

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 management's 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.

INTERNAL DOCUMENT LOGON

Web address - www.suncountryrealtors.com

Click on Tab –

Enter Password –

TO VIEW –

- Policies and Producers

-

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- Pathways to professionalism
- Code of Ethics
- Real Estate Law Book
- Strategic Plan
- Anti Trust Compliance
- Deming Board of Realtors By Laws
- No Call Law

WHAT YOU EXPECT FROM US **WHAT WE EXPECT FROM YOU.**

. You can expect the following:

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

With the power SUN COUNTRY REALTORS® System, your diligence and our solid office support your growth potential is as high as the sky.

“Selling Solutions not Promises”

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:

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1. Treat everyone the way you would like to be treated.
2. Work Diligently And Earnestly
3. Disclose all Relevant Facts effecting Interested Parties

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 brokerage firm. 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.

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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.

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: Helping one another when possible, going out of our way to cooperate with each other. We expect cooperation from our employees and local 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.

Required prior to beginning:

- Signed Contractor Agreement

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- W2
- Copy of Driver License
- Copy of State License
- Proof of E&O
- Proof of Auto insurance coverage

Personnel Changes to

- Name
- Address
- Email
- Phone

All of these must be reported by you to the Brokerage Firm, State of NM, Realtors Assoc., Local Realtor Board and MLS.

YOUR PERSONAL GOALS:

As an associate you are EXPECTED to close a MINIMUM OF 12 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 SUN COUNTRY REALTORS® our image is extremely 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.**

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2. **ALWAYS WEAR 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.**

SOME OTHER DUTIES

Monthly Networking where you network with your colleagues and promote your listings

1. **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.
2. **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

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immediately for any change. We are in the process of developing “agent info update” online where you can update your information via office website. All communications should be transcribed to email with a request of written responds for proper record keeping.

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

Internal Meetings

Even through you are a contractor not a n employee all internal meeting must be attended. Failure to do so could result in lost floor time. The QB has authorized to so by the fact they are in a supervisory position; this includes but is not limited to Compliance, Education, Performance, Ect...

Sex Offenders

This is not a protected class and we will not require any AB to attend to these clients. If you do you must make the QB aware of this since there are laws and rules in where these individual can live.

Listing Checklist

CMA's must be completed for each listing with the seller's signature on the estimated Net Out's. A copy of this must be retained in file. (Please be aware of CCR, HOA, Well and Septic areas)

RANM Form 100

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

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

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listing agreement.

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

- **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 Accessory'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.- This must have the Qualifying Brokers Supervision.
- **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.

Purchases Checklist

RANM Form 101

Purchases 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
- Be aware of FHA and VA Loan Requirements

Purchases Contracts requiring Broker Attention

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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
- With Home Inspection do not commit on home or be inside.

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.

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.

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.

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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 Termination of Contract”. This form is to indicate the disposition of the earnest money.

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.

Independent Contractor Termination

All clients and files belong to the Brokerage Firm. Please refer to your Contractors Agreement for full details.

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.

AB / Disclosures

There is often a question in the mind of the consumer (and the broker) about
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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 **Transaction Broker** 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 acknowledge authorizing broker such relationship in the Buyer Representation Agreement and Seller in the listing agreement.

AB as Principal – not allowed

In the event an Associate is buying and or renting a property, it must be disclosed that the Associate is a licensed Real Estate Agent and do to liability must be handle with the brokerage firm. If a sale of AB's Personnel property occurs there will be an adjustment to standard commissions.

AB with unlicensed Assistants – not allowed

Our Brokerage Firm will not allow un-licensed assistants at any time. If AB is found to be using an unlicensed assistant the QB is stating now that we will have no legal obligations and will terminate Contractor Agreement.

Commission

In Office Split is 65% to AB and 35% to brokerage firm. A W-2 will be held in personnel files in order to generate a 1099 at the end of year.

Sales Commission will always show as 6% on the listings contracts to be split with buyer's broker. **This includes family and friends.**

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Any changes must have QB/Owner authorizations.

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.

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.

Unpaid Child Support with the State can result in license being revoked.

NO FUNDS can be received by the AB from any other source the Brokerage Firms checking account.

Referral Fees

Referral fees will be paid to you by the our brokerage firm once funds have been received in office from the closing Brokerage Firm.

Commission – Advances

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

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.

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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 National 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 National 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.

Your first contact should be with the Qualifying 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.

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Property Management

This company has a onsite residential property management.

Dispute Settlements

Disputes with Brokers inside or outside of Brokerage Firm should first be brought to the Qualifying Broker. The Qualifying Broker 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 by the filing Broker.

