



Policy & Procedures Manual

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Date: January 2013

Revised: January 2015

Policy 100.0 San Jac Real Estate Agency Practices

1.0 Purpose

- 1.1 To identify the type of agency relationships to be practiced by San Jac Real Estate
- 1.2 To clarify special practices by San Jac Real Estate
- 1.3 To clarify practices related to agent and company commission split under certain circumstances.

2.0 Policy

- 2.1 San Jac Real Estate shall provide real estate services to the following groups.
 - 2.1.1 Seller representation by written listing agreement for real property, improved or unimproved.
 - 2.1.2 Buyer representation by written agreement. San Jac Real Estate shall represent the buyer in the search and procurement of real property.
 - 2.1.3 Sub-agency shall not be offered to agents from other agencies that represent buyer-customers without specific broker approval.
 - 2.1.4 Property management by written agreement. San Jac Real Estate may represent the landlord/lessor in the leasing and management process of residential or commercial properties.
 - 2.1.5 Intermediary relationship where the Broker may act as or assign an alternate agent to represent a buyer who wishes to purchase a property listed by San Jac Real Estate.
 - 2.1.6 Dual agency is NOT permitted by San Jac Real Estate
- 2.2 San Jac Real Estate may choose to provide services at a discounted % rate, which will be lower than the usual and customary rates charged by other agencies.
 - 2.2.1 A maximum commission of 6% of the sales price shall be charged upon sale of residential property listed by San Jac Real Estate. Commission charged for the sale of land, acreage, resort and commercial properties shall not exceed 10%.
 - 2.2.2 No less than 3% of the sales price shall be paid to the Buyer's Agent or sub-agent from an alternate agency.
 - 2.2.3 The remaining % shall be paid to San Jac Real Estate upon sale of a property listed by San Jac Real Estate.

- 2.2.4 At the discretion of the agent San Jac Real Estate may rebate a portion of their commission, earned from the Listing Broker, back to the buyer represented by San Jac Real Estate. Rebate shall be disclosed in the earnest money contract, by amendment to the contract or by use of the San Jac Real Estate form REBATE DISCLOSURE STATEMENT, and be paid at the time of closing.
 - 2.2.5 The Broker reserves the right to calculate the agent commission split on a higher company percentage when an agent chooses to discount his/her commission on a consistent basis.
 - 2.2.6 Client rebates will be deducted first from any bonus or transaction fees paid by the seller or buyer; thereafter client rebates will be deducted from the agent commission.
- 2.3 San Jac Real Estate, at the discretion of the Broker, may waive the commission earned by the agent and company under special circumstances. This may include but not be limited to the sale or purchase of the agent's own residence, sale or rental of other property owned by the agent.
- 2.3.1 Transactions shall be evaluated on an individual basis to determine worthiness for waiving of any commission or fees.
 - 2.3.2 Special transactions as described above shall be limited to one per agent in any twelve-month period.
 - 2.3.3 At the discretion of the Broker, rather than a commission, a fee may be imposed and payable to San Jac Real Estate.

3.0 Procedure

- 3.1 Seller representation shall be by written listing agreement, using TAR/TREC promulgated forms including Listing Agreements and associated addenda.
- 3.2 Buyer representation shall be by written agreement, using TAR/TREC promulgated forms for Buyer/Tenant representation.
- 3.3 Buyer representation may also be by written agreement using a San Jac Real Estate page Buyer Representation form
- 3.4 Intermediary representation will be conducted when the Broker represents both the Seller and the Buyer and both parties have agreed, in writing, to Intermediary Status. The Broker will decide on a case by case basis if there will be appointments or not. All TREC and legal guidelines regarding Intermediary will be complied with by the Broker and his agents.
- 3.5 Properties placed on HARMLS shall comply with all rules and regulations set forth by said entity. All agents of San Jac Real Estate shall abide by the rules and regulations of HARMLS when providing professional services to sellers or buyer clients/customers.

4.0 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 101.0 Property Listing Information

1.0 Purpose

- 1.1 To provide a written reference of all current San Jac Real Estate listings and associated necessary information.
- 1.2 To make available a Seller's Disclosure Notice to provide to any agent or agency that has an interest in the listed property.
- 1.3 To provide a written reference of all current offers and/or contracts of buyers represented by an San Jac Real Estate agent.

