

TABLE OF CONTENTS

A MISSION STATEMENT & GOALS.....A-1

CHAPTER 1	OUR MISSION	A-1
CHAPTER 2	OUR GOALS	A-2

B NON-DISCRIMINATION AND FAIR HOUSINGB-1

C OUR ORGANIZATION.....C-1

CHAPTER 3	OFFICE HISTORY	C-1
CHAPTER 4	ACCOMPLISHMENTS.....	C-1
CHAPTER 5	ORGANIZATIONS.....	C-1

D FACILITIES.....D-1

CHAPTER 6	DAYS AND HOURS OF OPERATION / HOLIDAYS.....	D-1
CHAPTER 7	OFFICE SECURITY	D-1
CHAPTER 8	PARKING.....	D-1

E OFFICE RESOURCESE-1

CHAPTER 9	FELLOW SALES ASSOCIATES	E-1
CHAPTER 10	COMMUNICATIONS.....	E-1
	PHONE MESSAGE PROCEDURE	E-1
	AFTER HOURS MESSAGES	E-1
	SIGNAGE.....	E-1
	SALES ASSOCIATE'S WHEREABOUTS.....	E-2
CHAPTER 11	ADMINISTRATIVE AND MANAGEMENT SUPPORT	E-2
CHAPTER 12	OFFICE EQUIPMENT / BUSINESS MACHINES	E-2
CHAPTER 13	REFERENCE & RESOURCE MATERIALS	E-2
CHAPTER 14	OFFICE SUPPLIES	E-3
	DOCUMENTS	E-3
	STATIONARY.....	E-3
	MAILING.....	E-3

F AGREEMENTS & RESPONSIBILITIES.....F-1

CHAPTER 15	NEW ASSOCIATE CHECKLIST	F-1
CHAPTER 16	INDEPENDENT CONTRACTOR AGREEMENT.....	F-2
CHAPTER 17	VEHICLE REQUIREMENTS.....	F-2
CHAPTER 18	INSURANCE	F-2
	AUTOMOBILE INSURANCE.....	F-2
	HEALTH & DISABILITY INSURANCE.....	F-3
	ERRORS & OMISSIONS INSURANCE.....	F-3
CHAPTER 19	ERRORS AND OMISSIONS POLICY	F-3
CHAPTER 20	CHANGES IN ADDRESS / PHONE NOTIFICATION.....	F-3
CHAPTER 21	LEGAL ASSISTANCE.....	F-4
CHAPTER 22	LEGAL AND TAX ADVICE	F-4
CHAPTER 23	EARNEST MONEY	F-4
	GENERAL.....	F-4
	HANDLING.....	F-4
	DISBURSAL.....	F-5
CHAPTER 24	UNDER CONTRACT.....	F-5
CHAPTER 25	COMMISSION PAYMENTS	F-5
CHAPTER 26	COMMISSION SCHEDULE.....	F-6
CHAPTER 27	DOCUMENT CONTROL.....	F-6
CHAPTER 28	ADMINISTRATIVE & MANAGEMENT STAFF SUPPORT/FUNCTIONS	F-6

G RULES & REGULATIONS..... G-1

CHAPTER 29	RULES AND REGULATIONS OF MULTIPLE LISTING SERVICES.....	G-1
CHAPTER 30	GA. REAL ESTATE COMMISSION RULES & REGULATIONS	G-1
CHAPTER 31	BOARD OF REALTORS BY-LAWS	G-1
CHAPTER 32	CODE OF ETHICS	G-1
CHAPTER 33	WALL CERTIFICATES.....	G-2

H STANDARD OPERATING PROCEDURES H-1

CHAPTER 34	BUSINESS CARDS AND SIGNS.....	H-1
CHAPTER 35	DIRECTIONAL ARROWS AND RIDERS	H-1
CHAPTER 36	BUSINESS / SALES MEETINGS.....	H-1
CHAPTER 37	DRUG AND ALCOHOL USE.....	H-1
CHAPTER 38	REPORTING PROBLEMS TO MANAGEMENT.....	H-2
CHAPTER 39	OFFICE CLEANLINESS	H-2
CHAPTER 40	DRESS CODE	H-3

CHAPTER 41	CONFIDENTIALITY.....	H-3
CHAPTER 42	ADVERTISING	H-3
	GENERAL	H-3
	AD PLACEMENT.....	H-3
CHAPTER 43	REFERRALS.....	H-4
CHAPTER 44	SALES ASSOCIATES ACTING AS A PRINCIPAL IN A TRANSACTION	H-4
	BUYING PROPERTY	H-4
	SELLING PROPERTY	H-4
	LEASING PROPERTY	H-5
CHAPTER 45	PROPERTY MANAGEMENT	H-5
CHAPTER 46	HOME WARRANTIES	H-5
CHAPTER 47	APPRAISALS.....	H-5
CHAPTER 48	SECURITY OF LISTED PROPERTY.....	H-6
CHAPTER 49	SALES ASSOCIATE VACATION / OUT OF TOWN COVERAGE	H-6
CHAPTER 50	LONG DISTANCE CALLS.....	H-6
CHAPTER 51	PERSONAL SAFETY	H-6
CHAPTER 52	PROPERTY REPRESENTATIONS & DISCLOSURE.....	H-7
CHAPTER 53	TEAM CONCEPT.....	H-7

**I AGENCY, AGENCY DISCLOSURE,
 (“BRRETA”)..... I-1**

CHAPTER 54	RE/MAX ADVANTAGE BROKERAGE RELATIONSHIP POLICY	I-1
CHAPTER 55	BRIEF OVERVIEW OF “BRRETA”	I-2

INTRODUCTION

The purpose of this manual is to provide policies, guidelines and business related information to each Sales Associate and staff member to be used in the conduct of real estate business within RE/MAX Advantage.

