

An Agents Guide for Success in:

“CHARLES RUTENBERG REALTY, LLC.”

&

“CHARLES RUTENBERG REALTY ASSOCIATES, LLC.”

“Policies and Procedures Manual”
2011/2012

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“PREFACE”

We believe we offer a system that is your very best opportunity to maximize your potential and profitability in real estate. The tremendous response from the real estate agents throughout Florida, Illinois and New York confirms that a great number agents agree. ***Charles Rutenberg Realty*** is now the largest real estate office in Florida and our rapid growth continues.

We can continue to offer you our superior plans as long as we keep our efficiency high and our operating costs low.

The policies and procedures outlined in this manual are aimed at maximizing the efficiency of our operations.

Our goal is to keep our fees minimal and your profit maximized. We can do it, with your help and cooperation.

The terms and procedures in this manual are incorporated, by reference, into the Independent Contractors Agreement executed by all Associates and the Company.

Please become familiar with the provisions and call to clarify any points of uncertainty.

The policies and procedures outlined in this manual apply both to agents of ***Charles Rutenberg Realty and Charles Rutenberg Realty Associates***, with the exception of MLS and Realtor Association provisions.

“POLICIES AND PROCEDURES MANUAL”

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“INTRODUCTION”

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

We believe that our clients (you and our other associates) and your clients can be best served if we establish in writing our business philosophy, our Policies and Procedures and the procedures to be used in carrying out those policies.

This Policy Manual expands the Independent Contractor’s agreement and is an extension of that agreement.

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

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

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

Regards,

John M. Nestor
Founder

“OUR COMPANY PHILOSOPHY”

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

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

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

Effort - As our Associate, you alone decide how much effort you will devote to your business that is entirely your decision. However, we do expect our Associates to conduct their business with high standards of professionalism. Our company was founded on a long tradition of excellence and our Associates have the responsibility to help carry it forward.

Competence - An organization can be great when all members are working together for a common purpose and our common purpose is the success of all our Associates. Helping one another, when possible, will bring harmony and success to us all. There is no truer adage than: “What goes around, comes around”.

Accountability - Our clients must be happy with their transaction, or we will not get repeat business. If we make a mistake, we must be accountable and make it right with the customer. We expect our Associates to be accountable for mistakes if a customer is damaged.

Professional Ethics - The Code of Ethics of the National Association of REALTORS® is a guide for our daily business operations. The laws of Florida are clear to our obligations to our clients and customers. Our employees and Associates shall observe the law and abide by the Code of Ethics.

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

Within this framework, the Company has one paramount goal to maximize our Associates profits while building and managing a financially solid organization that will be the dominant real estate company in Florida, Illinois and New York.

“ORGANIZATION OF THE OFFICE”

“AGENCY”

Responsibilities - Buyers and Sellers are often confused about whom the real estate agent represents in a transaction.

An Associate may be employed by the Seller, the Buyer, act as a Transaction Broker or offer no agency relationship. Whomever we represent in a transaction, we must strictly observe our fiduciary responsibilities to our principal(s). We take this matter seriously and so must our Associates.

We must always remember who has employed us and we must always keep our fiduciary responsibilities clear.

Disclosure - Associates must fully comply with the agency disclosure requirements defined by Chapter 475 of the Florida Statutes and interpreted by FREC.

There have been frequent changes in the agency disclosure requirements. The company policy is that all Associates must fully comply with FREC's most current interpretation of the law. Associates must provide the required agency disclosure documentation as part of the transaction file.

Forms - Associates must use the FAR approved Broker Relationship Disclosure and/or the Notice of Non-Representation form.

“ANTITRUST”

Brokers do not have a “standard” commission in our area. Each office sets its commission independently by negotiation with the Seller or the Buyer.

Accordingly, no individual should suggest to a Seller or Buyer that there is a “standard” rate charged in this area.

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

No Associate should suggest to a competitor that if they perform or refuse to perform a certain actions that the Brokerage firms of our area will “boycott” them.

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

“ASSOCIATION OF REALTORS”

Associates of *Charles Rutenberg Realty*, are required to join an Association of REALTORS® of which the Company is a member.

