

# **1 POLICY AND PROCEDURE MANUAL**

## INTRODUCTION

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

The management of our firm believes that our clients and agents can be best served if we set out in writing our philosophy of doing business, our company policies which will mirror our philosophy, and the procedures to be used in carrying out those policies.

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

This manual is not a contract, express or implied, guaranteeing employment or affiliation of independent contractors for any specific duration. Although we hope that your relationship with us will be long-term, either you or the company may terminate this relationship at any time, for any reason, with cause and due notice.

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

This is a living document, and we will add to it and change it when appropriate. When changes are made to the document, management will provide you with a new page for the manual and will ask you to return the page that was substituted with your signature which will indicate to the management that you have been notified of the change in policy. We hope that you will become well acquainted with the manual, and refer to it often. If you feel we may have overlooked something that should be included, please make that omission known.

William John Kourkounakis  
February 1, 2012

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## 1.0 Agency Relationships

### 1.1 Company Agency Policies

As per state license law and the National Association of REALTORS Code Of Ethics (NAR), all companies must have a written agency policy. ( Each Brokerage firm must evaluate the choices available to them in their state: i.e. Seller Agency, Buyer Agency, Disclosed Dual, etc.... or no agency at all. )

Prior to listing a home for sale, listing a buyer through a buyer representation agreement or working with a consumer in the transaction on a specific property, the agent must disclose to the party the company's agency policy and how that policy will affect the parties to the transaction.

(Insert your state's required language as to timing of those disclosures etc in this paragraph)

### 1.2 The Company Agency Policy of WJK Realtors

**Single Agency, Intermediary,**

## 2.0 LISTING - OBTAINING AND SERVICING

### 2.1 BROKERAGE COMMISSIONS AND ANTI TRUST POLICY

When discussing Brokerage Commissions with the public you are quoting the Company commission only. The commission rate for the sale, rental, or management of real property shall be determined between each individual broker, agent and their client, not by the Board of REALTORS<sup>®</sup> or a fee determined by a group of real estate brokers.

- a) Anti-Trust Policy: There is never to be any discussion with a cooperating broker or sales associate or the general public, regarding commission rates, pricing structures, marketing practices or the fee structure or business practices of a competitor. The only fee that you may quote to a consumer is the fee that the company charges. If a consumer asks if this is the “normal” fee, inform the consumer that there is not a “normal” fee. Our fee is based upon the services that the company provides. Give the list of those services to the consumer, be it buyer or seller, in order to explain the company policy on fees. If the consumer asks you to comment on another company’s fee policy, you **MUST** state that you have no information on any other company’s fee structure and that you can only discuss your company’s fee. Avoid discussion with employees and Sales Associates of competing firms regarding the commission policy of the Company that could be construed to be agreements or conspiracies to fix, establish prices, or otherwise restrain competition in violation of state and federal anti-trust laws. If you find yourself in the presence of such a conversation excuse yourself immediately and report the incident to the Broker.
- b) The preferred company policy for commission is as follows:
1. \_\_\_ Residential Listings
  2. \_\_\_ Farm Listings
  3. \_\_\_ Building Lots
  4. \_\_\_ Builder’s Property
  5. \_\_\_ Commercial Property
  6. \_\_\_ of Lease Total or 1/2 month rent on rentals
  7. \_\_\_ Businesses
  8. \_\_\_ For Sale by Owner
  9. \_\_\_ Buyer Agent Compensation
  10. \_\_\_ Other: \_\_\_\_\_
- c) In the event you need to lower the commission or renegotiate a commission after the sales is in process, approval is **REQUIRED** by the Broker/Manager. If a Seller or Buyer asks you to reduce your fee, you **MUST** tell them that our fee is not negotiable without the consent of the Broker. If you do reduce the fee, the portion of the commission due the office will remain the same, and the fee of the agent



will be reduced by the fee reduction unless authorization from the Broker has been obtained.

## 2.2 TYPES OF LISTINGS

### a) Exclusive Right to Sell

1. This is the full right to represent the owner in any sale of the property. This is the type of listing that the company requires to be taken.

2. There is a standard listing agreement form that is to be signed by the sellers (an owner of record must sign). Be sure to check with the recorder or title company to assure yourself that all of the title holders have signed the listing as the sellers. The absence of even one of the owners could invalidate the listing agreement. We strongly recommend a minimum term of 90 days.

### b) Exclusive Agency Listing

1. This type of listing is not recommended. (Seller has right to sell property with no commission paid.) This type of listing cannot be taken without the written consent of the Broker/Manager.

## 2.3 LISTING AGREEMENT - FORM AND INFORMATION

a) The listing associate is to secure all information and prepare the Multiple Listing Service (MLS) listing form. MLS requires that all information furnished be complete and accurate. As the person providing information to the MLS, you are therefore responsible for the accuracy and completeness of the information. It is imperative to pay attention to the taxes, special assessments and pending special assessments, as they are critical. Flood plain or flood plain fringe area and zoning information should be noted if applicable. All information must be updated when renewing a listing or as new information becomes available. Inaccuracy in information provided and any penalty charged for misinformation or timeliness of the submission to the MLS shall be the responsibility of the listing associate.

b) Personal property is an important part of a sale. A clearly written understanding eliminates most disputes when you list the property.

Example: water softeners, mirrors, gas lights, barbeque grill, propane tanks (rented or owned), or anything the owner is not leaving that may be thought normally included should be listed as reserved items and be indicated as such on all advertisements and MLS data information sources.

c) Review for accuracy the listing data after it has been uploaded to the MLS.

Any errors should be immediately called to the attention of the MLS so that the correction can be made.

- d) Possession date and terms are to be specific.
- e) Contract for deed. Ask to see the owner's copy of the Contract for Deed. Verify the information with the title holder.
- f) In cases of Power of Attorney, obtain a copy to ensure the validity and expiration dates.
- g) When taking a listing make sure you have completed all of the necessary paperwork required for the file per the real estate commission. (Put your list of required forms here...considered the agency disclosure form, etc.)
- h) Provide the seller with the Seller's Property Disclosure Form and have them complete it. Review the form with the Seller to make sure that all of the blanks have been filled in. If the property is subject to an exception to the Disclosure Statement, such as an estate or new home construction, then indicate that on the form and get the seller's signature. Any changes to the property that would cause a necessary change to the already completed form must be done immediately by completing a new Seller's Property Disclosure Form. Upload the form onto the MLS so that it can be accessed by those agents showing the property.
- i) The US Department of HUD requires that every seller of residential property built prior to 1978 disclose to the potential buyer/tenant the possibility for or the existence of lead based paint on the property. If the property being listed was built prior to 1978 make sure that the form is completed as instructed with the seller's signature and initials...not check marks.
- j) In accordance with the NAR Code of Ethics, the amount of compensation being paid to the co-operating brokerage company who is acting in the capacity of a buyer's agent (or transaction broker) shall be disclosed in writing on the listing agreement or addendum to the agreement.

## **2.4 RESERVED BUYER EXCEPTIONS TO LISTING AGREEMENT**

The owner may claim an unspecified number of his prospects as reserved buyers to the agreement. It is the policy of the Company that exceptions may be for a maximum of 14 days. Write the names of the exception buyers on a separate page attached to the listing agreement. The exception prospect time period must have a specific deadline date.

## **2.5 LENGTH OF LISTING AGREEMENT**

It is preferred by the Company that listing agreements be for a period of 90 days, however, not less than 60 days. Make every effort to obtain a listing of this length, thereby increasing your opportunity to sell the property. Prior to the expiration of the listing agreement, the seller shall be given a list of the prospects (name and address) that were shown and interested in the property. The seller shall be made aware that if

any of the prospects purchase the property directly from the seller, that the fee will be considered to be earned and will be due upon closing of the property. The list shall be sent via registered mail with a receipt kept in the file. The protection period for the prospects is recommended to be 120 days.

## **2.6 THE LISTING CONTRACT WITH THE OWNER**

- a) Fully explain the terms of the listing agreement to all owners. Make certain it is understood.
- b) The owner/s and you, as an associate of the Company, and the Broker sign the listing agreement. Any change of the agreement is to be initialed by the owner, the agent, and the Broker. The owners are given one copy along with a copy of all paperwork provided to the seller at the time of the listing, such as the Seller's Property Disclosure and Lead Based Paint form.
- c) If the seller is paying a bonus, the specific conditions for earning the bonus must be put on the listing contract or addendum to the listing agreement. It is however recommended that incentive bonuses be avoided.

## **2.7 CANCELLATION OR WITHDRAWAL OF LISTING**

- a) A cancellation or withdrawal, when approved by the Company management shall terminate a listing as of a certain date or in the case of a withdrawal, it shall be withdrawn from the MLS but still be an active listing until cancelled or expired. Prospects who have seen the property, according to the terms of the listing agreement, remain our prospects. With this exception, the owner is otherwise free to dispose of the property in any manner following an approved cancellation.
  - 1. A cancellation or withdrawal must have the approval of the Broker.
  - 2. The owner is to be notified in writing of our agreement to cancel the listing agreement. You should furnish the owner with a list of your prospects in writing prior to the cancellation.
  - 3. MLS is to be notified of the cancellation in writing signed by the Broker.
  - 4. The listing agent releases all future rights to the property in that the property may be relisted by any associate. The original listing agent can reinstate their rights by relisting the property.

## **2.8 OFFICE PROCEDURE – MLS SUBMISSION OF NEW LISTINGS**

- a) The listing forms are to be properly and totally completed of every exclusive listing and are to be submitted to the MLS within 48 hours (confirm that this matches your MLS rules and regulations)

- b) Late or missing information fees or penalties charged by MLS are the responsibility of the listing sales associate.
- c) Sales by MLS, REALTOR® brokers of our listings will be allowed. Real estate companies selling a listing of this Company's will be paid per the fee stated in the MLS compensation entered for each listing. The fees paid to the co-operating brokerage companies could vary.

## 2.10 PROPERTY TOURS

- a) WJK Realtors tours of new listings are encouraged as soon as possible during the next office tour after listed.
- b) When you wish to have a property toured, as a listing associate, you will call the owner for permission for tour.
- c) The listing associate is to act as a host of the property, when possible.
- d) Your regular attendance on the tour is important for the knowledge you gain as well as the impression we make on the homeowners.
- e) We must show respect for the homeowner's property. Thank the owner and leave. There shall be no discussion on price, condition, etc. while in the property. Leave your business card unless discouraged by the listing agent.

## 2.11 SIGNS

- a) A clean, bright "For Sale" sign is a most important selling tool. That sign finds buyers that want the location and like the exterior of the home. "For Sale" signs will be placed on the listed property by the next business day after the entire listing package **has been turned in to management.** ***It is the agent's responsibility to maintain signs in a clean and orderly manner while displayed.*** It is the listing agent's responsibility to add their name rider and sale pending signs. A listing agent's name rider on the "For Sale" sign will create added calls to the listing agent when calling for information of the property. It will increase your sales to see the "For Sale" sign. A brochure box is highly recommended on each listing.
- b) It is vitally important that you conform to the communities' ordinances and sign policy on each listing that you take. If you violate the sign ordinance, and fine shall be your responsibility, not the company's.
- c) Arrows and directional signs cannot be placed on public property. To use them you must put them on private property with the property owner's permission. Public property includes highways, parks, playgrounds, and parking areas on residential streets.
- d) In the event an individual sign must be designed, painted and erected for special purpose listings, such as commercial, industrial, vacant land of development, the signs must have the broker's approval as to the layout, style, installation costs,

etc. Cost of special signs will be shared by the listing agent and the company only with the consent of the Broker. If the authorization for the sign has not been obtained, then the complete cost of the sign will be that of the agent.