This manual is not intended to substitute in any way, information contained in each Sales Associate's Uniform Independent Contractor Agreement, the Georgia Real Estate Manual or Laws, Rules, and Regulations of the State of Georgia governing real estate activities; nor is it to be viewed as a substitute for competent legal advice or service where such advice or aforementioned items will prevail in the event of a conflict with instructions contained in this manual. Where there is any question or doubt about any information or instructions, Sales Associates should discuss the matter with the Broker.

This manual will be updated and changed as required. Users are encouraged to notify the Broker of any changes, additions or deletions that would update information or that would enhance the performance of real estate business within RE/MAX Advantage.

A **MISSION STATEMENT & GOALS**

Chapter 1 Our Mission

“To treat our Sales Associates as our customers, and to heighten their satisfaction by offering service and support that is the finest in the real estate industry.”

We shall accomplish this by:

Creating a business environment of professionals working with other professionals whose business is real estate.



Enhancing the well being of our Sales Associates by providing ongoing training opportunities and offering encouragement that will help them grow professionally and attain their personal goals.



Striving for a level of excellence in service that surpasses our Sales Associate’s expectations.



Constantly searching for better ways to help our Sales Associates realize their full potential.



Being the advocate of a fair and honest profit for everyone by providing the highest level of service and professionalism to others.



Always treating our Sales Associates as customers of our business and always being attentive to their needs.



Above all, doing what is right to satisfy our Sales Associates.



Chapter 2 Our Goals

To be the undisputed leader in the real estate industry. That leadership is based upon quality of personnel, market presence, advertising, and service to our Sales Associates.



To create an environment in which our Sales Associates can excel, achieving their full individual and collective potentials.



To maintain the best possible working relationships within our organization, based upon mutual trust and respect.



To provide our Sales Associates the highest quality products, service and technology at the best possible price.



To develop a sales staff of multi-million dollar producers who individually average more than 30 real estate transactions per year.



To strive for a fair profit for each RE/MAX Advantage Sales Associate and for the owners of RE/MAX Advantage.



B NON-DISCRIMINATION AND FAIR HOUSING

It is the law of the land that no person shall be discriminated against on the basis of sex, race, color, religion, national origin, handicap or familial status.

- Accordingly, it is the policy of RE/MAX Advantage that no person will be discriminated against in either hiring or firing of personnel on the basis of sex, race, color, religion, national origin, handicap, or familial status.
- Furthermore, it is the policy of this company that the independent contractors (Sales Associates) will not discriminate in the showing, selling, leasing, advertising or listing of real estate because of sex, race, color, religion, national origin, handicap or familial status.
- Should a Sales Associate be accused of discrimination, the Broker will conduct an investigation. If the investigation confirms the accusation, the Sales Associate's actions will be reported to the Georgia Real Estate Commission for further investigation and necessary action.



C **OUR ORGANIZATION**

Chapter 3 Office History

RE/MAX Advantage is the result of the merger of three separate and individually successful RE/MAX offices to form a Southside Atlanta giant holding exclusive franchise rights in Clayton, Henry and Butts Counties. Closing between \$20 and \$48 Million in real estate transactions per month in 2002, RE/MAX Advantage has become a leader among leaders . . . to twist a phrase, the RE/MAX of RE/MAX franchises.

The four owners of RE/MAX Advantage—Kent Miller, Leslie Edwards, Mike Ward and Mike Barry—possess over a century of experience in the real estate profession. All excel as sales leaders and have served their Boards of Realtors and communities in almost every conceivable capacity and logged thousands of educational hours.

Because RE/MAX Advantage is founded in the RE/MAX INTERNATIONAL tradition, the Agent with lower monetary goals because of added family commitments or simply a desire for more time to “smell the roses” is encouraged every bit as much as the \$7 Million Agent willing to work 100 hours per week toward their future goal of \$20 Million in annual sales. Broker/Management and office staff assistance are made equally available to both.

Chapter 4 Accomplishments

Million Dollar Club Members are the rule, rather than the exception. In fact, the “average” RE/MAX Sales Associate agent achieves that success every six months!

The vast majority of RE/MAX Advantage Sales Associates qualify annually for one of RE/MAX of Georgia’s awards for membership in the President’s Club, Executive Club or 100% Club. To qualify for 100% Club, members must earn \$100,000 in commissions for the year. Also, we have several recipients of the Platinum Club Award (over \$250,000 in commissions) and of the Chairman’s Award (over \$500,000 in commissions). In addition, we boast several recipients of the Hall of Fame Award presented by RE/MAX International to agents who have earned commissions totaling ONE MILLION DOLLARS through RE/MAX.

Chapter 5 Organizations

RE/MAX Advantage is a member or has an affiliation with:

RE/MAX International	Henry County Chamber of Commerce
RE/MAX of Georgia	Metro South Association of Realtors
RE/MAX of Georgia Broker/Owner Council	Georgia Multiple Listing Service
Butts County Chamber of Commerce	First Multiple Listing Service
Clayton County Chamber of Commerce	



D **FACILITIES**

Chapter 6 Days and Hours of Operation / Holidays

Normal Office Hours for our offices are as follows:

Monday – Friday	8:30 a.m. – 6:00 p.m.
Saturday	9:00 a.m. – 4:00 p.m.
Sunday	Closed

RE/MAX Advantage offices are closed in observance of the following Holidays:

New Years Day	Memorial Day
Independence Day	Labor Day
Thanksgiving Day	Christmas Day

Note: The Broker may designate other operating times in conjunction with holidays and other events.

