ Date \_\_\_\_\_

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Broker \_\_\_\_\_ Date \_\_\_\_\_