



MARKET CENTER POLICIES & GUIDELINES MANUAL

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This Policies and Guidelines Manual has been developed to use as a guideline of general operation for all Agents, Assistants and staff of Keller Williams of Central PA Broker. Management or Agent Leadership Council may modify this manual as deemed necessary.

Agents and staff at Keller Williams of Central PA are reminded to use their discretion in matters not covered in the Policies and Guidelines Manual and consult the Team Leader with any questions. Policy on matters not covered by this Manual can often be found in the Policies and Guidelines Manual available from Keller Williams International on www.kw.com. Nothing in the Keller Williams International policy supersedes the information contained in this manual.

This Manual dated May 1, 2022 supersedes and replaces all other previously issued manuals.

SECTION 1: GENERAL OFFICE

A Word about Our Philosophy for Agents, Employees and Assistants: We are committed to providing the best possible climate for maximum development and goal achievement for all the members of our Market Center. Our practice is to treat each Agent, staff member and assistant as an individual. We seek to develop a spirit of teamwork; individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, we provide a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere. We take into account both the circumstances and the individual.

We firmly believe that with direct communication, we can continue to resolve any difficulties that may arise and develop a mutually beneficial relationship.

OFFICE HOURS AND HOLIDAYS: The office is staffed weekdays from 8:30 am to 4:30 pm in Enola Market Center and Carlisle Business Center 8:30am to 4:30pm. There are no regular office hours on weekends. A Holiday schedule is prepared annually and posted in the kwagentportal.com under [Agent Resources > Logos, Docs and Forms](#). Agents have access to the office between the hours of 6:00AM-11:00PM to conduct their real estate business.

OFFICE IMAGE AND APPEARANCE: It is expected that all persons affiliated with Keller Williams of Central PA present themselves to the public in a most professional manner, in appearance, attitude and degree of knowledge. Overall cooperation is requested to help keep the office neat and orderly. Each person is responsible for the appearance of their work area/space. All work areas are to be kept in a tidy and organized fashion. Additionally, if you are using the kitchen or conference room facilities, **it is your responsibility to clean up after your usage** (i.e. do not leave dirty dishes, trash piled high and cups in the sink or the conference room). You should be able to bring anyone into the Market Center at any time and be confident you will be proud of the way it looks.

CHILDREN IN THE OFFICE: Agents and Staff are urged not to bring their children in the office for extended periods of time (i.e. do not bring children in while holding a client meeting).

PETS: Dogs are permitted in the office on occasion. We are a professional office that strives to provide an exceptional client as well as agent experience. We ask that you are mindful of others' appointments and settlements in the office when bringing in your dog. We never know when a guest may be fearful of dogs or have extreme allergies to pet dander. When bringing in your pets for a visit, please try to keep your pets contained in your office space. They should not be roaming/running in the hallways by themselves. If your pet becomes rowdy or begins to bark, we kindly ask that you remove them from the office so they do not disturb other meetings, settlements, or work time. No items such as dog food, water bowls, dog pads, etc should be visible to clients walking past your door. We want to keep our office presentable to our guests!

SMOKING: Smoking is prohibited on the property 2040 Good Hope Road, Enola, PA (Market Center) and 977 Walnut Bottom Road, Carlisle, PA (Business Center).

WI4C2TES: Agents at Keller Williams of Central PA are reminded to use discretion in matters not covered by this Policy and Procedure Manual. If in doubt please consult the Team Leader. No Agent should take action on

matters not clearly defined in this Manual without consulting the Team Leader. All issues, actions and conflicts must be addressed and resolved in a manner that completely conforms to the spirit of the WI4C2TES philosophy.

INDEPENDENT CONTRACTORS: It is acknowledged by every Sales Agent affiliating with Keller Williams of Central PA that they are an Independent Contractor, and not an employee. Each Agent shall sign an Independent Contractor Agreement, and shall conduct his/her business in accordance with the terms and conditions set forth therein.

SALES MEETINGS: Sales meetings are generally held at least once a month. Please watch our market center calendar for updates. Meeting dates are subject to change depending on other activities and/or guest speakers. Reminders and/or changes for each month's meeting will be sent via email

ROOM RESERVATIONS: All conference rooms must be reserved through the kwagentportal.com and scroll to "Conference Room Reservations" You may also contact the Front Desk directly at frontdesk652@kw.com for the following rooms. No one may just utilize a room without first checking with the front desk on its availability in order to be fair to others in the office. These conference rooms are to be used for client meetings only, not team meetings.

- Listing Presentation Room
- Conference Rooms

Original Abstract Conference Room: To be utilized by Original Abstract and their supporters only at the discretion of the Original Abstract personal.

SECURITY: For the safety of you and others, the building is secured with state of the art technology for security including alarm and camera systems.

OFFICE ACCESS KEYS: Enola Location: A key FOB will be provided to you for access to the building front and back doors. You may access the building at any time between the hours of 6:00AM-11:00PM seven days a week. If you lose your key FOB, a replacement fee of \$100 would be charged to order a replacement for you. Should you encounter any issues with your FOB, please contact the Director of Operations. Carlisle Location: A keypad code will be provided for your afterhour use.

MINI REFRIGERATOR: Due to the amount of electricity we are allotted per month, excess items that require more energy such as a mini refrigerator will be charged a \$5.00 monthly fee on the agent monthly invoice. If an agent wishes to bring in their mini fridge, they must inform the Director of Operations for approval. Failure to notify for approval may result in a fine of \$100.

