



POLICIES AND PROCEDURES MANUAL

A guide for your success in real estate

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INTRODUCTION

Every organization has certain methods of operation designed to allow the firm to efficiently achieve its objectives. Many organizations are structured to operate informally, and have so few personnel that a written document of policies and procedures is felt to be unnecessary.

The management of our firm believes that our clients and customers can be best served if we establish in writing our business philosophy, our policies and practices and the procedures to be used in carrying out those policies.

Because of our beliefs, and because we know that our employees and associates will need guidelines and direction, we have prepared this Policies and Procedures Manual for your reference.

While we have attempted to provide detailed guidelines in this manual, there will be times when problems must be resolved by management decision, guided by the principles of fairness, integrity, and good communication.

This is a living document, and we will add to it and change it when appropriate. We hope that you will become well acquainted with it, and refer to it often. If you believe we may have overlooked something that should be included, please make that omission known.

Welcome to Realteam Real Estate Center. You have made a wise choice for your future.

OUR COMPANY PHILOSOPHY

We believe that for this firm to be successful, we must set out our philosophy of doing business clearly. These things, above all else, are important to us:

INTEGRITY

No other single attribute of a person or of a business can have such an impact on success or failure. We believe that every action must be taken with truth and honesty, and if we must ask ourselves if it is all right to do something, it probably is not. There must be honesty in every action, truth in every word. We expect honesty from our employees and our sales staff.

SERVICE

Our clients and customers have a right to expect outstanding service. We are paid not for our time, but for our service. If we expect to be well paid, we must provide the highest level of service available. We expect our employees and our sales staff to provide excellent service.

HARD WORK

No organization can grow and prosper unless each member of the team puts forth the maximum effort. Often, we feel a tendency to “let down,” and to do less than our best. We expect hard work from our employees and our sales staff.

PROFESSIONAL COMPETENCE

We should never undertake an assignment for a client or customer unless we have the training and experience to do the job. We believe in continuing education, for only by learning better ways to provide service can we enhance our reputation. We expect our employees and sales staff to continue learning.

COOPERATION

An organization can be great when all members are working together for a common purpose. It can be only mediocre when some are rowing in a different direction. Helping one another when possible will bring harmony and wealth to us all. We expect cooperation from our employees and sales staff.

ACCOUNTABILITY

Our clients and customers must be happy with the transaction, or we shall not get repeat business. If we make a mistake, we must be accountable and make it right with the customer. We expect our sales staff to be accountable for mistakes if a client is damaged.

PROFESSIONAL ETHICS

The Code of Ethics of the National Association of REALTORS® is a guide for our daily business operations. The laws of this state are clear as to our obligations to our clients and customers.

These things, above all else, are important to us. We shall not vary from these principles under any circumstances.

REALTOR® PLEDGE

I AM A REALTOR®

*** I Pledge Myself ***

To protect the individual right of real estate ownership
and to widen the opportunity to enjoy it;
To be honorable and honest in all dealings;
To seek better to represent my clients
by building my knowledge and competence;
To act fairly towards all in the spirit of the Golden Rule;
To serve well my community, and through it my country;
To observe the REALTORS® Code of Ethics
and conform my conduct to its lofty ideals.

AGENCY

Consumers are often confused about whom the real estate Broker represents in a transaction.

Our firm may be employed by the seller or the buyer, or both. Whomever we represent in a transaction, we must observe our duties as described in state law.

Our Salespersons / Broker Associates should always remember who has employed us, and never allow the pursuit of a commission to blur the clear-cut responsibilities to our customers and clients.

We must inform our principal of any facts or rumors that might affect their decision, along with the source of these facts or rumors.

Our sellers should not be asked to accept an offer until any other offers are shown. All written offers must be presented until the property is recorded as sold or until the listing is expired.

When representing the seller, we must never suggest that a buyer offer less than the asking price of a property, although we must present all offers when made. We must not disclose to the buyer what price a seller may accept, nor our seller's motivation for selling.

When representing the buyer/borrower, we must never suggest that a seller should counteroffer more than the price offered in the contract. We must not disclose to the seller what price a buyer may be willing to pay, nor our buyer's motivation for buying.

We must treat the business of our principals with confidentiality, and never disclose facts to the other party that might work to the disadvantage of our principal.

We must be extra cautious when we become financially interested in a listed property, and must disclose any facts or rumors of which we have knowledge. We must also warn the seller that we are no longer representing his or her interests.

When we are asked to represent a buyer in a transaction, we may become an intermediary between the parties when showing a property listed by our office. Our Broker must be made aware of this situation, and both parties to the transaction must agree in writing so that we may never appear to have an undisclosed dual agency.

Perhaps the best way to represent our principals is to treat them as if they were family members: do the best job you can.

ANTITRUST

Brokers do not have a "standard" commission in our area. Each office sets its commissions independently by negotiation with the seller or the buyer.

Accordingly, no individual should suggest to a seller or buyer that there is a "standard" rate charged in this area.

Under no circumstances should an individual with this office discuss with any individual from another office suggested commission rates charged to sellers or buyers.

No Salesperson / Broker Associate should suggest to a competitor that if they perform or refuse to perform a certain act that the Brokerage firms of our area will "boycott" them.

Any of these acts could be construed as a violation of Antitrust laws and subject the individual and our company to severe civil and criminal penalties.

BOARD OF REALTORS MEMBERSHIP

It is our policy that all licensed Salespersons / Broker Associates must join the Board of REALTORS®.

A strong Board is essential to our profession, and we encourage members of this firm to become involved in Board activities.

BROKER

APPOINTMENTS WITH

The Broker is available for assistance and consultation, and will try to be accessible to the Salesperson / Broker Associate. Often this will not be possible. If you need the Brokers assistance, please check with the Broker to see when it would be convenient. Confirm the appointment.

ASSISTANCE FROM

The Broker will provide assistance to the sales staff whenever necessary. The Broker should not have to do those things that a Salesperson / Broker Associate should do as a normal course of business. Counsel from the Broker should supplement the Salesperson / Broker Associate's efforts, not replace them.

If the Salesperson / Broker Associate has a problem, the Salesperson / Broker Associate should give the Broker his or her recommendation for the solution to the problem. This will help the Salesperson / Broker Associate and the Broker to come to a satisfactory plan of action with the issue or problem at hand.

COMMISSIONS

TAKING BACK A NOTE INSTEAD OF CASH:

Often a sale that might otherwise be lost can be saved if we defer our commission as a note. The seller may then receive more cash at closing, or the buyer can probably have a lower down payment. If a sale cannot be put together in any other way, we may agree to do this using the following guidelines:

- a. Salesperson / Broker Associate cannot agree to accept a note without the advance written approval of the Broker.
- b. The interest rate charged must be approved by the Broker in advance and in writing.
- c. Notes should be in the name of the Broker, secured by a mortgage in the property.
- d. A bookkeeping fee of \$5.00 per check will be charged to the Salesperson / Broker Associate.
- e. The company shall receive the company split before any disbursement of payments are made to the Salesperson / Broker Associate.