“BROKER ASSISTANCE”

The Broker will provide assistance to the Associate whenever necessary.

As our Associate, you are in business for yourself, but you are not by yourself. The experience of the Broker, support staff and legal counsel give the Associate a wealth of knowledge upon which to draw.

Our Associates are encouraged to seek advice, counsel and opinions on all aspects of the transactions and on their marketing strategies and tactics.

However, neither the Broker nor staff will perform tasks that should be done by the Associate. Counsel from the Broker will supplement the Associate’s efforts, not replace them. Given the Company’s fee structure, clerical support and closing information coordination is not financially feasible.

“COMMISSIONS”

Advance Fees and Commissions - The company policy prohibits Associates from accepting advance fees or commissions from any Seller, Buyer, Builder, Lessor or Lessee of real property. Such fees require a disproportionate amount of accounting and record keeping while exposing the Associate and the company to substantial liability. Commissions will be paid when the transaction closes and the commission is earned, with a completed file and with a signed HUD.

Advances - The Company will not make advances to Associates on commission.

Leases - All commissions or fees earned on leases are subject to a 10% transaction fee on the gross commission to a maximum of \$275 per transaction.

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

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

Contractor agrees to reimburse the Broker for the amount of any fine charged, arbitration or court loss charged to the Broker for any infraction caused by the Contractor, by any

MLS board for infractions of board rules by cash payment or by authorization of credit card charge or commission adjustment, which is hereby granted to Broker. Broker will be compensated 20% of any arbitration award or court judgment, to compensate company for time, company legal expenses and costs accrued by such arbitration or court action.

Broker will be compensated 20% of any arbitration award, to compensate for company time, company legal expenses and any costs accrued by such arbitration.

No Commission Sales - A “no commission” sale on a property by an Associate will be considered a normal transaction and the Associate will be charged the regular transaction fee and Risk Management insurance premium. These fees must be included on the HUD unless explicitly exempted by the Broker.

Payments - Commissions will be paid to the Associate immediately upon the Company receiving the gross commission check from the Title Company and verifying that the transaction file is complete. No commission checks will be issued without these conditions being met.

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

If 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. A statement of accounting will be provided.

Checks in excess of \$20,000 will require additional time for processing.

Rates Charged - It is the Company policy to allow the individual agent to negotiate his or her commission rate with the Buyer or Seller.

The Associate must bear in mind, when negotiating their fee, that the office transaction fee (which includes Risk Management premium) will be payable in full upon successful close of the proposed transaction. This is the minimum amount of commission that an agent may charge and it **must come through escrow and be included on the HUD-1.**

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 commissions payable to the Associate, up to the amount of the office fees and penalties due, or to institute Association or Civil actions as necessary to collect such fees. If Associate or Civil action is necessary, the Broker may elect to collect the entire amount of commission due on that transaction plus attorney fees.

Referrals - All referral fees earned are subject to a 10% transaction fee on the gross commission to a maximum of \$275 per transaction.

Taking Back a “Note in Lieu of Cash” - If necessary, an Associate may accept a note, secured by a mortgage on the subject property, in lieu of cash payment of the earned commission.

Any such beneficial interest acquired will name the Company, as beneficiary and any beneficial interest will then be assigned to the Associate subject to the Broker’s approval. The Associate is responsible to the Internal Revenue Service for the accounting of the income received as deferred interest. The Associate’s 1099 form will not reflect the Associate’s assigned commissions and interest.

Assigned commission property may not be foreclosed upon without the approval and permission of the Broker.

“COMPUTERS & OTHER OFFICE EQUIPMENT”

The Company provided computer, scanners, fax machines, telephones, copier equipment and various software without charge to the Associates.

This technology was provided to help the Associates and they are encouraged to fully utilize all the office technology. However, Associates must be considerate of the needs of others. Computing, scanning and copying should be done as efficiently and quickly as possible. Phone calls should be as brief as good business practice allows. **Copying is not to be done for marketing materials.**

The Company will not charge the Associates for any use of the facilities. However, if abuses occur, management will bring them to the Associate’s attention and, if not resolved, take appropriate action.

“CONDUCT”

The Company expects all staff and Associates to conduct themselves in a business like & professional manner.

