



# *Policies & Procedures*

## *Sales Staff*

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# *Introduction*

Progressive Real Estate Services, Inc believes that our clients and customers can be best served if we establish in writing our business philosophy, our policies, practices and the procedures to be used in carrying out those policies.

We realize that our employees and sales associates will need guidance 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.

It is the responsibility of each one of you to keep your copy of this manual up-to-date with the latest amendments and additions.

# ***PROGRESS REAL ESTATE SERVICES***

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

## ***BUSINESS PHILOSOPHY***

To assist our agents to improve their lives by ensuring that they have the tools, resources, support and skills necessary to be successful in Real Estate.

## ***BUSINESS PRACTICES***

1. **LOYALTY**-We will act only in our client's best interest, putting their interest above all others, including our own interest.
2. **OBEDIENCE**-We will carry out our client's lawful instruction
3. **DISCLOSURE**-We will disclose to our clients all material facts of which we have knowledge of which might reasonably affect our client's use and enjoyment of the property.
4. **CONFIDENTIALITY**- We often learn a great deal about our clients and customers because they have placed their trust in us. We will keep our client's confidences unless required by law to disclose specific information(such as disclosure of material facts to a buyer).
5. **REASONABLE CARE**-We will use reasonable care and skill in working with our clients.
6. **ACCOUNTING**-We will account to our clients for all of our client's money and property that we receive.

**We also do Business in Accordance with the Federal Fair Housing Law and Minnesota Fair Housing Law which is not to discriminate against any person because of race, color, religion, sex/gender, handicap, familial status, national origin, marital status, sexual orientation, and status with regard to public assistance.**

## **AGENCY**

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

Progressive Real Estate Services, Inc may be employed by the seller, the buyer or both. Whomever we represent in a transaction, we must observe our duties as described in State Law.

Progressive Real Estate Services, Inc salespeople should always remember who has employed us and never allow the pursuit of a commission to blur the clear-cut responsibilities to our clients and customers.

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

Our sellers should not be asked to accept an offer until any and all written offers are presented.

When representing the seller, we must never suggest that a buyer offer less than the asking price of a property, although we must encourage buyers to write offers and present all written offers to our sellers. We must not disclose to the buyer what price a seller may accept, nor our seller's motivation for selling, unless written permission is given to do so.

When representing the buyer, we must never suggest that a seller should counteroffer more than the price offered in the contract. We must not disclose to the seller what price a buyer may be willing to pay, or our buyer's motivation for buying, unless told to do so in writing.

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

We must be extra cautious when we become financially interested in a listed property, and must disclose any facts or rumors of which we have knowledge. We must also disclose to the seller that we a licensed Real Estate Agent in the State of Minnesota and are no longer representing their interests.

When we are asked to represent a buyer in a transaction, we may become a dual agent between the parties when showing a property listed by our office. Both parties to the potential transaction must agree in writing before showing the listed property so that we may never appear to have an undisclosed dual agency. The must be in writing, listing agreement for seller and Exclusive Right to Represent Buyer, along with the Minnesota Agency Disclosure for both parties.

The best way to represent our principles is to treat them as you would like to be treated: with honesty, professionalism, ethically, loyalty, obedience, confidentiality, reasonable care, and disclose.

## **EXPECTATIONS**

1. We expect each salesperson to serve clients and customers with integrity, competence and courtesy.
2. We expect each salesperson to understand, accept, and abide by our Company philosophy, policies and procedures.
3. We expect each salesperson to commit to the sale of real estate as a professional, whether full-time or part-time.

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

## **ATTITUDE**

Probably the single most important attribute of a successful salesperson is attitude.

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

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

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

Success comes from attitude.

## **ANTI-TRUST**

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

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

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

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

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

## **INDEPENDENT CONTRACTOR**

Salespersons are considered to be independent contractors, not employees.

Progressive Real Estate Services, Inc will not withhold income taxes or social security taxes.