PAYMENT TO SALESPERSON / BROKER ASSOCIATE

Commissions will be released to Salesperson / Broker Associate as soon as the Listing and / or Purchase File is complete and has been approved by the Broker / Manager. Approvals may take up to 48 hours to process once the completed file and checks are received by Broker / Manager.

OFFSET FOR EXPENSES

If Salesperson / Broker Associate owes expenses to the office (whether or not these expenses have been billed to the Salesperson / Broker Associate), the expense will be deducted from the commission paid to the Salesperson / Broker Associate with a statement of accounting at the time of disbursement unless other arrangements have been made and agreed to by the brokerage.

AGREEMENT WITH OTHER BROKERS

Commission splits between Brokerage offices may be adjusted from time to time by the Company. Salespersons / Broker Associates will not discuss commission splits with other offices.

LEGAL ACTION TO COLLECT

Occasionally, a client may refuse to pay a fee that the Company has earned. The Company will have sole discretion as to the legal remedies to be taken to collect the commission, and will not be bound to do so.

If the Company elects to take legal action, the costs of the action will be borne by the Company and the Salesperson / Broker Associate in the same proportion as the commission would have been split.

SCHEDULE OF RATES CHARGED

Occasionally, offices have several different rates on similar types of properties depending upon financing, pricing, or negotiating skills of the seller. We find that since we are a true "independent contractor" company, we do not set rates of commission that are charged by the independent agents/contractors. Each individual Broker associate and/or Salesperson / Broker Associate may charge commission as they negotiate with the seller and/or buyer/borrower. However, any negotiated commission is still subject to the office minimum. The office minimums are as follows:

BROKERAGE FEES (COMMISSION SPLITS)

COMMISSIONS OF \$0 - \$1,500

Salespersons / Broker Associates pay a transaction fee to Realteam of \$149 for any commission on any transaction with the commission at any amount up to \$1,500. The Salesperson / Broker Associate may negotiate any commission amount they want, so it is advisable to consider commission payouts when determining what to charge on a \$19,000 piece of property. In such cases, the Salesperson / Broker Associate may want to consider a minimum flat fee for their valuable service as opposed to a percentage.

COMMISSIONS OF \$1,500 - \$3,000

Salespersons / Broker Associates pay a transaction fee to Realteam of \$299 for any commission received on any transaction with the commission at an amount between \$1,500 and up to \$3,000. The Salesperson / Broker Associate may negotiate any commission amount they want, so it is advisable to consider commission payouts when determining what to charge on a \$51,000 piece of property. In such cases, the Salesperson / Broker Associate may want to consider a minimum flat fee as opposed to a percentage.

COMMISSIONS OF \$3,001 - \$6,000

Salespersons / Broker Associates pay a transaction fee to Realteam of \$399 for any commission on any transaction with the commission at an amount of \$3,001 and up to \$6,000.

COMMISSIONS OF \$6,001 - \$10,000

Salespersons / Broker Associates pay a transaction fee to Realteam of \$499 for any commission on any transaction with the commission at an amount of \$6,001 and up to \$10,000.

COMMISSIONS OF \$10,001 AND HIGHER

Salespersons / Broker Associates pay a transaction fee to Realteam of 5% of the gross commission received for any commission on any transaction with the commission at an amount of \$10,001 or more. There is no cap.

MINIMUM TRANSACTION FEE TO OFFICE

Salespersons / Broker Associates on listing, lease and/or sale commissions shall pay the office a minimum \$149.00 transaction fee on each transaction REGARDLESS of commission earned by Salesperson / Broker Associate. Each Salesperson / Broker Associate set and negotiate their own fees with their clients. Realteam recommends that you negotiate a flat fee when a percentage commission won't be enough for your expertise, experience, the liability you take on, and time you will be servicing your client to pay yourself after the Realteam fee has been deducted.

BPO - PERFORMED BY SALESPERSON / BROKER ASSOCIATE

BPOs or Broker Price Opinions may only be completed by Brokers. Salespersons are prohibited from completing BPOs. This is not only Realteam policy, it is the law. Do not break it.

REALTEAM MENTORSHIP PROGRAM

All New Salespersons who have come to Realteam with little or no experience will have an option to be paired with an Experienced Salesperson / Broker Associate who will mentor them for three months. The mentor will help the New Salesperson understand the processes of writing Listing Agreements and Purchase and Sale Agreements, as well as all the other forms used in the purchase or sale of real estate. The mentor will accompany the New Salesperson on a listing appointment and will take the New Sales Associate to preview homes to understand how showings work, and coach them as needed, and will also provide guidance in preparing completed files and how to submit for reimbursements. The mentor will be available during reasonable hours to assist and answer questions when the New Salesperson is with clients and needs assistance.

The mentor will receive 25% of the full commission on the first 5 closings the New Salesperson completes as a Realteam Salesperson. In the event that the salesperson completes the mentor program, and leaves the company before 12 months or before closing 5 transactions, the New Salesperson will receive an invoice of \$5,000 to pay the mentor for the invaluable training they received upon their exit from the company. Any mentor payments received from transactions closed prior to the exit will be applied toward the \$5,000. This fee is to deter New Salespersons from signing up with Realteam to benefit from the Mentorship Program and not stay long enough to allow the Mentor to receive just compensation.

Salespersons / Broker Associates who have a minimum of 3 years' experience OR a minimum of 24 closed transactions who have an interest in participating as a mentor should contact the Broker / Manager to sign up for the Mentorship Program.

SALESPERSONS WITH LESS THAN 2 YEARS' EXPERIENCE

All New Salesperson licensees, those who have less than 2 years' experience will be under close Broker Supervision. The broker will review every contract written by the Salesperson until the Salesperson has demonstrated their competence to the satisfaction of the Broker. The brokerage is responsible for all contracts and salesperson activities, so all contracts drawn up by the new salesperson must be reviewed by the broker.

CONDUCT

PROFESSIONALISM IN THE OFFICE

To be a professional, one must act professionally.

A professional atmosphere is necessary for the most effective representation of our clients, and will enhance our income levels. Salespersons / Broker Associates should conduct themselves in a businesslike and professional manner at all times.

A PROFESSIONAL ATMOSPHERE EXCLUDES

Horseplay

Practical jokes

Loud laughter

Loud talking in an open area where others are working

Long gossip sessions

Personal calls on office phones or in open areas where others are working

Swearing

Playing games on office computers where clients may observe

SEXUAL HARASSMENT

Sexual harassment is any kind of sexual behavior that is unwelcome and/or inappropriate for the work place.

Whether the harassment is verbal (dirty jokes), visual (posters, cartoons, drawings, or emails that can cause embarrassment), or physical (continually requesting a date or sexual favors, or even touching when not solicited).