- e) Condominium and town house association by-laws may prohibit the use of "For Sale" signs on the premises. When listing this type of property check the sign policy. We will abide by their policies regarding signs.
- f) The sign must be removed from the listed property promptly upon closing or expiration of the listing. Each agent is responsible for returning their sign to the office. If the sign is not returned, there could be a charge for that sign to the agent.

## **2.12 SALES ASSOCIATE RIGHTS TO A LISTING**

- a) If a seller wishes to change listing agents, one of the Brokers will be consulted and a new agent assigned to the listing. Remember, you cannot cancel or withdraws the listing without the consent of the Broker. It is in the Company's best interest to try to change listing agents if the seller is unhappy with the original listing agent. The original listing agent, as long as they are still associated with the Company, may receive a referral fee of up to 30% of the listing commission depending upon the circumstances of the case.
- b) When a Company listing expires, the original listing associate forfeits all rights to the listing.

## **2.13 JOINT LISTING WITH ANOTHER COMPANY ASSOCIATE**

- a) It is the responsibility of the associate jointly listing a property to make their own arrangements, setting forth their working agreement in writing. The understanding will include advertising and open house rights, sign calls, all prospects and listings obtained through the listed property.
- b) If there is not a written understanding among the associates, the Company will consider commissions and prospects on a pro rata basis (i.e. if a property is listed by 3 agents the listing commission is split 3 ways in the absence of a written agreement).

## **2.14 COMPETITION WITH ANOTHER COMPANY ASSOCIATE**

- a) If in attempting to list a property, the owners state their intention to list with a fellow associate, we recommend that you agree with the owners, that they have made a good choice and leave. It will not be in your best interests or those of the Company to continue to pursue the listing under these circumstances. Call the named fellow associate and tell them the owner's intention to list with that associate.

## 3.0 BUYER REPRESENTATION AGREEMENT SECTION

### 3.1 BUYER REPRESENTATION AGREEMENTS –OBTAINING AND SERVICING

#### a) Types of listings

1. Exclusive...the buyer agrees to purchase a property only through the Brokerage Company. This applies to properties listed, whether in the MLS or otherwise, which would include properties that are FSBO, builder's properties, or any unlisted property. The Exclusive Buyer Representation Agreement should always be used.

2. Non-exclusive...the buyer has the right to purchase a property through the agent of their choice or directly from an owner. The only time a fee would be due the Brokerage Company is when the buyer purchases a property that has been contracted through the Brokerage Company.

### 3.2 Buyer Representation Agreements- Form and Information

1. Only approved agreements supplied by the WJK Realtors may be used to represent the buyer. If the Buyer Representation Agreement is mandated by the state, it will be the form that is used by the Brokerage Company. Any changes to the WJK Realtors approved form must be approved by management prior to use.
2. Fully explain the Buyer Representation Agreement to the Buyer(s) and obtain all necessary signatures. All parties in the transaction MUST sign the agreement, i.e. husband and wife, partnerships, or any other legal entity. The only exception to this would be if the buyer, due to cultural customs, will not allow one of the spouses to sign the agreement. The party who will be making application for the loan and qualifies to purchase the property must sign the agreement.

3. When taking a buyer listing make sure you have completed all of the necessary paperwork required for the file per the real estate commission. (Put your list of required forms here...considered the agency disclosure form, etc.)

### 3.3 Length of Agreement

Terms of the agreement will vary from buyer to buyer. However a minimum period of 30 days is recommended in order to purchase and close the transaction and a maximum of 90 days is recommended. Keep in mind that all agreements can be extended with the consent of the parties.

### 3.4 Cancellation of the Agreement

Cancellation of the agreement can ONLY be done by the Broker. If a buyer wishes to cancel their agreement with the Brokerage Company, explain to them that they will need to speak to the Broker in order to accomplish that. It will be the policy of the Brokerage Company to try to assign the buyer to a different agent if they are unhappy with their current arrangement. It will always be the policy of the WJK Realtors to try to save the client.

### **3.5 Reserved Properties**

Reserved Properties: If a buyer has been previously negotiating on a property prior to signing the Buyer Representation Agreement and wants to exclude that property from their agreement, management will allow the exclusion for a period of 7 days. After that time, the WJK Realtors will be compensated if the Buyer purchases that property.

### **3.6 Submission to the Office**

Upon signing of the Buyer Representation Agreement the complete file for the Buyer must be turned into the WJK Realtors within 48 hours.. The Agent may keep one set of all forms for their personal file, but the original signature copies must be turned into the WJK Realtors along with the other forms required to be signed by the buyer. The original signature forms shall be given to the company for their file, copies to be made and kept by the individual buyer's agents.

### **3.7 Cancellation or Withdrawal**

If the Buyer Representation Agreement is canceled or withdrawn, it is the obligation of the Buyer's agent to furnish a list of all possible properties under consideration that were presented by the WJK Realtors and to protect that list of properties with a 180 day period. If the Buyer lists themselves with a different Brokerage Company, the protected property list obviously is null and void.

### **3.8 Other Buyer's Agents**

If a Buyer that you come in contact with says they are working with a fellow associate, the fact that they do or do not have an agency agreement will not pertain (the buyer is working with who they say they are working with.) It is especially critical therefore, to ask if the buyer is working with another agent in our firm, or has signed a Buyer Representation Agreement with another company. If the buyer has signed an Exclusive Buyer Representation agreement with another brokerage firm, you may not pursue that buyer, except at their request as per the NAR Code Of Ethics.

### 3.9 Fees

All fees charged to the buyer must be approved by WJK Realtors. This includes: retainer fees, hourly fees, and FSBO compensation fees. All checks obtained from the Buyer for fees shall be made payable to the WJK Realtors. All Retainer Fees and Hourly Fees shall be deposited into the WJK Realtors Operating Account and the split between the WJK Realtors and the licensees shall be determined based upon your commission distribution level. All fees paid by the buyer must be reported on the HUD closing statement.

## 4.0 SHOWINGS, OPEN HOUSES, PROSPECTS

### 4.1 SHOWINGS OF COMPANY LISTINGS

- a) All showings of occupied properties are to be by appointment or at the direction of the seller. If the seller authorizes showings through the MLS by call first and if no answer go ahead and show, then that must be in writing from the seller.
- b) If you arrive at a home and your buyer does not want to inspect the interior, it is common courtesy to go to the door and inform the owner, in person or in a note, that the prospect has chosen not to inspect the home. If the seller is not at home, leave the note and your business card in a prominent place in the home.
- c) So that the owner is aware of your identity, leave your business card at every showing. We recommend that you put the date and time on the card.
- d) It is always in your best interest to be courteous to all property owners. Do not make any remarks or give opinions about price, conditions or the listing agent. Extend all the courtesies you would hope your owners would receive from your associates.
- e) You may show a WJK Realtors property unless there is a signed purchase agreement accepted by both owners and buyers. If there is an existing counter offer you may still show the property with the **seller's permission** through the listing agent. In the event that the seller requests back up offers, property may be shown with notification of the listing agent.



## 4.2 SHOWINGS OF AN MLS OR CO-OP COMPANY'S LISTING

- a) All showings of listings within the MLS should be arranged in accordance with MLS instructions.
- b) If you arrive at a home and your buyer does not want inspect the interior, it is common courtesy to go to the door and inform the owner, in person or in a note, that the prospect has chosen not to inspect the home. If the seller is not at home, leave the note and your business card in a prominent place in the home.
- c) Be sure to leave your business card if requested by the agent or the sellers with the time and date of the showing. If you simply previewed the property write "Preview" on the card so that the sellers and agent know the purpose of your being in the home.
- d) It is in your best interest to be courteous to the owners of all properties. You should not make any remarks or give opinions about price, conditions, company or listing agent. Extend all courtesies you would hope your listing would receive from the MLS associates.
- e) You may show an MLS property unless there is a signed purchase agreement accepted by both owners and buyers. If there is an existing counter offer you may still show the property with the seller's permission through the listing office agent.

## 4.3 PROSPECT PROTECTION

- a) A buyer who currently has a property listed with the Company will be the listing agents prospect until their property is sold and closed or the listing expires, unless the buyer specifically requests to be released from the obligation to work with their listing agent on the buying side.
- b) Ad calls and sign calls are to be directed to the appropriate listing agent. (This may not be true for your company so pay close attention here)
- c) In the event an agent on floor needs to answer questions for another agent who is not readily available (the caller specifically asks for unavailable agent) **the floor agent will provide the service as a courtesy to the fellow agent.**

## 4.4 VACATIONS / ABSENTEEISM

- a) You will want to arrange for a fellow associate to take care of your business when you are unavailable. All arrangements between agents as to the handling of buyers, seller and the resulting commission division, will be in writing prior to the consummation of the transaction.

The details of that written arrangement are entirely between you and the appointed sales associate. A copy of your arrangement will be given to your broker. If no arrangements are made the Company policy will be:

- Agent B shows homes for Agent A and the client buys a home, Agent A will share a minimum 10% of commission with Agent B.
  - If Agent B lists a home for Agent A, Agent B will receive a minimum 10% of listing commission.
  - It is important to cover for your associates in order to keep the client at WJK Realtors. Agents are much more willing to help out in a professional manner if they are being compensated for their time.
  - The Brokers will cover your closings and offer presentations on listings.
- b) When floor agent or open house agent has initial contact with new prospect, agent is to inquire if "you are currently working with anyone with our firm?" If prospect is an active prospect or seller of another WJK Realtors agent, our agent is to act appropriately and contact other agent.

#### **4.5 OPEN HOUSE PROSPECTS**

##### **OUR COMPANY POLICIES:**

- a) Cooperation is a win-win situation for the sellers, buyers and the WJK Realtors Sales Associate. Therefore, the following are recommended guidelines for handling situations for WJK Realtors open houses with prospects entering and viewing the open house.
1. Any WJK Realtors Sales Associate may show your open house to a prospect without an appointment, accompanying the prospect through the home. If a sale results from the showing to that prospect, the full sales commission goes to that showing Sales Associate.
  2. If a WJK Realtors Sales Associate contacts the prospect in advance of the open house and notifies the open house Sales Associate that prospect (by name) will be coming to the open house, unaccompanied by the WJK Realtors Sales Associate that Sales Associate shall receive 100% of the sales commission, in the event a purchase agreement is written by the referring Sales Associate which is accepted by the seller.
  3. If in the event a WJK Realtors Sales Associate has been working with a prospect and has shown the prospect homes, developed rapport, encouraged the prospect to allow the Sales Associate to arrange for the prospect to be shown homes of any interest, and prospect still enters a WJK Realtors open house of another WJK Realtors Sales Associate, without previous notification, the WJK Realtors Sales Associate who had been working with the prospect will

receive 100% of the sales commission. The purchase agreement and follow up must be accomplished by the WJK Realtors Sales Associate who had been working with the prospect. In the interest of professional courtesy, the open house Sales Associate will contact the other WJK Realtors Sales Associate and report that prospect did come through the open house, was interested in it and that the Sales Associate should follow up with the prospect.