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

Progressive Real Estate Services, Inc and the salesperson will execute an Independent Contractor Agreement that defines the relationship in detail

## **COMMISSION SCHEDULE**

Salesperson will receive 80% of the gross office commissions collected from listing and/or sale side of a transaction, with the exception of new agents.

New agents will receive 70% of the gross commissions until they have closed 6 transactions.

Trainer/Mentor will receive 10% of the gross commission.

## **RECRUITING**

A 5% bonus will be paid for any agent recruited based on gross commissions earned for as long as the recruiter is working at the company and earns at least \$25,000.00 in gross commissions per year.

## **COMMISSION PAYMENT TO SALES ASSOCIATE**

Commissions will be paid to salespersons with two (2) business days after the office has received the gross commission and a completed file. The Company will attempt to disburse commissions the same business day that they are received, however, the Company reserves the right to wait until a commission check clears the bank before disbursing splits. Any outstanding Accounts Receivable will be deducted from the commission paid to the salesperson. The salesperson will also receive a statement detailing the expense.

## **LEGAL ACTION TO COLLECT COMMISSION**

Occasionally, a client may refuse to pay a fee that the Progressive Real Estate Services' has earned. Progressive Real Estate Services, Inc. will have the sole discretion as to the legal remedies to be taken to collect the commission and will not be bound to do so.

If Progressive Real Estate Services, Inc elects to take legal action, the costs of the action will be borne by Progressive Real Estate Services, Inc and the salesperson in the same proportion as the set commission split would have been.

## **EXPENSES**

Questions often arise about which expenses are paid by the Company and which are the responsibilities of the salesperson. Our policy is:

### **COMPANY WILL PAY FOR**

- Common Office Space
- Telephone-Office Land Line
- Black and White Copier and Printer
- Fax Machine/Scanner
- "Starter" Package
  1. 500 Business Cards
  2. Name Tag
  3. Transfer Fee
- Janitorial Service
- Company Signs
- Lockboxes
- Internet Access
- Company Website
- Email Address
- Company Specific Zip Forms

- Company Training
- Personal Coaching and Mentoring

### **SALESPERSON WILL PAY FOR**

- Business Cards(after first 500)
- Any special modifications to the back of the Business Cards
- Postage
- Specialty Advertising items
- Licensing Fees
- Association and MLS dues
- Continuing Education
- Personal Office Supplies
- Personal Sales and Listing Tools
- Mobile Telephone
- Advertising
- Color copies and printer
- Automobile and related expenses
- Health Insurance
- \$199.00 per year for Errors and Omissions Insurance
- Social Security and Taxes
- Sign Installation
- Personalized Signs or Sign Riders
- Agent Specific Zip Forms at \$50.00 a year

Salespersons will be billed monthly for expenses paid by Progressive Real Estate Services, Inc that are properly charged to the salesperson. Such expenses may include advertising, business cards, MLS dues, etc.

The salesperson is expected to pay Progressive Real Estate Services, Inc within 10 days from receipt of the bill. If payment is not received by Progressive Real Estate Services, Inc within that time, the past due amount will bear interest at 18% annual rate, unless arrangements have been made to come out of a closing.

### **BOARD OF REALTORS®**

It is our policy that all licensed salespersons will join the Multiple Listing Service, Southeast Minnesota Association of REALTORS, Minnesota Association of REALTORS, and National Association of REALTORS.

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

### **ASSISTANCE FROM BROKER**

The broker will provide assistance to the sales staff whenever necessary. In addition, Progressive Real Estate Services, Inc has established a coach/mentor position to assist the broker with ongoing support for the sales staff. Neither the broker nor the coach should have to do those things that a salesperson should do. Counsel from the broker and coach should supplement the salesperson's efforts, not replace them.

If the salesperson has a problem, the salesperson should give the broker or coach his or her recommendation for the solution to the problem. This will help the salesperson learn and grow in the business.

While the broker is available for assistance and consultation and will try to be accessible to the salespeople, often this will not be possible. If you need the broker's assistance, please check with the broker to see when it would be convenient. Confirm the appointment.

