



Solutions First Realty, LLC

INDEPENDENT CONTRACT AGREEMENT & POLICY & PROCEDURE MANUAL

Dear Sales Agents,

Thank you for joining Solutions First Realty. As an Independent Contractor, you are required to comply with Georgia Real Estate Commission. The Policies and Procedures Manual is a handbook designed to help you perform your functions more effectively in an organization. For the purpose of this manual, Agent, Associate, Broker Associate, Sales Associate, Sales Agent, Independent Contractor and Salesperson all refer to Salesperson.

Sincerely,

Nikki Crowder

Solutions First Realty, LLC
2330 Scenic Hwy
Snellville, GA 30078
Office: 678-568-9547
info@SolutionsFirstRealty.com

1. INDEPENDENT CONTRACTOR STATUS:

It is the policy of the Company that all Sales Associates affiliated with the Company shall be “Independent Contractors”, not employees, for tax purposes. Whenever any activity of the Company or a Sales Associate shall operate to classify the Associate as an “employee” by the Internal Revenue Service, the Associate’s affiliation with the Company will be terminated.

2. AFFILIATION AGREEMENT: COMPLIANCE AFFIDAVIT:

Upon affiliation with the Company, each Sales Associate will enter into a written agreement with the Company which will stipulate the terms and conditions of the affiliation so as to identify an independent contractor relationship between the Associate and the Company and the responsibilities of each. Each Sales Associate will annually furnish the Company with an affidavit attesting to his compliance with the terms of the independent contractor agreement, which includes the Manual.

3. LICENSURE: BOARD OF REALTORS: MLS MEMBERSHIP

Each Sales Associate shall maintain active licensure to sell real estate in this State at his/her own expense. He/she also will pay his/her own applicable membership and participation fees in the Local Board of Realtors and its Multiple Listing Service (MLS).

4. BROKER LICENSE

A licensed broker who joins the Company, or a salesperson who successfully passes their broker’s examination, shall have the broker’s license showing them licensed to the Company.

5. REINSTATEMENT

There will be \$100.00 reinstatement fee for any license sent back to the Real Estate Commission. This fee is due prior to us requesting your license to be reactivated. If your license is sent back to the Real Estate Commission, you will have to pay a month in advance on your delinquent fees, also you may be required to change your commission plan to 60/40 if you are chronically delinquent.

6. AUTO INSURANCE

Each Sales Associate must provide upon request of the Company, evidence that he/she has secured and continues to maintain an appropriate endorsement on his automobile insurance policy to protect him/her and the Company from pending liability. Minimum coverage of public liability must be \$100,000.00 and \$500,000.00. Minimum property damage must be \$10,000.00.

7. NON-SUPERVISION: COMPANY SERVICES

As an independent contractor, the Sales Associate may establish his/her own hours and methods of work without control or direction by the Company. The Company will provide him/her with such assistance as he/she may request. All agents are home-based agents.

8. GROUP INSURANCE

Whenever the Company may sponsor a group insurance program, Sales Associates may participate in such program only if they are permitted to do so by the insurance carrier as non-employees on an individual basis. In such a case, the Sales Associate will be solely responsible for paying the entire premium cost for their participation as well as any administrative or other costs identified with their participation and the Company will make no contribution to such cost, whatsoever.

9. POSTAGE

All agents are responsible for their own postage expenses including marketing and mass mailings.

10. ADDRESS CHANGES

All address changes must be submitted immediately. Agents must notify commission in writing by signing change form application.

11. COPY MACHINE

All agents are currently home based and are responsible for their own coping expenses.

12. VACATIONS

Any agent taking a short or extended vacation should adhere to the following rules:

1. Notify his/her manager in advance. Ample notice is extremely important for proper scheduling.
2. He/she is responsible for arranging to have another agent cover his/her floor time or open houses.
3. He/she is responsible for arranging for another agent to service his/her listings during absence.
4. He/she is responsible for arranging for another agent to service any and all prospects with whom he/she is working.