The Company’s offices and conference rooms are provided to support the Associates productivity and to project a professional image to your clients. Inappropriate office conduct diminishes both and is prohibited.

“CONFERENCE ROOM”

Associates may reserve a conference room for forty-five (45) minute intervals. If no prior reservation has been made, usage will be on an “available” basis.

“COOPERATION”

Few real estate Associates are successful without a spirit of cooperation. We encourage our Associates to give help to others, both within and outside our firm. Help a fellow Associate when you can. Give assistance pleasantly.

Other offices will sell our listings, and will let us know of their good listings sooner. Appraisers remember a helpful organization. Lenders appreciate our cooperation. Our Company will hum with more activity. It is true “What goes around comes around”.

“DISPUTES”

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

If the two (2) Associates are unable to resolve the dispute privately, the Associate will meet with the Broker. After hearing the facts, the Broker will attempt to mediate a resolution. If that fails, the Broker will decide the matter, on the facts as they are known to him/her, as agreed to in the Associates Independent Contractor Agreement.

In the event of a dispute involving two or more contractors, all of whom are licensed with CHARLES RUTENBERG REALTY, LLC, Contractor authorizes the Designated Broker for CHARLES RUTENBERG REALTY, LLC, sole and absolute discretion in resolving said dispute. Contractor agrees to abide by the decision of the Designated Broker. Contractor also agrees to hold harmless and indemnify CHARLES RUTENBERG REALTY, LLC and its Designated Broker against any claim, action or lawsuit of any kind. These shall include the following: any loss, judgment, or expense, including attorneys' fees, arising from or relating in any way to the resolution of said dispute.

Between Buyer and Seller - Buyers and Sellers often have differing interests, needs and personalities. The result of these differences is occasionally a dispute over the terms of the contract.

We believe in the moral and legal validity of properly drawn real estate contracts.

We do not believe that litigation is the way to resolve these disputes. Litigation is costly, time consuming and often results in both parties being hurt.

Associates should try to move Buyers and Sellers toward the “center” to a common ground and encourage reason, flexibility and compromise. It is usually possible and it is always the best solution.

“EDUCATION”

An Associate should never undertake an assignment for a client without the training, skills and experience to do the job well.

An investment in training and education will give the Associate the required skills to undertake new challenges. With that experience, to become expert; and as an expert, to prosper.

We encourage our Associate to continue learning better ways to provide service; and newer services to provide.

The Company will consider the Associate's requests for specific areas and topics of training that can be provided in house.

“RISK MANAGEMENT INSURANCE”

All Risk Management Insurance coverage will be purchased by the Company's premium charged per transaction may be adjusted from time to time and is currently set at \$50 per transaction. No transaction is exempt.

No Risk Management Insurance coverage is available for agent/owner transactions. On any such transaction, a Risk Reduction premium of \$100 must be charged to the Associate.

“EXPECTATIONS”

We believe we have the finest Associates in the business!

Our Associates set their own goals for activity and productivity. However, we have high expectations regarding the quality of their activities.

1. We expect each Associate to serve clients and customers with integrity, competence and courtesy.
2. We expect each Associate to understand, accept, and abide by our Company philosophy, policies and procedures.
3. We expect each Associate to understand that our Company must be profitable to remain viable. This means that we all should strive to develop our revenues and keep costs in line. A profitable firm provides an environment of success for all.
4. We expect each Associate to be a part of our “team effort” and to share in the duties and benefits of that effort.
5. We expect all Associates to conduct their business in a manner consistent with the proud tradition on which the Company is founded.

“EXPENSES”

Company will Provide the Following at no Charge - Office space, local telephone usage, call transferring, copy machine (200 count maximum per month) , scanner, fax, computers, research and marketing software, all required real estate forms and training.

Company will Provide the Following at Cost – Copy machine above 200 count @ .05 cents per copy, Contract advertising rates, yard signs, business cards, stationery, long distance telephones and fax service and other products and services that the Company may, from time to time, be able to procure at substantial savings to the Associates.

Associates Responsibility - Associates are responsible for any and all services and products that they choose to use in the conduct of their business that are not explicitly listed as “Company provided at no charge”.

