

Realty Solution

OPERATING POLICY AND PROCEDURES Training for Associates

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 customers 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.

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

This is a living document, and we will add to it and change it when appropriate. We hope that you will become well acquainted with it, and refer to it often.

GLOSSARY OF TERMS

Associates: Licensed real estate agents and brokers affiliated with the company

Agent: All real estate licensees in this state who are not associated with the company

Company: Realty Solution

MLS: Multiple Listing Services of HAR and Century 21.com

Real Estate Department: Texas Real Estate Commission

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WHAT YOU EXPECT FROM US

WHAT WE EXPECT FROM YOU.

Century 21 Realty Solution is a Christian Realty Firm. You can expect the following:

- Fairness
- Unbiased
- Non-favoritism.
- Full Disclosure.
- Solid Support
- Efficient Office Equipments
- Professional, Personal and Pleasant Working Facilities.
- Christian Business Conduct
- Up to date technology
- Continued Education Environment.
- Aggressiveness in market share.

With the power Century 21 System, your diligence and our solid office support your growth potential is as high as the sky.

“PERCEIVE, BELIEVE AND YOU WILL ACHIEVE”

You should be aware that our goal as a company is very high. We realize that our goals cannot be reached unless we have properly trained, highly motivated and goal-oriented sale associate professionals with high standard of ethics and believe in biblical principle.

LET’S REMEMBER OUR MISSION STATEMENT:

1. Honor God in Everything We Do
2. Work Diligently And Earnestly
3. Disclose all Relevant Facts effecting Interested Parties
4. Receive Comfortable Profit

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You indicated to us that you have the desire to be the type of professional whom we aggressively seek on a daily basis. And we are excited that you decided to join our growing team. **The commitment you have made, however, comes with responsibilities.** The purpose of this OFFICE PROCEDURE SESSION is to intensively communicate them to you. In our interview we already discussed many of these items. But it is always useful to **REPEAT OUR MUTAL EXPECTATION** hoping you will internalize our operating procedure.

OUR COMPANY PHILOSOPHY

Our company is an equal opportunity employer. We do not discriminate in our hiring practices of personnel or in our relationships with associates from other firms because of race, color, creed, national origin, age, sex, handicap conditions, or familial status.

The following philosophy reflects our business attitude.

Integrity

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

Service

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

Professional Competence

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

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Accountability

Sometimes even the most competent professionals make mistakes. We understand this fact. Our clients and customers must be happy with the transaction, or we will not get repeat business. If we make a mistake, we must be willing to stand accountable, and to make it right with the customer. We expect our Associates to be accountable for mistakes if a client's expectation is damaged.

Cooperation

An organization can be great when all members are working together as a team: Helping one another when possible, going out of our way to cooperate with each other. We expect cooperation from our employees and associates.

Professional Ethics

The Code of Ethics of the National Association of Realtors is a guide for our daily business operations. The laws of this state are clear regarding our obligations to our clients and customers. Our employees and associates must observe the law, and abide by the Code of Ethics.

This is our business philosophy. We place a high priority on these ethics. We do not deviate from the principles under any circumstances and we expect the same of all Associates.

YOUR PERSONAL GOALS:

As an associate you are **EXPECTED to close a MINIMUM OF 24 SALE CLOSING PER YEAR.**

Use this minimum standard as your threshold in setting up your personal goals. Your goal should be realistic and attainable. To monitor your goal, you will need to review the progress with your sales manager every quarter,

DRESS GUIDELINES AND ETHICS

Real Estate brokerage is a professional service with high standard of ethics and professionalism. At Century 21 Realty Solution our image is extremely

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important. Our total image consists of how we look, how we conduct business and how we communicate to others. Accordingly all associates must observe the following policies:

1. ALWAYS WEAR PROFESSIONAL OUTFIT WHILE WORKING WITH CLIENTS and/or IN THE OFFICE.
2. ALWAYS WEAR CENTURY 21 JACKET WITH NAME TAG AND A BIG SMILES WHEN PROVIDE CLIENT SERVICE AT FRONT DESK. ALSO NO FOOD AT FRONT DESK.
3. ALWAYS USE PLEASANT OR PROFESSIONAL LANGUAGE WHILE WORKING WITH CLIENTS OR CO-AGENTS.
4. SHOW DUE RESPECT AND PLAY EASY MUSIC IN THE OFFICE. NO OBSENT LANGUAGE ALLOWED.
5. NEVER PROMISE TO CLIENT UNLESS YOU INTEND TO DELIVER THE PROMISE.
6. NEVER CONSULT CLIENTS ON AREAS YOU ARE NOT AN EXPERT.
7. NEVER TELL LIES.

CONTINUED EDUCATION

With Century 21 Realty Solution, continued education is a way of life. We believe that in order to succeed in real estate market, EDUCATION is a MUST. Knowledge gains trust and trust leads to professional relationship, which turns into to CASH in your pocket.

As an associate *you are Expected:*

- **Attend all off ice business meetings.**
- **Take all training courses offered by the office and Century 21.**
- **Take as many courses as possible offered by HAR.**
- **Strive for excellence in real estate specialty.**
- **Try your best before asking for office support.**

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The following training opportunities are available to you at no cost:

1. Jumpstart 5 days Intensive Training required for all rookie agents
2. Video Tape Training on different marketing topics. Please sign up with Office Manager
3. Virtual Training Sessions. Can be taken anywhere there is an access to the Internet. Log-on to www.21online.com. Agent Registration ID required. You must call Century 21 toll free to get your ID. Also available at both offices.
4. Monthly Networking where you network with your colleagues and promote your listings
5. **Open houses:** This is an excellent real life learning experiences wit buyers and sellers. Register in advance with office manager. Office will provide Company Open House signs.
6. **Floor Times:** Another excellent opportunity to learn how to interact with home buyers and sellers at the same time generate business

INTERNAL COMMUNICATIONS: EMAIL, FAX & CELL PHONE

We do most of our communication through email, cellular phone, fax phone and mailing address. It is extremely important that you maintain these communication devices current at all time and notified us by fax immediately for any change. We are in the process of developing “agent info update” online where you can update your information via office website.

We are also expected to check your email message and office virtual bulletin board on daily basis for office announcements.

BUSINESS CARD:

Use only preprinted order form to order your business cards. The Broker must approve any deviation from Century 21. Select your card style from Merrill Corp.

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Catalogue. Call Merrill Corp 1-800-626-1449 for any question concerning your order.

You can also logon to www.deskshop.com/century21 to order online. Your new business card must have the following information:

Office information as shown in the preprinted order form.

Email address as your **firstname.lastname** @ century21.com.

Your personal extension number.

Your Mobile phones

ACCESS TO BUILDING AND OFFICE:

The office building is closed at the following hours:

- **Monday-Friday 6pm**
- **Saturday 1pm**
- Sunday and all National Holidays: all days

You must have an Access Card to enter the building during these off hours.

To enter the office during off hours you must have:

1. Sugar Land office: Access Card and Supra Key
2. WestChase office: Access Card and office key

You can register to obtain one access key for you only with \$25.00 deposit. The keys are computer controlled. All usages are registered with management office.

Registered users are 100% accountable.

OFFICE FILE FOR LISTING DOCUMENTS:

When list a property for sale the following documents must be submitted to the office within 3 days of execution:

1. Fully executed listing agreements with any addendum.
2. Properly signed and completed Seller Disclosure
3. Faxed Centralized Showing Instruction form
4. The Tempo Printout.

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All listings are required to us CSS for showing appointments. All listings must be properly posted in Tempo with photo and Crestedg site for Century21.com. Must have Century 21 Registration ID to access this site. **Call 1-877-221-5782b Option 7 to get your ID.**

Independent Contractor Status

Our Associates are considered Independent Contractors. As such, the associates have (or will sign) an agreement that allows them use of the facilities in the office, broker assistance, advertising under the broker's license, and considerations specified in that agreement. This policy manual is considered an addendum to the Associate's agreement.