## 5.0 OBTAINING AND PRESENTING THE PURCHASE AGREEMENT

### 5.1 DISCLOSURE OF SELLERS AGENCY RELATIONSHIP

Prior to writing or presenting an offer to purchase a property, remember to fully disclose the agency relationship that you are in at the time. If you are in a Disclosed Dual Agency or Intermediary Relationship be sure to get the parties consent to act in that position prior to writing and presenting the offer for or to the parties.

### 5.2 THE PURCHASE AGREEMENT

- a) The purchase agreement is the contract that sets forth the intent of both the buyers and sellers. It establishes the basis upon which the listing and sales agent, mortgage companies and attorneys process the sale.
- b) All purchase agreement addendums must be signed and attached by all parties and must be attached to the original purchase agreement.
- c) The lack of a complete understanding of all terms of the purchase agreement creates many of our later problems. Make certain all parties to agreement review the entire contract and make every effort to see that they understand the offer.
- d) Personal property inclusions and exclusions create problems also. Be exact and complete. The purchase agreement supersedes the listing agreement and the seller's statement of condition. If any fixture is not included specify that exclusion on the purchase agreement. Remember, all personal property included in the sale must be clearly defined in the purchase agreement or separate personal property bill of sale.

### 5.3 EARNEST MONEY

- a) The purpose of the earnest money is to commit the buyer to the purchase. The more earnest money, the stronger the buyer's commitment to complete the transaction. The company recommends a minimum of \$1,000 earnest money.
- b) Have earnest money checks payable to the Broker Trust Account or Title/Escrow Company. If the buyer gives you cash for the earnest money, give

the buyer a receipt for the cash and immediately give the cash to the office manager.

- c) If the amount of earnest money exceeds the down payment the excess will be returned to the buyer or applied to the closing.
- d) State regulations require that deposit of earnest money checks is to be done no later than the next business day after acceptance of the offer.
- e) If in the event an earnest money check is returned non-sufficient funds or other cause, the agent must notify the seller and brokers on both sides of the transaction immediately in writing of the returned check.
- f) Earnest money can be disbursed from the trust account only at the closing of the sale, or at the cancellation of agreement by the buyer and seller. An earnest money release consent form must be signed by all parties before the listing broker or title company can release the funds back to the buyer. Disbursement can also be done by court order.
- g) Earnest money on a sale with a first right of refusal contingency must be deposited immediately after the purchase agreement is signed by all parties. You cannot wait until the contingency is removed.
- h) Postdated checks and promissory notes will not be accepted without the written consent of the seller and the Broker.
- i) Improper handling of earnest money may be grounds for immediate dismissal of a Sales Associate. Improper handling could include failing to deposit earnest money by the specified time or falsely representing that the earnest money has been deposited.

#### **5.4 REAL ESTATE TAXES**

- a) It is recommended that the Sales Associate explain to the buyers about the Homestead Tax Reduction, and Elderly tax freeze if appropriate.
- b) Property valuations may change when a property is sold. **DO NOT MAKE REPRESENTATIONS AS TO FUTURE TAXES OR SPECIAL ASSESSMENTS.** It is impossible to guess the future actions of the taxing authority.
- c) It is recommended that sale associates verify with the county the seller's homestead property tax classification. Some taxes that are listed on the MLS sheets don't represent an owner occupied status.

#### **5.5 BUYERS SIGNATURES**

- a) There may be an occasion when you are able to receive only the signature of one buyer. In this event, the contract should include the available buyers name and "or assignees." This eliminates the need to get additional signatures.

However, make sure that the party who can actually contract (qualify for the loan) is the party who has signed the contract.

b) All changes and corrections must be initialed by all parties signing the purchase agreement. **Never** sign or initial on behalf of the buyer or seller, even when you have been instructed to by either party.

c) Fax signatures may be sought; however actual signatures are required as soon as possible. E signatures can be used for contracting the agreement as long as the document is coming from the buyer's email address. An original signature must follow.

## 5.6 APPOINTMENT TO PRESENT THE PURCHASE AGREEMENT

### a) Offer on MLS Listing

1. All offers should be typed or printed legibly and earnest money to be made payable to listing broker/or title company. A copy of the earnest money check will be made and retained for office files.

2. The listing agent/broker should be contacted immediately for presentation to the seller. In accordance with MLS rule 2.3 you will request to be present when the offer is presented.

3. In the event that you cannot contact the listing agent or their representative within the time frame of the purchase agreement, clear all personal presentations to the seller through your broker and subsequently through the listing broker or MLS chairman. Follow the rules of the MLS always.

### b) Offer on Company Listing

1. All offers should be typed or printed legibly and earnest money to be made payable to the WJK Realtors Trust Account or the title company.

2. The listing agent should be contacted immediately for presentation to the seller. In accordance with MLS rule 2.3 you may request to be present when the offer is presented.

3. In the event that you cannot contact the listing agent within the time frame of the purchase agreement, clear all personal presentations to the seller through your broker.

### c) Interest Bearing Trust Accounts

1. Interest bearing earnest money or trust accounts are allowed under State Law. Certain procedures must be followed to set up this type of account. This account may be set up for either the buyer or seller.

2. All parties must agree in writing on the purchase agreement if the interest is to be paid to the buyer or seller or both. In the event that these funds are to be held by an outside broker, his agreement shall be in writing as well. The procedures for setting up this type of account are requirements of State Law, Internal Revenue Service and local bank who set up the account. The cost of setting up the account will be paid by the person requesting the account.

## **5.7 WHAT OFFERS ARE TO BE PRESENTED**

- a) WJK Realtors Rules and Regulations require all written offers on a property to be presented immediately. It is suggested that the purchase agreement be accompanied by an earnest money check.
- b) Oral offers have no validity in real estate transactions and if presented verbally, notify all parties that the offer is not binding until it is in writing. They are unenforceable. Purchase agreements will not be valid until all parties have signed and initialed any changes on the purchase agreement and addendums.
- c) In the event there are offers from more than one buyer, all of the offers deserve equal consideration regardless of the sequence in which they were written. All offers should be presented at the same time if possible. The seller's agent does not have the authority to disclose to the buyer's agents or buyers that there are multiple offers without the written authorization from the seller. Upon that authorization, the listing agent will notify the buyers agents of the multiple offer situation and discuss how those offers are going to be presented. Each of the buyer's agents should have the opportunity to present their buyer's offer. If the offers are from buyers that the listing agent represents as well and there appears to be a conflict of interest potential, the Broker must be contacted for possible presentation of those offers.
- d) In the event there is an outstanding counter-offer on a home, a new offer must be presented if received prior to the acceptance of the counter-offer by the first buyer. The acceptance of the new offer should be contingent upon the cancellation of the existing counter-offer.

## **5.8 PRESENTING THE OFFER**

- a) The listing associate has the right to present the offer. The selling associate may be asked to present the offer.
- b) As listing agent, your primary legal responsibility is to represent the seller. Be certain to meet that responsibility. Don't let those few "little details" slide. They may create legal and financial problems for you and our seller later.
- c) Prepare a "Seller's Estimate Closing Statement" and go over it with the seller. A copy of a signed "Sellers Estimate Proceeds" must be in the company file in case another associate is covering your closing, be certain the facts are correct to the best of your ability.

## 5.9 ACCEPTANCE OF COUNTER-OFFER

- a) An offer may be accepted, rejected or countered by the seller.
1. If the offer is accepted without change, have the seller sign it. The original purchase agreement, addendums, and the earnest money is held by the listing firm. The seller receives a copy. The selling agent delivers a copy to the buyer and keeps a copy.
  2. If the offer is changed it becomes a counter-offer. In the case of a counter-offer the seller should sign the agreement and the counter-offer. The counter-offer is only a sale when it is signed by the buyer and delivered to the seller or their agent. Copies should be distributed as in 1 above.
  3. Never take the verbal assurance of another agent that something "will be O.K. with the buyer. Don't bother to change the agreement." Get the change made on the purchase agreement counter-offer form with signatures, initials, dates, and times; if you do not, you may be legally and financially responsible.
  4. When an offer is rejected, all forms and earnest money checks are to be returned to the sales agent and copies will be given to the office manager.
- b) **Never sign or initial papers on the behalf of the buyer and seller, even when you have been so instructed to by either party.** Never make any changes after the purchase agreements have been signed by the buyers and the sellers, except with specific instructions to make changes by buyers and sellers and have buyers or sellers initial the changes made. These changes should be dated if different than the offer acceptance date.

## 5.10 PURCHASE AGREEMENTS

The sale begins and ends with the Purchase Agreement. If the Purchase Agreement is not complete or it is not completely understood by both Buyer and Seller, the chances of a good closing are very remote. Write legibly, type where possible. Re-read the Purchase Agreement, be sure it states, without a doubt, what the client intended. Your sale will be closed according to the terms in your Purchase Agreement. When accepted, the Purchase Agreement becomes a binding contract.

Should Terms or stipulations be changed in the Purchase Agreement, the listing agent must have an addendum showing the change with times and dates, signed by the Buyer and Seller, in the file prior to closing.

- a. All accepted Purchase Agreements must have the following information pertaining to buyer and seller:
1. Present address

2. Phone Number
  3. Social Security Number of buyer and seller (if possible)
  4. E-mail or Web site (if possible)
- b. Purchase Agreements must also have the following necessary information: property address, legal description, sale price, tax pro-ration language, date for securing financing, closing and possession dates, sale price on assumptions, inspections, etc.
- c. If offer must be sent out of town for "signatures", a copy of offer with acceptance fax may be substituted pending original offer being signed and returned for our files.

### **5.11 CANCELLATION OF A PURCHASE AGREEMENT**

- a) A written offer, including the clause "null and void and the earnest money is to be returned to the buyer," may not legally cancel a purchase agreement. A purchase agreement will be legally canceled by a written agreement to cancel between the buyer and seller or by a court order. Associates are required to have a cancellation agreement signed in the event of an agreement being declared "null and void."
- b) A Mutual Release is to be used when an agreement is canceled. When it is completed turn it in to the Brokers and they will disburse the earnest money according to the agreed terms of the cancellation agreement. This form is to be signed by the buyer, seller, listing agent and broker.
- c) Always discuss any pending cancellations with your broker.
- d) Earnest money will not be refunded or disbursed until it has been verified that the earnest money check has cleared the buyer's bank. This may take ten or more business days. Upon verification of check clearing the buyer's bank, the earnest money will be disbursed as the cancellation documents instruct the distribution.

### **5.12 Rejected Offer**

- a) If an offer is rejected by the seller or a counter offer rejected by either the buyer or the seller, make sure that the REJECTED box is checked or write REJECTED on the offer or counter offer. Have the party initial and date the REJECTED area as well as the notation of REJECTED or Void across the face of the contract.
- b) Rejected offers on Company listings must be turned into the office and retained for one year.
- c) If a contract results, the rejected offers on the Company listings must be kept in the transaction file for five years.