## **PROFESSIONALISM IN THE OFFICE**

To be a professional, one must act professionally and dress professionally.

A professional atmosphere is necessary for the most effective representation of our clients, and will enhance all of our income levels.

A professional atmosphere excludes:

- Horseplay in the office
- Practical, sexual or ethnic jokes
- Loud laughter or conversations
- Gossip
- Vulgar or questionable language

Salespersons should conduct themselves in a businesslike and professional manner.

Attitude of others towards us are frequently shaped by the way we dress. We cannot think of an instance when a sale was lost because a salesperson was professionally dressed, but many customers have been put off by "sloppy" or "sexy" clothing. When we expect customers and clients to trust us with the single largest transaction of their lives, which is the purchase of Real Estate, we must understand why they expect us to dress and act like a professional.

## **COOPERATION**

Few real estate salespersons are successful without a spirit of cooperation. We encourage our salespersons to give help to others, both within and outside the firm.

Pitch in without being asked. Give assistance pleasantly, not grudgingly.

Other offices will be more willing to sell our listings, and more willing to present our buyer's purchase agreements in a favorable light.

Appraisers, lenders, attorneys, and title companies remember a helpful organization and appreciate cooperation.

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

## **DESKS / OFFICE SPACE**

1. "Day Desk" Space will be available in each office for use by agents so they can perform some routine work activity away from their home office. Any Salesperson using a "Day Desk" is expected to maintain it in an orderly manner and to leave the desk clean and usable for the next agent prior to leaving for the day. There are no production requirements for use of "Day Desks", and they are intended to be used for short time periods only.
2. Personal Desks are "Day Desks" assigned to an agent for an indefinite period.

3. A Semi-Private Office is a Private Office shared by more than one salesperson. The salesperson will be given enough space for an average-sized desk and filing cabinet and is responsible for equipping the office with all furniture. The company will determine the number of agents per office for semi-private use.
4. A Private Office is an office space that a salesperson has the individual use of. The salesperson is responsible for equipping the office with all furniture and supplies and maintaining the office at his or her expense. The salesperson may allow other salespeople to share the office at his or her discretion.

Under the above arrangements, agents may be required to sign a lease agreement with Progressive Real Estate Services, Inc to include reasonable monthly rental payment to offset Progressive Real Estate Services, Inc expenses associated with that office space, leased on availability and production.

### **DISPUTES – ARBITRATION OF**

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

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

In case the broker cannot help them resolve the dispute, the parties will submit to arbitration by their peers. Three salespersons will be appointed to the arbitration panel, one by each of the disputing parties and one by the broker.

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

### **DISPUTES – 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.

Progressive Real Estate Services, Inc believes in the moral and legal validity of properly drawn real estate contracts.

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

Salespersons should try to move buyers and sellers toward a common ground and encourage reason, flexibility and compromise.

### **EDUCATION**

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

We cannot expect to be called a “professional” without making an investment of time and money on education.

We encourage our salespeople to continue learning better ways to provide service.

There are many resources for education, including:

Real estate seminars

- REALTORS® Institutes
- Sales meetings
- Board of REALTORS® meetings
- State and National Association Conventions
- Books
- Magazines
- University courses

Invest in education. It will pay you back tenfold.

## **EMAIL COMMUNICATION**

Email provides a very strong protection for both Progressive Real Estate Services, Inc and the salesperson. Each salesperson should use email to document communication between agent and client and between agents. Anytime a client or another agent makes a request of you, we recommend that you perform the following steps in a timely manner:

1. Write and send an email summarizing what was discussed.
2. Request a response and/or confirmation.
3. Print the email chain and place in your file.

## **EMPLOYMENT**

Each salesperson with Progressive Real Estate Services, Inc is free to work when and for whom he or she chooses outside of the real estate industry. However, Progressive Real Estate Services, Inc strictly forbids any salesperson from working as a mortgage originator, insurance agent or closing agent without the expressed, written approval of Progressive Real Estate Services, Inc.