Deductions/Withholdings

Because our associates are independent contractors, the company will not withhold any taxes nor will the company withhold or match social security fees from an associate's commissions.

Worker's Compensation

The company does not provide Worker's Compensation Insurance. Associates who desire this coverage will provide their own disability insurance.

Agency/ Disclosures

There is often a question in the mind of the consumer (and the agent) about whom the real estate broker represents in a transaction.

It is the office policy to disclose all possible agency relationships upon first contact with consumers and let the consumer make an informed decision as to the agency of the broker in the proposed transaction. This decision needs to be put in writing in the form of an **Agency Disclosure Form** available in our offices.

We treat the business of our clients with confidentiality, and never disclose facts to another, which might work to the disadvantage of our client. Associates should always remember who has employed them, and never allow the pursuit of a commission to blur the clear-cut responsibilities of an agent.

With regard to dual agency, this office does not allow dual agent transactions. In this situation it is best with an Intermediary Relationship Notice form where buyers

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acknowledge authorizing broker such relationship in the Buyer Representation Agreement and Seller in the listing agreement.

Double Closing (Escrow)

Double Closing is a process where two closings are taking place one after another in a relatively short span of time on the same property. We do not allow double closing

Corporate Status

Whenever an Associate represents a corporation in which the associate has held or holds an official position, that relationship must be disclosed along with the Associate's status as a licenses real estate agent.

Purchase of Company Listing by an Associate

An Associate must make a dedicated effort to sell a property at the asking price before entering into an offer to purchase. Evidence must be shown that the property has been sufficiently marketed and advertised. Disclosure must be made that the Associate is buying the property for profit and may be buying said property at lower than market value. Because of the fiduciary responsibility, an Associate must be very careful that all of this is disclosed. These properties should **never** be double escrowed.

Associate as Principal

In the event an Associate is buying a property, it must be disclosed that the Associate is a licensed Real Estate Agent and if not intending to be owner occupant, must state that this property is being bought for profit or investment and he/she may be purchasing said property below market value.

Commission Credited to Buyer

If a commission is credited to the buyer, disclosure must be made to all interested parties.

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Personal Purchases and Sales

When an Associate buys or sells real estate to or for a family member, the license status must be disclosed in all contracts and discussions. This is also an effort on any agent owned property. Commission to the office on these transactions will be at the normal rate. Century 21 franchise fee may be waived if there is no commission involved.

Anti-Trust

There is no “standard” commission among REALTORS in our area. Each office sets its commission independently by negotiation with the seller or with the buyer.

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

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

Associates should never suggest to a person that if they commit a certain act (or unless they commit that act), the REALTORS of our area will “boycott” them.

Any of these acts could be construed as a violation of Anti-trust Laws and could subject the individual and our Company to severe civil and criminal penalties.

Association of Realtors

It is our belief that a strong Association of Realtors is essential to our profession. We encourage our Associates to become involved in Board activities and continuing education opportunities.

It is our policy that all Associates shall join the Association of Realtors as soon as possible after joining our Company.

Broker Assistance

The Broker shall provide assistance to Associates when necessary. The Broker should not have to do those things that an associate should do. Counsel from the Broker should supplement the Associate’s effort, not replace them.

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Your first contact should be with the office manager. If the problem or question is unresolved, you may consult with the Broker.

If you need to spend time with the broker, please schedule an appointment. At the appointment, the Associate should outline the problem or question, and recommend a solution to the problem. This will help the Associate and the Broker. Confirm the appointment prior to showing up.

Signature Requirements

The following are documents that must be signed by the Broker, not the Associate.

- Assignment of Commissions
- Commission changes
- Escrow Changes
- Listing Release
- Commission Disbursement Authorization
- Lock box Vendors Agreement
- Mutual Consultations
- Government foreclosure home contracts.

Commission – Advances

It is the policy of this office not to make advances on commission under any circumstances.