SPACE HEATERS: Due to the amount of energy and electric a space heater can take, space heaters are not permitted in the building

WALL HANGINGS: Please do not hang any items on the wall without leadership approval and proper installation. This is due to the DIRTT walls. This includes pictures, whiteboards and any other items you want to hang

PARKING: Parking Spaces in front of buildings for customers only. These parking spots are marked at the front "For Our Valued Guests" in the Enola Market Center and "Customer Parking" in Carlisle Business Center. Staff and agents must park on the side or back of the building.

FAIR HOUSING: Agent shall fully comply with all HUD Fair Housing rules and regulations. Agent will not deny equal professional service to any person for reasons of race, color, religion, sex, disability, family status or national origin.

NON-HARASSMENT: We prohibit harassment of one Agent, staff member or assistant by another Agent, staff member, assistant, supervisor or third party for any reason. Harassment of third parties by our Agents or staff is also prohibited. Harassment should be reported to the Team Leader or Owner.

COMPLAINTS/DISPUTES INVOLVING OTHER ASSOCIATES

Any disputes/disagreements between associates shall be handled in the spirit of WI4C2TES. If the individuals cannot resolve their dispute, they should immediately direct their dispute to their Team Leader in writing. These should never be discussed with other associates or their clients.

SECTION 2: AGENT GUIDELINES:

All Agents are expected to uphold the Keller Williams culture of teamwork and integrity. They must embrace the Company mission, vision, beliefs and values. The following are policies for all Agents if they desire to affiliate with Keller Williams of Central PA:

AGENT LICENSING: Agents are responsible to ensure that their real estate license is valid. If a license is expired or revoked, such Agent will be immediately terminated. Once the license has been reinstated, the Agent may return upon approval from the Team Leader. Agents shall provide the Team Leader with proof of their license renewal no later than the license expiration date.

REALTOR ASSOCIATION MEMBERSHIP: Agent is responsible to ensure that he/she applies for membership to the Greater Harrisburg Association of REALTORS upon affiliating with Keller Williams of Central PA and attending the first available new member orientation class. Proof of application is to be turned into the Market Center Team Leader. All REALTORS are required to comply with the NAR Code of Ethics.

MULTI-LIST (MLS): Agent must become a member of Board MLS and pay monthly dues. New Agents must attend initial training for MLS. All Agents should attend training sessions for MLS upgrades as they become available.

INTERNET SITE APPROVAL PROCESS: Template websites are available to all Keller Williams Agents. However, all personal Agent internet websites containing the name "Keller Williams," or ones that are linked to www.kw.com must first be approved by the Company Team Leader. All websites must meet the Internet Policy and Guidelines standards set forth in the Keller Williams Internet Manual.

All websites must make reference to Agent being a Pennsylvania Licensed sales person or associate broker. The Market Center's name, main phone number, address and agent's license number must appear on each page of the website as per the PA Real Estate Commission. Agent's name and personal phone numbers may not be more prominent than that of the Market Center's name and main phone number. Teams must display the name and license number of EACH licensee.

CONFIDENTIALITY: At times, Agents may be exposed to confidential information regarding the potential

affiliation of an outside agent with Keller Williams. It is expected that strict confidentiality be maintained.

SALES AND OTHER INCOMING CALLS: Calls made to the published company phone number will be handled by the Staff of the company as follows:

- If the caller asks for an Agent by name, the call shall be directed to that Agent.
- If the caller requests information on a company listing, the call will be directed to the listing Agent. Our model is your listing, your lead.
- If the caller asks for information on a property not listed by Keller Williams, the call shall be directed to the Team Leader who will then refer it to an Agent.
- If an agent from another brokerage calls to schedule a showing of a Keller Williams listing, the showing will be set up by Staff through Showing Desk during regular business hours.

FARMING POLICY: There are no protected farm areas.

EQUAL OPPORTUNITY: Keller Williams Real Estate is committed to equal employment opportunity. We will not discriminate against Agent, prospective Agent, staff member or applicant for staff on any legally recognized basis. In addition, race, color, religious creed, ancestry, age (40 or over), sex, pregnancy, childbirth and related medical conditions, national origin and non-job related handicap or disability, or the use of a guide or support animal are protected classes in Pennsylvania.

SECTION 3: TRANSACTIONS

THE AGENT OF A BUYER OR SELLER IS KELLER WILLIAMS OF CENTRAL PA. You, the listing or a selling agent, are the designated agent for the company. Since the company is the Agent in the transaction, it is mandated by law that the Company and Broker supervise their agent and the transaction. Therefore **copies of all transactions must be submitted to the company as quickly as possible after the listing is taken or sale is fully negotiated.**

Minimum Standard: If you have written less than 3 transactions in the last 24 months, our expectation is the following will be completed prior to transacting any business. Those transacting less than 3 transactions in the last 24 months, this includes new to real estate agents, **ALL Agreements, more specifically, Agreement of Sale must be reviewed by Contract Review Team as listed on the kwagentportal.com > Need Help > Contract Review (IE: PC Coach, Broker of Record, Transactional Support Representative) PRIOR to provide to your client.** Failure to provide will result in your agreement turned over to an ALC Member and you will forfeit your commission.

Initial Here: _____

Purpose: While we understand you want to start transacting and making money as quickly as possible, we want you to be successful, confident when taking that first appointment with a seller or buyer. By fulfilling these standards, you will have a full understanding of how to present yourself as a real estate professional, what tools you have available to use for your business, knowledge of the real estate agreements and how to write an offer.

Our expectations

Complete your onboarding training through our Thinkific Online Platform. You should complete the introductory KW course, Jumpstart and automatically enroll in the Productivity Coaching program.