It is our opinion that the risk for a potential conflict of interest is potentially very high if an agent representing “the best interest” of a client is profiting from anything other than the representation of that client. Proper affiliated relationship and compensation disclosures must be in place.

## **OFFICE FORMS**

Critical questions will occasionally arise about a listing or a contract when the salesperson is not available. At such times it is good to be able to get the necessary information. Salespersons must fully complete all necessary paperwork during the listing and sales process.

Forms are available in each office and on ZipForms. If a salesperson sees that the supply of a certain form is low at the office, please make more copies.

Some forms are Progressive Real Estate Services, Inc specific. If a salesperson has suggestions for improving one of these forms, please notify the office administrator.

## **OFFICE HOURS OF OPERATION**

Our normal business hours are:

Mondays through Fridays –9:00 am – 12:00 pm

Weekends and Holidays – by appointment

Successful salespersons frequently work non-traditional business hours, often evenings, weekends and holidays.

## **TELEPHONE ETIQUETTE**

First impressions of Progressive Real Estate Services, Inc are often made from the way the telephone is answered.

The salesperson should consider the act of answering the telephone one of the most important of all duties.

The telephone should be answered with a SMILE in the following way:

*“Good [morning / afternoon], this is Progressive Real Estate Services, . May I help you?”*

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

If the call is for a salesperson who is out, say:

*“Mrs. Wilson is out. May I have her call you when she returns?”*

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

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

All messages should be carefully taken by each member of Progressive Real Estate Services, Inc, and promptly made available to the appropriate salesperson. Each salesperson is highly encouraged to use their mobile telephones for all advertising, sign riders, and client correspondence.

.We believe the telephone is the second best means of communication. When it is used long-distance, it is also one of the most expensive. When possible, we ask that each salesperson use the “free” long-distance package offered by their mobile telephone carrier to keep office expenses to a minimum.

Our telephone equipment was installed to serve our business needs, and all our lines will often be in use. Therefore we ask that you keep personal calls short.

## **OFFICE EQUIPMENT AND SUPPLIES**

Equipment and supplies, including reference material, should not be removed from the office for any reason without prior broker approval.

Upon termination, salespersons will return any supplies and materials in his or her possession.

## **OFFICE HOUSEKEEPING**

Clients and customers develop their first impressions from the appearance of our offices.

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

## **TEAMS**

Progressive Real Estate Services, Inc encourages cooperation and teamwork among agents. The company will leave to the discretion of each salesperson individually whether to create a business relationship with another salesperson within the office. The company will not dictate the terms of the business arrangement to include hours worked or commissions split.

The company, however, does retain the authority as Broker to dictate the relationship between the salesperson and the company as well as between any salesperson and the clients and customers. All licensed team members will be Independent Contractors and Agents of Progressive Real Estate Services, Inc and not any Team Leader.

## **TELEPHONE – DO NOT CALL LIST**

If a prospect does not want to receive sales calls from Progressive Real Estate Services, Inc, he or she can ask us to place their telephone number on Progressive Real Estate Services, Inc's "Do Not Call" list. In compliance with federal and state laws, their request must be documented immediately. We are allowed up to 30 days for their telephone number to be removed from any sales programs that are currently underway. Inform the prospect of the following:

- Their request can be in writing or by phone, and must include, at a minimum, their telephone number.
- If they have multiple telephone numbers, they must tell us all numbers that they want to be included on the list.
- They will remain on our "Do Not Call" list for five years, unless they ask to be removed in writing.
- If their telephone number ever changes, they must give us their new information for their "do not call" status to remain in effect.
- Many "do not call" regulations permit companies to contact their own customers even though their number(s) are on these other "do not call" lists. Therefore, if they are a Progressive Real Estate Services, Inc customer, they may be contacted by Progressive Real Estate Services, Inc even though they are on these other "do not call" lists.
- If they do not want to be contacted by Progressive Real Estate Services, Inc even though they are a customer, they must follow the steps above to be placed on Progressive Real Estate Services, Inc's "Do Not Call" list.
- Being on Progressive Real Estate Services, Inc's "Do Not Call" list means that they will not receive sales calls by anybody representing Progressive Real Estate Services, Inc. We may still contact them, however, for non-solicitation purposes.