All Sales Associates are provided with office keys and/or lock combinations, and may use the office at their discretion when the office is closed.

Chapter 7 Office Security

All office personnel and Sales Associates who have been issued office keys are responsible for safeguarding the office and keys; the key fits all exterior door locks.

It is the responsibility of the last person leaving their office section to ensure that all doors and windows are locked and that all appliances and all lights are turned off in that section of the building.

Should an office key be lost or stolen, the Office Manager should be notified immediately. **RE/MAX Advantage is not responsible for loss or theft of personal property.** Sales Associates are encouraged to obtain an insurance policy to cover personal items such as computers, which may be stored in their office.

Chapter 8 Parking

Sales Associates and staff are expected to observe those specially assigned spaces (handicap, etc.) in parking areas and are expected to be considerate of the car parked next to you.



E OFFICE RESOURCES

Chapter 9 Fellow Sales Associates

The single greatest asset that RE/MAX Advantage has to offer is the professional and business experience of our Sales Associates, administrative and management staff. The national profile of the RE/MAX “average” associate approximates the following:

- Over nine (9) years residential sales experience.
- Annual unit production three (3) times that of other national companies.
- Annual production volume in excess of \$1.8 Million.
- A realtor board-certified Million \$ Producer.
- Earnings production of over four (4) times the national average.

Chapter 10 Communications

Each office has a state of the art telephone system enabling the staff to transfer calls anywhere. It is the Sales Associate’s responsibility to indicate to the staff how they wish for their calls to be handled. Additionally, should they wish, Sales Associates may be text messaged as opposed to telephoned.

Phone Message Procedure

The receptionist answers all calls during normal business hours and transfers/pages Sales Associates as previously instructed by the Sales Associate. A duplicate of each message is retained in the message book as a permanent record.

After Hours Messages

Phones are forwarded to the answering services after hours. The service is provided with an updated Sales Associate/Staff roster on a regular basis. Calls are distributed in accordance with the Sales Associates instructions that are noted on the roster. Additionally, the service is always supplied with a current duty roster, thus enabling them to disburse duty calls to the appropriate Sales Associate.

Sales Associates are encouraged to return calls in a timely fashion. Failure to do so reflects poorly on the Sales Associate, RE/MAX Advantage and the whole RE/MAX organization.

Signage

It is the policy of the RE/MAX Advantage that all calls resulting from signs and/or ads are directed to the Sales Associate whose name appears on the sign or ad.



Sales Associate's Whereabouts

Because it is necessary for Sales Associates to be away from the office frequently during business hours, it is very important that the staff be able to contact them. In this regard, Sales Associates are responsible for advising the staff when they are "IN" and "OUT" of the office. When a Sales Associate is absent from the office, he or she should:

- Notify the receptionist so that she may indicate such on the board.
- Advise the receptionist of how they wish for calls to be distributed.

Chapter 11 Administrative and Management Support

The Broker and/or Office Manager are available both during and after normal business hours. Sales Associates may contact the Broker or Office Manager via cell phone or have the answering service page him/her, if necessary.

Chapter 12 Office Equipment / Business Machines

The following equipment is made available for Sales Associates use:

- Network of Computers on-line via T-1, all with individual Laser Printers
- Xerox Phaser wax printer (per page cost)
- Copy Machines (per page cost)
- Fax Machines
- State of the Art Telephone System
- T-1 availability for Sales Associates' personal computers in office building (fee imposed)

If using office equipment after normal business hours, Sales Associates are responsible for turning off/shutting down equipment after use.

Chapter 13 Reference & Resource Materials

Each RE/MAX Advantage office makes available the following resource and reference materials:

- Georgia Real Estate Manual
- Company Policies & Procedures Manual (copy to each associate)
- Independent Contractor Agreements (signed by associate)
- RE/MAX Approved Supplier Catalog (also available on-line)
- RE/MAX Referral Roster (CD updated quarterly)
- RE/MAX Satellite Network
- Tax Plat Books
- Map Books



- Haines Crisscross Directories
- GAR Forms

Sales Associates are required to stay abreast of all changes in the Real Estate License Law and company policy changes. Even though these changes will be addressed at office sales meetings and company gatherings, it is expected that the Sales Associate will make frequent reference to educational resources in order to always perform legally, ethically and profitably.

Chapter 14 Office Supplies

Office supplies are made available to Sales Associates as follows:

Documents

RE/MAX Advantage shall furnish listing agreements, listing data input sheets, profile sheets and disclosure forms. GAR forms are made available on-line. All other supplies are to be purchased by the Sales Associate.

Stationary

Letterhead stationary and envelopes may be purchased through the company in lots of 25. Sales Associates may also purchase stationary through a RE/MAX approved supplier.

Mailing

Sales Associates are expected to use their own stamps for mailing. Should a Sales Associate wish the office to post a bulk mail-out for them, the Office Manager must be notified **one week in advance** for all mail-outs of over 300 pieces.



