

iMark Properties LLC

POLICIES AND PROCEDURES MANUAL

INTRODUCTION:

Thank you for joining iMark Properties. As an Independent Contractor, you are required to comply with the rules and regulation set forth and governed by the Texas Real Estate Commission. The Policies and Procedures Manual is a handbook designed to assist you perform your functions effectively in an organization tailored to assist you attain your financial and professional goals.

For the purpose of this manual, “Agent, Associate, Broker Associate, Sales Associate, Sales Agent, Independent Contractor and Salesperson” all refer to “Salesperson”.

INDEPENDENT CONTRACTOR:

iMark Properties does not withhold Federal, State, or Local taxes from commission checks. All Associates are responsible for paying their own taxes.

iMark Properties does not set work hours for Independent Contractors. iMark Properties also does not set vacation times or number of days that Independent Contractors can take leave. The Associate is responsible to ensure in the event that he or she takes a vacation or has leave that their duties are followed up by a “substitute” Salesperson, customers are referred, and mail, e-mail and phone messages forwarded.

ANNUAL MEMBERSHIP DUES:

Each Associate is required to pay their annual membership dues.

Invoices are sent electronically to each Associate every February first of the year. Payment is due on the 1st of the month. If payment is not received by the 30th of the month a \$35.00 late charged is added. If no payment has been made by the 30th of the month and there has been no communication with the Main Office to discuss payment plan, the Associate may be removed from the company registration with the Texas Commission of Real Estate and the Associate’s license being placed on “inactive” status.

TRANSACTION FEES:

Associates are required to pay transaction fees as follows:

Sales

- 3% commission up to \$9999.00: \$300.00 fee per transaction
- Above 3% and up to \$9999.00: \$450.00 fee per transaction
- Intermediary for both sides in \$595 per side
- \$10,000 up to 14,999: 10% fee per transaction
- \$15,000 and above is 15%

Commercial Sales:

- *Up to \$299,999.99: \$300 per transaction*
- *300K to \$599,999.99: \$475 per transaction*
- *600K and above: 10% per transaction*

Leases

- Up to \$499.99: \$35.00 fee per transaction
- \$500.00 up to \$999: \$60.00 fee per transaction
- \$1000 and above is 10% per transaction

Commercial Leases:

- 4% of lease fee per transaction

REFERRALS

If Associate gives a referral to the broker, the commission split will be 50/50 to 70/30 and must fill out referral form for commission agreement. (Referral form will stipulate what the commission split will be for buyer or seller lead.) There's a transaction fee collected from each associate based off commission.

AGENT RESPONSIBILITIES CONCERNING SALES:

The Associate is solely responsible for providing all pertinent documents, i.e. Contracts in regards to all sales transactions to Main Office.

All Associates are required to forward a physical copy of all transaction documentation.

The information can be sent via e-mail or faxed to 866-834-9456.

Forms and documents required to complete transaction files are as follows:

1. IBS (Information About Brokerage Service) form
2. Contract (One to Four Families Residential Contract)

3. Third Party Financing Condition Addendum (If needed)
4. Residential Buyer Representation Agreement
5. If NO Inspection: Your Inspection Get A Home Protection form
6. HUD-1 Settlement Statement
7. (Seller) Information About Brokerage Service
8. (Seller) Residential Real Estate Listing Agreement (Exclusive Right to Sale)
9. (Seller) Seller's Disclosure Notice – The Seller Disclosure Notice is performed by the owner not by the agent. DO NOT COMPLETE THIS DOCUMENT.
10. Signed CDA (48-Hours prior to scheduled closing)

Associate's failure to comply with iMark Properties relationship disclosure regulation before showing property and before writing a contract, or Associate's failure to produce any of the above required documents in the file within the proper legal timeframe may result in a \$25 per day penalty. If an Associate fails to comply with this rule within 15 days their agreement with iMark Properties may be terminated.

If the Broker has sufficient reason to believe that the company is at risk of liability due to an Associate's negligence and is thus forced to complete any file in order to comply with applicable law then no commission will be paid to the Associate for the specific transaction or transactions in question and the Associates contract may be terminated.