Additionally, a salesperson that receives a "Do Not Call" request must forward that request to the Office Administrator immediately. The Company will place the name in the Company "Do Not Call" List. It is the responsibility of each salesperson to check the list on a frequent (at least monthly) basis for additions to the list.

## **ABSENCE/TIME OFF – COMPENSATION TO ANOTHER SALESPERSON**

Salespersons must occasionally leave town for education, seminars, business or vacation. Our customers should not experience any decrease in service during this period the salesperson is gone.

The broker or any other agent should not be expected to assume the workload. Another salesperson should be selected to serve our customers, and the salesperson who takes care of the absent salesperson's work must be compensated. If the broker must handle the salesperson's work, the broker will be compensated.

We have set a standard for compensation to be paid by the absent salesperson; this does not preclude a different written agreement between any two salespersons.

<u>Work performed</u>	<u>Compensation</u>
Taking a listing – seller	50%
Writing a contract – buyer	50%
Presenting a PA (eventually accepted)	20%
Any other work	\$100/hr

The salesperson who is to be absent should arrange with another salesperson to handle any business. Every salesperson must designate a “back-up” and register that salesperson with the Company for its files. If a salesperson cannot be reached by cell phone for a 24-hour or greater period, he or she must notify the office in advance.

We suggest that every salesperson periodically take time off to recharge their energy, enthusiasm, and ideas that bring success. A physically exhausted agent simply cannot perform effectively.

However, if we take off every time we “feel like it” we may miss many income-producing activities.

Often, the only way to do this to avoid “guilt” feelings is to schedule time off as if it were an appointment.

## **ADVERTISING**

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

A salesperson's advertising (if any) should be designed to generate calls on homes with the intent of securing a buyer regardless of which home they eventually purchase.

Such advertising is the responsibility of the salesperson. The sizes of the; logo, name of the company, phone number, address, and salesperson name must be approved by the broker.

Salespeople often purchase different items to give away to sellers, buyers and prospects. Such items usually have the name of the Company and the name of the salesperson prominently displayed. These items often result in increase goodwill and business.

## **APPOINTMENT CALENDAR**

It is our experience that the most successful salespeople have a written plan of action for each day.

We strongly recommend that our salespeople keep a daily calendar for appointments, for completing necessary tasks, and for prospecting effectively.

## **AUTOMOBILE**

First impressions are lasting impressions. The appearance of a salesperson's automobile is as important as his or her personal appearance.

The automobile need not be new, but must be neat and clean. Air conditioning and heat will help to keep your buyer's loyalty.

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

The automobile is a traveling office and should be stocked with the following tools of our business:

- Ad copies
- Market report form
- Contracts for purchase, listings, and sale
- Seller's net sheet
- Listing presentation book
- Measuring tape
- Business Cards
- Maps
- Forms
- Tape Measure
- Flashlight
- Hammer
- Screwdriver
- Pliers
- WD-40
- Nuts and Bolts for Signs
- Name Riders
- Camera
- Lockbox Key
- Rolodex
- Copy of Office Listings

Each salesperson should check with their own insurance agent if they plan to take customers in their car for the type of insurance that they need.

## **EARNEST MONEY CHECKS**

When a salesperson received a check as an earnest money deposit, the check will be submitted to the office immediately along with appropriate contract forms upon final acceptance and no later than 3 business days from final acceptance, unless in writing signed by both the Buyer and Seller.

It is Progressive Real Estate Services, Inc policy not to accept cash for earnest money. If cash is presented for earnest money have the buyer go and get a money order or a cashier check.

Under no circumstances will a salesperson accept as an earnest money deposit a "postdated" check.

