



## Policies and Procedures

### I. The Employment Agreement

The regulations of the Nevada Real Estate Division require that each licensee have a written agreement with the broker setting forth the material aspects of the relationship between the parties, including supervision of licensed activities, duties and compensation. A fully executed copy of the Agreement should be kept in your permanent files. It may be helpful in situations arising even many years after the employment has been terminated.

In the event of a conflict between this Policy Manual and the Employment Agreement, the provisions of the Employment Agreement will prevail.

- A. Employment Status** As a salesperson you are an employee for some purposes and an independent contractor for others.
- B. Employment for Tax Purposes** We consider our associates to be employees for federal income tax purposes. Associate acknowledges that all commissions are paid with withholding of federal or state income taxes as applicable, FICA, or Medicare taxes. Accordingly, Associate shall be responsible for reporting all income earned from Broker pursuant to this Agreement and shall be issued a W-2 for any calendar year gross earnings.
- C. Independent Contractor for Unemployment Insurance** You are not an employee for purposes of unemployment insurance pursuant to an exemption for real estate commission based income or the application of minimum wage laws.
- D. Employee Under Real Estate Laws** For purposes of the application of Nevada real estate law and regulations, the agent is considered an employee of the broker. This is because the broker is required by law to supervise the activities of the salesperson.
- E. Workers Compensation** Court cases have been divided as to whether a salesperson is an employee for purposes of coverage under the Workers Compensation Law. To avoid uncertainty, this Company DOES NOT provides workers compensation insurance to cover its salespersons.

## II. Office Procedures

The operations of the Company are trade secrets and cannot be discussed with outside parties. By accepting your Employment Agreement you have committed yourself to maintaining the confidentiality of the Company's practices and procedures.

- A. **Work Schedules** You may set your own work hours.
- B. **Office Hours** The office is normally open four days a week from 10:00 a.m. to 2:00 p.m. Support staff is available Monday through Thursday. You may use the office for client meetings at any time whenever necessary, however an appointment must be made in advance to avoid scheduling conflicts. Please be certain that the premises are secure when you leave the office.
- C. **Conference Rooms** Please reserve conference rooms with the office secretary as far in advance as possible.
- D. **Parking** Please do not park in the reserved parking areas
- E. **Legal Counsel** In the event a problem or question arises in connection with a transaction, you should first attempt to resolve the issue with your broker. If legal assistance is deemed appropriate, the broker will contact counsel, either directly or on a conference call with you. You are not authorized to contact the Company counsel directly unless. While the Company is anxious to provide all necessary legal support, calls by individual agents to counsel are usually inefficient and result in delays in handling the problem. Remember that it is not appropriate for your counsel to represent the principals in a transaction in which you are involved as an agent. This creates a possible conflict of interest. In case of dispute on legal questions, your principals should be advised to consult with their own attorney.
- F. **REALTOR® Associations** No agent with Internet Realty shall be a member of local, state, or national association of REALTORS® except as an affiliate.
- G. **MLS™** You are not allowed to join the Multiple Listing Service™.

## III. Fees and Commissions

Fees and commissions that are earned and paid to the Company for transactions in which you are the procuring cause will be split in accordance with the Commission Schedule found in the Employment Agreement.

- A. Cash Only** In order for you to receive your share of the commission, payment must be received in cash by the Company. You are not entitled to promissory notes or other evidence of payment until actual receipt of funds by the Company. We do not encourage the taking of promissory notes in lieu of cash. All arrangements to substitute a note in lieu of cash commission must be pre-approved by your broker.
- B. Referral Fees** Referral fees agreed upon between licensed agents are disbursed by the Company at the time the commission is received. The agent at their option has the right to give referrals leads directly to other brokerages whether they be interstate or intrastate. Referral agreements should be in writing and must be communicated prior to close of escrow. Informal letter agreements are sufficient. By handling payments through the Company, the paying agent does not run the risk of paying an illegal commission to a salesperson rather than a broker, and also avoids the necessity of filing a Form 1099-MISC by the paying agent.
- C. Disputes** In the event the dispute is between the Company and you, the arbitrator will be selected in accordance with applicable state law The procedure set forth below will be followed;
1. A tentative award will be made by the arbitrator within 30 days following submission of the matter to the arbitrator;
  2. The tentative award will explain the factual and legal basis for the arbitrator's decision as to each of the principal controverted issues;
  3. The tentative award will be in writing unless the parties agree otherwise; provided, however, that if the hearing is concluded within one day, the Tentative Award may be made orally at the hearing in the presence of the parties.