F **AGREEMENTS & RESPONSIBILITIES**

Chapter 15 New Associate Checklist

Please insure that the following documents are completed and given to your Office Manager during the first day of affiliation, prior to engaging in any real estate activity:

- 1. Georgia Real Estate Commission Change Application
- 2. Independent Contractor Agreement
- 3. Agent Billing Sheets(s)
- 4. Exhibit "A" Agreement for Payment of Monthly Fees
- 5. Welcome to RE/MAX Advantage information form
- 6. RE/MAX Agent Emergency Notification Sheet
- 7. W-9
- 8. MLS Change Application
- 9. FMLS Computer User Form
- 9. SUPRA Transfer to New Broker
- 10. Metro South Association of Realtors Membership Application
- 11. RE/MAX Member Profile

Please complete the following during your first week:

- 1. SUPRA Key Agreement and obtain lockboxes from SUPRA.
- 2. See Staff for assistance in ordering:
 - a. Business Cards
 - b. Yard & Directional Signs
(we recommend Sign-O-Rama 770-603-3053
Sam's Signs 770-987-9898, samsign@msn.com)
 - c. Name tag (Graphic Engraving 770-458-0253, www.rmstore.com)
- 3. Associate Biographical Information (for RE/MAX International website).
- 4. Obtain from Administrative Staff:
 - a. Office Key
 - b. Copy Machines instructions & Code
 - c. Long-distance calling procedure & Code
 - d. Review "Policy Manual"
- 5. Schedule with the Administrative Staff for training on the procedure for voice mail retrieval.
- 6. Schedule training classes with the listing services on the use of the listing services databases.
- 7. Check with a staff member for location of supplies, contract forms, listing service forms, business supplies and reference materials.



Chapter 16 Independent Contractor Agreement

Upon affiliation with RE/MAX Advantage, the Broker shall enter into a written agreement with the Independent Contractor (Sales Associate) setting forth the duties and responsibilities of both parties.

Chapter 17 Vehicle Requirements

Sales Associates shall use their own vehicle during the course of business. RE/MAX Advantage will not provide transportation for either the Sales Associate or the customer/client.

The Sales Associate shall be responsible for payment of all fuel, maintenance and repairs of said vehicle.

The Sales Associate shall keep his/her vehicle clean, uncluttered and in good operating conditions at all times.

In accordance with Georgia Law, all passengers must use factory restraint systems and all children must be restrained by child seat or factory installed restraint.

Chapter 18 Insurance

Sales Associates are encouraged to maintain the following type of insurances:

Automobile Insurance

As a condition of association with RE/MAX Advantage, each Sales Associate must maintain insurance on all vehicles used in their real estate business.

Sales Associates shall acquire and maintain, at their expense, such automobile insurance coverage described as follows:

- 1) Automobile liability insurance to cover business use of Sales Associate's vehicle (which coverage may be added by Sales Associate to his existing automobile insurance policy) in the face amount of at least Five Hundred Thousand & No/100ths Dollars (\$500,000.00) combined single limit of liability insurance having limits of at least Two Hundred Fifty Thousand & No/100ths Dollars (\$250,000.00) for any one person and Five Hundred Thousand & No/100ths Dollars (\$500,000.00) for more than one person arising out of a single accident and property damage liability insurance having limits of at least One Hundred Thousand Dollars (\$100,000.00) arising out of a single accident;
- 2) General liability insurance in the face amount of at least One Million Dollars (\$1,000,000.00). Said insurance shall be structured to protect the Sales Associate, Southside Partners, Inc., d/b/a RE/MAX Advantage, RE/MAX of Georgia and RE/MAX International, Inc. Sales Associate shall exercise his best efforts to ensure that all policies



of insurance acquired and maintained by Sales Associate contain a separate endorsement naming Southside Partners, Inc., d/b/a RE/MAX Advantage; RE/MAX of Georgia; and RE/MAX International, Inc. as additional insureds. Such policies shall not be subject to cancellation or non-renewal except on at least ten (10) days prior written notice to RE/MAX Advantage, RE/MAX of Georgia and RE/MAX International, Inc. Sales Associate shall cause a certificate of insurance, showing compliance with the above requirements, to be deposited with RE/MAX Advantage on or before the effective date and each renewal date of the Agreement. If requested by RE/MAX Advantage, Contractor shall provide RE/MAX Advantage with a full and complete copy of any original policy. Nothing in this paragraph shall be construed to require RE/MAX Advantage to provide or make available to Contract any type or amount of insurance. See Chapter 18 below.

Health & Disability Insurance

Unless coverage is made available through a spouse, it is strongly suggested that RE/MAX Advantage Sales Associates provide for Health & Disability Insurance for themselves and their family members. If the Sales Associate has no preferred carrier, information with regard to group policies can be found on the RE/MAX International website (Mainstreet) and also through the Metro South Board of Realtors.

Errors & Omissions Insurance

Coverage having a per claim and annual aggregate limit of at least One Million Dollars (\$1,000,000.00) must be carried by every Sales Associate of our company and any and all of the Sales Associate's Licensed Assistants. Currently, RE/MAX Advantage's policy is as stipulated below.

Chapter 19 Errors and Omissions Policy

This policy covers Sales Associates liability for most types of negligent action as well as defense costs. This coverage is mandatory for each Sales Associate with our firm and any and all of the Sales Associate's Licensed Assistants. There are generally two types of premium policies: per transaction payment plan and an annual premium plan. RE/MAX Advantage will select the plan most beneficial to the overall operation of our office. In the event of an annual policy, each Sales Associate will pay his or her pro rata share at each policy issue or renewal date. Said expense shall be billed as a personal expense on the Sales Associate's monthly bill. The transaction per policy will be paid at the time of each individual's closing.

The policy deductible is the responsibility of the Sales Associate(s) involved in the transaction.

