



Office Policies Bid4Agents.com Realty (effective 10/01/05)

E&O Insurance (Errors and Omissions)---Important changes!

Our packaged E&O/Transaction dues are absolutely the lowest in the industry for the value you receive. Effective October 1, 2005 (we are officially a franchise), our E&O/Transaction dues will be normalized across the board to \$498/transaction for all agents—new and old. This new transaction fee is broken down as follows:

1. \$299 E&O Fee (remains the same)
2. \$199 Technology/Franchise Fee

(Transaction fee disclosure form has been updated on the website)

In addition, all agents will pay a \$100/month office fee---regardless of whether you are on the leads system or not. This is to level the playing field for all agents. It's also been an accounting nightmare and most of you should not be impacted adversely by this new policy. Those previously paying \$130/month will have a fee reduction to \$100/month effective November 1, 2005.

Our company is growing substantially and our E&O limit requirements are too. Part of the Franchise fee is used to offset the additional premium with the large increase in agents our first year in business! The \$5,000 deductible on any claims is still covered by Bid4Agents.com Realty in the event of any disputes (assuming no negligence or wrongful act on your part).

Commissions:

An all-inclusive \$498 transaction fee (as described above) is due on residential sales. A 10% commission is due on commercial/businesses. When doing a commercial transaction and sharing commissions with an outside agent, the 10% is on the whole commission before your split with them. **You may not do commercial or sell businesses unless you are experienced.** Please see me on this. This is necessary to keep our E&O insurance premiums low.

Whether you pay yourself a commission or not, a transaction fee of \$498 (residential) is ALWAYS due the office at COE. Double ending a transaction is $\$498 \times 2 = \996 . Commercial sales (or leases) are 10% to the office of whatever commission you were offering in the MLS to the other agent! In other words, if you weren't paying yourself a commission but you listed your own property and offered the selling agent 2.5%—then the commission due Bid4Agents.com Realty is 10% of that 2.5%. On commercial transactions, if you double end it and you aren't claiming any commission, then we will base our assumption at 10% of what 3% of the purchase price would be. In other words,

a sales price of \$500,000 3% = \$15,000 (\$1,500 would go to Bid4Agents.com Realty) –There are never transactions with NO FEES to the office.

Loans:

Agents may not represent themselves on their own loans at any time! If using one of our preferred lenders, please be sure to fill out the necessary disclosure form posted within the Contact Management Software.

Internet Leads:

Web leads are available to all agents upon joining the company and are distributed on an honor system. You are able to cherry-pick the type of leads you feel most comfortable working with. There are a few basic rules and regulations on these leads as follows:

- 1.) You must maintain a 20:1 ratio on internet leads to remain on the system.
- 2.) You are permitted to accept a maximum of 1 lead/day (not counting bonus leads).
- 3.) You must follow up within 15 minutes from accepting a lead and follow up regularly until contact is made.
- 4.) Referral fees are based on a minimum of 2.5% co-op on the buying or selling side. Referral fees will be taken out of the total commission amount before any credits or discounts. Commissions below 2.5% require manager/broker approval and may be subject to an additional technology fee to compensate Bid4Agents.com Realty for awarding you with 20 additional leads. Web-based escrows whose referral commission due to Bid4Agents.com Realty falls below \$1,000 will not qualify for 20 free additional leads in our system.
- 5.) Any future business generated as a result of an initial web-lead is subject to the same referral terms and conditions.
- 6.) **All web-leads** will be moving to 60/40 referral fees (60% goes to you) effective 10/01/2005! Our transaction coordinator and myself will be pre-screening more leads to verify the contact information is correct (so you don't have to spend your time with requesting credit for bad leads). Level 2 leads will be subject to 45% referral fees (verified and ready to purchase within 90 days) and Level 3 leads will be subject to a 50% referral fee (clients wishing to purchase in less than 30 days + my past clients and investors). Please remember that these are still ***industry-low*** referral fees!