Within 15 days after the Tentative Award has been served, any party may serve objections to the Tentative Award. Upon objections being timely served, the arbitrator may call for additional evidence, oral or written argument, or both. If no objections are filed, the Tentative Award will become final without further action by the parties or arbitrator. Within 30 days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected.

In the event of disputes with outside agents that are members of the association of REALTORS®, arbitration and mediation procedures currently in use by the association must be followed.

All other commission disputes will be resolved in the manner directed by the Company with the advice of the Company counsel. The Company has the sole discretion to determine whether action should be brought against third parties to recover a commission, and the disposition of such action once initiated, including the terms of any settlement. Any recovery in a third party action will be subject to

payment of all costs and expenses, including attorney fees, before being distributed between the Company and the agent.

- D. Selling or Renting Agent-Owned Property** When selling, renting or leasing your own property you are not permitted to list it with the Company. You are not allowed to use Company stationery, forms, or any other materials bearing the Company name or logo when dealing on your own account. Do not imply in any way that the Company is participating in the transaction. Violation of this policy may make you personally liable for any damages incurred by the Company. You must disclose your license status in any sales agreement, rental agreement or lease.
  
- E. Buying Agent-Owned Property** Under some circumstances, the Company may waive the selling side of the commission when an agent purchases property for his or her own account. Company policy is that after three closed transactions the company will waive their share of the commission. Please check with your broker for current Company policy in this regard.

#### **IV. Expenses**

- A. Supplies** Stationery for normal correspondence is available without cost to the salespersons. Standard business cards and any special cards, such as those with your photograph, are the agent's expense.
  
- B. Advertising Costs** All property advertising costs are initially the responsibility of the agent. All ads must carry the Company name and, where appropriate the Company logo. Please check with your broker regarding current advertising layout policy. There is no reimbursement for personal promotion.
  
- C. Automobile Insurance** All salespersons are required to carry, at their own cost and expense, full automobile insurance, including comprehensive insurance covering all passengers. The Company must be named as an additional insured. The insurance policy declaration page must be deposited with the Company before you engage in any business on behalf of the Company. Please consult with your broker.

#### **V. Errors and Omissions Coverage**

Insurance coverage afforded you regarding claims for professional negligence is set forth in your Employment Agreement. Copies of any insurance coverage affecting you will be made available to you for inspection. Any assessments for Errors and Omissions coverage are placed in the Company's general operating fund to provide for attorney fees, settlements, and other general litigation costs. The funds are not placed in any segregated account.

- A. Intentional Torts** The Insurance Code specifically prohibits coverage for intentional acts of fraud. The Company will not tender a defense or indemnify an agent who is accused of intentional fraud. The Company will tender a defense where the complaint includes a cause of action for professional negligence or negligent misrepresentation. However, the Company will not pay any portion of the judgment identified as resulting from intentional fraud or other intentional tort.
- B. Punitive Damages** In litigation involving a claim for punitive damages, a conflict can possibly arise between the Company and the salesperson since the broker is responsible for punitive damages only if it ratified or confirmed the conduct of the agent. In such cases the agent may need to obtain independent counsel regarding the punitive damage claim. The Company will not pay for the fees of an independent counsel retained for this purpose.
- C. Complaints** All complaints, including threats of lawsuits, must be promptly reported to your broker. Do not attempt to represent yourself or the Company in mediation or arbitration proceedings. The Company will provide appropriate professional counsel (except as in B. above).
- D. Subpoenas** A transaction file may contain information that is confidential and that can only be released with the written consent of your principal. All subpoenas for records should be immediately referred to your broker for appropriate action.
- E. Dealing on Your Own Account** Our errors and omissions insurance does not provide coverage when selling or buying property on your own account. Unless specifically authorized in writing, the Company will not tender a defense or otherwise insure your conduct when you are dealing on your own account.

When advertising your own property for sale or lease, you are not permitted to use the Company name or logo in any correspondence or documents, you must disclose that you are licensed and NOT for sale by owner. Check with your broker for the appropriate verbiage.