All members of this firm, and their assistants, and vendors and customers who enter our premises have the right to work or simply visit in an environment free of such behavior, and should not be subjected to any type of harassment. Such conduct is expressly forbidden by management and will not be tolerated under any circumstances.

Salespersons / Broker Associates, staff members, or personal assistants who have been subjected to conduct they believe constitutes sexual harassment should report the incident to management immediately.

DISCRIMINATION

Salespersons / Broker Associates may not discriminate based on race, color, religion, sex, or national origin, family status or disability. This is the law, and it is a good law. We expect all Salespersons / Broker Associates to assist all customers to purchase the home of his or her choice.

SMOKING

Our office has established a "no smoking" policy for the comfort of our staff and customers.

If employees or Salesperson / Broker Associate must smoke, we ask that you leave the office to do so.

Smoking is often distasteful to those who do not smoke. Salesperson / Broker Associate should be aware that they risk the good will of our customers and clients by smoking in their presence or at the entrance of the office. Please refrain from doing so, even with permission.

COOPERATION

Few real estate Salespersons / Broker Associates are successful without a spirit of cooperation. We encourage our Salespersons / Broker Associates to give help to others, both within and outside our firm. Pitch in without being asked. Give assistance pleasantly, not grudgingly.

Other offices will sell our listings, and will let us know of their good listings sooner.

Appraisers remember a helpful organization.

Lenders appreciate cooperation.

Our company will hum with more activity.

Practice cooperation and receive the rewards of satisfaction, happiness, and wealth.

CONFIDENTIALITY

We often learn a great deal about our clients and customers because they have placed their trust in us. It is good practice to keep all problems of our clients strictly confidential.

INTEGRITY

This subject has been covered in this manual in several sections. Expressing again our strong feelings is not redundant.

A prospect who buys based on half-truths will probably not close the transaction. If there is a defect in the property, be “up-front” about it. If you must lie to sell it, do not show it. If you say you will do something, do it. Never deviate from the truth.

DRESS

The attitudes of others toward us are frequently shaped by the way we dress.

We cannot think of an instance when a sale was lost because the Salesperson / Broker Associate was professionally dressed, but many customers have been put off by “sloppy,” “over-casual,” or “sexy” clothing.

When we expect customers and clients to trust us with the largest single transaction of their lives, the purchase of real property, we must understand why they expect us to dress and act as if we are serious and professional.

It is acceptable, while showing vacant land, to dress in jeans. It is not appropriate in most other business situations.

The title of a well-known book says it all: *DRESS FOR SUCCESS.*

DISPUTES

BETWEEN SALESPERSON(S) / BROKER ASSOCIATE(S)

Salespersons / Broker Associates will occasionally disagree about prospects or commission splits. This is to be expected and, if handled promptly and fairly, will usually be settled to the satisfaction of all concerned.

If the two Salespersons / Broker Associates are unable to resolve the dispute, they should meet with the Broker and explain the situation, so that the Broker may try to help them resolve it.

In the event that the Broker cannot help them resolve the dispute, the parties will submit to arbitration by the Broker or Qualified Employee. The Qualified employee or Broker will make a final binding decision based upon the facts presented. The Broker and/or qualified employee’s decision is final and not subject to further review unless new evidence is presented.

The parties will present the facts of their case to the Broker / Qualified Employee, and the decision of the panel will be final and binding on the parties.

BETWEEN BUYER AND SELLER

Buyers and sellers often have differing interests, needs and personalities. The result of these differences is occasionally a dispute over the terms of the contract.

We believe in the moral and legal validity of properly drawn real estate contracts. We do not believe that litigation is the way to resolve these disputes. Litigation is costly, time-consuming and often results in both parties being hurt.

Salespersons / Broker Associates should try to move buyers and sellers toward the 'center' to a common ground and encourage reason, flexibility and compromise.

If a Salesperson / Broker Associate realizes a dispute between a buyer and seller may escalate into a problem that cannot be resolved between the parties, the Salesperson / Broker Associate must inform the Broker of a possible problem and give the details to the Broker to get advice on the best plan of action.

EDUCATION

"If I saw farther, it is because I stood on the shoulders of giants." - Isaac Newton

Members of our company should not undertake an assignment for a client or a customer unless we have the training and experience to do the job well.

We cannot expect to be called a 'professional' without making an investment of time and money on education. We encourage our Salespersons / Broker Associates to continue learning better ways to provide service. There are many resources for education, including:

- Online courses offered free to our Salespersons / Broker Associates

- Real estate seminars

- REALTORS® Institutes

- Sales meetings

- Board of REALTORS® meetings

- State and National Association Conventions

- Books

- Magazines ("Real Estate Today," etc.)

- University courses

Invest in your education – not just because you have to get the continuing education credits, but because you want to be a better Salesperson / Broker Associate. It will pay you back tenfold.

EXPECTATIONS

We believe we have the finest sales staff in this area. We have high expectations of the members of our firm:

1. We expect each Salesperson / Broker Associate to serve clients and customers with integrity, competence and courtesy.
2. We expect each Salesperson / Broker Associate to understand, accept, and abide by our Company philosophy, policies and procedures.
3. We expect each trained Salesperson / Broker Associate to strive to attain the following objectives:
 - a. Make at least two sales each month.
 - b. Take at least two saleable listings each month.
 - c. Earn at least \$75,000 each year.

(While the above should be objectives of all Salespersons / Broker Associates, they should not be considered as "quotas.")

4. We expect each Salesperson / Broker Associate to understand that our firm must be profitable if it is to remain viable. This means that all should strive to enhance revenues and keep costs in line. A profitable firm provides an environment of success for all.

EXPENSES

Questions often arise about which expenses are paid by the Company, and which are the responsibilities of the Salesperson / Broker Associate. Our policy is as follows:

THE COMPANY WILL PAY FOR

Office space* (*Private Offices are not paid for by the company and are based on the actual office size)

Office Telephones

Telephone answering service for the company

A copy machine

Janitorial service

Copy Paper

Broker assistance

Company Website and Maintenance including adding Salesperson / Broker Associate to Agent Page*

The company will have Salesperson / Broker Associate information added to company website, and link to Salesperson / Broker Associate at no cost to Salesperson / Broker Associate. Submission must be completed via email as the Salesperson / Broker Associate is solely responsible for the information provided. After the initial input, any changes requested by the Salesperson / Broker Associate will be billed to the Salesperson / Broker Associate in advance at \$20 per hour or any portion thereof.

THE SALESPERSON / BROKER ASSOCIATE WILL PAY FOR

Business Cards (The company will reimburse up to \$50 for your first set of business cards after your first 120 days with the company.)