No signed Commission Disbursement Authorization (CDA) will be issued unless the executed sales contract and all pertinent documents are received in office 48 hours prior to the scheduled closing.

If the CDA is not submitted prior to the 48-hour period, a \$25.00 processing fee will be attached.

The Associate is required to correctly complete the CDA. No handwritten CDA's will be accepted.

If the CDA is not fully completed or contains errors, it will be returned to the Associate to correct and/or complete.

To expedite the handling of the CDA and to ensure it is received by the title company, it is strongly suggested to provide the e-mail address to the individual handling the closing.

iMark Properties, in certain circumstances, as long as all criteria are met, will allow an associate to represent the "seller" and "buyer". This means, the Associate will need to provide the Broker with written consent from both parties agreeing to the Associate representing both parties. This entails the usage of the Intermediary Relationship Notice: The Intermediary Relationship Notice is essentially a due diligence form. It's used for two purposes. It serves as a reaffirmation by the seller and the buyer of the prior consent they both gave in writing to the Broker to act as intermediary in the transaction. It is also used by the Broker to satisfy the license act requirement to give written notice to all parties of the appointment of associates to each side of the transaction, if such appointments are to be made.

This form is NOT a substitute for the initial written consent that both parties gave when they each signed brokerage agreements with the Broker. The Intermediary Relationship Notice should only be

used if the seller and the buyer have given their written consents to the Broker to act as an intermediary in the listing and buyer/tenant representation agreements. This form may also be used when the Broker is acting as an intermediary in a landlord-tenant situation.

AGENT RESPONSIBILITIES CONCERNING LEASES:

The Associate is solely responsible for all facets involved in a lease.

If Associate represents the individual leasing the property, the Associate will be responsible for invoicing the owner/property manager and all collections, if necessary.

A copy of the invoice will need to be submitted to the Main Office. Any invoice submitted should contain the Associate's name, the address of the leased property and for all checks to be made payable to iMark Properties and mail directly to the Main Office.

If the Associate represents the owner, the Associate cannot represent themselves as a property manager or can the Associate have a DBA for or operate a property management company.

The Associate will have to submit all documents pertinent to the lease and all funds associated with specific instructions on how the funds are to be disbursed.

AGENT RESPONSIBILITIES CONTRACTS AND LISTINGS:

The Associate is responsible for preparing accurate contracts and listing agreements.

An Associate may not enter a listing into active status on MLS or advertise a property unless the listing contract is completed and signed by all parties (Seller, Salesperson, and Broker) and submitted via e-mail to the Main Office.

An Associate's failure to follow the above rules may result in a \$25 per day penalty. If an Associate fails to comply with these rules within 15 days then their contract may be terminated.

TRANSFER OF LISTINGS:

It is iMark Properties policy when an Associate switches brokers from iMark Properties to another agency/broker, the Associate's listings will be immediately transferred to the new broker. However, if

any the listings are currently in pending status at time of transfer, those listings will remain with iMark Properties until the transaction is completed. The Associate will receive commission earned minus transaction fee on the transaction.

If the Associate transfers sponsorship to iMark Properties from another broker/agency with a pending listing, that specific listing will remain with the Broker.

ERRORS AND OMISSIONS:

Associates' transactions are covered up to 1,000,000.00 with a \$2,500 deductible; except when the Associate is the principle in the transaction. The E&O is void when the Associate contacts and/or retains an attorney for any pending legal action between the parties in dispute.

It is strongly suggested that the Associate immediately contacts the Broker if there are any questions in regards to a transaction.

COMMISSION CHECKS:

Commission Checks are issued within 24-hours of being received.

The Associate will be notified via e-mail when a commission check has been received.

It is not necessary to send numerous e-mails to inquire if a check has been received.

If the Associate submits a copy of an invoice, an incoming check will be matched against an invoice and the Associate will be notified.

If an invoice is not submitted, it could cause a delay in issuing the Associate a check and there will be a \$25 processing fee in addition to the transaction fee.