Nevada Real estate law requires disclosure of your status as a licensed professional in any advertising, (including rental property) sales agreement, rental agreement or lease. This is best done by a simple statement in the purchase agreement that your are a licensed real estate agent or broker:

*“The Seller [or buyer, landlord or tenant as appropriate] understands that the Buyer [or seller, landlord or tenant as appropriate] is a licensed real estate agent [salesperson, broker-salesperson] acquiring this property for his or her own account.”*

Great care must be taken if you purchase property for your own account after a listing has expired. The following language should be incorporated into the agreement:

*"Seller understands that the Buyer, a licensed real estate agent (broker), is purchasing the property for his or her own account, either individually or as a venture with other investors, and is not representing the Seller in any way. The property is being acquired for speculation and is intended to either be developed or sold for profit. The Seller agrees that any pre-existing agency or fiduciary relationship between the parties terminated prior to the agent making this offer. The Seller has sought professional advice and counsel from third parties regarding the adequacy of the terms of the sale, including the purchase price. The Seller waives any cause of action against the Buyer for any possible breach of agency relationship or fiduciary duty arising out of this transaction."*

See *Advertising Standards* for further information.

- F. **Telephone Solicitors** Telemarketers employed by a salesperson for the purpose of cold calling for listings or soliciting prospective buyers must be licensed as real estate agents or brokers in the state of Nevada.

## VI. Termination

- A. **At Will** Your association is AT WILL. Unless otherwise expressly agreed in writing with the Company, either party may terminate the association at any time upon 24 hours written notice. Termination may be with or without cause.
- B. **Intentional Misconduct** Any conduct which is fraudulent, dishonest, unethical, or that can otherwise subject you or the Company to disciplinary action by the Nevada Real Estate Division will result in your immediate termination.
- C. **Active License Required** Each agent must be currently licensed as a real estate broker salesperson or salesman. If for any reason your license is not renewed, or is suspended or revoked, you may not engage in any activities on behalf of this Company.
- D. **Confidentiality** The Company's client lists, files, records, programs, forms, and all other materials are regarded as trade secrets. You agree to keep such information confidential and not to remove any documents from the premises without the express written permission of your broker. All such documents in your possession are the property of the Company and must be returned within 24 hours after termination.

## VII. Documentation and Broker Supervision

- A. **Transaction File** The office file of a transaction must be fully documented and all required documents placed in the file on or before the close of escrow. The broker is given the authority to refuse to disburse a commission to the salesperson until the

office file has been fully documented and those documents have been reviewed and approved by the manager. A transaction/document checklist is available in your Employment agreement. At a minimum, the file must contain the following:

1. Copies of correspondence with the parties and brokers
2. Earnest money deposit receipts from the escrow company;
3. Original contracts and addenda and counteroffers;
4. Escrow instructions;
5. Duties owed by a Nevada licensee (\* NVRED Form #525) and, if applicable Consent to Act (\* NVRED Form #524) disclosures;
6. Seller's real property disclosure statements for residential real estate only (\* NVRED Form #547);
7. Net sheet signed by seller or buyer as applicable;
8. Warranty forms or waiver;
9. Commission agreement;
10. Home inspection Suggestion Form; and,
11. Residential Disclosure Guide (\* NVRED Form #622)

\* These forms are available to download from the Nevada Real Estate Division website at [www.red.state.nv.us](http://www.red.state.nv.us) or at the Internet Realty website at [www.internetrealtyinc.com](http://www.internetrealtyinc.com).

**B. Spoliation of Evidence** When a lawsuit is filed, the first thing our attorney will do is review both the office file and your personal file covering the transaction. The more documentation contained in the file, the easier it is to accurately develop a picture of what happened. Do not purify or otherwise clean up your file. Spoliation of evidence is a crime as well as a civil tort. Moreover, the evidence you destroy may be what you need to establish that you did act within the standard of care. Records can not only be used to refresh your independent recollection, but are often admissible in evidence themselves as business record entries made contemporaneously with the conduct in question. Adequate record keeping and supervision from your manager are your best protection against litigation.

**C. Calendars** We encourage you to keep a calendar type diary of your appointments, as well as a log on each transaction giving the date and time of significant telephone calls, visits to the property, inspections. Problems that arise, and the position and conduct of each of the parties regarding those problems. A log created some time after the fact does not have the same impact and is not usually admissible. Under some circumstances, however, even an after-the-fact log may be used to refresh a witness memory. If your calendar is kept on your computer, be certain to print out a hard copy periodically.

- D. Retaining Files** Most regulations requiring that files and contracts be retained for a certain period of time have been repealed. Nevertheless, because some statutes of limitation do not commence until discovery by a plaintiff of an alleged misrepresentation, it is the policy of this Company that all files be retained for a period of at least **5 years from the last activity**.