Licensing and Renewal Fees

E & O Insurance

Continuing Education Fees

Board of REALTORS® dues

Personal office supplies

Personal Assistant - including taxes and worker's comp insurance

Personal sales and listing tools and materials

Stationery for mass mailings

Excessive Copies

Advertising

Automobile expenses including insurance with a liability binder that names Realteam Real Estate Center

Postage

Health insurance

Social security and taxes

Any other expenses incurred by the Salesperson / Broker Associate not specifically shown above as provided by Company.

Personal signage, name riders, and other promotional materials

Installation and removal of signs

Updates to Salesperson / Broker Associate data after initial input on Company Website

Salesperson own personal Website

OFFICE INFORMATION

FORMS

We have designed and printed certain forms to organize information into a permanent, written record. Very often, a form can be effective in sales presentations. The forms created are for your convenience. Not all forms will be needed by all Salespersons / Broker Associates. As independent contractors, you can determine what best suits your needs.

All forms provided by Realteam are uploaded to the company website for easy downloading and / or printing. We will also have copies available in the office for the convenience of our Salespersons / Broker Associates. If a Salesperson / Broker Associate sees that the supply of a certain form is low - or uses the last copy, rather than making crooked copies of copies, they should notify the Broker / Office Manager or print a few copies directly from the website to replenish the bin.

If a Salesperson / Broker Associate has suggestions for improving a Company form, the Broker should be informed in writing. Suggestions for improvement should be made in a constructive way and will be taken into consideration based on the validity of the improvement and how feasible it is to use.

HOURS OF OPERATION

Our normal business hours are:

9:00 a.m. to 5:00 p.m. Monday through Friday;

Our Summer Business hours are:

8:30 a.m. to 5:30 p.m. Monday through Friday;

Successful Salespersons / Broker Associates are frequently at work before and after the normal office hours. Agents are welcome to use the office after hours, and answer office phones for possible up-calls at any time. It is extremely important that all agents leaving the office after hours check to make sure that lights are off and all doors are locked when leaving.

HOLIDAYS

The office will be closed for the following holidays:

New Year's Eve - at noon;

New Year's Day;

Memorial Day;

Independence Day;

Labor Day;

Thanksgiving Day;

Christmas Eve - at noon;

Christmas Day

EQUIPMENT AND SUPPLIES

Equipment and supplies belonging to Realteam or other Salespersons / Broker Associates, including reference materials, should not be removed from the office for any reason.

Upon termination, Salespersons / Broker Associates will return any supplies and reference materials in his or her possession.

HOUSEKEEPING

Clients and customers develop their first impressions from the appearance of our office and the Salespersons / Broker Associates they encounter upon entering the premises.

We ask all members of the firm to help in keeping the office neat and clean. This includes reception area, desks, file cabinets, conference areas, and parking lot.

ORGANIZATION OF THE SALESPERSON / BROKER ASSOCIATE

DAILY BUSINESS PLAN

It is our experience that the most successful Salespersons / Broker Associates have a written plan of action for each day.

We strongly recommend that our Salespersons / Broker Associates keep a daily calendar for appointments, for completing necessary tasks, and for prospecting effectively.

APPOINTMENTS

It is imperative that we maintain the good reputation of our Company by making and keeping appointments.

Before showing any listing to a prospective buyer, call the seller to make a showing appointment so that the seller can be prepared. This will result in a property that shows better, and a seller who respects our professionalism.

If a Salesperson / Broker Associate has made an appointment to show a property, the appointment should be kept, or the seller called with an explanation of why the property was not shown.

ATTITUDE

Probably the single most important attribute of a successful Salesperson / Broker Associate is attitude.

It is said that the act of smiling releases a chemical into the blood stream that brings on a feeling of happiness.

Whether or not this is true, good things clearly come to those with good attitudes. A positive attitude allows us to do difficult tasks more easily. A negative attitude renders difficult tasks impossible.

Attitude, good or bad, cannot be concealed. A smile can be "heard" by phone. Caring for others will be easily recognized by clients and customers.

Success comes from attitude.

ABSENCE - COMPENSATION TO ANOTHER SALESPERSON / BROKER ASSOCIATE

Salespersons / Broker Associates must occasionally leave town for education seminars, business, or vacation. Our customers must not experience any decrease in service during this period.

The Broker should not be expected to assume the workload. Another Salesperson / Broker Associate should be selected to serve our customers, and the Salesperson / Broker Associate who takes care of the absent Salesperson's / Broker Associate's work must be compensated. If the Broker must handle the Salesperson's /

Broker Associate's work because other arrangements have not been made in advance and communicated to the Broker, the Broker will be compensated according to the following table.

We have set a standard compensation to be paid by the absent Salesperson / Broker Associate; this does not preclude a different written agreement between two Salespersons / Broker Associates.

| Work Performed on Behalf of Salesperson / Broker Associate | Compensation \$ or % of Commission |
|---|---|
| Preparing a Comparative Market Analysis | \$50 |
| Preparing Listing Paperwork and / or Taking the Listing | 50% of listing Commission when Sold |
| Broker Loading Listing (without Taking the Listing) | \$25 |
| Showing Properties (without writing an offer) | 10% of Selling Commission Once a Contract is Written and Closed. |
| Writing and Presenting an Offer (without being accepted) | \$50 for writing - PLUS 25% of the Selling Commission Once a Contract is Written, Accepted and Closed |
| Receiving and Presenting an Offer (with or without negotiating) That is Accepted and Closes | 25% if Listing Salesperson takes over before escrow opened; or 50% if Listing Salesperson / Broker Associate takes over after escrow opened, but before contingencies removed; or 75% if Listing Salesperson / Broker Associate takes over after contingencies removed but before recording; or 90% if Listing Salesperson / Broker Associate does not take over the transaction before recording. |

The Broker would prefer that the Salesperson / Broker Associate who is to be absent make arrangements with another Salesperson / Broker Associate to handle any business in advance. Any arrangement other than those splits listed above between associate licensees should be IN WRITING and presented to management so that there is no dispute as to the agreed upon split. Absent any written agreement to the contrary, the above referenced splits shall be used as a guideline in determining commission splits between associate licensees.

AUTOMOBILE

CLEAN AND MECHANICALLY SOUND

First impressions are lasting impressions.

The appearance of a Salesperson's / Broker Associate's automobile is as important as his or her personal appearance. The automobile need not be new, but must be neat and clean. Air conditioning and heat will help to keep your buyer's loyalty.

Your automobile should be in good mechanical order. Reliability is very important. Safety is everything.

The automobile is a traveling office and should be stocked with the tools of our business, such as: maps, business cards, forms, contracts, tape measure, flashlight, hammer, screwdriver, pliers, WD-40, "SOLD" signs, and nuts & bolts for signs.

INSURANCE

Each Salesperson / Broker Associate must carry automobile liability insurance in amounts not less than \$100,000 for each person, \$300,000 for each accident. The company must be named on the policy as insured.

A copy of the paid insurance policy must be provided to the Company annually.