Chapter 20 Changes in Address / Phone Notification

All changes in name, address and telephone numbers of any Sales Associate must be reported by the Sales Associate to the Office Manager and to the Georgia Real Estate Commission.



Chapter 21 Legal Assistance

If a question arises during a real estate transaction and the Sales Associate believes legal advice is necessary, the Sales Associate should inform the Broker of the problem. If they concur, an attorney of Broker's choice will be consulted.

If the Sales Associate is sued or threatened with a lawsuit in conjunction with a real estate transaction, he or she should immediately inform the Broker. The Broker will then report the suit to the Errors and Omissions insurance carrier. Any policy deductible is the obligation of the Sales Associate.

In matters of arbitration or an alleged violation by a Sales Associate of the Code of Ethics and/or License Law, the Sales Associate and Broker will determine the need for an attorney.

Chapter 22 Legal and Tax Advice

No Sales Associate shall give legal advice to a customer or client; specifically, if this advice pertains to whether a client/customer has certain rights under the law to sue, to back out of, or to enforce certain agreements of a contract through the courts or any other areas of law not specifically covered in a listing or sales contract. The Sales Associate is, however, authorized to and should explain the paragraphs of the standard listing and sales contracts and the actions required by both parties resulting from these agreements.

No Sales Associate shall give tax advice to a client/customer; specifically, if this advice pertains to IRS laws regarding deductions, exemptions, and/or tax liabilities resulting from the purchase or sale of real estate. The Sales Associate is authorized to and should provide information to the client/customer regarding the payment, pro ration or distribution of real estate property taxes.

If a legal or tax question is of the type that is beyond the scope of real estate practice and training, the Sales Associate should suggest that the inquiring individual consult an attorney or tax accountant.

Chapter 23 Earnest Money

General

The proper disposition of Earnest Money is a critical aspect of the conduct of our business. Our company maintains an escrow account for the deposit and subsequent disposition of these funds. A detailed ledger report is maintained of all escrow accounts. There is no designated amount of earnest money that must be deposited with a contract.

Handling

All earnest monies received by Sales Associates shall be turned in with the contract to the Listing Secretary as soon after receipt as practically possible. Checks received after business hours or on



weekends are to be placed in the Listing Secretary's basket. If the contract is not yet accepted, the earnest money shall be turned-in to the Listing Secretary with a memo stating the property address and Sales Associate's name. Once the contract is accepted, the earnest money will be deposited.

Disbursal

Disbursal of earnest money is the responsibility of the Broker who will make a determination as to the recipient in accordance with provisions of license law. In this regard, Sales Associates should not commit the Broker to any decision as to the disposition of the earnest money being held, except that it will be applied to the amount owed by the purchaser when the sale closes; or to quote the provisions of the license law in the event a sale does not close.

Chapter 24 Under Contract

Georgia License Law requires that, upon receipt of an accepted contract, Sales Associates turn-in the contract to their broker within five (5) business days. In order to be a valid contract, the contract must be fully-executed and any changes initialed and dated by all parties. It is critical that correct, updated forms are used.

Chapter 25 Commission Payments

RE/MAX Advantage issues commission checks as follows:

When Commission Disbursal forms, closing proceeds and the Settlement Statement are deposited in the Listing Secretary's basket by 9:00 a.m., a commission check will be issued and available for pick-up after 2:00 p.m. the same day. Payment of the commission is contingent upon the fact that all prior paperwork has been completed and submitted no later than two days prior to the closing. Documents received after 9:00 a.m. will be processed the following day.

Note: Sales Associates must use the correct **blue** Commission Disbursal form.

100% of the net commission collected will be remitted to the responsible Sales Associate, less the following, if applicable:

- Referral Fees and Relocation Fees
- Multiple Listing Fees
- Individual Office Fees or Deferred Split
- Broker Service Fee
- Any previously agreed upon splits with RE/MAX Advantage

In the event that the Sales Associate finds it necessary to sue for a commission, and wishes RE/MAX Advantage to join in said suit, the Sales Associate shall pay all expenses, including court costs and attorney's fees incurred by RE/MAX Advantage.



Chapter 26 Commission Schedule

RE/MAX Advantage Sales Associates are free to negotiate commissions with their buyer and seller clients. In so doing, the Sales Associate should keep in mind the value of the services he will be rendering his client. Especially in difficult or highly competitive markets, sellers should be made aware of the Advantages of being able to offer an attractive co-brokerage arrangement to other firm members of the listing services. The establishment of the commission rate is an important business decision and should be treated as such by both the Sales Associate and the client.

Chapter 27 Document Control

The following documents must be placed and maintained in the Broker's file:

- Listing Agreement
- Listing Service(s) Data Input Sheet(s)
- Seller's Property Disclosure Statement
- Sales Contract
- Closing Statement
- Any and all documents, including correspondence, that pertain to the transaction.

All documents will remain in the Broker's file. In accordance with Georgia real estate law, said files will be maintained by RE/MAX Advantage for a period of seven (7) years.

Chapter 28 Administrative & Management Staff Support/Functions

Telephone receptionists, clerical, administrative and sales management staff are in place to provide efficient and professional services to support the Sales Associates. The support staff provides the following support functions:

- Maintenance of listing, sales and closed files (these files are provided for staff and associate use and, consequently, are not to be removed from the office for any reason).
- Sales Associate production records, including income and production levels.
- Master document (in Microsoft Excel format) for calculating Board of Realtors Million \$ Club volume credit. Staff does not complete Million \$ Club applications for Sales Associates unless they choose to do so on their own time. However, they will provide the Sales Associates with the master document either on disk or via e-mail.
- Monthly Business/Sales meetings.
- Monthly training seminars (generally worth Continuing Education credit).