## 6.0 CLOSING PROCEDURES

### 6.1 COMPLETION OF SALES INFORMATION

- a) Allow enough time to close the transaction. Allow time to have an inspection done, a title opinion rendered, to clear title and to prepare the closing papers. If there are delays because of counter-offers, getting out of town signatures, etc. change your closing date and be sure to notify all parties of the change in writing and signed by all parties. Be sure to monitor the contingency deadlines carefully and if a delay is possible contact all parties well in advance so that appropriate accommodations can be made.
- b) The buyer's agent will make arrangements for placement of the loan application.
- c) The agent then follows each transaction and maintains contact with the lender through the approval or rejection of the loan application.
- d) The agent will notify the listing agent when the loan is approved and provide a final loan commitment. That commitment should only be subject to the appraisal of the property.
- e) In the event an appraisal is low, the agent will be informed by the lender and will be expected to negotiate between buyer and seller. If negotiation is possible, the new offer will be resubmitted to the loan company for approval. If renegotiation is impossible, listing agent should be informed so various charges incurred may be paid and property may be put "back-on-market."
- f) In the event a loan is rejected, the listing agent will be informed. He will be given the opportunity to work out any new avenues of financing, credit, etc. that may be available. All rejections will be discussed with the agent BEFORE they are dropped and the earnest money is refunded and various charges are paid.
- g) On sales that have "fallen through" release forms are required, the agent will obtain all necessary signatures prior to the release of earnest money.

### 6.2 TITLE OPINION

The sales agent will coordinate the ordering of title insurance with the lender.

As well as notifying the lender of the Title Opinion request you will also instruct the Title Company to forward a copy of the opinion to you, the sales agent, as well as the buyer. Upon receipt, it is given to the agent for review; **the agent is then responsible to put it in the company listing file.**

### **6.3 ASSUMPTION PAPERS**

This company will not accept any assumption transactions without the seller being released of full liability. If the seller indicates that they will stay on the loan, a release of liability will be needed from the seller on a form prepared by the company attorney.

When an assumption Purchase Agreement is accepted the associate will call the lender to see if the Buyer must be approved.

**ASSUMPTION PAPERS CAN BE PREPARED ONLY AFTER BUYER'S LOAN APPROVAL.**

The sales agent will have the responsibility to order and receive assumption papers timely in accordance with the scheduled closing dates.

The name of the lender and the LOAN NUMBER must be on the worksheet. Most lenders will not issue assumption papers until they are given a loan number.

The agent will review all aspects of the transaction with one of the Brokers.

### **6.4 INSPECTIONS**

TERMITE AND ALL OTHER INSPECTIONS, IF DESIRED BY THE CLIENT, SHOULD ONLY BE ORDERED BY THE BUYER. Only licensed and properly bonded companies should be offered as choices. The buyer should choose his or her own criteria for an inspector. The Company will provide a list of inspectors that are licensed and bonded to the buyer. If the buyer chooses not to get an inspection, they must sign the decline of home inspection form.

### **6.5 AMORTIZATION SCHEDULES**

Amortization schedules can be approved for the Buyer and Seller on all contract sales.

Both buyer and seller should date and sign final copy at closing.

### **6.6 FINAL CLOSING DOCUMENTS**

Closing documents such as deeds, contracts, affidavits, declarations, 1099s etc. will be secured by the sales agent for signatures. Included will be an actual closing statement for the buyer and seller, prepared by the closing company.

**All signed closing documents must be in the closing file at time of disbursement of all funds.**

Filing and disbursement cannot be made until all funds are collected from buyer and/or seller.

ONLY QUALIFIED CLOSING COMPANIES WILL BE USED TO CLOSE A TRANSACTION.

## 6.7 DOWN PAYMENT

Transactions cannot be filed or recorded nor any funds disbursed until such time as a personal check has cleared the bank account. Most title companies today will require certified funds. Make sure your buyer has that amount from the title company in time to get the certified funds to close.

Post-dated checks CANNOT be accepted and will be returned to associates. Checks cannot be held. All checks will be deposited the day they are received or the next banking day.

In the event there is a shortage of funds necessary to settle the transactions, the closing agent may hold the transaction and insist all funds be collected before filing.

The lender or closing agent will take care of the filing process in the event a new loan is being secured. When the lender's processing is complete, they will call the sales agent.

## 6.8 COMMISSION PAYMENT

Upon receipt of all closing documents, proceeds, and reporting of the sale to MLS; commission checks are written. Commission checks will be completed by the bookkeeper no later than 4:00 P.M. the next work day following the transaction closing. In order to receive your commission check, you must turn the closing file into the manager with all forms on the checklist signed by all parties. If there is a form missing, the check will be withheld until the form is delivered to the manager. As a note, it is always wise to double check your file along the transaction path to make sure all the signatures are in place on all of the required forms.

## 6.9 EARLY POSSESSION BY AGREEMENT

- a) **Do not give possession of a property to a buyer without a properly executed early possession agreement.** We must have the signed approval of the seller and buyer. Both should make sure they have proper insurance coverage on the real property and their personal property within the real property.
- b) Any money deposited under an early possession agreement shall be funds payable to the listing broker or directly to the seller.
- c) The moving of furniture or other possessions into a property prior to closing of a sale must be approved in writing by both the buyer and seller. The written agreement shall include that the seller is not responsible for the buyer's property. The buyer should have an insurance policy as above.

## 6.10 ATTENDANCE AT CLOSINGS

- a) The sales agent will be aware of their closings. **Attendance is encouraged**, as it is excellent public relations. It is best to stay in the background. The client appreciates your assistance. In the event you see that something is not in accordance with the purchase agreement, you should politely call this to the attention of the closer.

The sales agent will have the responsibility to order and receive closing papers in order to verify correctness, especially buyer closing figures and seller net proceeds.

- b) Upon receipt, the sales agent will review the closing statement with the client.

<h2>7.0 ORGANIZATIONAL AND ADMINISTRATIVE PROCEDURES</h2>
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### 7.1 TERMS OF ASSOCIATION

All personnel acting in a sales capacity are "Independent Contractors." You are self-employed and are responsible for your own records and payment of State and Federal Income Taxes and self-employment tax. You will receive a 1099 tax statement from the Company at the end of each year showing the total commissions paid to you. You must sign an Independent Contractor agreement yearly.

### 7.2 CONDITIONS TO ASSOCIATION

- a) State Law requires that all associates selling or renting real estate be tested and licensed by the State. You are responsible for keeping your license current by referencing renewal dates and education requirements to renew. The sales associate is responsible for the fee for renewing their own license.
- b) The Company is a REALTOR<sup>®</sup> firm. We require that you immediately become a member in the LOCAL, STATE AND NATIONAL BOARD OF REALTORS<sup>®</sup> AND SUBSCRIBE TO THE CODE OF ETHICS OF THE NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>. The fee to belong to those associations is at the expense of the sales associate. We also recommend you attend the many educational programs sponsored by the Board.

### **7.3 CONDUCT OF ASSOCIATES**

In order to succeed in working with the public, you will want to present yourself in a professional manner.

- a) You will want to be neat in appearance and make every attempt to create a favorable impression. We suggest coats and ties for men when attending closings, especially, otherwise the attire should match the environment of the showings, i.e. land sales might require casual slacks and boots. Dresses, and dress slacks for women would be appropriate. Formal suits for women should be worn when appropriate. Take pride in your appearance and avoid the wear of inappropriate attire when in the office. Your appearance not only influences your clients but others clients as well. Your inappropriate attire may cost an associate a client. Remember....your appearance should not distract from the transaction. In the appendix there is a "dress code" list of faux pas which will be enforced.
- b) A neat clean automobile reflects personal pride and organization.
- c) It is suggested that you carry your sales and listing materials in a neat portfolio.
- d) Most clients will be offended by your use of liquor or tobacco prior to or while you are counseling or representing them. You are encouraged to refrain from them even though your clients may be using them. Our office has established a "no smoking" policy for the comfort of our staff and clients. If employees or Sales Associates must smoke, we ask that you leave the office to do so. This policy also pertains to your clients when they are at the office.
- e) The use of any illegal drugs are not permitted and will cause immediate termination of association with the Brokerage company.
- f) Conduct of the associates within an office must be one of respect. Respect for each other's space, possessions, paperwork, and time. Do not think that just because someone's door is open or they are in their cubicle that you are automatically welcome to come in and visit. Always ask for permission.

### **7.4 LONG DISTANCE AND OTHER PHONE USE**

- a) The agent should use their cell phone or long distance calling cards whenever possible to make long distance calls. If you need to use the office phone to make those calls, a long distance code has been given to you and you will be billed for those calls.
- b) As a courtesy to others:
  - 1. Limit personal phone calls to a minimum. This is especially true even if on your cell phone, if you are in a cubicle and your personal conversations would be disruptive to those around you.

2. Call in direct for messages on the voice mail line.
  3. When leaving your desk, put the phone on DO NOT DISTURB.
- c) In an effort to keep costs down:
1. Use toll free numbers whenever possible.
  2. Use 411 as little as possible.

## **7.5 LIMITATION OF AUTHORIZATION TO SALES ASSOCIATES**

The Company is not and shall not be liable for any expenses or obligations incurred by associates, unless a specific written authorization is granted by the broker prior to the obligation being entered into.

## **7.6 RESPONSIBILITIES OF SALES ASSOCIATES**

As an "Independent Contractor," accurate representation of all facts is your responsibility. **A lack of accuracy will be at your expense.** You will also be responsible for any losses sustained by reason of your errors or omissions in connection with your preparation of documents in real estate transactions.

The Broker is explicitly responsible for the supervision and control of all the activities conducted on behalf of the sales associates as necessary to secure full compliance with the Real Estate Law, including but not limited to the supervision of salespersons in the performance of acts for which a real estate license is required. They are also similarly charged with the responsibility to supervise and control all activities performed by their employees and agents in their name during the course of a transaction for which a real estate license is required, whether or not the activities performed require a real estate license, such as those of an assistant.

To assist brokers to properly carry out their duty to supervise and control activities conducted on their behalf during the course of a licensed transaction, it is important for the broker to know and identify those activities which do and do not require a real estate license. This knowledge assists the broker to use licensed persons when required, and to extend and provide the necessary supervision and control over licensed and non-licensed activities as required by law and good business practices.

Broker knowledge and consent is a prerequisite to the performance of these unlicensed activities, since without these elements there can be no reasonable assurance that the activities performed will be limited.

These "Guidelines", when strictly followed, will assist licensees and their employees to comply with the license requirements of the Real Estate Law. They present specific scenarios which allow brokers to organize their business practices in a manner that will contribute to compliance with Real Estate Law. Brokers should be aware that it does not take very much to go from unlicensed to licensed activity.

## **7.7 AUTOMOBILE LIABILITY INSURANCE**

As an "Independent Contractor" - you are responsible for sufficient insurance coverage. State law requires that you have insurance coverage on your automobile. We require that you carry at least a minimum of \$250,000 - \$500,000 Bodily Injury or a \$300,000 single limits. Please check to make certain you have proper coverage for your own protection. The Company is not responsible for accidents. The Company should always have current copy of your automobile insurance policy and be named as an additional insured.