Commission – Rates

It is the Company policy to allow the individual agent to negotiate broker commission rate with the Buyer or Seller with the Broker's final approval.

The agent must bear in mind when negotiating that the office transaction fee and errors and omissions fee or risk reduction fee will be payable in full upon successful close of the proposed transaction. This is the minimum amount of commission that an agent may charge. **This fee must come through escrow.**

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Should the Broker discover that an Associate closed a transaction without the minimum office fees coming through escrow, there is a penalty in the amount of twice the amount due and the Broker reserves the right to withhold future commission payable to the Associate, up to the amount of the office fees and penalties due, or to institute Board or civil actions as necessary to collect such fees. If Board or Civil action is necessary, the Broker may elect to collect the entire amount of commission due on that transaction plus attorney and collection fees.

Commission – Payment

Commission will be paid to the Associate on each Thursday after the Company receiving the gross commission check from the title company and verifying that the transaction file is complete and **all required documents are eligible and turned in.**

Commission checks will be processed in a first come, first serve manner. This process usually takes approximately one hour.

In the event that the Associate owes expenses to the office (whether or not these expenses have been billed to the associate), the expenses will be deducted from the commission due the Associate without the consent of the Associate.

Checks over \$10,000 must be cashiered by the Associate and will be paid at the option of the Broker. Checks in excess of \$20,000 may require additional time for processing.

Commission – Taking Back a Note in Lieu of Cash

Any beneficial interest under a Deed of Trust will name the Company as Beneficiary. Beneficial interest will then be assigned to the Associate subject to the Broker's approval. The Associate is responsible to the Internal Revenue Services for accounting of the income received from deferred interest. The 1099 will not reflect the Associate's assigned commission and interest. Assigned Commission property may NOT be foreclosed upon without the approval/permission of the Broker.

Deferred Commission

Often, a sale can be saved if the Agents defer the commission in the form of a note. The seller may then receive more cash at closing, or the buyer may be able to have a lower down payment. In the event that a sale cannot be put together any other way, the Associate may negotiate a note secured by a mortgage on the property, with the

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beneficiary to be the Company. All office fees will apply, and will be withheld from the first proceeds received.

Referral Fees

Referral fees will be paid only to a license real estate brokerage.

Lease Commission, Bonus, Fees

All lease commission involving a lease agreement is subject to E&O Insurance premium. Bonus, referral fees and other fees are considered as regular commission. E&O will not apply.

No Commission Sales

A no commission sale on a property by an Associate will be considered as a normal transaction and the Associate will be charged the regular office fee.

Commission – Legal Action

The Company shall have sole discretion as to the legal remedies to be taken in the payment or receipt of commission, however the Company shall not be bound to take any action at all.

If the Company elects to take legal action, the costs of such action shall be borne by the Associate.

Should the Company be forced to defend a commission dispute, the Associate will bear the cost of legal fees including the initial consultation with an attorney.

Listings

All executed listings will be taken in the Company's name. The Associate must follow MLS rules in placing the listing information in the MLS computer within the 48 hour time period. All MLS posting must have prior listing agreement.

Pertinent information will be indicated on the listing sheet. The following are examples of necessary information that should be included.

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- **Lock Box** If the seller agrees to the use of a lock box, authorization must be noted on the listing agreement and the MLS sheet
- **Square Footage** The source of the square footage should be noted on the MLS sheet. The Company recommends using the Tax Assessor's record as a primary source for reporting square footage of a property.
- **Lease Option.** All terms of the lease must be clearly detailed in the listing agreement.
- **New Installs** If the seller has recently added or installed new fixtures (i.e., replaced a new roof), the Company suggests that any warranties or receipts be available to the new buyer and noted on the listing.

Notification of Changes and Sold Properties

The Company must be notified **immediately** upon acceptance and sale of a listed property. The Associate is also responsible to change the status of the listing on the MLS within 48 hours.

Our policy is that Associates will never hold paperwork regarding any listing or sales contract. All paperwork is to be turned in immediately. If unable to get to the office, mail it. All forms are to be **completed** in their entirety.