BUSINESS CARDS

Business cards should be in the format prescribed by the Company, and may be ordered through the office to take advantage of printing discounts. Payment will be made by the Salesperson / Broker Associate at the time of ordering. After the Salesperson / Broker Associate or Associate Broker has been with the company for 120 days, a reimbursement request (for up to \$50.00) may be submitted for the first set of business cards.

CHECKS / EARNEST MONEY DEPOSITS

ACCEPTING EARNEST MONEY CHECKS

Realteam does not want to hold any earnest money. All offers written should name the Closer as the holder of the earnest money. Because most of the title companies require the buyer and seller to sign an instruction letter to deposit those funds, the purchase and sale agreement must indicate that earnest money will be delivered to closer within 3 days of mutual acceptance, and deposited within 5 days. This will allow the closer to prepare their instruction letter and get all parties to sign it.

When the contract is signed around, deliver the earnest money to the closer and get a dated receipt showing that the earnest money was delivered according to the contract.

POSTDATED CHECKS

When a Salesperson / Broker Associate receives a check as an earnest money deposit the check will be submitted to the office immediately, along with appropriate contract forms.

Under no circumstances will a Salesperson / Broker Associate accept as an earnest money deposit a 'postdated' check. If the Buyer does not have a check (they forgot it at home in California) or (they don't get paid until next Friday), then the proper way to evidence earnest money is with a Promissory Note, or you may write in the contract that the earnest money will be delivered upon a certain event, such as "upon removal of home inspection contingency, earnest money shall be issued and delivered to closer for deposit".

REFUND OF DEPOSITED EARNEST MONEY

Occasionally, a sales contract takes an extended time to negotiate, and is never completed. Often, the closer will have deposited the earnest money.

In the event of a mutually agreed upon request for a return of an earnest money deposit, and there is no legal reason to not release funds back to buyer and/or seller, the closer may wait until the check has cleared their bank before refunding. The parties must be informed if this is the closer's policy at the time of the mutual agreement.

In cases of an executed contract that later falls through, the Salesperson / Broker Associate must have both buyer and seller sign a 'Release of Contract and Deposit' termination form to show who is to receive the binder check.

EXPENSES

MONTHLY FEE TO HOLD LICENSE AT REALTEAM

The cost to keep your license active is \$100 per month. It is due before the 1st of the month for which it covers. There is a late charge of \$100 for payments received after the 5th of the month. Interest will accrue at 31% after the 15th. This fee is prohibitively high on purpose as a deterrent as Realteam is a Real Estate Company and not a bank. We have a PayPal account set up on the Company Website to accept Credit Card payments. We have purposely created a high interest rate so Salespersons / Broker Associates will pay on time or use their own credit cards so that we are not the bank.

There is a \$5 convenience fee for the use of the credit card which will cover the expense accrued by the company for this payment method.

WAIVED MONTHLY FEE(S) FOR BRINGING NEW SALESPERSONS / BROKER ASSOCIATES

Salespersons / Broker Associates have who bring new agents to the office can get their office fee waived. Rules and Restrictions apply:

| | | |
|--|---|---|
| Introduce Salesperson / Associate Broker to Company and they sign up and acknowledge that introduction | Once that Salesperson / Broker Associate has been with the office for 3 months, Receive | Restrictions: Within a twelve Month Period From the longest remaining referred Salesperson / Broker Associate joining: |
| First Salesperson / Broker Associate Signs Up | 3 Free Months | Agent still needs to pay the \$25 monthly MLS Fee |
| Second Salesperson / Broker Associate Signs Up | 3 Additional Free Months (total 6 months) | First Salespersons / Broker Associates must still be with office. Otherwise, only 3 month Free and 12 month clock re-starts with this sign up. Agent still needs to pay the \$25 monthly MLS Fee |
| Third Salesperson / Broker Associate Signs Up | 6 Additional Free Months (total 12 months) | First two Salespersons / Broker Associates must still be with office. Otherwise, only 3 months Free (if both gone) - and 12 month clock restarts; or if only 1 of them remains, then 3 additional months. Agent still needs to pay the \$25 monthly MLS Fee |

In order to have the higher number of months granted, all the Salespersons / Broker Associates need to still be with the company. It is a rolling 12 month from the earliest Salesperson / Broker Associate, so the possibility to continue to receive more free months continue. This applies to the Office Fee only. Agents must continue to pay their own MLS Dues and ekey fees each month.

MONTHLY MLS OR LOCKBOX FEE

Salespersons / Broker Associates will be billed monthly for expenses paid by the Company that are properly chargeable to the Salesperson / Broker Associate. Such expenses may include MLS Dues, Duplicate Listing Submission Fees, Lockbox Key charges, etc. None of the fees charged should be unanticipated. Therefore payment is due immediately.

The Salesperson / Broker Associate is expected to pay the Company immediately when billed. If payment is not received by Company within that time, the past-due balance will bear interest at 31%. The high interest is purposely set to deter late payments. Realteam does not want to be a bank..

ANSWERING OFFICE PHONES

Anyone answering the office phones, including The Salesperson / Broker Associate should consider the act of answering the telephone one of the most important of all duties.

The telephone should be answered in a professional and friendly voice as follows:

“Good [morning / afternoon], Thank you for calling Realteam Real Estate Center. How may I help you?”

Full attention must be given to the caller. All other work should cease until the caller has been helped.

If the call is for a Salesperson / Broker Associate who is out, say:

“Mrs. Wilson is out of the office at the moment. May I give you her cell phone number?”

This may be said even if Mrs. Wilson has not arrived at work today. Never say “She still has not come in to work yet.”

If the caller insists on leaving a message for the Salesperson / Broker Associate, then write the message and either call the Salesperson / Broker Associate or text or email them.

In the event that the absent Salesperson / Broker Associate does not return the call, or the caller does not want to wait for a call back, then the call may be considered an up-call and the answering Salesperson / Broker Associate may attempt to procure a client - BUT ONLY AFTER IT HAS BEEN ESTABLISHED THE CALLER IS NOT ALREADY WORKING WITH THE SALESPERSON / BROKER ASSOCIATE.

LONG DISTANCE CALLS

We believe the telephone is the second best means of communication. When it is used long-distance, it is also one of the most expensive. We believe that a call is more effective than a letter. We suggest that you plan each call by preparing a list of each major point you wish to cover before dialing.

If you need to make an international call, please call from your cellular phone.

There are currently no restrictions on long distance calling at the office. However, should long distance calls become a problem, then management will implement a “block” on long distance calls. Please do not abuse this privilege.

PERSONAL CALLS

Our telephone equipment was installed to serve our business needs, and all our lines will often be in use. Therefore we ask that you use your cell phone for personal calls and leave the business lines open for our customers and clients.