## **7.8 TERMINATION**

- a) When leaving the Company you must return all property given or assigned to you, including Policy Manuals, training material, keys to the office, MLS key lockboxes, signs, supplies and library materials.
- b) All unsold listings remain the property of the Company or if the seller insists upon the listing being transferred to the new company if the agent is going to a different company, the company shall receive a 30% referral fee on those listings unless otherwise agreed to by the Broker and the seller.
- c) All commission pay-outs shall be subject to provisions to those in place. You are entitled to receive commissions on booked transactions that close after your date of termination. If you are unable to perform the necessary tasks to close the transaction, the Company reserves the right to assign another associate the closing responsibility and compensate them up to 30% of your portion of the commission.
- d) The Company shall be liable only for actual commissions received.
- e) The Company shall withhold from the commissions otherwise due and owing any income advances, advertising overages, MLS charges, or other money owed the Company by the associate.
- f) There will be no bonus commissions, trips, incentives, etc. paid to an agent once they are no longer licensed with the Company.
- g) Severance is not effective under the licensing laws until the Department receives the notice of severance and the Sales Associates' license.
- h) In the case of Buyer Representation agreements in place at the time of the termination of the relationship, the company shall retain the buyers who have signed a buyer representation with the company. If there is no written agreement in place, the buyer is able to decide whether to work with the Company or the agent who represented them previously.

## **7.9 ERRORS AND OMISSIONS INSURANCE**

The Company has Errors and Omission insurance through <<INSERT INSURANCE COMPANY NAME>>. The policy is a \$XXXXX aggregate policy with a \$XXXX deductible for agent. Each sales associate will be charged his or her pro-rata share annually. The agent is welcome to also obtain individual Errors and Omissions Insurance. If the sales associate terminates its relationship with the company, there will be no pro rata share reimbursement for the insurance policy already paid.

Under circumstances where the E & O insurance is called upon to cover the damage in a lawsuit or otherwise, the deductible will be split between the Brokerage and the agent when the suit is supported by the Brokerage Company. If the error is solely that of the sales associate, and not condoned by the Brokerage Company, the sales associate will be responsible for paying the deductible.

There may be circumstances where E & O insurance may not provide coverage, i.e., fraud, commercial environmental issues, or a transaction where the Sales Associate acted as the principal. In those cases the sales associate will be responsible for the expenses that occur from the case.

**7.10 AGENT EXPENSES**

a) IT WILL BE COMPANY POLICY FOR THE FOLLOWING ITEMS TO BE PAID BY THE DESIGNATED PARTY:

ITEM	PAID BY
Thank You Notes on Company Stationery	<ul style="list-style-type: none"> <li>▪ WJK Realtors</li> </ul>
Express Packages <ul style="list-style-type: none"> <li>▪ If we already have a copy of the purchase agreement with signatures attached.</li> <li>▪ If it is a requirement of a Relocation company or such.</li> <li>▪ All Sales Contract to HUD/VA</li> </ul>	<ul style="list-style-type: none"> <li>▪ WJK Realtors</li> <li>▪ <b>Salespeople</b></li> <li>▪ WJK Realtors</li> </ul>
Business Cards <ul style="list-style-type: none"> <li>▪ 1<sup>st</sup> set of cards</li> <li>▪ Each set thereafter</li> </ul>	<ul style="list-style-type: none"> <li>▪ WJK Realtors</li> <li>▪ <b>Salespeople</b></li> </ul>
Name Riders	<ul style="list-style-type: none"> <li>▪ <b>Salespeople</b></li> </ul>
Any personalized item ordered	<ul style="list-style-type: none"> <li>▪ <b>Salespeople</b></li> </ul>



If you should have any question as to who pays for what, and it is not on this list, please ask one of the brokers or office manager and a decision will be made as to the responsible party.

- b) Every time an agent receives a commission check, the following deduction from the commission will be made towards any outstanding balance they may have with the company.
- If balance is \$200 or less – Total balance will be deducted.
  - If balance is \$201 and over - A minimum of 25% of outstanding balance will be deducted.

In order for this automatic deduction to be waived, arrangements must be made and approval must be obtained from one of the brokers prior to closing.

- c) If the associate is responsible for equipment rental such as desk costs, computers and software, fax documents, copies (especially copies) they will be billed on a monthly basis. The fees are due within 30 days of the billing. Any additional costs due to be paid by the agent shall be billed in the same manner...such as medical insurance policies, etc.

## **7.11 OFFICE CONDUCT**

- a) In order to be a professional, one must act professionally.

The front reception area is the most important area in our office. At any given moment a client or other REALTOR could walk in. We have trained our support staff to always portray a PROFESSIONAL IMAGE when in this area. This is not only important because of walk-in traffic, but also since there are so many phone calls and opportunities that the client on the other end of the line may hear what is being said in the background. Some of the things we consider inappropriate are: loud talking, talking with a negative “tone” in your voice, cursing, addressing a complaint to another co-worker when others are present or could be present at any moment. We believe such confrontations must not occur. We would like everyone to address ANY complaints, comments or frustrations to ONLY one of the Brokers.

Respect yourself and one another!

## **7.12 COMPLAINT POLICIES**

- a) Complaint against another real estate affiliated business.

No phone calls are to be made or letters written by sales associates to reprimand or complain about the actions or services provided by any real estate affiliated institutions or businesses. This would also include any real estate firm.

Any such justifiable reprimand or complaint will be first discussed with the brokers and such letter or call will be made or sent with broker input & consent.

- b) Complaints received.

- Telephone or letter complaint:

If a complaint is received by letter, the letter is forwarded to the Broker for review and will follow the same procedure at that point as it would for telephone complaint.

If a complaint is received by phone from a client, the member of the support staff tries to obtain as much information as possible if the Broker is not available. If the Broker is available, the call is immediately transferred to them. The Broker also makes an effort to obtain as much information as possible about the complaint. The Broker at that point will try to set up an appointment to meet with the caller at their home (with the client/customer if applicable). After the meeting, the Broker has a meeting with the sales associate involved to get their side of the story. Depending upon the complaint/problem, the Broker will try to resolve the situation by coming up with a solution after hearing both sides. If the parties involved in the complaint/problem all do not agree to this solution, it is referred to the mediation at the Board level. If an acceptable resolution is not able to be mediated, then the parties have the right to pursue other options.

c) The sales associate must agree to cooperate and comply with any order as per the NAR Code of Ethics.

d) If unfortunately, a lawsuit is filed, and the sales associate's conduct is determined to be at fault, the associate will be responsible for the judgments, damages, losses, costs, expenses, etc. incurred by the Company in the defense of the lawsuit. They shall also be responsible for those costs even if they win, but are still responsible for the fee. The Company shall be consulted regarding the defense of the case.

e) If it is determined that the errors in the transaction are as a result of no-compliance of the policies/agreement it may be cause for suspension or termination from the company.

f) In disputes between agents, any written agreement that was created to handle the dispute will prevail, ie. While the agent is on vacation, the fill in agent consummates the sale.

**7.13** WJK Realtors computer network allows access to resources and services through Internet connectivity. All Internet users are expected to be familiar with and to comply with this policy. The Company is committed to preventing the occurrence of inappropriate, unethical, or unlawful behavior by any of the users of its computing systems and telecommunications networks. The scope of this policy includes the following information:

- Internet services
- Resource usage
- Expectation of privacy
- Corporate image
- Contacts for usage issues and questions and
- Periodic reviews

The scope of these policies focus on issues associated with the Company's host computers, PCs, routers, terminal servers, and other devices that support access to the Internet. Violations of the Internet Usage Policy will be documented and can lead to revocation of system privileges and even termination with the company. The company may also be required by law to report certain illegal activities to the proper enforcement agencies. By signing the acknowledgement of receipt of the company's policy and procedures manual, the agent acknowledges that they have read and understand the internet policy of WJK Realtors.

a) Usage Threats: The internet connectivity presents the company with new risks that must be addressed to safeguard the facility's vital information assets. These risks include:

1. Inappropriate use of resources means that there is inconsistent use by personnel that results in the misuse of resources. This would apply when a company computer is being used for personal use, i.e. surfing the web, checking the stock market, and using the computer for illegal use.

b) User Services will include:

- E-mail- sending and receiving of email messages to/from the Internet
- Navigation-www services as necessary for business purposes. Full access to the Internet; limited access from the Internet to dedicated company public web servers only.
- File Transfer Protocol (FTP) Send data/files and receive inbound data/files, as necessary for business purposes.
- Management reserves the right to add or delete services as business needs change or conditions warrant. All other services, not listed, will be considered unauthorized access to/from the Internet and will not be allowed.

c) Termination of affiliation with the company will cause the removal of privileges, including the use of the email address of the company that an agent might have. The domain name and all email addresses linked to the company remain the ownership of ONLY the company and not the agent.

d) Usage Policies: Internet usage is granted for the SOLE purpose of supporting business activities necessary to carry out job functions. Acceptable use of the Internet

for performing job functions might include: communication between the associates and employees of the company, IT technical support downloading software upgrades and patches, review of possible vendor web sites for product information, reference regulatory or technical information, and research.

e) All users of the Internet should be aware that the company network creates an audit log reflecting web usage, sites visited and length of time at a site. This log is periodically reviewed. Prohibited usage would include acquisition, storage, and dissemination of data which is illegal, pornographic, or which negatively depicts race, sex or creed is specifically prohibited. Also included would be accessing company information that is not within the scope of one's work, misusing, disclosing without proper authorization, or altering customer/client information. Deliberate pointing or hyper-linking of company Web sites to other Internet www sites whose content may be inconsistent with the aims or policies of the company, anything that would lead to civil liability or otherwise violate any regulations, local, state, national or international law would be a violation of the policy. Assume that all materials on the Internet are copyright and/or patented unless specific notices state otherwise and the use, transmission, duplication, or voluntary receipt of material that infringes on those copyrights are forbidden. Management reserves the right to examine E-mail, personal file directories, web access, and other information stored on company computers, at any time and without notice. This examination ensures compliance with Internal policies and assists with the management of company information systems.

f) The Transmission of any proprietary, confidential, or otherwise sensitive information without proper controls is a basis for termination of affiliation with WJK Realtors as is creation, posting, transmission, or voluntary receipt of any unlawful, offensive, libelous, threatening, harassing material, including but not limited to comments based on race, national origin, sex, sexual orientation, age, disability, religion, political beliefs or any form of gambling.

g) No one shall with a company email address ( ie...johnsmith@xyzrealty.com) forward any chain letters, cartoons, etc or participate in any on-line contest or promotion.

h) No one shall with a company email address shall downloading of any shareware programs or files for use without authorization in advance from Management.

i) EMAIL Confidentiality: Users should be aware that E-mail is NOT a confidential means of communication. The company cannot guarantee that electronic communications will be private. Emails can be forwarded, intercepted, printed, and stored by others. Users should also be aware that once an E-mail is transmitted it may be altered. Deleting an email from an individual workstation will not eliminate it from the systems across which it has been transmitted. A further caution is to remember this before emailing comments that may come back to haunt you! EMAIL must have the correct company information in the signature box. Upon joining WJK Realtors must submit to the management a copy of the signature box that you use for business for approval.