Be able to fully complete and explain the following forms

- Listing Agreement
- Consumer Notice
- Wire Fraud
- Seller and Buyer Cost Sheets
- Buyer Agency
- Agreement of Sale

New Agent: Agent

Initial Here: _____

LISTINGS: All listings secured will be taken in the name of Keller Williams of Central PA. All listings to be placed with BRIGHT MLS will be taken according to BRIGHTMLS Standards and Procedures. It is the responsibility of the Agent to complete in its entirety all appropriate forms using the "Listing

Checklist.” (Available in Command Opportunities and the KWAgentportal.com under Agent Resources) When completed, the forms are to be turned into the Director of Operations for processing via KW Command, although any questions or concerns should be discussed first with the Team Leader. The Agent shall be responsible for all MLS charges and fines.

- It is the responsibility of the Agent to keep the office and the MLS informed of any pertinent changes in the listing. All changes and addendums must be in writing on Pennsylvania Association of Realtors (“PAR”) approved forms and given to the Director of Operations. Additionally, it shall be the Agents responsibility to follow up on processing of information by the MLS (i.e. checking for errors, pictures, placement, etc.).

SALES: When an Agent obtains a fully executed Sales Contract it shall be the Agent’s responsibility to load into Command Compliance Checklist Items. This shall be submitted to the Broker within three (3) business days of the execution date. In addition a Commission sheet should be completed and submitted to the Director of Operations. Please contact Director of Operations for assistance on how to complete and submit

- Office Files: Agents are responsible to keep their own personal files and documents. The office files must include copies of all items identified on both the listing and sale checklist noted above.
- Disclosures: All State required buyer and seller disclosures, such as the “Consumer Notice” and agency disclosure forms must be in all listing, sale and settled files.

CLOSED SALE DOCUMENTATION: Upon execution of Agreement of Sale, an online Commission Request through Command must be submitted to the Director of Finance for approval before any commission can be issued after settlement.

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BOLD REIMBURSEMENTS: For any agent who wishes to participate in attending BOLD, the Market Center will reimburse up to \$200 per transaction for a maximum of \$800 total per calendar year (4 transactions). Teams on a team cap are omitted from this reimbursement due to team cap structure. Agent must meet the following criteria in order to receive reimbursement

- MUST graduate BOLD

You will be required to turn in all eligible Listing and Buyer’s Agency Agreements with BOLD Transaction form. You then have 6 Months FSTB Date to close on the agreement. If you do not turn in the signed agreements by the deadline you will not receive the credit(s)

LEGAL ASSISTANCE: It is the intent of Keller Williams of Central PA to handle all real estate transactions in accordance with all applicable laws and regulations for the Commonwealth of PA. Any willful violation of any law or regulation is cause for immediate dismissal from the company. In the event that an agent needs legal advice on how to handle a particular transaction, guidance of the PAR Legal Council is available Monday - Friday 9:00 am - 11:00 am and 1:00 pm - 3:00 pm @ 1-800-PAR-LEGL. The Broker of Record and Team Leader are

available at all times.

It is important to note that the Pennsylvania Real Estate Commission suggests or requires the Agent to advise his clients that the use of an attorney is recommended. As outlined in the Independent Contractor Agreement, the company does not pay legal expenses of the Agent, with the exception of those paid through our E&O Insurance carrier.

SECTION 4: CONSUMER FEES AND ESCROW DEPOSITS

4.1 COMMISSION

- While it is recognized that by law, all commissions are negotiable, companies may establish their own commission policies. It is the policy of the company to provide exceptional service and as such, commissions for resale properties should be in the 6%-7% range. New Construction should generate a commission of 5%. Commissions negotiated for lesser percentages must be approved by the Team Leader prior to consummating the transaction. At times, circumstances may require a lower commission.
- **Minimum Commission:** It is the policy of this company not to accept a commission of less than \$1,000 per transaction regardless of the commission percentage to sale price.
- **Administrative Fee:** Should an agent decide to leave KW, any properties under contract that are processed through our office, will be assessed a \$150.00 administrative fee per transaction/per agent fee to cover the administrative duties of processing the paperwork and check.
- **Splits:** If an agent is awarded a different split due to a proven track record of capping from the traditional 85/15, it is expected that this agent will cap at the new split rate. In the event the production falls and the agent or team does not cap, the agent will be responsible for reimbursing the Market Center for the difference between the Company Dollar owed and Company Dollar paid at the end of each anniversary year.

4.2 TRANSACTION FEES

- In addition to commission, Agents are expected to negotiate an additional Transaction Fee. It should be charged to both Buyers and Sellers in an amount of at least \$250.00 which is retained by the company. If the Agent negotiates a fee higher than \$250.00, the Agent shall be paid 100% of that additional amount. Fees must be disclosed on the Listing Contract, Buyer Agency Agreement and Buyers and Sellers Estimated Cost Sheets. If the Agent chooses not to collect this additional Transaction Fee, \$250 will be deducted from their commission and retained by the company. Fees should not be collected from Builders or VA Buyers. Keller Williams of Central PA will not retain a broker

fee of \$250 on commercial, new build or VA Transactions on the buy side only.