FLOOR TIME

Any Salesperson / Broker Associate who is present at the office may take telephone and “walk-in” prospects who do not ask for a specific Salesperson / Broker Associate. Although not required, we strongly encourage those Salespersons / Broker Associates in the office to answer the phones or welcome individuals walking into the office. In the event that the phone is not answered within the 2nd ring, the Broker / Manager shall answer the phone and

may at their discretion accept the up-call. In the event that no Salesperson / Broker Associate greets a walk in visitor upon entry, then Broker / Manager will greet the visitor and at their discretion accept the walk-in.

Floor time is **not** mandatory – however, if you want to receive the benefits of the up-calls or walk-ins, you must participate in the phone answering and the visitor greetings.

UPCALLS / MESSAGES

When a Salesperson / Broker Associate is in the office and answers the phone - they have an opportunity to receive an Upcall. Chances are that a caller who uses the office line may turn into an upcall since all the yard signs contain the Listing Agent's cell phone number. Sometimes however, a caller will not have the phone number of the Listing Agent. It is the Salesperson's / Broker Associate's duty to attempt to get the caller to the actual listing agent if they are calling on a specific Realteam Listing. If it is not a Realteam Listing, then it is definitely an upcall and the Salesperson / Broker Associate does not have to give up the potential buyer.

Under normal circumstances, a caller asking for a specific Salesperson / Broker Associate will take a cell phone number for that Salesperson / Broker Associate when offered. However, in a small number of cases, the caller will request to leave a message. In such a case, act as you would expect for a message to you - take the message, then call, email, or text the Salesperson / Broker Associate to let them know they have a message.

All messages should be carefully taken by every member of the Company, and promptly made available to the appropriate Salesperson / Broker Associate. If a caller indicates that they do not want to call or wait for the Listing Salesperson / Broker Associate to call them back, then it is an upcall and the answering Salesperson / Broker Associate may take the call.

If it is a seller already listed with a Realteam Salesperson / Broker Associate, then you cannot take the client.

INDEPENDENT CONTRACTOR

Salesperson / Broker Associate are considered to be independent contractors, not employees.

The Company will not withhold income taxes nor social security taxes.

The Salesperson / Broker Associate is under the direction of the Broker as to the results of the work, but not the methods by which such results are accomplished.

The Company and the Salesperson / Broker Associate will execute an Independent Contractor Agreement that defines the relationship in detail.

KEYS TO CLIENT PROPERTIES

When a client entrusts the key to his or her property to us, that trust must never be violated. Always request permission to make extra copies of keys.

Keys should never have an address tag attached. A coded tag should identify the key. Thus, if the key is lost, the property will remain secure.

When keys are checked out by other offices or individuals (such as appraisers) who have been approved by the seller, careful notation should be made in the files, and the expected time of return.

Under no circumstances should keys be given to buyers or tenants until the transaction has been closed or occupancy granted.

After showing the property, the Salesperson / Broker Associate should be careful to see that all windows and doors are locked, and the lights are out.

FILES IN OFFICE

TURNING IN LISTINGS, OFFERS, AND SALES CONTRACTS

Critical questions will occasionally arise about a listing or a purchase contract when the Salesperson / Broker Associate is not available. At such times, the Broker may need to review the file, and it is important that access to the necessary information is available. The Salesperson / Broker Associate must fully complete all necessary paperwork during the listing and the sales process. Listings files must be turned in within 24 hours of Broker Loading. Offers must be turned in immediately. Accepted Offers must be turned into a Purchase File within 24 hours of mutual acceptance.

LISTING FILES

A listing file will be made, labeled and filed in the office listings section of the file cabinet. All forms should be completed and filed with the listing, including:

- market report

- seller's net statement

- seller's personal information sheet and showing arrangement information

- property information sheet

- listing agreement

- correspondence

Listing files are for the reference of the Company. They should never be removed from the office. The listing files are confidential and will remain with the supervising Broker.

LISTINGS

Listings are the lifeblood of the real estate business. Without listings, the phone does not ring, our name is not known, and our income will drop substantially.

We believe that Salespersons / Broker Associates should devote two thirds of their time to listing real property on an Exclusive Right of Sale Agreement. With this agreement, you have a monopoly on a property that all other agents in our area will try to sell. No matter who has the buyer, you will earn a commission.

A listing well taken is half-sold. Salespersons / Broker Associates who take listings within 5% of market value, who are candid with the seller about necessary repairs or cleaning, and who prepare the seller for an offer, will sell more of their listings.

SERVICING SUGGESTIONS

It is imperative that we maintain regular contact with the seller who has entrusted the sale of his property to our Company. A Salesperson / Broker Associate who does not service his or her listings properly will find referral business substantially reduced, and sellers will not renew.

We recommend that Salesperson / Broker Associate set aside one evening each week as “servicing” night. Call each of your sellers and discuss your efforts. If you are not able to reach them, write a note or letter to them immediately. A contact reminder should be placed on your calendar for tomorrow.

Calling a seller each week is often difficult because we do not know what to say week after week. Don't feel uncomfortable. Call! Nothing is worse than not calling for several weeks, and feeling guilty about your performance.

We suggest that you clip the seller's advertising and mail it to the seller. Ask the seller to call if another agent shows the property so that you can follow up.

Our business is built on service. Service your listings.

TERM OF LISTINGS

Salespersons / Broker Associates should list properties for a minimum of six months. A shorter term does not give us a fair chance to sell the property, and could result in an unfortunate interruption of service to the seller. Do not take listings for less than six months without the permission of the manager.

WITHDRAWAL OF LISTINGS VERSUS CANCELLATION

Occasionally, when a property is not sold as quickly as sellers would like, the sellers ask to have the listing withdrawn so that they can sell it themselves or list with another Broker.

We invest considerable effort, money and time in listing and marketing a property, and expect to be reimbursed if the listing is taken from us. Our standard withdrawal fee is 1% of the listed price, and should be placed on the Listing Agreement. It should be brought to the sellers' attention.

A withdrawal fee, if collected, will be split with the Salesperson / Broker Associate on the same basis as if the property had sold.

In certain circumstances, the Company may decide that charging such a fee would not be appropriate. Such situations include a seller whose transfer to another city is canceled, or a seller who can show that we have not serviced the listing properly.

Cancellations will be approved upon receipt of a 3% cancellation fee, and written request from the seller. Cancellation fee shall be based on the highest list price within the previous 30 days.

CARAVAN TOURS

During the months were the weather permits, we will have scheduled office caravans. All agents are strongly encouraged to participate by submitting their listings – this shows their sellers that they are working for them. It also gives the agents a chance to view the inventories.

There is a \$10 caravan submission fee for each listing payable at the time of submission. Minimum of 4 homes on tour. A drawing will be held at the last house with prizes paid out from submission fees to be determined based on the number of entries. Salespersons / Broker Associates must visit all homes on tour to be eligible to win a prize.

PROMISES TO ADVERTISE

Salesperson / Broker Associate should use caution in promising an owner that we will do extensive newspaper advertising. Such promises can cause ill will and resentment if we do not follow through.