13. SALES ASSOCIATES' EXPENSES

The Sales Associate must bear all expenses necessary in the conduct of his/her business endeavors including the cost of MLS fees, Board of Realtor fees, continuing education courses, business cards, if applicable, used by him/her, and the Company cannot pay or reimburse any funds for any such purposes.

14. MLS RULES AND REGULATIONS

The Multiple Listing Service (MLS) has established rules and regulations for the orderly and equitable operation of the Services. The Sales Associates must familiarize himself/herself with the deadlines for submitting listings, change orders and the other requirements of the Service to avoid rule infractions.

15. FIDELITY TO THE CLIENT

The Sales Associate's primary obligation is to the client. The Sales Associates will familiarize themselves with BRRETA (the Georgia "Brokerage Relationships in Real Estate Transaction Act") enclosed at the end of this book.

16. KNOWLEDGE OF INVENTORY

It is important that the Sales Associate be familiar with all properties listed with the Company, particularly those being shown to customers. The Company maintains a daybook for the posting of listing changes, "sold notices", etc., by the Sales Associates. PLEASE note the following terms to be used when entering messages into the DAYBOOK:

16. KNOWLEDGE OF INVENTORY: (con't)

1. C.P. Contract pending
2. C.P.C.T.S. Contract pending, continue to show
3. C.C.P.C.T.S. Contingency contract pending, continue to show
4. B.O.M Back on market
5. SOLD SOLD, not under contract. Remove from your book. If a property comes back on the market, you will be notified via the DAYBOOK and be issued a new listing sheet.

17. OFFICE RECORDS

All office records, files and correspondence are confidential and in some cases, irreplaceable. No files shall be removed from the office without Company approval.

18. COMPETENCE: EDUCATION

If a Sales Associate encounters a client with a need in a specialized field of real estate such as land acquisition or commercial/investment property, he/she should enlist the assistance of others in the Company with more training and expertise than himself/herself. Worthwhile educational programs are offered by the Board of Realtors, The National Association of Realtors' institutes, societies and councils, and by private organizations. While the Company cannot subsidize a Sales Associate's costs of attending such programs, he/she is urged to allocate a portion of his/her earnings for continuing education to improve his/her professional competence.

19. OFFERS AND CONTRACTS POLICY

Fully executed contracts are to be submitted to the office within 48 hours of the binding agreement date. Violation of this time frame will result in a \$50.00 administrative fee deducted from the Sales Associate's commission check. Any Purchase and Sales Agreement turned into the office after closing with the HUD-1 that is more than 15 days after binding agreement, will be charged an administrative fee of \$150.00 and will be deducted from the Sales Associate's commission check. All hard copy contracts must be in the files before closing. Original HUD-1 shall be submitted to office immediately after closing.

20. COMPENSATION

The Sales Associate will be compensated by the Company on a commission basis exclusively, receiving a percentage of the funds received by the Company on the successful completion of any real estate transaction in which a Sales Associate participates as an agent or sub-agent, according to the Company's commission schedule in effect at the time of the closing. In the event some portion of a commission due the Company is deferred to some future date, a Sales Associate's share of the commission, as well as any accrued interest, less charges for collection of such amount, will be paid to him when collected or incurred unless some other agreement is made between the Company and the Sales Associate.

21. COMMISSION CHECKS

All commission requisitions shall be accompanied with HUD-1 and signed requisition by agent. Otherwise, check will be delayed until they are received.

22. TAXES: WORKMEN'S COMPENSATION: UNEMPLOYMENT COMPENSATION

The Company will not withhold income taxes from a Sales Associate's earnings, nor will it withhold or match FICA (Social Security) taxes on his/her behalf. It will be the Sales Associate's responsibility to fulfill his/her own obligations in this regard. The Company will file required governmental reports of an associate's earnings.

23. PAYMENT AFTER TERMINATION

If a Sales Associate's affiliation with the Company terminates, his/her **unsold** listings are theirs to take. In a transaction where there is an **accepted/binding contract**, the listing and/or terminated selling salesperson will be entitled to the commission and agreed upon transaction fee with SFR to which he otherwise would have been entitled.

