



EXECUTIVE BANKERS
— R E A L T Y —

Policies and Procedures Manual

Thank you for joining Executive Bankers Realty. As an Independent Contractor, you are required to comply with California Real Estate Law and California Association of Realtor Ethics. The Policies and Procedures Manual is a handbook designed to help you perform your functions more effectively in an organization.

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

COMPANY GOALS AND PHILOSOPHY

It is the fundamental goal of Executive Bankers Realty to maximize the wealth of the individual sales associate and the company. To achieve this goal, it is necessary to maintain and protect Executive Bankers Realty's reputation as a skilled, ethical and aggressive leader in real estate. It is the philosophy of the company that the pathway to financial success in real estate starts with supplying professional assistance to clients and customers. The company's professional performance is judged, most critically, by those who compensate for the company's services.

INDEPENDENT CONTRACTOR RELATIONSHIP

Executive Bankers Realty does not withhold Federal, State, or Local taxes from the commission checks. All Associates are responsible for paying their own taxes; Associates will receive a 1099 Form. In addition, associates are considered Independent Contractors for the purposes of unemployment insurance. Independent Contractors are associated with the Company for an unspecified term on an at-will basis.

Executive Bankers Realty does not set work hours for Independent Contractors. Executive Bankers Realty also does not set vacation times or the number of days that Independent Contractors can take leave. The Associate is responsible for ensuring if he or she takes a vacation or has leave that their duties are followed up by a "substitute" Salesperson, customers are referred, and mail and phone messages forwarded.

Associate-Licensee's Initials (_____) (_____)

To complete the hire package, Independent Contractor is required to provide the following:

- Agent Contact Information
- Signed Independent Contractor Agreement
- W-9 Tax Form
- Copy of Real Estate License
- Copy of Driver License and Social Security Card

If Independent Contractor does not provide the required documentation commission check will be withheld until completion of hire package.

TRANSACTION COODINATOR

All Agents are required to use company approved Transaction coordinators on ALL real estate transactions.

REAL ESTATE FORMS

Forms and Documentation must be accessed via *Zip forms* or approved by Broker.

These forms must be filled out properly and all paperwork turned in before payment will be made. All paperwork pertaining to a listing or sale should always be in the file.

LICENSE RENEWALS

Associate is required to maintain a valid California Real Estate Salesperson License. When it is time to renew sales licenses, 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 set by the California Department of Real Estate. The office must always have a current copy of the Associate's Real Estate License. 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, Salesperson's membership can be re-instated upon re-compliance.

REFERRAL FEES

Associates are NEVER permitted to pay another Agent or a referral agent directly; any deviation from this procedure is a violation of California Real Estate Licensing Law.

Referral fees shall only be paid to the Broker of any licensed Agent in accordance with a written agreement between salespersons, approved by the Executive Bankers Realty Broker prior to close of escrow. All fees are to be paid from the salespersons gross share of commissions.

ERROR & OMISSIONS INSURANCE

All real estate transactions are covered under company E&O insurance. Associate is responsible for the \$2,500 deductible on any transaction that results in a lawsuit.

Associate-Licensee's Initials (_____) (_____)

TRUST FUNDS

Broker DOES NOT have a TRUST FUND account.

Associate should NOT handle Client checks.

Under No circumstances should an Agent accept earnest money deposit checks. Associate should Not handle any money in the form of check, money order, cash, regarding good faith deposits, appraisals, home inspections, repairs, credit reports, or other service providers.

The client is responsible for delivering or sending escrow deposit to escrow company. Agent is to provide client with escrow information in order for client to mail or personally provide deposit directly to escrow; within three business days after acceptance of offer. Client should pay for home inspections and/or appraisals at the time of inspection.

ADVERTISING AND MARKETING: ADVERTISING AND LISTING EXPENSES

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

Any advertising must be approved by the broker before publication.

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

The salesperson 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 of the suburban areas, the police will pick up the signs and Salesperson will have to pay a fine to retrieve the sign. It is the Salesperson's responsibility to pay any and all fines incurred.

It is also the responsibility of the Salesperson to purchase his or her own Supra Keys and Key boxes which can be obtained at the Downey Board of Realtors or any other Realtor Association.

The Salesperson must comply strictly with national and state Do-Not-Call registry laws.