- j) Maintaining Corporate Image is very important. When using company resources to access and use the Internet, users must realize they represent the company. Whenever agents state an affiliation to the company, they must also clearly indicate that the opinions expressed are my own and not necessarily those of the company. Questions may be addressed to management. Any posting of materials must be approved by the management. This includes company material which has been placed on mailing lists, public news groups or social media groups.
- k) EMAIL messages that related to a real estate transaction need to be kept, whether saved to a disc, blind-copied to the broker, printed, or stored in a web-based transaction management site. It is imperative that ALL emails are saved in case the transaction is ever in dispute.
- l) Personal Websites: It is imperative that all licensee's websites have the company's logo and contact information in the format approved by the management. All websites must be approved by the management especially as it relates to links to 3<sup>rd</sup> party providers, such as inspectors, etc. The REALTOR® logo must be used in accordance with the policies of the National Association of REALTORS®. The website must have an email privacy statement approved by the company.
  - 1. The listings and marketing information should be updated and managed, especially listing shared with other sites.
  - 2. Photo shop may not be used to alter photos on the websites or in the MLS that would give a deceptive picture of the property.
  - 3. Unauthorized framing of content is a serious issue. Permission must be obtained from the other website before framing.
- m) Social Media: Facebook, linkedin, blogging, etc present an issue for the brokerage company and the licensees. One of the main concerns is the information that is sent out to those sites. While it would be great to list all of the issues that could surface from the use of these sites, it is important to note that if the brokerage expects that the licensees who work for them will use common sense when 'socializing on the net'. Most importantly, blogging must be accurate and not use material that is copyrighted. The management may monitor those blogs on a regular basis.
- n) Domain names: The purchase of domain names must abide by the SOP-12-12: REALTORS® shall not: 1) use URLs or domain names that present less than a true picture, or 2) register URLs or domain names which, if used, would present less than a true picture. If you have a domain name which would violate this SOP you MUST notify the brokerage immediately and take a corrective measure.
- o) Seller's Permission: The seller must sign the consent form to allow the brokerage to advertise their property on the internet. They must consent to which pictures are being used in the promotion of their property...including still photos as well as virtual tours. The seller must also be informed as to the company's policy on IDX and that their properties may or may not be featured on other company's websites.

- p) ANTI-VIRUS software: All computers MUST have active anti-virus software, whether they are owned by the brokerage or by the agent. A virus sent through our server could be devastating to the company's information.
- q) Email marketing: As in faxing, the licensees need to have a system by which a consumer can opt out from receiving emails, advertisements, and other forms of marketing through the internet. This would include e-newsletters and other promotions.

## 8.0 COMMISSION

### 8.1 COMMISSION SCALES

Providing a most competitive commission scale to our sales associates along with the finest in services, staff facilities and reputation is always our foremost desire at WJK Realtors. Each agent will have their commission splits identified in their independent contractor's agreement. These commission splits are between the licensees and the brokerage and should be kept confidential.

### 8.2 COMMISSIONS PAYABLE

- a) The Listing and Selling Commission percentage referred to herein shall apply only to the real estate commission received by the Company in connection with the sale or lease of real property by the sales associate. The commission shall be determined after any and all adjustments.
- b) On all Company listings, the listing and/or selling agent(s) will be paid on the gross commission collected from the seller, less any adjustments.
- c) On sales of co-op listings, the agent's commission will be figured on what the Company receives.
- d) In the event there is more than one listing or one selling agent, the commission on that side of the transaction will be divided as the agents have agreed in writing and each agent will be paid that percentage of their commission bracket. In the absence of a written agreement, the commission will be on a 50/50 basis.
- e) Only licensed sales associates can be paid a commission. Any unlicensed assistants cannot be paid a commission and only can be paid salaries.
- f) If the commission check is for some reason a personal check written by a seller or buyer, the commission will not be paid to the sales associate until the check has cleared the bank. Encouragement of the use of a bank check to the consumer would be helpful in this case.

### **8.3 ADJUSTMENT IN COMMISSION**

- a) Prior to any adjustment in the commission, the adjustment must be approved by one of the Brokers, or the adjustment will be deducted fully from associates portion of the commission.
- b) On a co-op sale, when a commission adjustment is necessary, get the approval of your broker and the written approval of the co-operating company. The approved written adjustment must be provided to the closing agent of the transaction.

### **8.4 BENEFICIAL COMMISSIONS**

A beneficial commission occurs when, for example, the sales associate might be leaving their commission in the transaction in order to become a principal in the transaction. Arrangements must be made with the Broker in these cases.

### **8.5 RENTAL AND LEASING FEES**

The net brokerage fee received by the Company in connection with the lease or rental of property will be split with the associate according to the commission schedule. A leasing fee will be paid for a renewal or extension of a lease, provided said extension or renewal option is in the original lease.

### **8.6 REFERRAL FEES - APPRAISAL FEES**

Referral fees (not corporate service referrals) and appraisal fees will be split in accordance with the associate's commission schedule. No bonus level applies. Referral fees paid out to other Brokerage Companies will be paid from the Brokerage Company, not directly by the agent.

### **8.7 BONUSES**

All bonuses paid by sellers are to be paid to the Company and will be paid to the earning sales associate at the agents present compensation split . Bonus earning requirements must be in writing with all details and exceptions clearly spelled out.

When a transaction comes through to be paid with a bonus in addition to commission, the bonus is figured with the gross commission. The full bonus is paid to the appropriate listing or selling agent.

## 8.8 DEFERRED COMMISSIONS

Prior management approval is required in all cases. Deferred commissions are definitely not encouraged.

- a) When all or part of the commission is received on an installment basis, the associate will be paid on the agent's earning bracket prevailing at the time of closing.
- b) The decision to defer a commission, in whole or in part, usually becomes a factor in putting a sale together. For this reason, the listing/selling agents, sales manager, and sellers as applicable, should be involved in drawing up the deferred commission agreement or have an attorney prepare a promissory note which will be recorded. A schedule of payments should be included in that document.

## 8.9 RIGHT OF COMPANY TO ADJUST COMMISSIONS AND/OR SETTLE CLAIMS, DISPUTES OR LITIGATION WITH THE PUBLIC

- a) Prior to closing, all commissions paid or due are subject to negotiating to settle claims, disputes, or litigation.
- b) After closing the Company has sole discretion as to actions taken regarding claims, disputes or litigation.
- c) The sales associate agrees to immediately inform his/her broker of all pending or possible disputes, mediation, grievances, or litigation with the public and/or other brokers.
- d) The Company Attorney will be used and cost shall be split between the Company and the sales associate at the associates commission percentage prevailing at time of sale.

## 8.10 INTER-COMPANY DISPUTES

- a) If two or more sales associates of the Company have a dispute, it is recommended that the sales associates discuss the problem with each other.
- b) If necessary, all parties to the problem should meet with the broker and discuss the possible solutions to the problem in an attempt to resolve the situation. **Discussion among other staff or agents "seeking their advice" is inappropriate and will not be tolerated.**
- c) If necessary, management will resolve the dispute with a final decision given to all parties.



- d) It is recommended that the public should not be involved in the event of disputes between sales associates. Register any disputes with your broker. If an agreeable solution cannot be reached, the associate may request arbitration/mediation. If the sales associate takes a separate action outside the policies, that sales associate will be responsible for any expense incurred.

## 8.11 OUTSIDE BROKER DISPUTES

- a) In the event of disputes with other companies, the broker is to be notified immediately. In the case of a dispute that cannot be negotiated satisfactorily between the companies involved, the case will be submitted to the Arbitration Committee of the BOARD of REALTORS. All disputes must have management approval prior to submission to the Board. **Discussion among other staff or agents “seeking their advice” is inappropriate and will not be tolerated.**
- b) With the advent of mediation services, the Company would reserve the option of mediation instead of the Arbitration Committee of the BOARD of REALTORS.

9.0 PURCHASE AND SALE OF PROPERTY FOR PERSONAL ACCOUNT
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## 9.1 GENERAL INFORMATION

- a) For the purpose of commission divisions on all in-house transactions, 50% of the commission shall be considered generated by the listing function and 50% by the sale function, unless noted in a separate written agreement.
- b) Commissions received when the company negates all or a portion of the commission shall not be included in calculating commission brackets.
- c) All commissions shall be figured and collected on the adjusted payout, with the Company portion being added to any associate portion and shown as commission income. The Company shall then disburse to the associate that portion of the commission that it has agreed to pay and retain the adjusted amount.
- d) If you enlisted the assistance of another associate with your purchase or sale, that associate will have a claim on a portion of the commission, unless the assisting associate, in writing, waives their claim.
- e) Insert the following clause in your purchase agreements:

(Insert name) is a licensed associate, Or Broker Associate of WJK Realtors purchasing (or selling) for his own account. The purchase price may or may not reflect market value.

## 9.2 SALE OF PERSONALLY OWNED REAL ESTATE

- a) Any associate wishing to sell properties they own will list those properties with WJK Realtors.
- b) Associates purchasing any type of listed property will share with the company at their commission percentage any commissions earned on the purchase.
- c) After one year with the company, associates wishing to sell listed properties they own will be allowed **one personal residence annually** without owing a commission to the company. Pay a service fee of \$500.00.

## 10.0 ADVERTISING

### 10.1 CLASSIFIED ADVERTISING, CABLE TV AND INTERNET

- a) Two classified ads are to be written by listing agent immediately after listing and placed in public remarks and agent remarks of the MLS system.
- c) A complete photo spread is to be taken by listing agent immediately after listing property. All photos will be upgraded when seasons change. It is the associates responsibility to provide his or her own camera.
- d) No individual ads may be run without management approval.
- e) When individual names are used for additional approved ads, it is the agent's cost to run the ad.
- f) Associates individual websites shall be approved by management before posting.

### 10.2 SIGNS

- a) Signs are an important source of prospects and should be on all homes for sale with name riders upon approval of the seller on the listing agreement.
- b) Sale Pending riders on signs advertise your success. Please use them after all contingencies (including financing) are removed. It is also advisable to leave your name rider up while the sale is pending.
- c) Personal name sign riders are important for directing calls. They may be put only on your own listings. The sign remains your responsibility and cost.

- d) No associate may remove another associates name rider from a property.

### **10.3 SPECIALTY ADVERTISING**

- a) After receipt of management approval, all specialty advertising is at the associates expense.
- b) When individual names are used for approved classified ads, it is the agent's cost to run the ad.

### **10.4 NEW AGENT COMPANY PHOTO\***

The Company requests that you schedule a photo session for recognition ads. The office manager will advise you of your options.

### **10.5 BULK MAIL AND NEWSLETTERS / POSTCARDS\***

- a) Newsletters and postcards will be purchased by each agent. Your photo should be used on all orders.
- b) Inserts shall be prepared by agent and inserted prior to folding and sealing.
- c) Mailing list shall be prepared and updated by each associate. Conflict of duplication shall be resolved by individual agents to avoid increased costs and disputes.

## **11.0 RELOCATION AND REFERRALS**

### WJK Realtors RELOCATION SERVICE POLICIES AND PROCEDURES

#### **11.1 INTRODUCTION**

The Relocation Director has the responsibility of making sure that every referral receives the best possible service our company can provide.

- a) Our Relocation Department is the Public Relations arm of WJK Realtors. We promote our office through our Relocation Department by belonging to many business and relocation organizations.

- b) WJK Realtors is a member of ERC (Employee Relocation Council) an independent organization comprised of corporations, third-party companies, appraisers and real estate companies. Most large corporations use this network when transferring employees.
- c) It is extremely important that an assigned referral receives immediate and top priority. The sales associate assigned a referral must be ready, willing and able to devote the necessary effort for a closed transaction. If we, as a company fall short of our responsibility to the referring agency and neglect our duties of servicing either a buyer or seller, that agency may not consider sending us any further referrals.
- d) In addition to providing service to the clients, the referral network adds additional income to you and our company, and is an excellent source of future listings and sales.