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. These dispute should be addressed by the Qualifying Brokers.

Education

Our company highly suggests to all associates that they acquire as much continuing education as possible. A Schedule for this will be outlined in a 12 month bases for you.

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.

With SUN COUNTRY REALTORS®, 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:

- **Local NAR Ethic is required every 2 years for our Board (this is not shown through the State Rules)**

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- **Attend all off ice business meetings.**

- Take all training courses offered and by the required by the State.
- Strive for excellence in real estate specialty.
- Try your best

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 Broker Firm disclosure and must be cleared through the Broker to ensure that the ad complies with the truth- in-Lending act and the New Mexico Real Estate Commission Regulations. Additional advertising can be paid direct by the associate who places the ad only when ad approval is made by Qualifying Broker.

Our company disclaimer also must be attached – see office staff.

Listed properties

Any properties listed for sale or lease must state the “ Sun Country Realtors – Phone Number 575-544-4450”.

Expenses

The company will provide the following:

- Voice mail boxes
- Office space
- Telephones
- MLS subscription – Supplied by Brokerage Firm but Paid by AB's once per year
- Copy machine
- Fax machine
- Business cards- 1 time only of qty. 250
- Forms, some at additional charge
- Desk
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- Access to the Internet
- Flyer software
- For Sale signs

The associate will provide the following:

- Year end membership and MLS dues
- Advertising- Most is provided by Brokerage Firm
- 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 try to email invoice of office dues to Associates if they apply. 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 RANM forms. These forms and contracts are readily available with Instanet software.

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.

Safety Policy / Tips

1. Careful with personal info
2. Verify customer information
3. Enlist a coworker
4. Announce your showings
5. Scout locations early
6. Keep phone in hand
7. Keep customer in sight
8. Pay attention to exits

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9. Take a self-defense class
10. Trust your gut

Sexual Harrassment Policy

- Sexual harassment – Typically, sexual harassment includes unwelcome sexual advances; unwelcome requests for sexual acts or favors; unwanted physical conduct; display of sexually explicit or suggestive materials; and other verbal or physical conduct that has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, or offensive work environment.
 - Harassment is prohibited – State that sexual harassment in all forms strictly is prohibited and could result in termination of the relationship with the REALTOR® association.
 - Complaint must supply in writing – An individual who believes that he has been sexually harassed by another employee, a member of the association, or by a guest or visitor of the association, should bring the problem to the attention of his supervisor, a human resources staff person, an attorney or the executive officer.
 - Encourage witnesses to report incidents without fear – Explain that persons who witness acts of harassment will be able to report them in complete confidence and without fear of reprisal.
 - Keep all reports confidential – The identity of all individuals accused of sexual harassment must be kept strictly confidential. Information about any sexual harassment charge will be made known only to an individual directly involved either as a party, witness, an investigatory team member, or the executive officer.
 - Provide for prompt and vigorous investigation – State that any employee who engages in sexual harassment is subject to severe discipline, including termination. Authority for the final resolution of all charges and the determination of appropriate sanctions rests with the association executive.
 - Establish unfounded complaint procedures – Appropriate disciplinary measures may be taken against the employee who brought the complaint, if the sexual harassment complaint is found to be totally and completely without basis.
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- Provide guidelines for follow-up – To ensure that the harassment has ceased and to find out if retaliation has occurred, follow-up
- procedures must be in place. A REALTOR® association might choose to provide counseling or other disciplinary measures to employees charged with sexual harassment.
- Distribute policies to employees – Guidelines should specify a source for staff to contact to learn more about their rights.

Non-Disclosure and Confidentiality Clause

This is outlined within your Contractor Agreement

Non-Compete, Non-Solicitation Agreement

This is outlined within your signed non-compete / non solicitation agreement

Hours of Operation- Office

Our normal business hours are:

9:00 AM – 6:00 PM Monday through Friday
AS NEEDED Saturday

However, associates are free to use the office anytime.

**You must have your key to enter the building during these off hours.
These keys must be returned if a separation/termination ever occurs. If
this is not done a fee of 85.00 could be incurred.**

Errors and Omission Insurance

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

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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 signs and Lock boxes on listings. It is highly recommended that all listings have a both 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. These can be purchased by AB's with the Brokerage Firms assistants.

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.

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.

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/Administrator

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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 accommodating 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 QB.**

No-Call Procedure

All Sun Country Realtors 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. This can be accessed through our website.

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QB Sign _____ Date _____

By your signature below you acknowledge that you have read and understand the foregoing Agreement, that you agree to comply with all of the terms of the Agreement, and that you have received a copy of the Agreement.

Contractor Sign _____ Date _____