Contracts requiring Broker Attention

The following contracts must be brought to the broker's attention before presentation:

- Cash to buyer
- Nominee or assignee when an associate is a principle
- Other than the monetary considerations (i.e., stocks, bonds, gems)
- Owner in junior position
- Subordination clauses
- Wrap around financing

During negotiations on a sale, if a counter offer is in progress and a second contract is submitted, the second contract must be presented to the seller.

Rejected offers must be on file in the office in a timely manner.

When a nominee is specified on a contract, that party must be a bonafide buyer. Specific performance charges may be brought against the original principal in the event the nominee does not perform

The company strongly discourages wrap around financing and subordination clauses. If a contract is written using a subordination that puts the seller in second or third position, the owner must sign a statement explaining the ramifications of such clause.

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Sales Contract File

The following are to be included in the sales contract file:

- Sales contract (signed)
- Seller discloser addendum (signed)
- Brokerage information notice
- Lead-Base Paint addendum if built 1978 or earlier
- All other required addenda
- Any correspondence regarding this sale

Checks- Earnest money

When an associate receives a check as an earnest money deposit, the check is to be made out to a title company and immediately deposited with that title company upon acceptance of the contract by all parties.

Under no circumstances shall an associate accept an earnest money deposit in a “post-dated” check, nor present any contract without an earnest money deposit.

In case of a completed contract, which later falls through, the associate must have both buyer and seller sign a “Release of Earnest Money Deposit and Release of Contract”. This form is to indicate the disposition of the earnest money.

Property Management

This company does not allow residential property management.

FHA/ VA Bids

Century 21 Realty Solution through Frank Filler is **a certified VA 2 FHA broker**. All associates are allowed to bid on these properties.

Dispute Settlements

Disputes with agents within our office should first be brought to the manager. The manager will hear all sides and try to help resolve the situation. If a satisfactory resolution is not reached, the broker is informed, and his decision will be final. If legal advice is sought, the cost will be split evenly between the agents.

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Disputes between buyer and seller are common. Associates should endeavor to move buyers and seller toward a common meeting ground and encourage flexibility, logic and reason. The company does not believe that litigation is the way to resolve these disputes. Litigation is costly and time-consuming to all parties and often results in all parties being hurt. If litigation is necessary, it will be at sole desecration of the broker, with all costs of litigation borne buy the associate.

Education

Our company highly suggests to all associates that they acquire as much continuing education as possible. Some of the different resources for continuing education are:

- Real estate school
- Real estate seminars
- REALTORS institutes
- Association of REALTORS meetings
- State and national association conventions
- Books, magazines, and other periodicals
- University courses

It is in the best interest of the company and the individual associate to be as knowledgeable as possible in all aspects of real estate. Knowledge and experience will help eliminate most problems before they ever get started.

Invest in education. It will return your investment many times.

State Licensing Requirements

All associates must meet state requirements. The associate must submit proof of renewal to the company. The license must be displayed in the office at all times. Associates must keep their license in active status at all times.

Advertising

All advertising must have agency disclosure and must be cleared through the Broker to ensure that the ad complies with the truth- in-Lending act and the Texas Real Estate Commission Regulations. Payments of advertisement are the direct responsibility of the associate who places the ad.

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Listed properties

Any properties listed for sale or lease must state the “ company” in the ad along with the office number.

Expenses

The company will provide the following:

- Voice mail boxes
- Office space
- Telephones
- MLS subscription
- Copy machine
- Fax machine
- Business cards
- Forms, some at additional charge
- Computer desktops
- Access to the Internet
- Flyer software
- For Sale signs

The associate will provide the following:

- HAR membership and MLS dues
- Advertising
- License due
- Long distance telephone charges
- Postage
- Any other expense incurred not specifically shown above as being provided by the company

By courtesy, each Month Company will email invoice of office dues Associates. The associate is expected to make payment to the company by the 5th of each month. A late charge will be applied when payment received after the 5th.