## 11.2 PURPOSE

The Relocation Department coordinates all incoming and outgoing referral clients to insure the best possible service: to instigate corporate transfers for those agents qualified to work with referrals: to promote the services of WJK Realtors for the benefit of all its associates.

- a) **RELOCATION DIRECTORS RESPONSIBILITY:** The Relocation Department will assign referrals to associates who meet WJK Realtors criteria. Sales associates are to notify the Relocation Department of ALL referrals received from ALL real estate broker firms and ALL other sources of referral calls.
- b) **AGENT QUALIFICATIONS:** All agents must meet our qualifications and remain eligible for the program where a fee is to be paid. This includes a minimum of 7 closed sales and 1 outbound referrals per fiscal.
- c) **ASSIGNMENT OF REFERRALS:** Since referrals are our office farm, the Relocation Department will use its discretion in placing the referral. Any time service is not being met according to the agreed commitment to office standards, the Relocation Department reserves the right to re-assign, without obligation to the original associate.
- d) When a call comes into the office from another Broker with a referral, the secretary or associate taking the call will forward that call to the Relocation Department. If the Relocation Director is unavailable a message is to be taken and immediately turned in to the Broker. If the call came to the associate as a personal referral it will stay with the agent unless it is determined that the situation is not in the client's best interest.
- e) The attached criteria for sales associates to be eligible for incoming referrals will be the means of consideration for assignment. These criteria have

been developed in an effort to strive for experienced, professional, productive, committed, and positive agents to work with relocation clients.

### **11.3 RELOCATION DEPARTMENT DIRECTOR**

- a) Department to be staffed by the Director, who has the responsibility of insuring excellence of service to all incoming and outgoing referral clients to provide timely accurate updates to all agents and companies and to maintain proper records and follow-up contact with both clients and agents.
- b) Responsibility as Director may include the responsibility of working with corporations and other companies whose transactions will flow through the Relocation Department.
- c) The Director attends classes and seminars required to maintain our designations and INRELCO membership and will attend conferences, etc. as requested by WJK Realtors to keep abreast of the latest techniques in relocation and to make them available to our agents, as well as attend functions to promote a high profile and for networking purposes.

### **11.4 AGENT STANDARDS FOR PARTICIPATION IN RELOCATION**

*CRITERIA – These are standards that are to be maintained by our relocation agents.*

#### **INCOMING REFERRALS:**

- 1. Must be a full-time active associate, with regular attendance at sales meetings.
- 2. Must have completed appropriate relocation training or have this requirement waived by the Relocation Director/Broker.
- 3. Must be able to use the ERC and BMA forms(as needed).
- 4. Must be willing to give rental assistance(as legally allowed) .
- 5. Must maintain professional business image – first impressions are lasting and important.
  - a. Dress in professional business attire.
  - b. Have a clean car inside and out.
  - c. Have a positive and cooperative attitude.
- 6. Must be committed to servicing referrals with a positive and cooperative attitude. This may be on very short notice and on weekends if necessary.
- 7. Must regularly tour office inventory.

8. Must be willing to give area tours to prospective transferees.
9. Must be willing to give no-obligation market analysis for a seller(as needed).
10. Must be willing to complete all paperwork as required by corporations and/or relocation department.
11. Inbound referrals are matched as closely as possible to an agent by personality, service area, expertise in applicable marketplace, use of ERC BMA and schedule availability.
12. There will be special merit given to those agents who support the referral program by sending outbound referrals (as that is one of our major sources for receiving inbound referrals) and are willing to have a general cooperative spirit to offer SERVICE to our relocating clients and GO THE EXTRA MILE.

## 12.0 PERSONAL ASSISTANTS

### 12.1 INTRODUCTION

Personal assistants fall under (2) categories: licensed and unlicensed. The abilities of the assistants are totally dependent upon whether the assistant is licensed or unlicensed. According to the NAR 2001 Membership Profile, 45 % of members have personal assistants who are independent contractors. Because most real estate professionals work as independent contractors, it's tempting to put your assistant in the same category. One important thing to consider is that real estate practitioners are classified as "statutory independent contractors" by the IRS if they meet 3 criteria – licensure, compensation based on sales or output, and a written agreement with the person for whom the service is performed.

*( Because of the individual license laws of the states, we are simply supplying guidelines for you to consider when working with personal assistants in your office. The following provides you with a complete list of options to include in your office policy and procedures manual.)*

### 12.2 ANALYZE WHETHER YOUR ASSISTANT IS AN INDEPENDENT CONTRACTOR OR EMPLOYEE:

Do not assume that the personal assistant who holds a real estate license can automatically qualify as independent contractor. The IRS has set up 20 criteria to determine if your assistant can be qualified as an independent contractor. If your assistant can answer yes to any of the following they are probably an employee.

1. Are you required to comply with instructions on when, where, and how to perform work?
2. Is training provided?

3. Are your services integrated into the general business operations?
4. Must you render the service personally?
5. Does the person for whom you work hire, supervise, and pay other people to assist the you with work?
6. Are there set work hours?
7. Do you have a continuing relationship for the person for whom you work?
8. Must you devote substantially full time to work?
9. Is the work performed on the employer's premises?
10. Must you perform services in a set sequence?
11. Must you submit oral or written reports regularly to the person that you work for?
12. Are you paid by the hour, week, or month?
13. Are your travel and business expenses paid for?
14. Do you supply the tools, materials, and equipment needed to perform the work?
15. Can you be discharged at will?
16. Can the you terminate the relationship without incurring liability?
17. Do you invest in facilities used to perform the work, such as an office?
18. Can you realize both profit and loss?
19. Can you work for more than one company at a time?
20. Can you make services available to the general public?

Keep in mind that just because you sign an agreement with personal assistants stating that they are independent contractors doesn't mean that the IRS will agree with you. For more information, on rules for determining if a worker of an employee, download the Employer's Supplemental Tax Guide. You can also submit your job description to the IRS for a ruling using Form SS-8. If you determine that the assistant is an independent contractor, the assistant must sign an Independent Contractor Agreement.

### **12.3 SAMPLE ASSISTANT POLICY**

A sample personal assistant policy can be found in Don't Risk It! A Broker's Guide to Risk Management, published by the NAR. Also check with your state Real Estate Commission Rules and Regulations to affirm what a licensed vs. unlicensed assistant can or cannot do.

### **12.4 CONTRACTS REQUIRED**

All agents who have assistants must have contracts in place between the agent and the personal assistant. Outline the topics to be covered in the contract. Consider which contracts are appropriate. A copy of the contract must be given to the broker.

1. Agreement for licensed assistant between the licensee and assistant
2. Agreement for unlicensed assistant between the licensee and assistant
3. Agreement between broker and affiliated licensee for the use of a licensed assistant
4. Agreement between broker and affiliated licensee for use of unlicensed assistant
5. Agreement between the broker and the licensed assistant

6. Agreement between the broker and the unlicensed assistant
  - a) Consider the following terms regardless of the type of contract.
    1. Capacity of the assistant...i.e. licensed vs. non-licensed
    2. Work the assistant is authorized to perform per license law of your state
    3. Work the assistant is not authorized to perform per license law of your state
    4. Commencement term and termination terms of the agreement
    5. Relationship between the licensee and assistant
    6. Compensation means
    7. Confidentiality clause
    8. Can the agreement be assigned
    9. The fact that the entire agreement supersedes any and all agreement
    10. The fact that the laws of the state govern the actions of the licensee.
    11. Disclaimer stating the unless provided in writing the licensee and assistant are not employees of the broker.
    12. Reporting requirements as per taxes....you is responsible for such reporting?
    13. Liability for the acts of the assistant

## **12.5 TYPICAL DUTIES OF AN UNLICENSED ASSISTANT**

- a) Deliver documents and pick up keys
- b) Answer the telephone and forward calls
- c) Secure public information from courthouse, utility companies, etc
- d) Provide courier services
- e) Schedule appointments with other offices, existing clients, or customers
- f) Place signs on property
- g) Type forms for approval by licensee and supervising broker
- h) Write ads for approval of licensee and supervising broker, and place classified advertising
- i) Assemble documents for closing
- j) Hand out objective, written information on a listing
- k) Transmit listings and changes to a multiple listing service
- l) Follow up on loan commitments after a contract has been negotiated
- m) Assemble documents for closing
- n) Have keys made for company listings
- o) Record and deposit earnest money and other trust funds
- p) Order items of routine repair as directed by licensee and/or supervising broker

## **12.6 DUTIES THAT CANNOT BE PERFORMED BY UNLICENSED ASSISTANTS**

- a) Host open houses, kiosks, home show booths or fairs.
- b) Show property
- c) Answer any questions on listings, title, financing, closing, etc
- d) Discuss or explain a contract, agreement, listing or other real estate document with anyone outside the brokerage company
- e) Be paid on the basis of real estate activity, such as a percentage of commission, or any amount based on listings or sales.
- f) Negotiate or agree to any commission, commission split or referral fee on behalf of a licensee.
- g) Solicit by telephone or in person potential sellers, purchasers, tenants or landlords



- h) Give additional information not included in prepared written promotional material that has been distributed to the public
- i) Represent himself or herself as an agent for a real estate broker or the owner/seller of a property
- j) Negotiate or discuss the terms of a sale
- k) Act as a go-between with a seller and a buyer
- l) Answer questions concerning properties listed with the firm, except to confirm that the property is listed and identify the listing broker or salesperson.

## **12.7 OFFICE POLICIES**

All office policies and rules must apply to personal assistants just as they apply to the licensee. Assistants must attend all office meetings. All assistants shall comply with any office training, ie. Risk management training.

(Samples of these contracts can be found on the CRB Risk Management Forms CD)

## **13.0 SEXUAL HARASSMENT POLICY STATEMENT**

### **13.1 Definition**

Equal Employment Opportunity Commission defines Sexual Harassment as “unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature” when acquiescence is a condition of getting or keeping a job, a promotion, or a pay increase (quid pro quo harassment) or when it substantially interferes with employees’ ability to do their work (harassment that creates a hostile work environment).

### **13.2 POSITION STATEMENT**

Sexual harassment in any format listed above will not be tolerated by WJK Realtors Sexual harassment is illegal.

Racial, religious, and ethnic harassment will not be tolerated by WJK Realtors It is also illegal. For this reason, you must make sure that you do not engage in such harassment or in any behavior that could be interrupted as harassment by your co-workers.

Because harassment is a serious offense, WJK Realtors will deal with these issues in the strictest of terms which may include termination if you are found to have engaged in such conduct.

### 13.3 PROCEDURES

If you believe you have been harassed, notify your Broker W J Kourkounakis.. Though a written complaint is not required, you must provide details about the dates, times, places, and witnesses to the harassment. All complaints will be investigated promptly.

The identity of the employee making the complaint as well as the identity of the individual accused of sexual, ethnic, racial, or religious harassment will be kept confidential. Information regarding the charge of sexual harassment and the investigation of that charge will not be made known to anyone who is not directly involved either as a party, a witness, or a member of the investigating team. Witnesses will be interviewed to elicit their observation and other relevant information. The alleged harasser will be interviewed as well. If the person concedes to the conduct, no further investigation may be needed.

Throughout the investigation of the alleged charge all parties will keep all information completely confidential and not discuss the situation with anyone other than the supervisor or broker.