## **VIII. Review of Documentation**

- A. Other Broker Supervision** The duty of supervision extends beyond the requirement that the Broker review and initial all material documents involved in the transaction. The Broker is responsible for making certain that the salesperson is properly advised of the various rules concerning conflict of interest, disclosure, and the required standard of care. Consultation with the broker whenever you have questions is essential to fulfilling this function.
- B. Areas Outside Agent's Expertise** A number of pre-printed forms contain the disclaimer that real estate agents are not qualified to give advice on legal matters, tax implications of a transaction, or insurance. These disclaimers have been held to limit the scope of the agency of the agent and are important.
- C. No Legal or Tax Advice** Although you have no duty to advise with regard to the tax consequences of a transaction, or the boundaries of a lot, the size of a building, insurance coverage, and other such matters, once you have developed a client relationship, an obligation arises requiring you to make sure that the advice given is correct and reliable. Therefore, do not offer advice or opinions regarding these matters. Instead refer your client to appropriate professionals.

## **IX. Relationship With Sellers and Buyers**

### **A. Referral Fees**

- 1. Kickbacks** RESPA (Real Estate Settlement Procedures Act) provides that there will be no kickbacks or payments of anything of value to persons in a real estate transaction for referrals unless they are licensees. All transactions involving new first deeds of trust on property designed for one to four families are included. Referral fees (including gifts) cannot be paid to non-licensees. This includes attorneys. Consequently, advertisements saying that referral fees are paid, or similar inducements are prohibited. Referral fees to other licensees for services actually performed are permissible.
- 2. Non-recurring Closing Costs** A salesperson can pay for part of the closing costs out of his or her commission, but the parties must be advised of the rebate. Do not use the phrase non-recurring closing costs as this is a red flag for falsely inflating the purchase price to obtain a higher loan. Such a



practice violates federal law. In addition, some local assessors are deducting non-recurring closing costs when determining full cash value. While it is permissible for one of the parties to pay closing costs to be incurred by the other, it is important to specify exactly which closing costs are being paid rather than stating a lump sum or referring to it as non-recurring closing costs.

- 3. Buyer Chooses Title Company** U.S. Code 2608 provides that the seller cannot require the buyer to use any particular title company to purchase title insurance. A violation subjects the seller to damages equal to three times all charges made for such title insurance. The law does not address the situation where title and escrow functions are entirely separate.

**B. Agency Relationship** As a single agent you represent the buyer only (Selling Agent) unless otherwise approved by the Broker.

- 1. Agency Disclosure** Company policy is that an Duties Owed by a Nevada Licensee form (NRED Form 525) is mandated for all sales of property.
- 2. When Provided** As the selling agent, provide the disclosure form as soon as you begin a relationship with the buyer, and always before the preparation of an offer. You must also provide an agency disclosure to the seller or the listing agent before presenting the offer.
- 3. Unrepresented Seller** If a seller is not represented by a broker and does not wish to enter into a dual agency relationship, it should be made clear that the Company owes no fiduciary duty to the buyer. Language should be inserted in an addendum.
- 4. Dealing On Your Own Account**  
You must always disclose any direct or indirect interest that you have or might expect to acquire as a result of any sale. This includes any special relationship with the buyer where there is a probability that you could indirectly acquire a financial interest in the property. If you are either wholly, partially, or indirectly a buyer, specific written approval of the transaction must be obtained from your sales manager or broker. Because of the possible conflict of interest, the proposed purchase price and other terms of the sale must be competitive, and all material information regarding value disclosed to the seller. When selling your own property **you may not represent the buyers**. The potential conflict is so great that it is questionable whether a buyer could knowingly consent to the relationship.

**C. The Listing Agreement** It is policy that Internal Realty does not take listings from a seller.

**D. The Buyer-Broker Agreement** Many top producing salespersons are obtaining agreements from potential buyers giving the agent the exclusive right to represent the buyer. These agreements typically provide that the buyer will pay a commission, subject to credits for any portion of the commission paid by the seller. Such

agreements have been approved by the courts, and are encouraged. They offer substantial motivation to the agent to devote time and money to serve the interests of the client, usually with little additional cost to the buyer. Ask your broker for the appropriate buyer broker form to use.

- E. Named Buyer Agreements** If you have a potential buyer in hand for an unlisted property, be careful to protect your commission. This can be done with a Buyer Broker Agreement. Never represent to an owner that you have obtained a written offer on his or her property unless, at the time of the representation, you do in fact have in your possession a bona fide written offer to purchase.
- F. Agency Disclosure** While agency disclosure laws do not specifically refer to buyer broker agreements, it is prudent to deliver the Duties Owed by a Nevada Licensee to the buyer when first establishing the relationship and retain a signed copy.