The Salesperson / Broker Associate is responsible for all advertising costs. Realteam does not do any advertising in order to keep the fees low for our Salespersons / Broker Associates, and we strongly encourage our Salespersons / Broker Associates to use a portion of the money they keep from higher commission splits to advertise themselves.

DISPLAY ADVERTISING

Display advertising is used to supplement classified advertising, and is often the only way to show a property to its full advantage. Such display advertising is the responsibility of the Salesperson / Broker Associate.

All text only print advertising, whether in magazines, Newspapers, or on the internet must have the full company name in the advertising. Blind Ads are illegal and will not be tolerated. In addition, all Display Advertising must contain the Equal Housing Logo.

We request that, before insertion, you run your ads by the office for approval by the Broker. Once the Salesperson / Broker Associate demonstrates a complete understanding of the requirements for advertising, then Broker / Manager approval will no longer be required.

SPECIALTY ADVERTISING

Salespersons / Broker Associates often purchase different items to give away to sellers, buyers and prospects. Such items usually have the name of the Company and the name of the Salesperson / Broker Associate prominently displayed, and often results in increased business.

We recommend such advertising; the selection of items should be made with discretion to maintain the professional image that we so carefully nurture.

All forms of advertising - including these specialty items - MUST contain the name of the brokerage. Realteam Real Estate or Realteam Real Estate Center.

NEWSPAPER COPY TO SELLER

The Salesperson / Broker Associate should regularly clip ads on listings and mail them to the client. A postcard is satisfactory, with wording such as:

“Just thought you might like to see a recent advertisement that ran in the newspaper on Sunday, July 16. We are doing our best to market your home.”

PERSONAL ASSISTANTS EMPLOYEES OF THE SALESPERSON / BROKER ASSOCIATE

We believe that a personal assistant can help a Salesperson / Broker Associate be more productive in every aspect of his or her business. Personal assistants can do many of the tasks which do not require marketing and sales skills,

such as preparing brochures on properties for sale, inserting advertising, measuring listed properties, placing signs on properties and even, when properly trained, comparative market analyses.

If a personal assistant is engaged by a Salesperson / Broker Associate of this office the following requirements apply:

- A. The Company, the Salesperson / Broker Associate, and the personal assistant must enter into a written agreement which:
 - 1. states that the assistant is an employee of the Salesperson / Broker Associate and not the Company.
 - 2. states that the personal assistant is an employee, not an independent contractor, for income tax purposes. The Salesperson / Broker Associate must agree to withhold taxes and FICA contributions, as well as make all required payments to IRS for those taxes. The Salesperson / Broker Associate agrees to abide by other laws, including unemployment compensation taxes or workmen's compensation insurance, and to hold the Company harmless from any claims for those items.
 - 3. sets forth the compensation to be paid to the assistant, including any bonuses.
 - 4. outlines the duties of the personal assistant, as well as a list of activities which an unlicensed personal assistant cannot perform in this state.
 - 5. gives the Company the right to approve the continued employment of the assistant from time to time. The approval shall not be unreasonably withheld, but if the assistant is causing problems in the operations of the Company, the assistant will not be allowed to continue to work in the offices of the Company.
- B. Salesperson / Broker Associate may decide to hire licensed personal assistants because of additional duties which may be performed. Often the licensed assistant will work under a split-commission basis. A Salesperson / Broker Associate may not pay a portion of the commission to the assistant. Commissions split between the Salesperson / Broker Associate and the personal assistant must be paid by the Broker.
- C. Personal assistants who work in the office use many of the office facilities, such as parking areas, plat books, office space, desk space, telephones, copy machines, and supplies. Because of the additional expense to the Company, the Company shall charge the Salesperson / Broker Associate \$125.00 per month, per assistant for the assistant's use of the facilities.

FULL DISCLOSURE

When a Salesperson / Broker Associate buys or sells real estate, the seller or buyer must be informed about the Salesperson / Broker Associate's license status, and must be aware that the Salesperson / Broker Associate is not representing the interests of the other party. To protect ourselves, this fact must be clearly revealed in the contract for sale and purchase, and in all discussions.

When a Salesperson / Broker Associate is buying a property, the manager will review the contract. If the property is a listed property, the manager will be present when the offer is presented.

COMMISSIONS ON PERSONAL SALES AND PURCHASES

Many purchases and sales involve office prospects, office listings or potential listings, supplies, as well as potential liability to the office. Therefore, the Company must be paid its share of the scheduled Brokerage commissions whenever a Salesperson / Broker Associate buys or sells any property:

SALESPERSON / BROKER ASSOCIATE SELLING THEIR OWN PROPERTY

When the Realteam Salesperson / Broker Associate is the listing agent on any of their own properties, or any property in which they have any interest, including their primary residence, the fee to Realteam will be based on 3% of the sales price regardless of the actual commission the Listing Salesperson / Broker Associate charges themselves.

SALESPERSON / BROKER ASSOCIATE PURCHASING THEIR PROPERTY

When the Realteam Salesperson / Broker Associate is the selling agent representing themselves to purchase any property in which they will have any interest, including a primary residence, the fee to Realteam will be based on the MLS coop amount, or 3% of the sales price whichever is greater.

REFERRALS

OUT OF TOWN BROKERS

Referrals can be a substantial source of income to alert Salespersons / Broker Associates.

Send a referral on every client or customer who is leaving our area. When you meet a buyer who intends to move to our area from another city, send a “reverse” referral to a Broker in that city if the property is not yet listed.

Make sure to verify that the referring broker is actively licensed, and remember the referral needs to be signed by the broker or manager of the other brokerage.

Our Company shall receive a minimum of 25% or \$750 whichever is greater on referrals we send out. Brokerage splits will apply to all referrals as indicated in the commission splits section. Salesperson / Broker Associate should keep in contact with the referral Brokerage and send or receive weekly updates on the referral.

INTEROFFICE REFERRALS

We encourage Salesperson / Broker Associate to refer customers to each other if doing so will provide greater service to the customer.

When this is done, if compensation is involved, the Salesperson / Broker Associate must come to an agreement as to compensation due, and put it in writing. It should be placed in the files, and each Salesperson / Broker Associate must sign it and should keep a copy. When the commission is to be paid, the Broker must be given a copy of the agreement with the commission split letter so that commission checks can be properly prepared.

REFERRALS OF CONTRACTORS, LENDERS, AND INSPECTORS

We encourage Salesperson / Broker Associate to refer customers and clients to knowledgeable and reputable service providers, such as contractors, lenders, and inspectors. When referring a service provider to a customer or client, it is important to let the client choose from several options, so they know you are concerned about the customer / client's best interest and no ulterior motive exists. When referring, you must disclose if there is any relationship other than "business" with the provider(s) you recommend. Let the customer client know that the party you are referring does not work for Realteam or you, and if they don't like the way they work, the client does not have to use them. Encourage the client to give you feedback so you know you should keep referring the provider.