If your complaint of harassment is found to be totally and completely without basis, appropriate measures may be taken against you. This should not discourage you from making a complaint if you believe you have been a victim of sexual, racial, religious or ethnic harassment.

If the complaint of harassment is found to be valid the company attorney will be contacted to assist in the actions of the broker. The following steps are the customary steps the brokerage will follow:

- a) If sexual harassment DID occur:
  1. An appropriate penalty should be imposed that could include disciplining, suspending, or firing the harasser.
  2. Corrective action should be documented and the complainant informed that action was taken
  3. If the individuals continue to work together, the complainant should also be instructed to report recurring or continuing harassment, and a supervisory employee should monitor the situation
  
- b) If sexual harassment DID NOT occur:
  1. If an investigation proves inconclusive or no harassment is found, confidential letters should be issued to both the complainant and the alleged harasser informing them of the results of the investigation.
  2. The alleged harasser should be told that any retaliation against the complaining employee may be the basis for possible disciplinary action against him or her.
  3. If a determination is made that the complaint was clearly frivolous the complainant may face disciplinary action.

*BROKER'S NOTE: Equal Employment Opportunity Commission has free literature on preventing sexual harassment. For free literature on preventing sexual harassment call 800 669 3362. If you have specific questions, contact EEOC at 800 669 4000 for*

*the office nearest you. Also model employment policy prohibiting sexual harassment can be found at [www.michbar.org/sbm/harass.html](http://www.michbar.org/sbm/harass.html). Be careful to substitute "Michigan language" with your state law.*

## 14.0 ARBITRATION AND ETHICS HEARINGS

- 14.1** Cost: The cost of the arbitration filing fee will be the agents responsibility
- 14.2** Any non-paid commissions that are in dispute will be held by the Brokerage Company until an agreement has been reached.
- 14.3.1** Ethics Hearing: If a WJK Realtors agent is determined to have practiced unethical actions, this may be grounds for suspension or termination.
- 14.4** In both a defendant and complainant situation, arbitration and ethics hearing costs such as awards, legal fees, etc will be paid by the agent unless the broker is proven to have some liability in which case the fees will be split between the parties.

## 15.0 GOVERNMENT REGULATIONS TO BE FOLLOWED

### 15.1 Fair Housing

WJK Realtors will not tolerate any violations to the Fair Housing Law. Breaking those laws will be cause for immediate termination of the association.

- a) Agents agree to
- Provide service without regard to race, color, religion, national origin, sex, handicap, or familial status. Many states and localities have additional protected classes. Make sure you check for those.
  - Keep informed as to changes of the law
  - Be inclusive in all advertising
  - Inform clients of rights with printed materials and conversations
  - Document efforts to provide professional service
  - Refuse to tolerate non-compliance
  - Learn about people who might be considered different by attending classes on working with multi cultural clients, for example
  - Take a positive approach to fair housing and follow spirit and letter of the law
  - Be aware of discriminatory lending practices and report them
  - To abide by the attached Fair Housing Laws found in the appendix

## 15.2 Do-Not-Call Compliance Procedures

Individual associates will be responsible for accessing the Registry.

### A. Overview:

In response to the Federal Communications Commission Report and Order Adopted on June 26, 2003 addressing the Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991, WJK Realtors will implement office procedures designed to demonstrate and ensure a good faith effort to comply with the national do-not-call rules.

### B. Purpose:

By adoption and utilization of these compliance procedures, as well as all other necessary steps, WJK Realtors will benefit from the "safe harbor" provisions of the national do-not-call rules, and will therefore not be liable for violations of the rule which are the result of error.

### C. Required Procedures:

All individuals, employees, and affiliates telemarketing on behalf of the company or individual listed above shall comply with the national do-not-call rules and additional office procedures listed below:

1. All agents, when making a solicitation call, shall comply with the National do-not-call rules beginning October 1, 2003.
2. The National do-not-call list itself will be available at [www.donotcall.gov](http://www.donotcall.gov). Or [www.FTC.gov](http://www.FTC.gov)  
All agents shall maintain a record listing the do-not-call numbers. Furthermore, all agents shall "scrub" (update) that record at least once every month.
3. Agents shall check the record before making any solicitation call.
4. Agents shall not call any telephone number contained on the record, unless they fit within one of the exceptions listed below. This applies to all calls, including those within and outside of Utah.
5. Agents may call any telephone number not listed on the record, but if the individual called asks to be placed on the "company" do-not-call list, agents shall honor their request, place their number on the record, and refrain from calling them in the future.
6. Agents shall allow the phone to ring for 15 seconds or four rings before disconnecting any unanswered call.
7. Agents shall transmit caller ID information for each call and shall not block the caller ID information.
8. Agents shall obtain express written permission before sending faxed advertisements.
9. Agents may call individuals whose number is recorded on the list if the agent has an "established business relationship" with them. The "established business relationship" exception allows agents to contact any client with whom they are currently conducting business, and extends for a period of 18 months from the consummation of their last transaction. It also allows agents to contact those who have made an application or "inquiry" with them for a period of 3 months following their inquiry.
10. The established business relationship exception extends to all affiliated companies, employees or agents of the company if they are offering a service related to the type of service the company originally rendered.
11. Agents may call individuals whose number is recorded on the list if that agent has

received explicit **written** permission to do so. The written permission shall be signed, and shall include the telephone number to which calls may be placed.

12. Agents may call individuals with whom they have a “personal relationship,” which means those “personally known” to them such as family members, friends, and acquaintances.

Note: in the case of a referral, it is not sufficient that the individual referred have a relationship with the referring source; the exception only applies to the marketer individually and his or her personal relationships.

13. If agents call anyone under one of these exceptions, and the recipient of the call asks to be placed on the company do-not-call list, then that agent shall honor their request, place the number on the company do-not-call list, and refrain from calling them in the future.

14. Agents shall read the national do-not-call rules once each year.

15. Agents shall comply with all sections and requirements contained in the national do-not-call rules, including those not listed in these procedures.

16. Agents shall participate in training on these procedures and the national do-not-call rules when offered by the company.

17. Agents shall make a good faith effort to comply with the national do-not-call rules at all times.

### 15.3 RESPA

a) Real Estate brokers and agents must comply with the Real Estate Settlement Procedures Act, (RESPA). Violators of RESPA will not be tolerated at WJK Realtors. Anyone found violating the rules will be terminated. The following actions are allowed:

- ✓ Allows a title agent to provide, during an open house, a modest food tray in connection with marketing information
- ✓ Allows a home inspection company to sponsor association events when the representative from the company also attends
- ✓ Allows you to jointly advertise with a mortgage broker if you pay a share of the costs in proportion with your prominence in the ad
- ✓ Allows a lender to pay you fair market value to rent a desk, copy machine and phone line in your office to pre-qualify applicants
- ✓ Allows a hazard insurance company to give you marketing materials such as notepads, pens and desk blotters which promote the hazard insurance company's name
- ✓ Allows a title agent to pay for your dinner when business is discussed, provided that such dinners are not a regular occurrence.

b) For additional information about RESPA laws, visit: [www.realtor.org/RESPA](http://www.realtor.org/RESPA)

## 16.0 ASSOCIATION AFFILIATION

### 16.1 Code Of Ethics of the National Association of REALTORS

Inserted into the Policy and Procedures Manual is the Code of Ethics. All agents affiliated with (name of brokerage company) shall read, understand, and adhere to the Code of Ethics.

### 16.2 MLS Rules and Regulations

The rules and regulations shall be strictly adhered to and followed. The sales associate is responsible for learning and applying those rules throughout every transaction. The appropriate forms shall be used whenever required.

Attendance at the MLS meetings are encouraged.

### 16.3 Local Association of REALTORS

The local association of REALTORS also has by-laws that must be adhered to. As with the MLS rules and regulations, the adherence to those by-laws. Those sales associates not following the MLS rules and regulations or the by-laws of the association are subject to termination.

## 17.0 EDUCATION REQUIREMENTS AND PERFORMANCE STANDARDS

### 17.1 Company Training

In addition, the company requires that the agent complete all required SAE and MCE class'.

### 17.2 Performance Standards are Pending.

**Model Client Consent Form**

I, \_\_\_\_\_ give express permission to  
\_\_\_\_\_

and his/her employees and/or affiliates to communicate with me now  
and in the future at the

following telephone number(s): \_\_\_\_\_

facsimile number(s): \_\_\_\_\_, and e-mail address:  
\_\_\_\_\_.

Signed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
[Signature of Client]

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# Model Open House Client Consent Form

By signing and providing my telephone number below, I give the agent/broker express permission to call me now and in the future.

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_

Name : \_\_\_\_\_ Telephone(s) : \_\_\_\_\_  
\_\_\_\_\_



These are suggested ideas for your office Dress Code: They are derived from Marcie's  
Personal Skills for Professional Excellence Course  
Which is really etiquette for REALTORS

**"Packaging Yourself: Dressing for Business"  
Common Faux Pas in Professional Appearance**

**Men:**

Wearing a limp shirt or inappropriate shoes with a suit  
Wearing short socks that expose the skin when legs are crossed  
Wearing one's jacket unbuttoned...when standing  
Wearing unpolished shoes or shoes needing repair  
Wearing a tie too short, too long, or too gaudy. It should not detract from the  
business discussion. Clients need to remember the man, not the tie  
Poorly groomed facial hair (beard, nose, ears, or brows untrimmed)  
Chewing gum or using a toothpick in public

**Women:**

Wearing tooooooooooooooo many accessories, dangly earrings  
Undergarments showing  
Skirt shorter than one inch above the knee  
Being over or under dressed  
Hair longer than shoulder length unless pinned up  
Chipped nail polish  
Grooming in public  
Too much makeup  
Open toed shoes  
Patterned or colorful hosiery  
Dressing for fad or current fashion rather than for style an good taste in business  
attire  
Chewing gum or using a toothpick in public

**Etiquette Advantage by June Hines Moore**

**Inappropriate Aspects of Appearance Actually Observed by Businesspeople in their workplaces. The list is not intended to be unjustly critical or a reflection on the individual's character....the items are simply inappropriate for most jobs....including real estate related industries.**

Chewing gum  
Toothpicks or matches  
The geeky or grunge look  
Clothes that ride up  
Pants that drift downward  
Clothes with the slept in look  
Culottes  
Stretch pants  
Sequin studded t shirts  
Strapless sundresses  
Spaghetti strap tops  
Sneakers  
Crop tops  
Bare midriffs  
Men wearing earrings  
Women with too many earrings  
Athletic shoes  
Heels spindly as needles that dent the floor  
Skirts dinky enough to be a scarf  
Slits in skirts that are more like slashes  
Slips of the wrong color showing through the slits  
High heels that wobble and stumble  
Lingerie-type clothing  
Chiffon or after-five dresses

Biking, golf, and jogging shorts  
Cutoffs  
Frayed shorts  
Short shorts  
Tank tops  
Shirts with offensive messages or graphics  
Loud-colored plaid sports coats  
Scruffy-looking work boots  
See-through clothing  
Plunging necklines  
Dark hosiery with a white skirt  
Spandex  
Windsuits made of parachute material  
Platform sandals that slap the floor  
go-go boots  
Blue denim jeans  
Blouse that reveal bare midriffs  
Unlined pants that reveal the wearer's underwear...or lack thereof  
Ankle-high hosiery with a skirt  
A ring on every finger  
Men in white socks and dress shoes or bobby socks with business suits.