## **POINT OF ORIGINATION**

The listing agent for a property knows the property better than anyone else, has a personal stake in showing that property and should be rewarded for obtaining the listing.

Therefore, we do not have a scheduled floor time. All available salespersons are required to refer the call to the listing agent.

If the listing salesperson is not available, attempt will be made to get the name and number of the prospect. If the prospect will not give that information, the salesperson than has permission to assist the prospect.

If what the prospect is inquiring about is not pertaining to any specific listing, the agent may assist the prospect.

## **KEYS**

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

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

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

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

## **LISTINGS**

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

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

A listing well taken is half-sold. Salespeople who take listings at fair market value, who are candid with the seller about necessary repairs or cleaning and who prepare the seller for an offer, will sell more of their listings.

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

- Seller's net sheet
- Seller's contact information
- Listing agreement and all listing forms

Progressive Real Estate Services, Inc files are for the reference of all salespersons and the Company. They should never be removed from the office or released to the public.

A salesperson should maintain an independent, personal listing file and include additional information such as notes and correspondences.

It is imperative that we maintain regular contact with the seller who has entrusted the sale of his property to our Company. A salesperson who does not service his or her listings properly will soon find referral business dropping off substantially, and that it is impossible to get sellers to renew their listing.

Contacting a seller each week is recommended. Don't feel uncomfortable. Call! Nothing is worse than not calling for several weeks!

Ask the seller to call if another agent shows the property so that you can follow up.

Our business is built on service. **Service your listings.**

Salespersons should list properties for as long of a term as possible, with a minimum of six months being the goal. A shorter term does not give us a fair chance to sell the property, and could result in an unfortunate interruption of service to the seller.

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

We invest considerable effort, money and time in listing and marketing a property, and expect to be reimbursed if the listing is taken from us.

Our standard cancellation fee is 1% of the listing price and should be placed on the Listing Agreement. It should be brought to the seller's attention.

A cancellation fee, will be split with the salesperson based on their commission split with the company.

In certain circumstances, the Company may decide that charging such a fee would not be appropriate. Such situations include a seller who transfers to another city, or a seller who can show that we have not serviced the listing properly. If they have decided not to sell anymore, the listing will be withdrawn not cancelled.

## **PERSONAL ASSISTANTS**

We believe that a personal assistant can help a salesperson be more productive in every aspect of his or her business. Personal assistants can do many of the tasks which do not require marketing and sales skills, such as preparing brochures on properties for sale, inserting advertising,

measuring listed properties, placing signs on properties and even, when properly trained, comparative market analyses.

If a personal assistant is engaged by a salesperson of this office the following requirements apply:

Progressive Real Estate Services, Inc the salesperson, and the personal assistant must enter into a written agreement which:

1. States that the assistant is an employee of the salesperson and not Progressive Real Estate Services, Inc.
2. States that the personal assistant is an employee, not an independent contractor, for income tax purposes. The salesperson must agree to withhold taxes and FICA contributions, as well as make all required payments to IRS for those taxes. The salesperson agrees to abide by other laws, including unemployment compensation taxes or workmen's compensation insurance, and to hold Progressive Real Estate Services, Inc harmless from any claims for those items.
3. Sets forth the compensation to be paid to the assistant, including any bonuses.
4. Outlines the duties of the personal assistant, as well as a list of activities which an unlicensed personal assistant cannot perform in this state.
5. Gives Progressive Real Estate Services, Inc the right to approve the continued employment of the assistant from time to time. The approval shall not be unreasonably withheld, but if the assistant is causing problems in the operations of the Company, the assistant will not be allowed to continue to work in the offices of Progressive Real Estate Services, Inc.

Salespersons may decide to hire licensed personal assistants because of additional duties which may be performed. Often the licensed assistant will work under a split-commission basis. A salesperson may not pay a portion of the commission to the assistant. Commissions split between the salesperson and the personal assistant must be paid by the broker.