Clients rely on our expert advice, so **always strongly recommend a home inspection**. Give at least three home inspectors, and have the customer / client acknowledge in writing that you have disclosed any relationship with the three inspectors recommended, and that the client has the right to use anyone they want, including none of the recommended inspectors.

Referring clients to lenders before looking for properties is a great idea. Ask your customer or client to get prequalified so you know what they can afford and whether they are ready now, or if they need to do a little work first. Sellers don't want buyers who are not qualified to waste their time getting their home ready for showings. Buyers may fall in love with a home they can't afford, and then when they get qualified, for less, they won't like any of the homes they can afford. If the buyer says they are paying cash, let them know that sellers are cautious and want all agents to verify cash funds before showing homes. If the buyer doesn't have a lender, be sure to recommend at least three, a credit union, a bank, and a mortgage company are good options – but let them decide what is best for them.

In summary when it comes to referring other professionals to your clients - give several options to the customer, and do not show any bias to one particular party. Disclose if you have any relationship with the party that you are referring to your customer or client other than a business relationship. You should not be receiving any sort of "hidden kick-backs" for your referrals.

SPECIALIZATION

When a Salesperson / Broker Associate becomes proficient in the general Brokerage side of the business, we recommend that he or she become a specialist.

By "specialist" we mean that one attempts to become most knowledgeable about a given neighborhood, type of property, or area of real estate.

The specialist soon finds it easier to compete, because of the additional knowledge.

Whether you decide to farm a certain area, specialize in the sale of restaurant properties, or work in multi-family properties, specialization may increase your income potential.

REO LISTINGS

We encourage our agents to obtain REO and Foreclosure listings. These listings are federally regulated and the Brokerage is responsible for each of these sales.

SALES MEETINGS

Meetings help to provide effective communication of important information. Topics at these meetings might include:

- Review of advertising
- Discussion of Company policies
- Review of current financing
- For sale by owners
- Sharing of experiences - good or bad
- Guest speakers
- Review of new listings
- Sales results
- Training

The meetings are held on an “as needed” basis. At least a week’s notice will be given prior to any meeting. During the Spring and Summer months, following our Sales Meetings, if there are new listings to see, it may be a good idea for all Salespersons / Broker Associates to “caravan” to see the new office listings. We encourage all Salespersons / Broker Associates to attend ALL meetings. Salespersons/ Broker Associates are required to attend any Mandatory meetings.

Salesperson / Broker Associate are required to attend the sales meetings and are encouraged to participate.

SIGNS AND LOCKBOXES

Each Salesperson / Broker Associate is responsible for placement of their own signs and lockboxes for their listings. Every listing file should note whether the listing has a sign or a lockbox, and the combination if it is a combination lockbox.

Sign “riders” with the Salesperson / Broker Associate’s name are exceptional opportunities for the listing agent to receive calls and find buying and listing prospects. However, they are not required as the Salesperson / Broker Associate should purchase personalized yard signs.

In the rare occasion that a Salesperson / Broker Associate uses a sign or lockbox owned by the company, the Salesperson / Broker Associate is responsible for returning the sign to the company when a listing sells, expires or is withdrawn. There will be a \$25.00 charge for each standard sign and \$60 for a combination lockbox. If a sign or

lockbox is lost due to Salesperson / Broker Associate's delay in removing it from the listing, the cost of the lost items will be charged to the Salesperson / Broker Associate.

Commission checks will be held until the Company owned sign(s) and lockbox from the sold listing have been returned to the office.

"Contract pending" signs should be placed on the property when the Contract for Purchase and Sale has been signed by both buyer and seller. Because such signs are an excellent source of additional listings, the sign should remain on the property until the day of closing.

When a listing is taken and another real estate agency sign is on the property, you may remove the sign and return it to the other agency, or call the other agency and suggest that they pick up their sign.

THANK YOU CARDS

Little is as effective in establishing customer loyalty and referrals as a simple "thank you."

We recommend that Salespersons / Broker Associates keep a supply of "thank you" cards on hand and make it a rule to hand write at least two every day. You will be amazed at the additional listings and sales that will result.

OFFICE STAFF AND THEIR FUNCTIONS

OFFICE MANAGER

The Office Manager is a vital part of this firm. The Manager ensures that the administration of the business is handled smoothly and efficiently, with the result being more listings and sales by the Salesperson / Broker Associate. It is imperative that files are turned in timely, completely, and correctly so that the manger doesn't have to micro-manage the Salesperson / Broker Associate.

In the event of incomplete files being submitted, the Manager will counsel the Salesperson / Broker Associate with instructions on proper file submission. There will be no charge for the initial counseling. Continued improper file submission will result in a \$100 fine per offense.

Commission checks will not be disbursed until all files are delivered complete.

OFFICE SECRETARY

Realteam is a streamlined operation that charges minimal fees with minimal overhead costs. We are able to pass the savings on to you. We don't charge a 30% - 50% split from each of your commissions. Therefore, we do not currently budget for a receptionist / secretary therefore, you are responsible for all your own work, files, advertising, and scheduling, etc.

If you close 1 transaction per month at \$200,000 the \$2,100 you save could pay for your own personal assistant if you feel the need for one. We don't believe you want to pay us \$2,100 to schedule a few appointments for you, or to prepare your paperwork. But, if you want to spend that money on having someone do those things for you that is your option.

CONTRACT FILES

FILES

The Broker, and therefore, Salesperson / Broker Associate is responsible for all listing files, contract files, general information files, and other documents that are necessary for our firm to serve our customers and clients properly. A lost file or lost information could result in loss to our company.

All files must be retained in the proper area in the proper sequence. A regular, periodic inventory of the files must be completed by the Salesperson / Broker Associate to ensure that all are in the proper order, and that all are accounted for. The Salesperson / Broker Associate is ultimately responsible for their complete files, therefore Salesperson's / Broker Associates must not remove items from listing or closing files that do not belong to them.

OFFICE NEATNESS

The first impression and lasting impressions of our firm are made based on the appearance of the office.

We ask our Salespersons / Broker Associates to clean up after themselves. Occasionally, in the rush to write a contract or to arrive in time for an appointment, an area of the office may be left messy, but this should be exception, not the rule.

SUPPLIES

Realteam will provide an adequate stock of supplies for normal business operations. This includes all company forms, contracts and listing agreements, copy paper, staples, tape and other items necessary for the efficient operation of the office.

The copy machine, paper, and ink are for real estate transactions only and should not be used for business not related to Realteam. Salespersons / Broker Associates will be issued a code to be used on the copier, excessive use of color copies will be charged to the Salesperson / Broker Associate if closings don't match usage.

Because Realteam doesn't charge agents to pay for a secretary to handle this, Realteam relies on the agents notifying of shortages of supplies.