If Salesperson has plans to include calls to potential clients as part of their marketing strategy, such a strategy must be approved by the Broker before making any calls. Salesperson should also take caution in approaching residences of potential clients.

If the Broker has sufficient reason to believe that the company is at risk of liability due to a Salesperson's failure to comply with the above advertising rules or due to an advertisement that violates any law, code or rule the Salesperson's contract may be terminated without notice.

If any advertisement that a Salesperson produces or action marketing real estate services results in a lawsuit or complaint against Executive Bankers Realty or a fellow member of Executive Bankers Realty and such non-compliance results in any legal fees paid for an attorney to defend Executive Bankers Realty 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 Salesperson.

MAINTAINING OF TRANSACTION FILES

Associate is to retain copies of all listings, deposit receipts, and all documents executed in connection with the transaction; whether the sale is consummated or cancelled. Associate is to maintain an orderly file for each transaction. All files are property of Executive Bankers Realty and are to remain in Associate's possession or the company's until the transaction is closed.

Associate-Licensee's Initials (_____) (_____)

PERSONAL PURCHASES, SALES AND INVESTMENTS BY EXECUTIVE BANKERS REALTY PERSONNEL

The active participants by personnel in the real estate business require the company to provide strict guidelines when it comes to private involvement in such transactions.

1. The purchase of personal residences and investment properties is supported. The sales associate's fiduciary responsibility to the sellers must never be jeopardized, however, by his/her desires to make a "good deal" for himself/herself. All sales associates and employees of EXECUTIVE BANKERS REALTY must involve the Broker before they can make an offer on a company listing; company must make sure to abide by all State and Federal agency regulations. CAUTION: A SALES ASSOCIATE MUST ALWAYS DISCLOSE THAT HE/SHE IS A LICENSED REAL ESTATE SALESPERSON PURCHASING OR SELLING A PROPERTY FOR HIS/HER OWN ACCOUNT. Such disclosure is required by California law and the Realtor Code of Ethics.

2. Every purchase transaction involving an employee or sales associate requires the payment of a real estate commission to the company unless specifically waived by the Broker.

3. At the request of the Broker, any sales associate or employee must divulge to the company all real property and real estate ventures in which the party has an interest or plans to have an interest and must sign a verified declaration covering these disclosures. If so requested, an employee's or sales associate's deliberate failure to disclose any interest in real estate shall be considered cause for termination, and the company shall have the right to collect any commission due on such unrevealed transactions even after termination, if such transactions were generated during the term of association with the company.

LEGAL INFORMATION

A proper understanding of certain legal matters, as it relates to a sales associate and the company, must be clearly understood by all. The company's position on the following principals is firm. Any deviation from these principals by any Sales Associate is cause for immediate termination.

A. Sales Associate Incurring Obligations in Behalf of EXECUTIVE BANKERS REALTY

Under no circumstances are sales associate permitted, either verbally, in writing or by sending telegrams, to make any commitments or promises, or to incur obligations in behalf of EXECUTIVE BANKERS REALTY Broker/President in advance. Any violation of this direction by any Sales Associate will subject the Sales Associate to payment of the same and all costs and expenses incurred by the company.

B. Complaint Involving Real Estate Commission or Board of Realtors.

If a complaint is received from the Real Estate Commission or the Board of Realtors directed to a sales associate, the complaint, file and complete detailed explanation will be sent immediately to EXECUTIVE BANKERS REALTY Broker/President together with a draft of the answer to be filled in the case.

Associate-Licensee's Initials (_____) (_____)

C. Communications from Attorneys.

It is the policy of the company that, when a contract has been entered into between sellers and purchasers, and a conflict arises in which the company is contacted by an attorney for either the sellers or purchasers or both, the matter will be immediately referred to the Broker/President, including the entire file with the statement of the facts involving the matter.

D. Legal Fees.

It is the policy of **EXECUTIVE BANKERS REALTY** that if any legal expenses are incurred in any type of dispute arising from the actions of a Sales Associate, Executive Bankers Realty shall be reimburse for all the company's costs of defense if a judgment or other final adjudication on any claim adverse to the company and or you establishes dishonest, fraudulent, criminal, or malicious acts, errors or omissions committed results in a finding of intentional tort, slander defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties, or establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification.