24. COMMISSION SHARING

There will come a time that salespeople, for one reason or another, will have to share a commission. This could occur when a salesperson has a conflicting or heavy schedule, doesn't feel they can work with a specific personality, or goes on vacation. Commission sharing is effective only if an agreement is arranged prior to any negotiation of a particular transaction. This will assure that there will be no misunderstanding at a later date. This agreement should be put in writing as soon as possible.

25. ACTION AGAINST THE COMPANY AND A SALES ASSOCIATE

In any action brought jointly against the Company and an Associate the expenses of defending against such action shall be borne by each proportionate of the division of the commission applicable to the Sales Associate's participation in the transaction involved in such action. If no property transaction is involved, and thus no commission split is indicated, all costs shall be shared by the Company and the Sales Associate equally. The Company reserves the right to settle independently in its own behalf without further obligation to the Associate, and it recognizes the Associate's equal right to do the same without further obligation to the Company. If a professional standards or grievance charge is brought jointly against the Company and a Sales Associate, all costs and awards levied by the Board of Realtors, will be shared by the Company and the Sales Associate in the same manner unless otherwise indicated by the Board. In the event there is no property transaction involved and thus no commission split is indicated, all costs, fines,

25. ACTION AGAINST THE COMPANY AND A SALES ASSOCIATE (con't)

and awards will be shared equally unless otherwise indicated by the Board. If a professional standards or grievance charge involving the Company and a Sales Associate is brought after termination of his/her affiliation with the Company, the expenses of responding to the charge, as well as cost, fines, and awards will be shared by the Company and the Sales Associate in the same manner.

26. SUITS FOR COMMISSIONS

The Company will have the sole discretion in determining whether to sue for a commission. Any such action will be maintained in the name of the Company. If a Sales Associate participates in such a suit, he/she will be expected to pay a share of its costs proportionate to his/her share or the commission being

sought. If he/she either chooses to not participate in such costs, or fail to pay his/her agreed-upon share of the costs, he/she shall forfeit any entitlement or claim to a share of a commission subsequently obtained by the Company from such a suit.

27. SALES MEETINGS: CARAVANS

The Company may conduct sales meetings and tours of newly listed properties from time to time.

Attendance at such meeting and tours are not mandatory, although, each Associate is required to have a full working knowledge of inventory in order to answer customers' inquiries intelligently.

28. SIGNS; KEY BOXES; KEYS

Whenever possible "For Sale" and "Sold" signs and key boxes should be placed on properties by the Sales Associate listing a property. When a key is checked out of the office, it should be returned as soon as possible. If a sign, key box or key becomes lost because of Sales Associate's neglect, he/she will reimburse the Company for its replacement cost. Keys, when given out to Co-op Brokers, appraisers or workmen, can only be given out if proper identification is presented and if a business card is left with the Company until said key is returned.

***Currently each Sales Associate is responsible for purchasing their own keys, key boxes.

29. LISTINGS; ACCEPTABILITY OF

All listings taken by a Sales Associates are taken in the name of and subject to the approval of the Company. The Company will accept the following type of listing: exclusive-right-to-sell. All listing agreements are to be signed by the Office Manager.

30. LISTINGS; TERM OF

No listing can be accepted for other than the Company's regular commission rat of 6% unless approved by the Company in advance. All listings must be accurate and complete in every detail. The Company cannot accept listings of such short duration that advertising and marketing is not feasible, except for short-term listings taken primarily to protect a Sales Associate in the showing of a property. Listings must be for a term of not less than 180 days except for listing taken primarily to protect a Sales Associate in showing a property. You must offer co-op agents at least 3%. Brokers are to be advised of the seller phone contact when listing taken and kept current should said number change during the listing period.

31. LISTINGS; CHANGES AND CANCELLATIONS

Changes in the original terms and conditions of listings and cancellations can be made only with Company approval and on appropriate MLS forms.