“FORMS”

The Company policy is to use only the FAR or FR/BAR forms or forms approved by our legal counsel. Additionally, the Company has designed certain forms to organize information into a permanent, written record of the transaction.

All forms are available on our website and are provided to the Associate at no charge. Associates are asked to help control form costs by eliminating any waste. Commercial and office size recycle bins in main office.

A checklist of all required forms and documents is included in the Company’s Sellers and Buyers packages. This list will ensure that all required documents have been signed and included in the file. A completed file allows commissions to be paid.

It is important that all transaction files are kept current during the listing and sales process. When up-to-date, the file allows staff to answer questions and coordinate closings with the least demands on the Associate’s time.

If an Associate has suggestions for improving a Company form or for the inclusion of a new form, tell the staff or the Broker. If an Associate sees that the supply of a certain form is low, the staff should be informed.

“LEGAL COUNSEL”

All Associates are urged to utilize the FAR Legal Hot Line and in-house legal counsel available at no charge to the Associates. Early legal opinion can be very helpful in structuring a transaction and is essential in precluding problems that might otherwise arise. Legal help is available from various state associations.

“COMPANY MEMBERSHIP DUES”

Associates may choose from two compensation plans.

Associates joining as “Gold Plan” members are required to pay their monthly dues on a monthly basis. Dues for any month are due and payable of the first day of the month. Dues must be current to stay on Gold Plan!

Associates joining as “Silver Plan” members are required to pay their monthly dues on a monthly basis. Dues for any month are due and payable of the first day of the month.

Any dues paid by any other means than credit card shall be paid as annual dues that are non-refundable.

“MESSAGE”

All phone calls for an Associate should be sent directly to the Associate if a call is to be forwarded. It is the Associate’s responsibility to provide an answering device or service for the designated number.

All callers on listings will be given property information and/or forwarded to the listing Associates number. Property information will be taken from MLS Agent Summary Report based on information entered into the MLS system by the listing agent.

“OFFICE”

Equipment and Supplies - Equipment and supplies, including reference materials, should not be removed from the office for any reason. Upon termination, Associates will return any supplies and reference materials in his or her possession.

Hours of Operation - Normal business hours are: Monday through Friday, 9:00 a.m. to 5:00 p.m. However, Associates are welcome to use the office at any time.

Housekeeping - Clients develop their first impressions from the appearance of our office. We ask all staff and Associates to help in keeping the office neat and clean. This includes reception area, desks, file cabinets, conference room and parking lot.

Parking - All employees and Associates must comply with the building regulations. Employees and Associates are asked to use areas away from the front spaces. The front parking spaces are for visitors.

Security - All Associates using the office facilities after normal business hours must comply with building security regulations. Building entrance doors are to be locked after you have entered the building.

All office premises are monitored by surveillance cameras. However, to ensure personal security and safety, Associates are also requested to keep the office entrance doors locked while they are in the office after normal business hours.

Use - Associates are welcome to use all of the Company facilities on a first come, first served basis with the following priority given:

- Associates with clients will be given first priority of Company desks, phones and computers. Other Associates may be asked to be accommodating in this situation
- Associates need to understand that we have limited facilities. On occasion, there will be more demand than availability. When this happens, it is our policy to apply the golden rule: “DO UNTO OTHERS AS YOU WOULD HAVE DONE UNTO YOU”.
- Bear in mind that the Company is very sensitive to the Associates needs, if you feel that there is a shortage of something you need, bring it to the Broker’s attention. The Company will meet every feasible request.
- Phone business etiquette demands that phones be on “vibration” setting while working in the office environment. “Quiet” tone and voice volume is necessary at all times.

“ORGANIZATION OF THE ASSOCIATE”

Absence - Associates who will be absent from the area should make arrangements with another Associate to “cover” for him/her during the absence. If the “covering” Associate is to be compensated the agreement **should be in writing.**

The Broker and staff should not be expected to assume the workload. If the Broker must handle the Associates work, the Broker will be compensated.