## **X. Advertising Standards**

- A. Fair Housing** Do not use any advertising that might be considered discriminatory. This means avoiding exclusions or preferences based on disability, familial status, age, and similar matters. It has been held that reasonable limitations on the number of persons occupying a rental unit is permissible if necessary to preserve the value of the property. Usually two persons per bedroom plus one additional person is considered reasonable. In no event should any reference be made that might be construed that children are not welcomed. Lessors should be cautioned to consult with the Fair Housing authorities if they have any questions. The penalties for even inadvertent violations of fair housing laws can be severe.
- B. Square Footage and Size** Do not make any representation regarding the size of a parcel, the square footage of an improvement, or the location of boundary lines without having confirmed the accuracy of the statement. Figures should always be expressed as estimates.
- C. Zoning** Avoid making any representation regarding permissible use of property other than for residential purposes. It is incumbent upon the buyer to independently verify with the local planning or building departments whether any proposed use is allowed. Buyers should obtain any confirmation in writing from the appropriate authority. Recent case law indicates that even existing allowable uses may be retroactively prohibited if necessary for public health and safety.
- D. Showing Property** You should preview the property before showing it to a prospective purchaser. Always make suitable arrangements with the builder's staff by the agent. Do not leave prospective purchasers unattended on the property. When you leave, make certain that you have registered the prospect with the builder's staff.

## **XI. The Purchase Agreement**

A contract comes into being when there is an offer made by the buyer and acceptance by the seller containing mutually agreeable terms and communicated to the buyer. No contracts shall be written unless the agent has permission from the broker directly. A new home sales contract written by the onsite agent is exempt from this policy. Once it is permissible the Purchase Agreement should be written in clear, concise, simple words and sentences sometimes referred to as *plain language*. Do not make any modifications to a document previously signed or initialed by a party without the knowledge and consent of the party.

### **A. Parties to the Contract**

- 1. Necessary Parties** The parties to the contract must be properly identified. The seller must include all of the parties on title. If all the parties are not included, the signing sellers may not be able to convey title and may be held liable by a disappointed buyer for falsely misrepresenting their authority to sell the property. While the buyer cannot get specific performance of the contract, he or she could recover damages from the persons who signed, since the act of accepting an offer or making a counteroffer carries the implied promise that the signatories can deliver the property. If the preliminary report lists persons other than the signing seller as owners of the property, immediate inquiry should then be made. If a satisfactory explanation is not given, the examination of title clause in the contract should be invoked and the seller notified of the objection.
- 2. Agent/Broker Not A Party**  
There is no need for salespersons, for themselves or on behalf of their broker, to sign the purchase agreement. Agents are not parties to the agreement; the seller and buyer are the only proper parties. Drafting the agreement does not make brokers or agents parties. Your right to a commission is protected by the listing agreement, and also as a third-party beneficiary to the acceptance portion of the purchase agreement. Do not sign the purchase agreement unless specifically instructed to by your manager.

- B. 1031 Exchanges** One tax benefit available is the tax deferred exchange, commonly referred to as the section 1031 exchange. Generally, this section of the Internal Revenue Code permits the trade of one qualifying property for another of like kind without paying taxes on the gain from the disposition of the first property, provided that the property taken in trade is equal or greater in value. The justification is that the transaction is really one continuous investment. Salespersons are not expected to be experts in tax matters and should not give advice about existing tax laws or changes which are pending but not yet enacted. Do not offer any advice as to whether a particular transaction will qualify as a tax deferred exchange. Instead, refer your clients to their tax professional. There are a number of qualified intermediaries in tax deferred exchanges. Ask your broker for a list of references for your clients.