4.3 ESCROW DEPOSITS

- **DEPOSIT TIME REQUIREMENTS:** Escrow Deposit checks should be made payable to the listing company. The PA State Rules and Regulations require that escrow checks be deposited within 24 hours following full execution of the Agreement of Sale. Therefore, Escrow checks must be submitted to the Director of Finance immediately upon receipt.
- **INTEREST BEARING ESCROW ACCOUNT:** If the Buyer and Seller have agreed that the escrow be held in an interest bearing account, the check must be accompanied by a W-9 signed by the Buyer and a Request for Deposit in Interest Bearing account signed by Buyer and Seller. In the event an Agent does not provide the Director of Operations with a signed IRS W-9 Form, for interest bearing accounts, the Agent shall be solely responsible for payment of any interest due the buyer.
- **DEPOSIT RECEIVED 30 DAYS OR LESS PRIOR TO SETTLEMENT:** Any escrow deposit received within 30 days of settlement must be in the form of certified funds or electronic bank transfer. This is mandated in the PAR Agreement of Sale.
- **REQUEST FOR ESCROW DEPOSIT SETTLEMENT CHECKS:** If company is holding the escrow deposit, Agent shall submit an Escrow Deposit Request Form to the Director of Finance at least three (3) business days prior to the scheduled closing. Requests can be made at kwagentportal.com under Escrow Payments > Request Check
- **REQUEST FOR REFUND OR FORFEIT OF ESCROW MONIES:** Escrow funds are held in the appropriate account until closing. If the sale is terminated, a written "Release" executed by all parties is required prior to the release of funds. This agreement releases all parties and agrees on the distribution of the escrow. Please allow up to 2 business days for processing. Requests can be made at kwagentportal.com under Escrow Payments > Request Check.

SECTION 5: AGENT EXPENSES:

5.1. OFFICE DEPOSIT, FEES AND PAYMENT

- **Deposit** - If an Agent chooses to pay monthly invoices by check, they will be required to pay a \$200 deposit to ensure payment. The deposit will be refunded upon termination of their affiliation if it has not been used toward a payment.
- **Monthly Invoices** - Each Agent will be emailed a monthly invoice on or about the 10th of each month. The invoice is due on or before the 20th of each month. Those agents who have valid credit cards on file with the company will have their monthly payment processed onto their credit card on or about the 20th of the month. Any accounts remaining unpaid as of the last day of the month will be assessed a \$35 late fee. All outstanding accounts will be reported to the Agent Leadership Council. They may at

their discretion choose to suspend office privileges or terminate affiliation for agents seriously delinquent. If an agent leaves KW, all invoices will remain due and need to be paid before a transfer will be completed.

- Although the company retains the right to adjust fees from time to time, as of April 2022, monthly fees are:

- E&O Insurance	\$25
- KW Tech Fee	\$25

*If an agent chooses to maintain private office space or permanent desk, Office Fee will be higher based upon the rental space price.

- 5.2 **KELLER WILLIAMS ANNUAL RENEWAL FEE:** Keller Williams International bills each agent \$25 annually. This is usually billed in January. It is required of each active agent and agents no longer affiliated with the company but who choose to continue to participate in the Profit Sharing program.
- 5.3 **FORMS:** DocuSign computer generated forms are available at no cost to every agent. Each agent is provided with login information through KW Command
- 5.4 **SUPPLIES, SIGNS, ETC.** - All other supplies and items required by an Agent are the financial responsibility of Agents.

SECTION 6: ADVERTISING AND SIGNS

- 6.1 **ADVERTISING:** All advertising must meet PA Real Estate Commission Rules and Regulations. The office name and phone number must not be less prominent than the agent's name and phone number in all advertising. The Keller Williams advertising model is that agents pay for their own personal marketing and advertising.
- All orders for printed materials as well as ads for magazines/newspapers must be approved by the Team Leader prior to submission of order or ad to the vendor.
 - **The office name "Keller Williams of Central PA" and the main telephone number, 717-761-4300, must appear on all printed materials.**
 - Agents may also show personal numbers (i.e.: pager, cell phone, home phone, office DID) on printed materials. However, **the agent's personal phone numbers may not be more prominent than the office's main number.**
 - Must use appropriate colors and KW approved logos only.
 - Agent's name may not be more prominent than the office name.
 - Printed materials must also include the following phrase "Each office is independently owned and operated".
 - Any phone number used on signs or riders (in addition to the main office number) must be connected to a message. The message must optionally refer the caller to Keller

Williams of Central PA and give the main office number (717) 761-4300 should the caller need immediate assistance.

- Titles shown below the agent's name may not include Real Estate Consultant. Titles to consider are REALTOR Associate or REALTOR. If the agent has a broker's license, the title Associate Broker can be used.
- **Advertising Commission Rates:** The Company realizes that the commissions are negotiable and that the agents retain the ability to negotiate the fees accordingly. However, in an effort to advance the professionalism and integrity of the company and the industry, the company policy is that no agent shall specifically mention any fixed dollar fees or percentages pertaining to commissions in any advertising or marketing materials.
- **Third Party Payment of Advertising:** No agent may receive any monetary benefits from any outside mortgage or title company. Some agents have had outside mortgage company's pay for ads in the real estate magazines which may be in violation of the PA Real Estate Commission and/or RESPA. A third party is only allowed to pay for its proportionate share of the space it is using for its own advertising on a given page. That being said, there is no financial benefit to the agent. Therefore this practice is discouraged.

6.2 **SIGNAGE:** Agents shall pay for their own sale signs. Signs may be ordered directly at any time through the Keller Williams Approved Vendor list kwagentportal.com. All signs must meet Keller Williams Realty guidelines. Sign proofs must be approved by the Broker prior to production.

Any phone numbers used on the sign or riders (other than the main office number which is required) must be connected to a recorded message if not answered live. The message must refer the caller to Keller Williams of Central PA and give the main office number (717) 761-4300 or 717-249-1844 should they need immediate assistance.

Fines for sign violations (Township or municipality) which are received by the Market Center will be passed on to the Agent to pay.

SECTION 7: INSURANCE DUAL AGENCY & SELF DEALING

7.1 ERRORS AND OMISSIONS INSURANCE: Keller Williams of Central PA maintains an Errors and Omission Insurance policy which covers all Agents.