It will be the Associate's responsibility to notify the main office if they prefer for the check to be mailed or picked up at the office.

If mailed, it is the Associate's responsibility to provide a current mailing address.

If an expected check has not been received in a reasonable time period, please contact the office to inquire if the check has been received.

When contacting the office, please provide the following information:

- Amount of Check
- Issuer of Check

This information will assist in determining if the check was received, deposited and accredited accordingly.

LICENSE RENEWALS:

When it is time to renew salesperson's license, each Associate is responsible for seeing that the license renewal fee is paid on time and that he or she has completed the education requirements. The office must always have a current copy of the Associate's Real Estate license and Continuing Education Certifications. Failure to comply with these rules may result in automatic termination of membership due to license law requirements. If membership is terminated due to non-compliance with license law requirements, Associate's membership can be re-instated upon re-compliance.

ADVERTISING, AND LISTING AND ADVERTISING:

Advertising is the responsibility and personal expense of the individual Associate.

Any advertising must be approved by the Broker before publication.

The firm's name must have the proper trademark specifications and color. The Broker provides templates for business cards, signs, fax letterheads, letterheads, logos, etc. for use.

The Associate is responsible to see that signs are placed properly on the property, are of the correct size and are not in violation of any city/county ordinances. In some suburban areas, the police will pick up signs and the Associate will have to pay a fine to retrieve the sign. It is the Associate's responsibility to pay any and all fines.

Furthermore, it is the responsibility of the Associate to purchase his or her own Supra Key and Key/Lock Boxes. These items can be purchased through your local board.

The Associate must comply strictly with national and state "Do-Not-Call" registry laws. If an Associate has plans to include calls to potential clients as part of their marketing strategy, such strategy must be approved by the Broker prior to any calls being made. Associates should also take caution in approaching residences of potential clients.

The Associate's failure to comply with the above advertising rules may result in a \$25 per day penalty. If the Associate fails to comply with these rules within 15 days, their contract may be terminated. If the Broker has sufficient reason to believe that the company is at risk of liability due to an Associate's failure to comply with the above advertising rules or due to an advertisement that violates any law, code or rule, then the Associate's contract may be terminated without notice.

If any advertisement that an Associate produces results in a lawsuit or complaint against iMark Properties or a fellow Associate of iMark Properties and such non-compliance results in any legal fees paid for an attorney to defend iMark Properties or demanded by the plaintiff for attorney fees or court costs, or damages result, then such fees, costs or damages must be paid by the Associate.

BROKER'S DISCRETION AND ABILITY TO WITHHOLD COMMISSIONS:

Broker has discretion to retract or hold due and payable any fee, penalty or expense due to Associate's non-compliance under the agreement or any actions that result in legal fees or damages requiring payment by iMark Properties on a case by case basis.

Broker may use Associate's commission to pay any outstanding membership fees, transaction fees, penalty fees or expense due to Associate's non-compliance under this contract or any actions by Associate that result in attorney fees, court costs or damages requiring payment by iMark Properties. If a complaint or lawsuit is pending sue to an Associate's actions then Associate's commissions may be held by the Broker until such complaint or lawsuit is settled.

If no outstanding membership fees, transaction fees, penalty fees or expense due to Associate's non-compliance under the agreement nor any actions by Associate resulting in outstanding attorney fees or damages requiring payment by iMark Properties nor pending complaint or lawsuit exist then the Broker must pay Associate any commission that is due to Associate upon receipt and clearance by applicable financial institution.

CHANGES TO POLICY AND PROCEDURES MANUAL:

This policy and procedures manual is subject to change when conditions and procedures require such change. This manual will be published on the company's website and any changes that occur will be in force one month after they are published. It is the Associate's responsibility to review the published Policies and Procedures Manual on a regular basis to keep informed of any changes.

If a proposed change to membership dues and/or transaction fees occurs, then along with being published each Associate will also be notified by e-mail one month in advance of the effective date.

Agent: _____

Date: _____