2.0 Policy

- 2.1 It will be the responsibility of the listing agent to provide a copy of the MLS listing sheet to the Broker via email
- 2.2 It will be the responsibility of the listing agent to update and assure that the information is current and accurate.
- 2.3 It will be the responsibility of the listing agent to provide a copy of the executed Listing Agreement and Addenda to the Broker via email
- 2.4 It will be the responsibility of the San Jac Real Estate buyers' agent to provide a copy of the current offer on any property, including any pertinent addenda. It will also be the agents' responsibility to provide a copy of any changes made to offers and/or contracts, including pertinent addenda.
- 2.5 It will be the responsibility of the listing agent to provide a copy of the Seller's Disclosure notice to the Broker via email..
- 2.6 Digital copies of all forms and addenda will be kept by the agent and the broker
- 2.7 All OCCUPIED listings must use only Supra Electronic Lockboxes for the safety of our clients. Combo boxes may ONLY be used on VACANT listings.

3.0 Procedure

- 3.1 Agents will be responsible for saving and sending via email to the Broker a copy of the MLS sheet.
- 3.2 Agents will be responsible for saving and sending via email to the Broker a copy of the Seller's Disclosure Notice

4.0 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 102.0 Agency Fees

1.0 Purpose

- 1.1 To define the fees payable to San Jac Real Estate
- 1.2 To clarify the responsibility and agreement of the Independent Contractor/Practitioner related to fees associated with real estate transactions and practice.
- 1.3 To establish a mechanism for the payment of fees.

2.0 Policy

- 2.1 At the discretion of the Broker, listing commissions may be calculated on a minimum amount to San Jac Real Estate at no lower than total of 5.5 %.
- 2.2 The Independent Contractor shall be on a commission split with the broker to help pay the cost of the Errors and Omissions Insurance in the transaction. This fee shall be deducted from the agent's portion of commission earned by the brokerage from the sale of the real property. All San Jac Real Estate agents are to be on a 90/10 split with the Broker (90% to the agent, 10% to the Broker) with a minimum split to the Broker of \$100 on any transaction. For LEASE commissions the Broker will receive a flat fee of \$150 and the agent will retain the remainder of the commission.
- 2.3 Disbursement of commission funds shall be paid directly to the agent through the title company but requires the agent to complete the San Jac Real Estate Commission Disbursement Agreement Form at least 48 hours prior to closing. The form is not valid unless the Broker has signed it. It is the agent's responsibility to complete the form and send it to the Broker via email at least 48 hours prior to closing.
- 2.4 The Independent Contractor shall be responsible for becoming a member of Centralized Showing Services, for entering all properties requiring scheduling into the Centralized Showing data base and for paying the scheduling fee for each of their properties. The agent shall pay this fee directly to Centralized Showing Services by establishing a separate account. All listings with San Jac Real Estate must use Centralized Showing Service. No agent is to use their personal contact information as the Appointment number.

3.0 Procedure

- 3.1 Commissions, which include Errors and Omissions insurance fee, shall be deducted from commission paid to San Jac Real Estate at the time of closing.
- 3.2 Fees for Centralized Showing shall be paid by the individual agent.
- 3.3** A record of payments and/or fee deductions shall be maintained for each Independent Contractor and kept in their individual file packet.

4.0 Education

- 4.1 This policy shall be included on the agent Policies and Procedures Orientation program for San Jac Real Estate

Policy 103.0 Statement of Policy on Agency

1.0 Purpose

- 1.1 To clarify agency representation responsibilities
- 1.2 To assure compliance to Texas State Law and Texas Real Estate Commission requirements

2.0 Policy

- 2.1 An agency relationship is an agreement between an agent and the principal, wherein the agent agrees to represent the principal in dealing with a third party.
- 2.2 In real estate transactions, an agency relationship is formed between the Broker and the client with the client usually working with one of the Sales Associates affiliated with that Broker. The agent owes the client a position of complete trust and fiduciary duty as outlined below:

Loyalty-The agent is required to act at all times solely in the best interests of the principal, excluding all other interests, including the agent's own self interest.

Obedience- An agent is obligated to disclose to obey all lawful instructions provided by his or her principal in a prompt and efficient manner.