- Maintenance of a supply of selected, high volume use forms.
- Coordination and interface with multiple listing services on Sales Associate's behalf.
- Earnest Money record keeping and disbursal.
- Professional telephone and receptionist service providing efficient processing of calls.
- Answering Service to handle after hours calls.
- Management support from Broker.
- Optimization of office shared expenses to provide the best in operational tools at the most cost effective price.
- The best available E & O Coverage at the most competitive price.



G RULES & REGULATIONS

Chapter 29 Rules and Regulations of Multiple Listing Services

As a condition of membership in the multiple listing services, listings must be entered into their databases. (FMLS requires that all listings north of Interstate-20 be entered into their database. Additionally, FMLS requires that all listings in DeKalb and Douglas Counties be entered into the FMLS database, even though portions of these counties are south of I-20.) RE/MAX Advantage is bound by both listing services rules and regulations regarding timely entry of new listings, status changes, sale notifications, professional conduct, etc. The GAMLS Policies & Procedures and FMLS Rules & Regulations are made a part of this document by reference. (They may also be found at their respective websites: www.gamls.com and www.fmls.com).

Chapter 30 Ga. Real Estate Commission Rules & Regulations

A copy of the Georgia Real Estate Commission License Law and Rules & Regulations is maintained in each Office Manager's office. It is the Sales Associate's responsibility to be knowledgeable of and adhere to all rules and regulations of the Commission and any changes and updates as they occur.

Chapter 31 Board of Realtors By-Laws

As a condition of association with RE/MAX Advantage, each Sales Associate must apply for and be accepted by Metro South Board of Realtors, which is the real estate board of primary jurisdiction; associate membership may be held in other boards. Each Sales Associate is required to abide by and adhere to all conditions of membership in the board.

Chapter 32 Code of Ethics

Our purpose is to provide a service to buyers and sellers of real estate in a manner that will bring credit to RE/MAX Advantage and our profession; therefore, it is required that we follow the guidelines of the Code of Ethics. Should a Sales Associate believe that another Sales Associate of RE/MAX Advantage or any other company has violated any of the articles of the Code of Ethics, this violation should immediately be reported to the Broker.

The National Association of Realtors' Code of Ethics and Standards of Practice are the basic premises underlying the very foundation of operation of RE/MAX Advantage; violations of their intent and content is a serious breach of expected professional conduct and would, therefore, subject a Sales Associate to immediate dismissal.

Effective January 1, 2001 through December 31, 2004, and for successive four (4) year periods thereafter, Realtors are required to complete Quadrennial Ethics training of not less than two hours and thirty minutes of instructional time. Realtors completing such training during any four year cycle are not required to complete additional ethics training in respect of this requirement as a requirement of membership in any other Board or Association.



A Realtor completing the new member Code of Ethics orientation during any four (4) year cycle shall not be required to complete additional ethics training in respect of this requirement until a new four (4) year cycle commences. Sales Associates should contact the local board of Realtors or their Office Manager for education schedules.

The National Association of Realtors Code of Ethics and Standards of Practice is attached hereto and by reference made a part hereof.

Chapter 33 Wall Certificates

In accordance with Georgia real estate law, the license of the Firm, the Broker and all Sales Associates affiliated with RE/MAX Advantage shall be displayed conspicuously in each office, usually in or near the lobby.



H **STANDARD OPERATING PROCEDURES**

Chapter 34 Business Cards and Signs

The RE/MAX Advantage requires that all Sales Associates use business cards and signs that are from an “approved supplier” in order to insure compliance with RE/MAX International’s standards. If necessary, the administrative staff will assist you in the ordering of your cards and signs. Each Sales Associate is responsible for storage of his signs.

Chapter 35 Directional Arrows and Riders

Directional signs may be used to direct prospective customers to properties; however, some counties prohibit their use or have restrictions such as set backs or weekend use only. It is the Sales Associate’s responsibility to insure compliance with the specific county and subdivision ordinances. Sales Associates are responsible for being completely familiar with the real estate law and rules governing the placement of signs, the use of “Under Contract” and “Sold” riders, and the removal of signs.

Chapter 36 Business / Sales Meetings

Business/sales meetings are held on the second Wednesday of each month for the purpose of informing Sales Associates of any change in company policy, company happenings, changes in the market, new financing procedures, etc. In general, sales meetings are used to keep Sales Associates informed of all facets of real estate. They are, in fact, training periods plus a gathering of the Sales Associates and management to exchange ideas and to discuss policies, current market conditions, market techniques, fair housing policies and procedures, and our posturing in our immediate market place.

RE/MAX Advantage does not control the Sales Associate’s time off or working hours; however, Sales Associates are expected to place high priority on attending the monthly sales meetings and monthly training seminars.

Chapter 37 Drug and Alcohol Use

No drugs or alcohol shall be present or used by Sales Associates during any real estate transaction. Should a Sales Associate have a medical problem that requires the use of drugs that in any way hamper their functioning in a normal and/or safe manner, they should immediately do the following:

- Notify the Broker of the name of the Sales Associate who will be caring for their business.



- Coordinate with the substituting Sales Associate how the calls are to be retrieved.
- Determine the basis of compensation to the substituting Sales Associate. A scenario of all probable “what ifs” and the appropriate compensation shall be determined. A document reflecting said compensation should be signed by all parties.