In the absence of any other agreement, we have set a standard compensation to be paid by the absent Associate as follows:

<u>Work Performed</u>	<u>Compensation</u>
Taking a Listing	50% (of any commission earned)
Writing a Contract	50% (of any commission earned)
Showing Property	\$50.00
Presenting a Contract	\$100.00
Presenting a Contract - “SOLD”	25% (of any commission earned)

“APPOINTMENTS”

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

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

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

“ATTITUDE”

Every personal contact made by each Associate affects all Associates and the Company. Thousands of contacts are made each month and if each is a positive experience our reputation as individuals and as an organization is enhanced. A positive, professional and helpful attitude is the key to new and repeat business.

“AUTOMOBILE”

Each Associate must carry automobile liability insurance in amounts not less than \$100,000 for each person, \$300,000 for each accident. Proof of insurance may be requested by the Company.

“BUSINESS CARDS”

Associates of *Charles Rutenberg Realty*, share the prestige of a proud real estate tradition of excellence. The Company’s business cards are designed to project this great asset. A uniform image of quality benefits the Associates and the Company.

Business cards should be in the format that maximizes the Associates marketing image and can be designed at the Associates discretion. The Company does reserve the right to disallow any business cards that are deemed inappropriate, in bad taste or harmful to the Rutenberg image.

“CONFIDENTIALITY”

When an Associate is the agent of the Buyer or Seller, the law of Agency requires confidentiality. As a Transaction Broker, limited confidentiality is required.

It is good practice, both business and personal, to keep all problems of our clients strictly confidential in all cases.

“DISCRIMINATION”

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

“DRESS”

We work in an area that allows latitude in business dress. Each Associate knows what is appropriate for their target market and their clients. They should meet that standard.

In the office, Associates must be sensitive to their fellow Associates and their clients.

Casual business dress is the minimum standard in the office. The Broker will notify any Associate whose attire does not meet the standard.

“EARNEST MONEY DEPOSITS”

The handling and processing of earnest money deposits is a critical aspect of the Company’s operations. The Company’s structured system for such deposits minimizing management allows the most efficient coordination of closings.

Escrow Accounts - The Company will not maintain an escrow account.

Proof of Escrow - Proof of Escrow is required in all transactions to be in compliance with FREC regulations!

Handling - In compliance with FREC’s requirements, all earnest money deposits must be delivered to the party (usually a licensed title company) designated in the sales contract within 24 hours of execution of the contract unless the contract specifies otherwise.

HUD and VA Resales - All deposits must be cash or good funds (money order or bank check) and delivered to the Broker with the Sales Contract.

Refunded or Disbursed - Deposits received with purchase offers that are not accepted will be returned to the Buyer. If deposited, it will be returned after the deposit has cleared the escrow account.

In cases of executed contract that fails to close, the Associate must have both Buyer and Seller sign a FAR approved Release and Cancellation of Contract for Sale and Purchase. This form shall show who is to receive the earnest money deposit.

“EXPENSES”

All expenses, properly chargeable to the Associate, are due and payable on the 1st day following the month in which they were incurred.

The Company will not invoice the Associate for monthly membership dues. Prompt payment is an expected part of our relationship with professional Associates and will be automatically deducted from the credit card supplied.

Associates must automate the monthly payment process by arranging for electronic transfer of funds.

“INTEGRITY”

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

As licensed real estate professionals we have minimum standards that we must meet. However, the Company urges all Associates to go beyond that minimum. Honesty and professionalism with everyone builds our reputation as well as the Company's.

“INDEPENDENT CONTRACTOR”

All Associates are considered to be independent contractors, not employees. As such, the Associates have signed an agreement which allows them the use of the Company office facilities, Broker assistance, advertising under the Broker's license and other considerations specified in that agreement.

The Company will not withhold income taxes or social security taxes.

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

“LISTINGS”

All listings will be taken in the Company's name and are subject to the Broker's approval.

Advertising - Associates can get substantial discounts by placing ads under the Company's discount rate. Payment for these ads will be directly with the Company and Associate. The Company may reject ads from any Associate who fails to honor these terms.

All advertising of listings must comply with FREC and RESPA regulations. If an Associate is unsure of the requirements they should get advice from the support staff.

The Company may prohibit or reject any advertising that it deems contrary to the best interests of the Company and its Associates.