E. Legal Action for Commissions or Fees.

1. The right to determine whether or not any litigation or dispute shall be prosecuted, defended or settled, or whether or not legal expenses shall be incurred in connection with the payment or collection of any amount connected with a real estate transaction shall be the sole privilege of the Broker/President. The sales associate must abide by the decision of the company as determined by the Broker.

2. Any attorney fees, court costs or other related costs incurred to collect a commission shall be deducted from the gross commission paid to the company prior to dividing the commission to participating parties.

3. The company reserves the right to impound in its escrow account any commission received on a transaction when there is evidence of pending legal action or costs to be incurred to indict, defend or settle a dispute in reference to said commission, and to meet any expenses incurred to defend the commission directly from the funds held.

4. It is the basic philosophy of **EXECUTIVE BANKERS REALTY** that legal action is the most undesirable way to obtain a solution to a dispute. For that reason, the company will usually attempt to avoid legal fights by resolving the disagreements through private negotiations. All such matters should be referred to the Broker/President, so he can assist in reaching a satisfactory settlement.

AGENT RESPONSIBILITIES CONCERNING CONTRACTS AND LISTINGS

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

A Sales Associate may not enter a listing into active status on the MLS or advertise a property unless the listing contract is completed and signed by all parties (Seller, Salesperson, and Broker). If Salesperson fails to comply with these rules their contract may be terminated.

Listings are property of the company, even after termination by either party. Associate must provide broker with a list off all active listings and all pending transactions in which, if completed, agent will be entitled to compensation from the company in accordance with the terms of the Independent Contractor Agreement, or other written agreement.

Associate-Licensee's Initials (_____) (_____)

TERMINATION

Association with Executive Bankers Realty can be terminated by either party, with or without cause, at any time upon written notice given to the other party. If this agreement is terminated while Agent has listings or pending transactions that require further work, the broker will make arrangements with another salesperson to perform the required work. The licensee performing the work shall be reasonably compensated for completing the work; an such reasonable compensation shall be deducted from Agent's share of commission.

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 web site and any changes that occur will be in force one month after they are published. It is the agents' responsibility to review the published Policy 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 Salesperson will also be notified by email one month in advance of the change's effective date.

NMLS LICENSURE REQUIREMENTS FOR REAL ESTATE AGENTS CONDUCTING LOANS

NMLS Licensure Requirement

All real estate agents involved in loan origination activities must possess a valid and active NMLS license. Loan origination activities encompass assisting clients with mortgage loan applications, pre-qualifications, and providing advice on mortgage products. Agents are expected to familiarize themselves with and adhere to the licensing regulations set forth by the NMLS and relevant state regulatory agencies.

Compliance Requirements

Training

Upon joining Bankers Home Loans, agents must undergo comprehensive training on NMLS licensing regulations and requirements. Periodic training sessions will be conducted to ensure agents stay informed about updates and changes to NMLS regulations.

Documentation

Agents are responsible for obtaining and maintaining their NMLS licenses. Agents must provide proof of NMLS licensure to the designated compliance officer upon initial licensing and renewal. Copies of NMLS licenses must be maintained in the agent's personnel file.

Monitoring and Oversight

The compliance officer will regularly monitor the NMLS licensing status of all agents to ensure ongoing compliance. Any discrepancies or lapses in licensing will be promptly addressed and remedied in accordance with regulatory requirements.

Reporting

Agents are required to promptly report any changes to their NMLS licensing status, including renewals, updates, or disciplinary actions, to the compliance officer. The compliance officer will maintain accurate records of all NMLS licenses and updates.

Associate-Licensee's Initials (_____) (_____)

Non-Compliance Consequences

Failure to obtain or maintain a valid NMLS license may result in disciplinary action, up to and including termination of employment with [Your Real Estate Brokerage]. Non-compliance with NMLS licensing regulations may also subject agents and the brokerage to legal and regulatory consequences.

Communication

This Policies and Procedures Manual will be provided to all real estate agents upon their onboarding and made accessible for reference at any time. Updates or changes to NMLS licensing requirements will be communicated promptly to all relevant parties.

ACKNOWLEDGEMENT

I hereby acknowledge that I have received a copy of the Office Procedures and Policy Manual and that I have read and understand the contents thereof and I agree to abide by the Office Procedures and Policy Manual.

Associate-Licensee:

(Signature)

(Print name)

(Address)

(City, State, Zip)

(Telephone) (Fax)