Sales Associates should also discourage drug and alcohol use by any client/customer during real estate transactions. Upon discovering that a client/customer is under the influence of either drugs or alcohol, the Sales Associate should take the client/customer home and suggest that they discuss or complete the transaction another time.

Use of drugs and/or alcohol while in the employ of RE/MAX Advantage is strictly forbidden and may subject an employee to immediate dismissal.

Chapter 38 Reporting Problems to Management

The following should be reported to the Broker or Office Manager immediately:

- Customer/client complaints involving real estate transactions.
- Automobile accidents while a Sales Associate is participating in a real estate brokerage transaction.
- Criminal charges (with the exception of traffic offenses) and civil law suits involving real estate brokerage transactions.
- Administrative actions that involve the Georgia Real Estate License law, Code of Ethics and/or inefficient operations.
- Contract default.
- Threatened legal actions and acts of discrimination.
- Unresolved disputes between Sales Associates, within or outside of the office.
- Injuries within the office must be promptly reported to the Office Manager.

Chapter 39 Office Cleanliness

Cleanliness and an orderly appearing office are essential to a proper introduction to new clients/customers and to a continuing professional relationship. A cleaning service is provided for the general cleanliness of the entire office. However, it is the responsibility of each Sales Associate to maintain the cleanliness of his or her individual office.



Additionally, when a Sales Associate utilizes other areas of the office, they should clean/straighten up that area prior to departure (i.e., arrange chairs, pick up or straighten papers left on tables – leave the area ready for the next user).

Chapter 40 Dress Code

Sales Associates are expected to dress in an appropriate manner when working with customers and clients. In addition, it is RE/MAX Advantage' policy that all Sales Associates and staff members wear "business attire" when in the office, even if that associate is not expecting a customer/client. First impressions are often the only impression our public will get and it is critical to our corporate image that our Sales Associates and staff "look" as well as perform professionally.

Chapter 41 Confidentiality

All records of this office, as well as conversations between Sales Associates and between customers/clients and the Sales Associates, are considered confidential.

No information obtained while working for RE/MAX Advantage shall be used to the detriment of RE/MAX Advantage, its staff or Sales Associates. For example, divulging information regarding the income, debts or specific credit information on a customer or client without his/her permission is not only unethical, but is illegal and must be held in the strictest confidence.

Other examples of private information not to be divulged are such items as: the earnings of other Sales Associates or information of any kind taken from files.

Chapter 42 Advertising

General

The Georgia Real Estate Commission has rules and regulations regarding advertising (both personal promotion ads and property ads). It is RE/MAX Advantage' policy that Sales Associates be completely familiar with, and abide by, the real estate laws, rules and regulations governing what may or may not be said in an ad.

Ad Placement

Most advertising (RE/MAX Solutions, Atlanta's Homes Solutions, The Real Estate Book, The Real Estate Guide, Southside Marketplace, etc.) forms are available in our offices. It is RE/MAX Advantage' policy that Sales Associates place ads directly with the appropriate media. The publisher will bill the Sales Associate directly.



Chapter 43 Referrals

Perhaps one of the most significant benefits of our RE/MAX association is the ability to participate in the RE/MAX International referral program. Each Sales Associate is listed in the RE/MAX Roster Explorer for potential contact by other associates in our system. Sales Associates are encouraged to use the RE/MAX Roster Explorer when sending referrals. The RE/MAX Roster Explorer is updated quarterly and distributed to RE/MAX offices via CD.

Referral forms must reflect the name, company, address and phone number of the referring agent, plus the amount of the agreed upon referral fee. RE/MAX Advantage' accounting department will deduct the referral amount from Sales Associate's commission prior to issuing the Sales Associate's check. The referral check will be forwarded to the RE/MAX Advantage Sales Associate for disbursement to the referring agent.

Incoming referrals to our office are assigned to the duty agent for that day. Of course, an incoming referral received in which a specific Sales Associate is requested is assigned to that Sales Associate.

Referrals are paid on either the listing or selling portion of commission and are generally negotiated at approximately 20% of the referring agent's commission

The RE/MAX referral system provides several new transactions for the office each year. Referrals must be handled quickly and professionally in order to insure that more referrals are forthcoming.

Chapter 44 Sales Associates Acting as a Principal in a Transaction

Buying Property

Sales Associates are permitted to buy real estate in their own name provided:

- They first advise the Broker in writing of their intent.
- They disclose their licensed status in the contract.
- When a Sales Associate offers to purchase property as a condition to obtaining a listing, he must enter into a written contract with the seller prior to the time that the seller signs the listing agreement. The contract must express all the terms and conditions under which the Sales Associate agrees to purchase the property in the event it does not sell during listing period.

Selling Property

Sales Associates are permitted to sell property they own provided.

- They notify the Broker in writing of their intent.



- They insert a clause into the contract disclosing their licensed status.
- If the purchaser is to pay the Sales Associate installment payments and the Sales Associate is, in turn, to pay a mortgage on the property or some other encumbrance (“wrap around” mortgage), the Sales Associate must deposit the purchaser’s payment in a trust account approved by the Broker. The Sales Associate may not claim or use any part of such payments until he has paid any monies due on the property.

Leasing Property

Sales Associates are permitted to lease property they own provided:

- They notify the Broker in writing that they own property, which they plan to lease.
- The lease agreement must include a clause disclosing the licensed status of the Sales Associate to the tenant.
- They deposit all trust funds/security deposits into a trust account approved by the Broker.