- In the event of a lawsuit, all deductibles, fees and expenses not paid by the E&O Carrier shall be paid by the Agent and the company in the same proportion as the commission was split at the time of the sale, or would have been split if settlement had occurred. If a lawsuit is filed following Agents termination of their affiliation with Keller Williams, their interests will still be covered by the insurance and the Agent will remain liable for payment of their portion. This paragraph shall survive the Agent's affiliation with Keller Williams.
- **Claims:** Agent shall notify the Team Leader & Broker of Record when Agent becomes aware that a claim/complaint/lawsuit, etc. may be filed against our Market Center. All potential claims must be reported to the E&O Carrier as soon as possible to insure that we will be covered.

7.2 Certificate of Insurance: Each Agent will be provided with a Certificate of Insurance upon policy renewal or upon request

7.3 .AUTOMOBILE INSURANCE: Agent shall maintain, at his/her expense Automobile liability insurance with minimum coverage amounts of not less than Three Hundred Thousand Dollars (\$300,000) for any one person; and Five Hundred Thousand Dollars (\$500,000) for each accident; and property damage liability limits of not less than Fifty Thousand Dollars (\$50,000). Said insurance shall insure the Agent against any liability that may arise in connection with the operation of his/her business as a real estate contractor. All policies of insurance to be maintained by the Agent shall contain a separate endorsement naming RealSpring, L.L.C., dba Keller Williams of Central PA as an additional insured. Agent shall provide the Market Center Administrator with a Certificate of Insurance and a copy of the original policy attached, showing compliance with the above requirements within two (2) weeks of the effective date and at each renewal date of this Agreement.

7.4 HEALTH & INJURY INSURANCE: Each Agent knows and understands that as an Independent Contractor, they are solely responsible for their own health and safety. For their own well being, Keller Williams of Central PA suggests and recommends that all Agents obtain personal health, accident and disability insurance. Agent covenants and agrees that, as an Independent Contractor, they will have no claims against Keller Williams of Central PA, and will hold Keller Williams of Central PA harmless, if they are injured, disabled, or become ill, whether the injury is job-related or not. It is recommended that Agents purchase a general personal/business liability umbrella policy of insurance for one million dollars (\$1,000,000.00).

SELF DEALING

AGENT OWNED REAL ESTATE (BUYING, SELLING, AND LEASING): An Agent may qualify to retain company dollar when they purchase, sell or lease a personal residence or investment property. To qualify, they must meet all the criteria listed below. The obligation to pay the royalty fee cannot be waived. The Agent must pay the company a minimum transaction fee of \$250 for processing per side. If an Agent meets the criteria below, they will receive 100% of the commission less the noted fees (royalty and transaction fee).

- The Agent (along with their spouse if applicable) **must be the sole owner** of the property.

(A) CAPPED: If at the time of purchase, sale or lease, the associate is capped out in their current anniversary year (paid their company dollar cap and Royalty cap) then the associate will not be charged any commission or royalty and the Associate is free to purchase, sell or lease properties unencumbered.

1. When a Licensee buys/sells/leases their own property, they must inform the consumer in writing. Associates must identify themselves, in writing, in the MLS system, on all advertising and on the Agreement of Sale as "licensed Real Estate salesperson."
2. A transaction fee \$250 is due for each transaction side

(B) NOT CAPPED: If the associate has not capped out in their current anniversary year (paid their company dollar cap and Royalty cap) then the following applies:

1. If an Associate has been with Keller Williams of Central PA for a minimum of six (6) months AND has contributed at least \$10,000 in company dollar during their current anniversary year, then NO commission is due to Keller Williams. Royalty to Keller Williams Realty International will still be due if the agent has not reached their Royalty cap of \$3,000 during their anniversary year.
2. If the associate does not qualify for relief from charging/paying commission on the sale, purchase, lease of their personal property or investment as outlined in the above paragraph 2.11.1(B)1, THEN the associate is required to charge/collect a minimum commission equal to the company dollar portion (15%) of the commission based on 2.5% commission of the sales price regardless of whether or not the associate chooses to receive commission on the sale. (Example: sale price \$300,000 x 2.5% commission = \$7,500 total commission, 15% of \$7,500 = \$1,125 company dollar due.) Royalty to Keller Williams Realty International will still be due if the agent has not reached their Royalty cap of \$3,000 during their anniversary year.
3. The Associate is required to pay all Royalty on all transactions until they fulfill the Keller Williams Realty International Royalty Cap.
4. The Company dollar amount in the example above plus the Royalty Fee (if applicable) must be shown on the Settlement Sheet at closing.
5. When a Licensee buys/sells/leases their own property, they must inform the consumer in writing. Associates must identify themselves, in writing, in the MLS system, on all advertising and on the Agreement of Sale as "licensed Real Estate salesperson."

DISCLOSURE OF LICENSE STATUS WHEN BUYING OR SELLING REAL ESTATE: When an Agent buys or sells real estate, as an individual or a member of a syndicate, they must inform the other party in writing of their license status and in Bright MLS. This notice must be disclosed to potential buyers and written on the Agreement of Sale. For example: "This is to give notice that "Agent's Name" is a PA Licensed Real Estate Agent acting on his own behalf in this transaction."

Initial Here: _____

7.4 Buying or Selling Agent's Owned or Investment Property:

There are exclusions in the policy that apply to personally owned property depending on the percent of ownership. **E&O Insurance coverage may be available if certain risk management techniques are applied.** If selling or buying a property in which the Agent has or will have any ownership interest, the provisions of the Errors and Omissions policy should be reviewed to ascertain if coverage is available. If coverage is excluded, the Agent will be solely responsible for all costs should a lawsuit or other legal claims be initiated.

Initial Here: _____

This exclusion does NOT apply to:

The Insurer's obligation to pay the Retention in the Declarations of the E&O Policy shall be waived in an amount not to exceed \$5,000 per Claim if the conditions 1-4 below are met or if any real estate transaction is performed by a Principal as a buyers or sellers agent, and evidence of such is provided to the Insurer when notice of a Claim is received by the Insurer.