Commission Charged - Associates may accept any commission agreement that they deem appropriate and consistent with their marketing strategy.

However, the minimum commission charged must equal the cost of Risk Management insurance premium and the regular transaction fee (if applicable). These fees must come through escrow.

Files - Our policy is that Associates will not hold paperwork related to listing or sales contracts. All related paperwork must be filed immediately with the office. The agent should maintain a copy of the file until the transaction closes or is cancelled. All files must be turned into office within 24 hrs of execution. A no file fee of \$100 will be charged on transactions closing without files, No exceptions!

A listing file will be emailed/faxed into the office. All forms should be completed and submitted with the listing including:

- Applicable Residential Profile Sheet (signed by Seller(s)).
- Exclusive Right of Sale Listing Agreement (signed by all parties).
- Seller's Property Disclosure Statement (signed by Seller(s) and any correspondence regarding the listing
- Mold Addendum to the property disclosure
- Sale & Purchase Contract (once obtained)
- Mandatory Escrow Letter/Receipt (within 24 hours)
- All Addenda Incorporated into Sales Contract
- Final Acceptance of Property (Walk Thru)
- Referral Agreement (if applicable)
- HUD-! (Signed) & Closing Commission Check
- PAC (Paid at Closing request form)
- CRR Comprehensive Disclosure

Listing files are for the reference of all Associates and the Company. They should never be removed from the office. Files will be electronically stored and archived. It will be the responsibility of each agent to make a copy of all file information for your records so you will have access to at all times.

Forms - All listings will be taken on the FAR approved Exclusive Right of Sale Listing Agreement.

All listings will include a completed applicable Residential Profile Sheet which must be signed by the Seller(s) and which becomes part of the Listing Agreement.

MLS - The Associates are responsible for entering their listings in the MLS. All rules for entering listing information in the MLS system computer must be followed. The Associate is also responsible for making any changes, including price changes and property status, to the MLS listing information in a timely manner & submit signed listing modification/change forms to office file within 24 hours.

Term - Associates will determine the term of their listings.

“PERSONAL SALES AND PURCHASES”

We feel that real estate is one of the best investments, and we encourage our Associates to buy real estate for investment. We have several important policies regarding purchase and sale of real estate by our Associates:

- **Full Disclosure** - When an Associate buys or sells real estate, the Seller or Buyer must be informed about the Associates license status, and must be aware that the Associate is not representing the interests of the other party. To protect ourselves, this fact should be clearly revealed in the contract for sale and purchase, and in all discussions

When an Associate is buying a property, the Broker will review the contract

- **Fees to the Company** - When an Associate is a principal in a sale or purchase, the Company will receive a fee equal to that on any regularly listed property. Since the Company’s Risk Management insurance excludes these transactions, a \$100 risk reduction fee must also be charged.

“REFERRALS”

Outside - Referrals can be a substantial source of income to Associates and we encourage our Associates to develop this business.

The Company will receive a fee equal to 10% of all referral fees earned up to a maximum of \$275 per transaction, (regardless of your plan).

“In-House” - We encourage Associates to refer customers to each other, if doing so, will provide greater service to the customer and maximize the Associates efficiency and profitability.

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

“SALES CONTRACTS”

All offers and counteroffers must be prepared and presented in compliance with Chapter 475 and FREC regulations.

Associates may have contracts reviewed by the Broker before presenting them to the Seller. This policy may save time and litigation and is a protection to the Buyer, Seller and Associate.

All executed contracts must be received by the office by the close of the business day following execution.

The earnest money deposit must be held in trust according to state law.

Files - The office will open a Sales Contract file when the Associate submits a signed contract. All executed contracts must be submitted to the office by the close of the following business day.

A sales file will be emailed/faxed into the office. All forms should be completed and filed with the sales contract, including:

- MLS Printout
- Sales and Purchase Contract (signed by all parties)
- All Contract Addendums (signed by all parties)
- All Required Disclosures (signed by all parties).
- Seller's Property Disclosure Statement (signed by all parties)
- Earnest Money Deposit Receipt
- Home Inspection Disclosure or Waiver
- Home Warranty Disclosure or Waiver
- Escrow Verification & Instructions
- CRR Comprehensive Disclosure
- Release and Cancellation Letter (if Sale is cancelled)
- Final Acceptance of Property (Walk Thru)
- PAC (Paid at Closing request form)
- Referral Agreement (If applies)
- HUD - 1 Statement (if Sale closes, and any correspondence related to the Sale)

In special situations, the Company may require other documents for the protection of the Associate and the Company.