## **PERSONAL SALES AND PURCHASES**

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

### **1. FULL DISCLOSURE**

When a salesperson buys or sells real estate, the seller or buyer must be informed about the salesperson's license status in writing, and must be aware that the salesperson 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. The salesperson is allowed one free transaction once a year, whereby this allows the salesperson to keep the complete amount of commission.

When a salesperson is buying a property, the broker/manager will review the contract.

## 2. COMMISSION TO THE OFFICE

Many purchases and sales involve office prospects, office listings or potential listings, supplies, as well as potential liability to the office. Therefore, the Company must be paid its share of the scheduled brokerage commissions whenever a salesperson buys or sells any property, after their 1<sup>st</sup> purchase in the agent's calendar year.

If when buying property the salesperson accepts no commission, the salesperson shall pay to the company the scheduled brokerage split at an assumed rate of 3% on one side of the transaction or 5% if agent has both sides..

## **REFERRALS**

Referrals can be a substantial source of income to alert salespersons.

Send a referral on every client or customer who is leaving our area.

When you meet a buyer who intends to move from another city, send a "reverse" referral to a broker in that city if the property is not yet listed.

Out of town referrals should be handled by the broker/manager. Progressive Real Estate Services, Inc expects to receive a minimum of 25% on referrals we send. We pay a maximum of 35% on the listing or the selling side of the transaction of referrals from another broker.

Salespersons should prepare a Referral Agreement and place it in the referral files on all referrals sent and received. Be sure to follow up on prospects who have been referred so that you may promptly get paid upon a closing. All incoming referrals, the 25% referral fee or whatever the referral is comes off the top of the gross commissions when you are doing your Commission Disbursement Form.

We encourage salespeople to refer customers to each other if doing so will provide greater service to the customer.

When this is done, if compensation is involved, the salespersons must come to an agreement as to compensation due, and put it in writing. It should be placed in the files, and each salesperson 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.

## **SEXUAL HARASSMENT**

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

The harassment can be verbal (dirty jokes), visual (posters, cartoons, drawings, or emails that can cause embarrassment), or physical (continually requesting a date or sexual advances).

Members of Progressive Real Estate Services, Inc have the right to work in an environment free of such behavior, and should not be subjected to any type of harassment. Such conduct is expressly forbidden by management.

Staff members who have been subjected to conduct they believe constitutes sexual harassment should report the incident to management immediately.

## **SPECIALIZATIONS**

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

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

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

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

## **SIGNS AND LOCKBOXES**

Each salesperson is responsible for the signs and lockboxes put on their listings. Every listing file should note whether the listing has a sign or a lockbox.

Sign “riders” with the salesperson’s name and phone number are exceptional opportunities for the listing agent to receive calls and find buying and listing prospects. These riders are the responsibility of the salesperson.

When a listing sells, expires or is withdrawn, the salesperson must return the sign and lockbox to the office and check it in with the broker/manager. It should be noted in the listing file.

If a sign or lockbox is lost or stolen through no fault of the salesperson, Progressive Real Estate Services, Inc will bear the cost of replacement.

If a sign or lockbox is lost due to salesperson’s delay in removing it from the listing, the cost of the lost items will be charged to the salesperson.

Commission checks will be held until the sign and lockbox from the sold listing has been returned to the office.

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

When a listing is taken and another real estate agency sign or lockbox is on the property, you may not remove either. They are the personal property of that broker and/or salesperson. Call the other agency and suggest that they pick them up.

## **SMOKING**

Progressive Real Estate Services, Inc has established a “no smoking” policy for the comfort of our staff and customers.

If employees or salespersons must smoke, please smoke in your car or not within the visual of the front door.

Many customers and clients may find smoking distasteful. Salespeople should be aware that they run the risk of the goodwill of our customers and clients by smoking in their presence. Please refrain from doing so, even with permission.

## **GAMBLING**

There shall be no gambling of any form in the office.

## **OUT SIDE BUSINESS**

If you have another business, this will be done outside of the office. No outside business will be done in Progressive Real Estate Services, Inc office.