- C. Time Is Of the Essence** Real estate purchase agreements are unique in that they usually have one or more contingencies that must be satisfied before the buyer is obligated to complete the transaction. Failure to act in a timely fashion can sometimes result in termination of the agreement or a waiver of the right to cancel. If the contract contains a time is of the essence provision even a brief delay can constitute such a waiver or termination.
- D. Inspections** You should recommend and encourage the buyer to make inspections of the property. This is particularly true in an "as is" sale. The fact that a buyer has declined to order inspections after being urged to do so should be noted in the file. If possible, ask the buyer to sign a waiver form acknowledging that inspections were recommended but declined.
- 1. At Least Three Recommendations** It is permissible to recommend inspectors in various fields if requested by the buyer. At least three names should be given in each of the areas where inspections are desired.
  - 2. Conflict of Interest** It is preferable that you do not recommend any service company or product in which you have some financial or special interest. This includes services provided by or from companies owned by, relatives. If such companies are recommended, full disclosure in writing must be made.
  - 3. Time Limitations** The time for performing inspections should be carefully followed, even if the contract provides for a mandatory 24-hour notice before the contract can be terminated for failure to release a contingency.
  - 4. Home Warranty Plans** These plans generally cover the cost of repairs (less a deductible) to appliances, heating and cooling systems. While we recommend these as a selling tool, they are not a substitute for professional inspections.

## **XII. The Closing**

- A. Opening Escrow** An escrow should be opened and a preliminary title report ordered as soon as a contract is formed. The obligation for payment of escrow fees and title insurance premiums differ depending upon the locality.
- B. Closing Documents** Whenever possible, escrow instructions, loan documents, deeds, and other closing papers should be delivered to the parties for review prior to signing. If this is not possible, then you should make yourself available at the closing to assist in answering any questions that your principals may have. In most cases, these questions can be answered by the escrow officer. However, it is important that your principals be given every opportunity to carefully review all of the documentation, which can sometimes be overwhelming to the layperson.

1. **Title Insurance** If representing the buyer, verify that the type of title insurance policy requested in the purchase agreement is being furnished: for example, an Owners Residential ALTA rather than the Standard CLTA.
2. **Escrow Instructions** Review the escrow instructions paying particular regard to items which the other party has agreed to pay such as closing costs, bonds, or special assessments.
3. **Title** If the buyers have questions about how they should take title, advise them to consult with their financial planner or attorney. Do not attempt to offer such counsel, even if you are confident in the accuracy of the advice.
4. **FIRPTA** The selling agent should have the buyer execute the Non-Foreign Seller Affidavit to protect both the agent and the buyer from any liability for failure to withhold taxes under 1445 of the Internal Revenue Code. The escrow holder will normally obtain the necessary documentation required for any state withholding exemption.

**C. Hidden or Silent Financing** Agents must be careful not to participate in *harmless* schemes intended to deceive a lender.

1. **Hidden Seconds** Sellers or third parties sometimes offer to lend the buyer sufficient funds for a cash down payment to be secured after the closing by a hidden or silent second deed of trust or contract for deed. Such an arrangement violates federal law and can even lead to the seizure of the house, regardless of whether the buyer is prompt in servicing the loan.
2. **Inflating the Sales Price** The fair market value of a property for loan purposes is often determined by the sales price. Artificially inflating the sale price by providing that the seller credit the buyer with non-recurring closing costs, non-existent payments outside of escrow, or other such devices violates federal law. Even if the lender or mortgage broker is aware of the inflation of the sale price, the parties and the agent can be and are prosecuted. There is no rule which automatically permits the seller to credit the buyer with up to three percent of the sales price for non-recurring closing costs unless those costs are actually paid by the seller.

**Contributing your commission to the client whether it is a portion or full amount is permitted but not recommended. Please be advised, that any portion of the commission given to the client is still taxable to the agent. The Company will issue the appropriate tax statement to the Internal Revenue Service.**

**D. Walk-Through Inspection** Purchase agreements usually give the buyer the right to conduct a walk-through inspection of the property shortly before the close of escrow. This right, however, is not a condition to the closing and cannot be used to renegotiate terms. The buyers sole remedy is a claim for damages, usually made in small claims court.

1. **Report** The selling agent and buyer should prepare a written report of the result of the inspection to preserve the rights of both of the parties to the purchase agreement.
2. **Keys** Make arrangements to obtain house keys, garage door openers, and keys to common area facilities to be delivered on or before the recordation date.
3. **Occupancy Prior to or After Closing** It is important that a separate occupancy agreement be signed outlining the rights of the parties. Otherwise, a Buyer is likely to raise all sorts of real or imagined defects. See, for example, Agreement to Occupy Prior to Closing. Similarly, if the Seller is going to occupy after close of escrow, the Agreement to Occupy After Close of Escrow, should be executed by the parties.

### **Questions**

If you ever have any questions, always feel free to ask your broker. Our aim is to provide the most efficient, pleasant, and problem free environment for you to successfully pursue your real estate career. To contact the broker call Internet Realty at (702) 463-5950.