32. DUTIES OF THE LISTING AGENT

A. Listing file:

1. A complete listing file on a new listing must be turned in by the listing agent to the manager within 24 hours of the listing being signed by the seller.
2. The listing file submitted by the agent shall include:
 - a. Completed Market Evaluation
 - b. Copy of signed listing agreement
 - c. All information required on listing agreement

32. DUTIES OF THE LISTING AGENT (con't)

- d. For Sale Sign information

- e. MLS and Company computer information sheets are to be completed
 - f. Any necessary plats, etc.
 - g. Disclosure statements
3. Agent's function limited, in obtaining listings, agent is cautioned: Not to present themselves as appraisers or engage in appraising. (We offer Market Evaluations)
- B. Servicing Listings – The listing agent is required to service the listing to the following minimum degree:
- 1. Make personal contact with the owner by visit, telephone, or letter once a month or arrange an in office marking review.
 - 2. To review the listing with his manager ten days before expiration.
 - 3. Send the seller clippings of ads on his/her property on a regular basis.
 - 4. Keep the Company and staff informed of any status change of the listing, via the daybook.
- Flagrant failure to service listings may result in assignment of the listings not being serviced to another agent at the discretion of the manager.
- C. Contract Presentation – The listing agent or listing agent's manager shall attend any and all presentations of contracts on his listing. All offers are to be presented as soon as possible after receipt of said offer. All offers will be presented until the seller has accepted one. In no circumstances will a purchaser be told what another purchaser offered. The selling price is confidential information and is not to be given out until transaction is closed. All sales will be posted in the daybook by the selling agent, and/or the office secretary.

33. DUTIES OF THE SELLING AGENT

- A. Writing Contracts – The selling agent shall consummate all sales he/she makes in writing, using a standard contract form:

1. All signatures on all copies of contracts must be original signatures. Faxed signatures are acceptable.
2. The date of acceptance of the contract by the seller shall always be inserted by the seller's signature, preferably in the handwriting of the seller. All owners must sign the seller line of any contract.
3. A copy of any contract signed by any person shall be given to that individual at the time he/she signs. A final copy should be provided when all signatures have been obtained on the contract.

B. Counter Offers – Counter offers may be obtained by making changes on the original contract copies or by preparing a new contract for the signature of the seller.

1. All initials used on consummating a counter offer must be original initials.
2. All initials used on consummating a counter offer must be dated.
3. All counter offers must have a specified time at which the offer expires.
4. Any party to a contract, original or in counter, unless the contract states to the contrary, has the right to withdraw his/her offer any time before it has been accepted and an effort has been made to notify the purchaser or seller, preferably by telegram.

C. Contract Files – The selling agent shall turn into his/her manager, within 24 hours of acceptance of a contract by the seller, a contract file that contains:

1. At least one copy of the contract. (The original copy of the contract should be retained for this file in all instances).

33. DUTIES OF THE SELLING AGENT (con't)

2. The full earnest money deposit or copy of earnest money.

3. Notes including information as to who has copies of the final contract and any information that may be of use in the processing of the transaction.
 4. Our form letters to buyers, sellers, attorneys and lending institution shall be sent out by our processor. This will save you a lot of time and effort throughout the closing process.
- D. Rejected Contract – When a contract is rejected, the selling agent shall:
1. Return to the purchaser his/her deposit.
 2. Place a copy of the rejected contract in the listing file.
 3. Send the dead deal file to proper department.

34. EARNEST MONEY

Solutions First Realty currently **DOES NOT** holds Earnest Money. YOU ARE NOT ALLOWED TO PERSONALLY HOLD IT. Closing attorney or cooperating broker can hold it.

35. MARKET ANALYSIS: NET PROCEEDS OF SALE

Properties listed as nearly as possible to current market value are in the best interests of the seller. A Sales Associate should supply the seller with a market evaluation, to help the seller establish a sale price which will promote the ready marketability of the property. If there is a valid appraisal of the property in existence, a listing price in excess of the appraised value is difficult to market. When considering either listing or purchasing a property, the sellers and buyers sometimes are unable to determine all of the financial aspects of the transaction. A Sales Associate should provide both parties with a written “net proceed of sale” approximation of the allocation of the expensed and the disposition of the funds expected from a sale of a property.