Forms - All purchase offers must be made on the FAR or FAR/BAR Residential Sale and Purchase Contract form. Purchase offers on other types of property must be made on the respective FAR approved form.

Information Sheet - The Associate should prepare an information sheet showing the personal information of the Buyer, including mortgage company, title closing agent, temporary address of the Buyer, etc. An appropriate Company form is available to record this information and include it in the sales file.

“SALES MEETINGS”

The Company may hold sales meetings from time to time. Associates attendance is optional.

Topics at these meetings might include:

- Review of Advertising
- Discussion of Company Policies
- Review of Currently Available Financing

- Marketing Strategies and Techniques
- Sharing of Experiences (good or bad)
- Guest Speakers
- Review of New Listings
- Sales Results and Training in Real Estate Compliance Issue

Associates are encouraged to tell the Broker of their training and educational wants and needs. The Company will try to meet all requests.

“SPECIALIZATION”

When an Associate becomes proficient in the general brokerage side of the business, we recommend that he or she become a specialist.

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

The “specialist” soon finds it easier to complete, because of their additional knowledge.

Choose an aspect of real estate that you particularly enjoy. Learn it thoroughly. Your career will be more productive, more profitable and more enjoyable.

“SIGNS AND LOCKBOXES”

Associates of *Charles Rutenberg Realty* share the prestige of a proud real estate tradition of excellence. The Company’s yard signs are designed to project this great asset. A uniform image of quality benefits the Associates and the Company.

Yard signs will only be used in the format and design prescribed by the Company.

Signs may be used with an installed post system, or with a self installed metal frame.

Signs and frames may be purchased at the office. Associates will have the advantage of the Company’s volume discounts.

Renting and installation of the post system must be arranged by the Associate.

Sign “riders” with the Associate’s name are exceptional opportunities for the listing Associate to receive calls and find buying and listing prospects. Associates must provide the riders which must be of a design consistent with the Company sign.

Associates will provide the lockboxes they require directly from the area Association of Realtors.

Each Associate is responsible for the signs and lockboxes put on listings and for the removal if the listing is cancelled or the property sold.

“SMOKING”

Our office has established a “non-smoking” policy for the comfort of our Associates, staff and customers. If employees or Associates must smoke, we ask that you leave the office to do so. A smoking area is available near the office.

“SPECIAL ADVERTISING”

Associates often purchase different items to give away to Sellers, Buyers and prospects. Such items usually have the name of the Company and the name of the Associate prominently displayed, and often results in increased business.

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

Company identification shall be in a format and design approved by the Company.

“TELEPHONES”

Since both telephones and computers require phone lines, demands on the phone system may be heavy, especially during peak times. Associates are asked to be as economical as possible with their time on the phone and when on line.

Long Distance Calls - We believe the telephone is the second best means of communications. When it is used long distance, it is also one of the most expensive.

The Associate will use their own cell phone for all long distance calls.

We believe that a call is more effective than a letter. We suggest that you plan each by preparing a list of each major point you wish to cover before dialing.

“TEAMS”

All team members must be a member of Charles Rutenberg Realty or Charles Rutenberg Realty Associates, either Silver or Gold plan, in order to legally receive a commission.

Teams with all silver members will pay a transaction fee and a risk management fee per transaction. Teams wanting to utilize the gold plan: One member will be gold other members can be silver. **A transaction fee and risk management fee will be paid by each member of the team, in any given month**, then all other transactions will have only the risk management fees. Example: a team with four members and 10 closings would pay four transaction fees and four risk management fees, then the last six will only have the six risk management fees.

This concludes the “Policies and Procedures Manual”. Should you have any questions or concerns regarding this manual, please feel free to speak to your Broker.

*THANK YOU FOR BEING A PART
OF
THE “CHARLES RUTENBERG REALTY TEAM”*

WELCOME!!!!