Chapter 45 Property Management

RE/MAX Advantage is not in the business of managing rental property on behalf of landlords; therefore, **no associate is authorized to perform any rental management duties on behalf of the company.** In the event that an Sales Associate desires to perform these functions for their personal portfolio or for others, the Sales Associate must not do so in their RE/MAX Affiliation, but rather must activate a Principal Broker License in a separate rental/management company and maintain those escrow accounts and other related procedures as required by the Georgia Real Estate Commission.

Chapter 46 Home Warranties

It is RE/MAX Advantage’ recommendation that Sales Associates offer a home warranty on every home we list as well as sell. Our experience has been that homes with warranties not only sell more quickly, but for a higher price. The avoidance of “after-sale” repair problems is a major consideration of RE/MAX Advantage.

Chapter 47 Appraisals

There will be times when RE/MAX Advantage or a specific Sales Associate is requested to appraise property. When this request is received, the individual making the request should be informed that we do comparative market analysis (CMA) on the property in question. If this information will not suffice, the requesting source should be advised to obtain the services of a licensed professional appraiser.



Chapter 48 Security of Listed Property

It is the Sales Associate's responsibility to exert effort and influence to insure that their listed properties are secure. The Sales Associate must check frequently to insure that other Sales Associates using the lockbox have not left lights on or doors open or unlocked. When discussing the use of the lockbox with the owner, both pros and cons of lockbox use should be explained. If the house is in an area where there is a high incidence of robbery and vandalism, the owner should be advised to consider not using a lockbox.

Chapter 49 Sales Associate Vacation / Out of Town Coverage

- When a Sales Associate plans to be unavailable for an extended period of time, the following is required:
- Inform the staff of the dates the Sales Associate expects to be out of town.
- If possible, a telephone number where the Sales Associate can be reached in case of an emergency.
- The name of the Sales Associate who will be caring for their business.
- Coordinate with the substituting Sales Associate how calls are to be retrieved.
- Determine the basis of compensation to the substituting Sales Associate. A scenario of all probable "what if's" and the appropriate compensation is to be determined BEFORE going out of town). A document reflecting said compensation shall be signed by all parties.

Chapter 50 Long Distance Calls

Long distance codes are assigned to Sales Associates so that they may make long distance calls or send long distance faxes from the office. The cost is billed to the Sales Associate as a personal expense on the Sales Associate's monthly bill.

Chapter 51 Personal Safety

Sales Associates should be particularly careful not to subject themselves to unsafe situations:

- Never go to a vacant house alone.



- Never meet a customer at a vacant house. Always have the customer come to your office and depart from there. If you are concerned about a customer, ask another Sales Associate to accompany you.

****USE CAUTION AND JUDGEMENT****

****DO NOT PUT YOURSELF IN AN UNSAFE OR COMPROMISING POSITION****

Chapter 52 Property Representations & Disclosure

An increasing number of lawsuits are being filed by buyers claiming that brokers and their associates have made false representations (aware or unaware), that buyers have justifiably relied on that misrepresentation, and that damage resulted to buyers because of this reliance. In response to these claims, courts are imposing a stricter duty on brokers and their sales associates to discover and disclose material facts to buyers regardless of whether an agency relationship exists between the broker and the buyer. Therefore, the following guidelines are to be followed by our Sales Associates:

- Be alert for “red flags” that suggest the presence of a defect.
- Always obtain property condition disclosures (Seller’s Property Disclosure Statement) to be completed and acknowledged by the seller.
- Suggest the use of experts when specialized analysis may be required.
- Recommend that a qualified home inspector inspect the property.

Chapter 53 Team Concept

One “Standard Operating Procedure” supercedes all others... management, staff and Sales Associates must recognize and honor the principal that no one person operates in a void, oblivious to the effect of their activities on others, but rather gives appropriate priority to all elements (both individual and collective) of the RE/MAX Advantage organization.



I **AGENCY, AGENCY DISCLOSURE, ("BRRETA")**

Chapter 54 RE/MAX Advantage Brokerage Relationship Policy

As of January 1, 1994, RE/MAX Advantage has offered the following types of Agency to its clients:

- Seller Agency
- Buyer Agency
- Disclosed Dual Agency

In addition RE/MAX Advantage will provide services to customers in the capacity of Transaction Broker.

It is the responsibility of every licensed agent to understand and implement these four types of relationships.

A summary of the Brokerage Relationships in Real Estate Transactions Act and the text of the Act itself are attached hereto and by reference made a part hereof.



Chapter 55 Brief Overview of “BRRETA”**BROKERAGE RELATIONSHIPS IN REAL ESTATE TRANSACTIONS ACT**

- General Assembly finds that the real estate brokerage industry has a significant impact on Georgia economy.
- BRRETA applies to all real estate transactions in Georgia in which a broker is involved and gives a course of action and defenses to parties in such transactions.
- BRRETA defines the broker’s duties to sellers, landlords, buyers and tenants when engaged by them.
- BRRETA establishes a limited agency relationship between Broker and seller, landlord, buyer or tenant unless written contract provides otherwise.
- BRRETA permits Brokers to perform ministerial acts for the other party to the transaction without forming a brokerage engagement.
- BRRETA provides for termination of engagement after one year if there is no termination date in the brokerage engagement.
- BRRETA permits cooperation with other brokers only with notice to the party engaging the Broker.
- BRRETA provides that compensation does not determine the brokerage relationship.
- BRRETA permits the Broker to represent both parties to the transaction (dual agency) only after full disclosure and only with written consent of all parties.
- BRRETA places limitations on certain disclosures in dual agency relationships.
- BRRETA requires every broker to develop and enforce an office agency policy.