36. CLOSING OF A TRANSACTION – AND WALK THROUGH REINSPECTION

Whenever possible, the selling and listing Sales Associates should attend closings. The selling Sales Associate should arrange a “walk-through-inspection” of the property with the sellers and buyers prior to a transfer of ownership.

37. SALES ASSOCIATES’ OWN PROPERTY TRANSACTIONS

The Company encourages its sales staff to invest in real property. A Sales Associate should recognize, however, that his/her opportunities for buying and selling profitably often occur as a result of the Company’s advertising and other marketing activities, and he/she should be especially careful not to appear to be exploiting these to his/her own personal advantage. The Company will resell/ list the property offering maximum exposure at a minimum commission rate of 1% of the commission, plus a processing fee currently \$150.00. If the property is sold in-house, the selling salesperson will be entitled to 3% commission, if sold by co-op there will be 3% commission to selling broker.

38. AMENDMENT AND ANNUAL REVIEW OF MANUAL

The contents of this manual will be reviewed annually with the employees and sales staff of the Company. Recommendations for its amendment are welcomed by the Company. Whenever any changes are made, all affected parties will be furnished with copies of such changes so they may keep their manual current with Company policies.

39. TERMINATIONS

A. No listing commission shall be paid to any agent if a sales contract is not written during his/her tenure with the Company.

- B. Surrender of prospects – Any terminated agent shall turn into his/her manager names and all available date on any and all prospects he/she has received as a result of the efforts of the Company, including Company advertising, signs, and referrals.
- C. Return of property – Any agent terminating shall turn into his/her manager his/her property of the Company or items issued by the Company for related agencies. Specifically included are all Company signs, keys and forms and all Multiple Listing forms. In the event the terminated agent shall fail or refuse to turn in all property of the Company or related agencies, the original cost to the Company of such property may be charged to the agent or the Company may utilize any legal means available to it for recovery of said property.
- D. Repayment of funds – Any funds owed to the Company by a terminating agent shall be due in full immediately upon termination not withstanding any other terms or conditions previously agreed to between the agent and the Company.

39. TERMINATIONS (con't)

- E. Termination interview – Each agent terminating shall be interviewed before final termination by his/her manager. Written summaries of these interviews shall be placed in the personnel file of the terminated agent for the confidential reference of the Company.
- F. Notification to the Department of Registration and Education - In the event an agent is terminated as a result of alleged violation of any law or regulation of the State of Georgia, we shall file with the Georgia Department of Registration and Education in a full and accurate report of the reason for termination, furnishing said agent a true and accurate copy of such statement.
- G. Notification to the Board of Realtors – In the event as agent is terminated as a result of alleged violation of any rule or regulation of the Board of Realtors or the Multiple Listing Service, or any of

its other related organizations, the Company shall file with the Board of Realtors a full and accurate report of the reason for termination and will furnish said agent with a true and accurate copy of such statement.

40. REFERRALS

No referral shall be given or accepted until all agents involved have in their possession written documentation that the prospect who is being “referred” acknowledges and agrees to the referral, what the referral is for (brokerage or relocation services), and whether or not each licensee will receive a valuable consideration for the referral (SEE GA CODE 43-40-25(a)(35). Solutions First Realty Agents must also advise in writing any out-of-state agent of the GA Code requirements prior to accepting and working with a referral. GEORGIA AGENTS - DO NOT ALLOW ANOTHER AGENT TO NOT INCLUDE YOU ON A CONTRACT BY PROMISING TO PAY YOU A REFERRAL FEE, UNLESS YOU HAVE IN YOUR POSSESSION THE REQUIRED DOCUMENTATION. This includes commission splits with agents within the same company. The agreement is to be made an exhibit to the contract.

41. DEAD DEALS

No transaction is considered deal until the file is reviewed by management and declared dead. The processing department will get help at the very first sign of trouble or difficulty. The experience of your management will keep most of your deals together..

42. MINIMUM PRODUCTION QUOTAS

The only purpose of this Company is to earn a fair profit. The function of every associate who affiliates with the Company is to provide a fair share of that profit through personal effort in marketing real estate by providing Solutions First Realty Company services to consumers in the Company market area.