REVISED OFFICE PROCEDURES regarding CLOSING FILES AND LATE FEES

LISTINGS:

Per NRS Regulations, the following items are required to be on file within 5 days from the date of the signed listing agreement/contract:

1. Disclosure Regarding Agency Relationships (Duties Owed and Confirmation)
2. Signed Listing Agreement
3. MLS printout

PURCHASES:

Per NRS Regulations, the following items are required to be on file in the office within 5 days from the acceptance date of the signed Purchase Agreement:

1. Disclosure Regarding Agency Relationships
2. Purchase Agreement and all counter offers and addendums
3. Escrow Instructions

COMPLETE FILES:

Complete office files should be uploaded into the system or turned in to the front desk 5-7 days prior to a closing for audit. Files must be complete, with the exception of the final closing statement (HUD) which usually comes with escrow's closing statements.

LATE FEES:

Files should always be complete by the closing date. They are considered late if they are incomplete or turned in 3 business days after the date printed on the commission check and therefore, will incur a late fee of **\$25.00 per day** until they have been completed. Again, we are governed by the Division to implement this compliance.

Any documentation that cannot be obtained requires a paper trail of your attempts to get it. Paper trail must include copies of written correspondence and a fax confirmation requesting items from the broker of an agent/office refusing to provide proper documentation. A letter from the broker stating their refusal should be obtained.

Once files are complete, commission checks will be paid within 2-3 business days from receipt of the final document turned in. Agents should keep a copy of their files for future reference. Once audited, closed files are no longer available for you to work with.

At Bid4Agents.com Realty, eliminating liability and risk management is our top priority. It keeps your Errors and Omissions premiums low. The procedures set forth are in place to help protect you from lawsuits, or protect you in the event of a claim. Always keep a digital conversation log in the software to further document your transaction.

OFFICE DUES:

Per your contract, office dues are payable on the 1st of each month and are considered late after the 5th. A \$25 late fee will be assessed if paid after the 5th. Past due invoices will be applied to any commission checks received to our office. Please remember to pay on time via check, cash or PayPal.com 24/7.

GRANDFATHERED AGENTS:

Agents who are paying \$130/month office dues will be reduced to \$100/month effective November 1, 2005. This is to simplify the monthly billing regardless of whether you take leads or not.

NEW AGENTS:

Per your contract, the first 3 transactions are on a 75/25 split. This does not include new home sales. In the event one of the first 3 transactions is a web-lead and you are on the mentorship program, a 40% referral fee will be collected for the web lead, however this will not count towards your first 3 transactions (to avoid having to pay 40%+25% = 65%+ mentor fees). New agents will receive FULL transaction management for FREE

on the first 3 transactions as well to assist with paperwork issues and to familiarize you with our software processes.

KEY DEPOSITS:

We have implemented a new Key-Fob system at the office to allow you and your clients 24/7 access to our new facility. A \$25 deposit is required to secure the key in case it is lost or stolen. Please stop by the office if you wish to have such access. If your key is ever lost or stolen, please contact Amir immediately so we may disable it to prevent potential theft or abuse.

TERMINATION PROCEDURE:

Per the contract, any listings obtained prior to termination will be transferred over to the receiving broker w/o any fees. By law, any open escrows belong to the broker. Our policy however is that anything already in escrow will be subject to a referral fee of 25% or 50% of the total commission made payable to Bid4Agents.com based upon whether the termination was voluntary or involuntary.

TEAMS POLICY:

Many of you have formed teams and we encourage you to do so. Part of why our formalized fee structure has been implemented is to avoid disputes between members of a team that were on a different lead commission split and dues plan. By having everyone on the same playing field, I feel that everyone benefits and misunderstandings can be averted.

Please remember that if a new agent joins your team, they are still subject to the 25% referral fee off the total commission to Bid4Agents.com Realty---regardless of your own internal commission arrangements.

Questions? Feel free to call me anytime. Thank you for your cooperation!

Signed and Acknowledged:

Signed By: _____ **Date:** _____

Please Print Your Name Here: _____

Please fax this page back to: (702) 920-8333 so I may place this in your permanent file. No commission checks will be released until this form has been signed and returned. I anticipate this to be the 'final' change for some time as our 1st year of growing pains nears its end. Thank you for your cooperation and understanding as we continue our expansion locally and to other market areas. Your support is greatly appreciated!