- 1) A seller disclosed form was signed by the Insured or the seller and acknowledged in writing by the buyer prior to closing; provided however this requirement shall not apply if it is not required by applicable state law;
- 2) A home warranty was purchased, or waived in writing by the buyer, prior to closing; or a warranty was provided by the builder of a new construction home; Form for election/waiver can be found in DocuSign Library KW-652 and online at kwagentportal.com under agent resources > logos,docs
- 3) A written home inspection report was issued by a licensed or certified home inspector, or was waived in writing by the buyer prior to closing; and
- 4) A state or local board approved standard sales contract or contract drafted by a licensed attorney and was utilized. The Insured's ownership interest in the property was disclosed in writing; and a state or local board approved standard sales contract was utilized; or the actual or attempted sale of real property 100% owned by you if the property was acquired by you under a written guaranteed sale listing contract, and from acquisition to resale the title to the property was held by you for less than twelve months, and the property was continually offer for sale by you.

Initial Here: _____

DUAL AGENCY

While Dual Agency is not a recommended practice as it presents a challenge to the fiduciary responsibility of your client, you must notify the Broker of Record in writing via email PRIOR to entering any Dual Agency Agreement. It is suggested to also copy the Director of Operations and Team Leader on this email.

When selling a property that is owned by an agent or agent has an interest in **dual agency is not an option**. It must be referred to another agent within the office.

Initial Here: _____

Acknowledgement of Section 7: Insurance, Dual Agency and Self Dealing

I have read and understand the Market Center's policy on Insurance, Dual Agency and Self Dealing. I understand that I should consult the Broker of Record if I have questions around these specific topics prior to engaging in activity or contract.

Printed Name

Signature

Date

SECTION 8: AGENT COMPENSATION, CAP, ROYALTY AND PRODUCTION

- 8.1 **COMMISSION SPLITS:** All Agents are paid at the rate of 85% with the company retaining 15% with the exception of agents who opted to remain on a 70/30 split and those enrolled in Productivity Coaching program. Agents enrolled in the Productivity Coaching program will receive an alternative split as outlined in the productivity coaching agreement.
- 8.2 **COMMISSION CAP AND ROYALTY FOR INDIVIDUAL AGENTS:** The commission cap and royalty are collected based on the Agent's anniversary date (referred to as fiscal year). The cap rate charged to individual agents is as follows:

Keller Williams of Central Pennsylvania Cap	\$20,000/fiscal
year Keller Williams Realty International Royalty Fee	\$ 3,000/fiscal
year	

8.3 **COMMISSION CHECK DISBURSEMENT:**

- All commission checks at settlements are to be made payable to Keller Williams of Central PA. No commission checks are to be made payable directly to any agent. If an agent has an overdue office bill, the entire office bill will be deducted from any commissions paid. Deduction will also be made if the Agent owes a Broker's Fee.
- Commission checks shall be distributed as follows

Direct Deposit: Within 2 Business days of the Director of Finance receiving settlement check and a completion of all required paperwork by Broker of Record uploaded into Command prior to Settlement date. Any compliance paperwork missing may result in additional delay. Settlement checks must be received by the office first before the file is processed, Carlisle or Enola. Checks received by 5pm on a business day are processed the following business day. Example: Check is dropped off Monday at 2pm, will be processed Tuesday for funding. Once processed, it may take up to 2 business days to deposit to your bank account depending on your bank's posting policies. Commission checks in excess of \$20,000 may not be Direct Deposited but paid by written check at the discretion of the company check.

NOTE: During transmittal/End of Month preparation which typically occurs the 1st to 2nd business day of every month, Commissions for the new month will not be processed until after transmittal is complete to ensure booked in the correct month.

Check: Within 3 Business days of the Director of Finance receiving settlement check and completion of all required paperwork by Broker of Record uploaded into Command prior to Settlement Date. Any compliance paperwork missing may result in additional delay. Checks will be distributed to the agent's office mailbox.

Initial Here: _____

- 8.4 **AGENT PRODUCTION STANDARD:** Each Agent is expected to produce a minimum of one closed transaction per quarter. This does not apply to licensed assistants who do not sell. Agents may be exempt from this policy at the discretion of the Team Leader. If an Agent does not meet the minimum standard, they will be automatically enrolled in the Productivity Coaching Program. If the Team Leader determines that there is not a satisfactory reason for lack of production, then the Team Leader, in his sole discretion, may terminate the agent.
- 8.5 **PRODUCTIVITY COACHING PROGRAM:** All new to business agents, Upon completion of onboarding via Thinkific (Intro to KW and Jumpstart) agents will be automatically enrolled in Productivity Coaching for 6 transactions or 6 months, whichever comes first at the Productivity contracted split. After 6 transactions, the agent can unenroll from the program or remain in the program with its splits.

SECTION 9: TEAMS AND PARTNERSHIPS

- 9.1 **TEAM DEFINITION:** A Team consists of two or more individual agents working together as a team. One Agent is the head of the team and is referred to as the "Primary Agent". Other members are "Team Members"
- 9.2 **CREATING A TEAM:** Team members must meet all the required criteria to be considered a part of a team. They:
- A team application must be completed and submitted to the OP and Team Leader for review/approval.
 - Must be interviewed by the Team Leader.
 - Cannot already be an individual Agent in the Market Center or one transferring from another Keller Williams.
 - Can be a newly licensed Agent or an agent from a cooperating broker who is joining the company as a result of the Primary Agent's recruiting efforts.
 - All production is credited to the Primary Agent
 - Can transfer from an existing Team in the Market Center with approval of the Team Leader and Agent Leadership Council.
- 9.3 **COMMISSION , CAP AND ROYALTY:**
- Primary Agent and Team Members are entitled to 85% of the commission the same as individual agents of the company.
 - Primary Agent is responsible for and will participate in every transaction of his/her Team. Primary Agents will determine the portion to be paid to each Team Member. ALL commissions will be paid by the Company. The Primary Agent cannot pay Team Members directly unless a Qualified Association is formed by the Pennsylvania Real Estate Commission
 - Primary Agents will pay a cap of \$20,000, the same as individual agents.
 - The first Team Member (meeting all required criteria) will pay a cap of \$10,000.
 - Additional Team Members will pay a cap of \$5,000.