43. TRANSACTION FEE

The Sales Associate agrees Solutions First Realty Company may and is hereby authorized to deduct the transaction fee (currently \$150.00 - \$500.00) at the time of closing.

44. DUAL AGENCY

Do not agree with Dual Agency and/or check on the GAR Contract that you represent the Buyer and also represent the Seller.

45. ERRORS AND OMISSIONS INSURANCE

Included in Transaction Fee and associates are responsible for any deductible should an assurance arise.

46. NON-DISCRIMINATION

The Company is an equal opportunity employer and will not discriminate either in its hiring practices of employees or in its affiliation with Sales Associates because of a person's race, color, creed, national origin, age, sex or religion. Similarly, no employee or Sales Associate affiliated with the Company shall discriminate in the conduct of the Company's business against any other person for any of the same reasons. Any employee or Sales Associate affiliated with the Company will follow the affirmative reasons. Any employee or Sales Associate affiliated with the Company will follow the affirmative marketing program sponsored by the National, State and Local Board of Realtors.

47. MONTHLY FEE

Associates on a monthly fee plan will be invoiced on the 1st and due by the 5th. All invoices not paid by the close of business on the 5th will be deactivated and charged a \$100 reactivation fee.

48. PROCESSING/TRANSACTION FEE

The Transaction Coordinator is provided to improve the flow of each transaction and free the salesperson to list and sell more transactions. **See Broker for Cost**

49. MULTIPLE LISTING SERVICE FEE

There is a \$20.00 per month charge from the Multiple Listing Service in Georgia to access their database. This \$20.00 is charged directly to the office. SFR will invoice associate semi-annual or quarterly which is due by the 5th.

50. FIRST MLS FEE

For closings listed under First MLS in Georgia, a fee of .0012 or 12% of the sales price shall be paid to FMLS. This fee is to be taken out at closings.

51. REINSTATEMENT FEE

There will be a \$100.00 reinstatement fee for any license sent back to the Real Estate Commission. This fee is due prior to us requesting your license to be reactivated.

52. OFFERS AND CONTRACTS POLICY; FEE

Fully executed contracts are to be submitted to the office within 48 hours of the binding agreement date. Violation of this time frame will result in a \$50.00 administrative fee deducted from the Sales Associate's

commission check. Any Purchase and Sales Agreement turned into the office after closing with the HUD-1 that is more than 15 days after binding agreement, will be charged an administrative fee of \$150.00 and will be deducted from the Sales Associate's commission check. All hard copy contracts must be in the files before closing. Original HUD-1 shall be submitted to office immediately after closing.

53. RETURN CHECK FEE

A \$35.00 fee will be assessed on all return checks. .

Agent's Signature

Date



COMMISSION PLANS

Option #1

100% (Commission to Agent) (Must have 1 year of Real Estate experience)

- Pay \$20.00 monthly Fee (GAMLS) (Required)
- Pay \$300 per transaction fee
- Pay \$50 monthly Fee
- Pay FMLS 00.12 (Per closing)

Option #2

100% (Commission to Agent) (Must have 1 year of Real Estate experience)

- Pay \$20.00 monthly Fee (GAMLS) (Required)
- Pay \$500 per transaction fee
- Pay NO monthly Fee
- Pay FMLS 00.12 (Per closing)

Option #3

70/30 SPLIT (Newly Licensed Agents) (After 1 year and 3 closings (Per Transaction Fee)

- Pay \$20.00 monthly Fee (GAMLS) (Required)
- Pay 70% (Agent) 30% (Broker)
- Pay FMLS 00.12 (Per closing)

1. All in house leads provided by Solutions First Realty are 30/70 splits.
2. Referral Fees to other real estate offices is negotiable upon associates and based off the agent gross portion of the commission.
3. Rental/Lease transaction fees are \$75.00
4. All associates that become 30+ days delinquent in their monthly dues will be deactivated and no longer have MLS access. There will be a \$40 reactivation fee.

Option Split #: _____ Date: _____

Agent Signature: _____ Date: _____

Broker Signature: _____ Date: _____