Forms- office

It is the company policy to use only TREC, HAR or TAR promulgated forms. These forms and contracts are readily available with Realty 1 or Zip form software. Our company provides this software to Associate free of charge through office site download.

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We have also designed and printed certain forms to enhance office communication. Please learn to use these forms. They help the company staff organize the information and also create a permanent, written record.

Hours of Operation- Office

Our normal business hours are:

9:00 AM – 6:00 PM Monday through Friday

9:00AM – 12:00 PM Saturday

However, associates are free to use the office anytime.

Errors and Omission Insurance

The Errors and Omissions Insurance Carrier shall be chosen at Broker's discretion. Associate shall immediately notify Broker of any circumstances likely to give rise to any kind of claim against the associate and/or broker.

Conduct- Office Professionalism

The company expects all staff and associates to conduct themselves in a manner that is businesslike and professional.

There are to be no children brought to the office during office hours. If your clients bring children to the office, do your best to minimize the disturbance to others in the office.

Signs- Lockboxes

Each associate is responsible for his/her own personal signs and supra boxes on listings. It is highly recommended that all listings have a Supra box installed. This will greatly increase the number of showings.

Sign "riders" are also highly encouraged. Riders with the associate's name and number will allow the agent to receive calls from buying and listing prospects directly.

It is a company policy that all signs and lockboxes be removed from the property immediately upon the listing expiring, closing escrow, or being withdrawn from the market.

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No sign or lock box is to be installed on any property, including owner/agent property, until a completed listing is turned in to the office.

Smoking

Our office has established a “no smoking” policy for the comfort of our staff and clients. If you must smoke, please do so outside of the building. Do not litter the area. We request that staff and associates that do smoke be sensitive to the discomfort that smoking often causes to non-smokers. Whenever possible, please refrain from smoking near them.

Telephone

Our telephone was installed to serve our business needs. We ask that associates keep personal calls brief.

All long distance calls are to be made at the expense of the associate. Ask for long distance code from the manager.

Secretary

The office secretary and receptionist are a vital part to this firm. They will assist an associate as much as possible, however, they should not be expected to do work for the associate. Remember, their job is to insure the smooth and efficient administration of the business, not to cater to the wishes of the associates.

Use of Office

Associates are welcome to use all of the company’s supplied facilities on a first come first serve basis with the following priorities given:

Associates with clients in the office will be given first priority of company phones, desks, and computers. Other associates may be asked to accommodate in this situation.

Associates need to understand that we have limited facilities. On occasion, there will be more demand than availability. In this occasion, it is our responsibility to apply the golden rule **DO UNTO OTHERS AS YOU WOULD HAVE THEM DONE UNTO YOU**. **Bear in mind that the Broker is very sensitive to the associate’s needs. If you feel there is a shortage of something you need, talk to the management.**

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No-Call Procedure

All Century 21 Realty Solution associates are REQUIRED to follow the No Call procedure. The new No-Call law imposes severe penalty for violators. The management of this firm gives zero tolerance to any associate who ignores this law and fail to follow this procedure. Any associate who fails to observe this procedure will be subject to immediate termination.

Each user must be setup by office in order to login in. Most of our associates have been setup. If your name has not been setup, please call Sherry Miracle at 281-277-5777 to have her setup before you start.

One Way

- 1- <http://tx.dncsentry.com>
- 2- click on picture
- 3- upper left, click on "users login here"
- 4- enter your company id CEN51 click continue
- 5- choose your office or name from the drop down list and click continue
- 6- enter your password . Call Sherry Miracle at 281-277-5777 for the Password.

Another way:

- 1- <http://users.dncsentry.com/Login.php?company=CEN51&office=24586>
= OFFICE 01

<http://users.dncsentry.com/Login.php?company=CEN51&office=39117> = OFFICE
02

- 2- find your name or office from the drop down box
- 3- enter your password
- 4- **go through the five screen training**
- 5- you're ready to start checking numbers!!!

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