No one will cap until the Primary Agent and ALL Team Members have capped. If there are Team Members who have not been capped, the Primary Agent will pay those additional cap dollars before being considered capped and receiving 100% of the commission.

EACH agent on the Team will pay a full \$3,000 to Keller Williams International during their fiscal year.

- Team Caps: A team which elects to be on a team cap should acknowledge that upon electing the team cap, it shall be considered guaranteed. There are certain expectations to qualify. This is to be approved by the Operating Principal only.

9.4 HUSBAND AND WIFE TEAMS

If a Team consists of a husband and wife, one will act as the Primary Agent and the second as the Team Member. The primary agent will have one full cap (\$20,000). The spouse will have no cap assigned. However both will owe \$3,000 in Royalty to Keller Williams for a total of \$6,000. Royalty and cap must be paid on all transactions by both husband and wife until the entire cap and royalty are paid in full.

9.5 TEAM EXPENSES

Monthly expenses are the same for the Primary Agent and each Team Member as for individual agents.

9.6 PARTNERSHIPS

A Partnership is two or more individual agents who choose to work together. While they may choose to share expenses and productivity, each Agent pays a full Cap, Royalty and regular monthly Market Center expenses.

SECTION 10: NON-LICENSED ASSISTANTS

- Agents may hire their own non-licensed assistants for administrative purposes, using the following guidelines:

- 10.1 Assistants are employees of the Agent and not of Keller Williams of Central PA. Responsibility for payment of taxes, workman's compensation and benefits is the sole liability of the Agent.
- 10.2 No Market Center staff member can be hired by an Agent as a personal assistant without the written consent of the Team Leader and/or Operating Principal.
- 10.3 Agents shall be fully responsible to direct their non-licensed assistant's activities and be sure they are not taking any actions or providing any service that requires a real estate license.
- 10.4 Assistants will sign an Employment Agreement provided by the Associate hiring them which will define their duties and responsibilities.
- 10.5 Agent will be responsible for all costs related to their unlicensed assistant including but not limited to salaries, taxes, furniture, phone, desk space, etc.
- 10.6 If non-licensed assistant is not sharing an office with the Agent, it is at the Market Centers discretion whether desk space can be made available to assistant.
- 10.7 If non-licensed assistant engages in any unethical or illegal activities, disruptive or unacceptable behavior, Market Center Team Leader has authority to require employing Agent to have their non-licensed assistant removed from the Keller Williams of Central PA Market Center office.

SECTION 11: TRAINING

Keller Williams is a learning based company, and it is important that our agents participate in these sessions to achieve “mastery” of their careers. Most local training sessions are provided free of charge; regional and national training sessions have a nominal charge for the seminars.

11.1 Agents are encouraged to share their expertise in local training sessions -- together we can all achieve more. We need to take advantage of the synergy we can create by agents helping agents. If you have expertise in a particular real estate related topic that you would be willing to share or teach, let your Team leader know.

11.2 A monthly training schedule shall be posted in the office and distributed via email to all Agents.

11.3 The national training sessions are conducted by outstanding instructors, and can become a tremendous tool for building “down lines”. Agents are encouraged to invite as many recruits as you can. If there is a stumbling block regarding the fee for your invitees, discuss this with your Team Leader or Productivity Coach.

SECTION 12: AGENT LEADERSHIP COUNCIL (ALC):

12.1 The ALC focuses on culture, growth, productivity and profitability of the Market Center.

- Provides mission, vision, values, beliefs and perspectives
- Recruits and selects the right people
- Provides action-focused training to teach what, how and why
- Sets quality standards and accountability to Team Leader
- Synergy among Company
- Leads individuals to take action and holds actions accountable
- Consults individuals for improved results
- Develops individual leaders
- Recognizes individual effort and results

10.1 The ALC holds one meeting monthly. An Agenda will be posted prior to the meeting. All agents are encouraged to attend, however only members of the ALC shall be permitted to vote or participate. If anyone has an item that he/she would like to be brought up at the meeting, he/she should present the issue to the Team Leader for consideration at least three (3) days prior to the date of the meeting and is the one to present.

SECTION 13: SPONSORING AGENTS – “THE GIFT”:

13.1 Agents are strongly encouraged to help grow our Keller Williams Market Center by attracting honest and ethical Realtors to our Company. When speaking with other Realtors who you think would be a great addition to our company, ask them if they would accept a phone call from the Team Leader. If the Agent joins our company, and tells the Team Leader that you were the person who influenced them to join KW, you will then become that Agent’s Sponsor.

13.2 Each Agent that comes aboard has the right to choose their own Sponsor. If multiple Agents have spoken with a particular recruit, it is the recruit that determines which Agent was most influential in getting them to meet with the Team Leader and come aboard.

SECTION 14: AGENCY POLICY:

14.1 Keller Williams of Central PA has adopted the following relationships as allowed by the Pennsylvania Real Estate Commission and the Pennsylvania Real Estate Licensing Laws:

- All Agents, when working with a Buyer, must be either a Buyer's Agent or Transactional Licensee. Agents may not assist Buyers as Sub-Agents of the Seller.
- All Buyers Agents are designated by the company as Designated Agents.
- All transactions involving the Broker of Record are Dual Agency.
- Cooperating Agents may not act as Sub-Agents of the Seller on our Company listings.

14.2 In order to comply with Act 112, all files, faxes, and any other written or oral information must be held in strict confidence to protect the client. Agents shall inform the client before faxing any information of a confidential nature to the Market Center.

14.3 CONSUMER NOTICE AND BUSINESS RELATIONSHIP AGREEMENT: Agent shall ensure that the Consumer Notice and Business Relationship Agreement be signed by the Consumer at the FIRST MEETING, and oral notification must be given before any substantive discussion by phone.

SECTION 15: IN-HOUSE DISPUTES:

The Leadership Team has two approaches to resolving an in-house ethics or arbitration dispute.

FIRST: Leadership will conduct a meeting with the Agents in attendance. Each Agent (through documentation or diary) will provide a chronology of events or circumstances leading to the dispute. Each Agent shall offer a solution to the dispute at the meeting. If it cannot be clearly determined who is at fault, then Leadership will ask Agents to offer a compromise to the problem. Discussion will continue until the dispute is resolved or a mutually acceptable compromise is worked out.

SECOND: If the first approach does not resolve the issue or if a party refuses to meet and work through the first approach, then Leadership will take the matter before the ALC (Agent Leadership Council).

SECTION 16: TELEMARKETING POLICY:

The Telephone Consumer Protection Act (TCPA) regulates calls and text messages made using certain technologies. The TCPA includes the National Do Not Call Registry and also regulates telemarketing calls. Real estate agents who violate these laws face stiff regulatory penalties and/or potentially catastrophic legal damages. Contact an attorney to determine if your practices follow TCPA guidelines.

KWRI takes compliance matters very seriously. KWRI reserves any and all rights it may have against those that violate the law, including all federal and state laws governing telemarketing. Associates are solely legally and financially responsible for any alleged violation of the federal TCPA, TSR, and all similar state laws and regulations. Associates do not have authority to send any communication on behalf of KWRI or in the name of KWRI; and KWRI does not control and is not responsible for the actions of Associates related to any telephone, text, email or other communication.

It is required that all sales affiliates comply with this policy.

16.1 BEFORE INITIATING A TELEMARKETING CAMPAIGN

- (1) You must obtain a copy of the most recent “Do-not-call” list. It is imperative that you work from the most up-to-date List available. You may obtain information on the PAR website at the following address: <http://www.parealtor.org/content/donotcall.asp>
- (2) These consumers are to be treated like any consumer whose name appears on the “Do-not-call” List.
- (3) Prior to initiating any single call, check the List to determine that the intended recipient of your call is not a subscriber (a consumer who has placed his/her name on the List).

“Telemarketing” Defined. The Act defines “telemarketing” as a “plan, program or campaign” which is conducted to induce the purchase of consumer goods and services (including the sale of real property and a real estate broker’s services) by “the use of **more than one** telephone call.” If you question whether an anticipated call(s) to be made by you will be considered telemarketing, consult the Team Leader.

It is highly recommended that KWRI Legal Division be contacted first before initiating a telemarketing campaign.

16.2 CONDUCTING A “TELEMARKETING” CAMPAIGN

- (1) Do not call any consumer whose name appears on the “Do-not-call” List.
- (2) A consumer who subscribes to the “Do-not-call” List is enrolled for five years and may renew his/her subscription for an additional five year period.
- (3) If, during a telephone call placed to a consumer whose name does not appear on the List, the consumer states that he/she does not want to engage in such a call, advise the consumer that you will respect his/her wishes, thank him/her and hang up. Please report the name and telephone number of the consumer to the Team Leader or the person to whom you are directed.
- (4) During the course of the telephone call, you must provide the consumer with your name, the name of the office, and upon request, the telephone number or address where you and the broker may be contacted. If calls are being made by an assistant, the assistant shall identify himself/herself and advise that the call is being made on behalf of you (your name must be given,

as well as the name of the brokerage, and upon request, the address and telephone number of you and the broker).

Determining Whether the Telephone Consumer Protection Act (TCPA) Written Consent Requirement Applies:



A STEP-BY-STEP ANALYSIS

1 For calls to **residential phones**: Do calls use an **artificial voice** or **prerecorded message**?



2 For calls to **mobile phones**: Do calls use an **artificial voice** or **prerecorded message** OR an **automatic telephone dialing system** (which may include a dialer)?



3 Does the call contain **telemarketing**?



TELEMARKETING
Telemarketing includes an **offer or promotion of goods or services**. (It also includes calls that have multiple purposes, so long as one of the purposes is telemarketing.)

PRIOR EXPRESS WRITTEN CONSENT
Prior express **written** consent is required for calls to cell phones as described in step 2. Prior express **written** consent is also required for certain calls to residential lines which use an artificial voice or prerecorded message.

4 **Written consent is required prior to initiating telemarketing calls as follows:**

- **Prior express written consent** is required to make telemarketing calls to cell phones (including text messages) using **1**) an artificial voice, **2**) prerecorded message, or **3**) automatic telephone dialing system (which may include a dialer).
- **Prior express written consent** is required to make telemarketing calls to residential lines using an artificial voice or prerecorded message.
- **Prior express written consent** is required to make telemarketing calls to personal telephone numbers on the Do Not Call list.

National Code of Ethics/Standards of Practice

Please see attached REALTOR Association Code of Ethics. This policy can also be found at <https://www.nar.realtor/about-nar/governing-documents/the-code-of-ethics>