Disclosure- An agent is obligated to disclose to his or her principal, all material information that he or she knows and any other information relevant to the transaction.

Confidentiality- An agent must keep any information confidential that would weaken a principal's bargaining position.

Reasonable Care & Diligence- An agent must be competent and render the standard of care expected of a real estate professional. By law no agent is expected to perform tasks or to know information outside of the scope of their real estate license.

Accounting- An agent is obligated to account for all money and/or property the principal entrusted to him.

- 2.3 An agent also has duties to the "customer" (non-principal) in a real estate transaction. The agent must **disclose** all material facts affecting the property and treat the customer **honestly** and **fairly**.
- 2.3 Compensation does not determine agency and can be paid by either party.

3.0 Procedure

- 3.1 The TRECOP-K form Information About Brokerage Services shall be presented to any and all clients at the first face-to-face meeting where intent of a potential agency relationship is evident.

- 3.2 The signed form shall be included in the documents presented with any Earnest Money Contract offer and forwarded to the title company along with the contract
- 3.3 All San Jac Real Estate agents will use the standard TAR contract forms and addenda offered on Zipforms. All forms should be completed on ZipForms unless there is no other option but to print out a blank form and fill it in by hand.

4.0 Education

- 4.1 This policy shall be included on the agent Policies and Procedures Orientation program for San Jac Real Estate

Policy 104.0 Property Management Policy

1.0 Purpose

- 1.1 To standardize the property management process for all participants.
- 1.2 To provide a monitoring system to assure adherence to standardization.
- 1.3 To provide consistent service and expectations to managed properties owners/clients and customers.
- 1.4 To clarify practices and responsibilities related to agent and company management fee split according to policy.

2.0 Policy

- 2.1 San Jac Real Estate shall provide real estate property management services according to the Residential Leasing and Property Management Agreement. See Policy 100.0 item 2.1.4
 - 2.1.1 The Property Management shall be signed by the owner and participating agent.
 - 2.1.2 Participating agents shall be identified as designated and certified in property management according to criteria.
- 2.2 Lease Agreements shall adhere to standardized parameters and criteria as outlined in Addendum A. Residential Lease
 - 2.2.1 Security and pet deposits shall be deposited into the San Jac Real Estate escrow account and shall not be co mingled with any company operating account or individual agent's account.
- 2.3 Lease Management Agreements shall adhere to standardized parameters and criteria as outlined in Addendum B. Residential Leasing and Property Management Agreement.
 - 2.3.1 Monthly rental payments from tenants shall be made payable to San Jac Real Estate and deposited into the company operating account for disbursement.
 - 2.3.2 Monthly rental checks shall be issued from The San Jac Real Estate operating account to each owner client.
 - 2.3.3 A monthly statement shall accompany the rental check and summarize any and all costs or activities pertaining to the property during that month.
- 2.4 The Broker shall oversee the management process for each property. At this time San Jac Real Estate does not allow its agents to manage properties. Only the Broker may manage properties.
- 2.5 A complete accurate, and ongoing file for each property owner and tenant shall be maintained at the San Jac Real Estate office.
- 2.6 A monthly management fee of 5% of the monthly rent will be charged to all clients.
- 2.7 Trip charges or other charges shall be retained by the agent, if services were provided by the agent.
- 2.8 Repairs necessary to the property shall be coordinated by San Jac Real Estate with participation of the Broker.

- 2.9 Owners shall add San Jac Real Estate to their homeowners dwelling insurance and identified as a co-insured entity. A copy of the insurance policy shall be provided to San Jac Real Estate by the tenant.
- 2.10 A copy of a key to each property will be kept at the San Jac Real Estate office.

3.0 Procedure

- 3.1 Owner/landlord representation shall be by written agreement, using TAR/TREC promulgated forms including associated addenda.
- 3.2 The managing agent shall secure a Residential Lease Application and Release Authorization signed by the tenants.
- 3.3 San Jac Real Estate will obtain a credit check and rental payment history to ascertain credit worthiness and reliability.
- 3.4 The Broker shall submit a signed Residential Lease form and necessary addenda such as the Pet Agreement.
- 3.5 The Broker shall collect the following fees payable to San Jac Real Estate
 - 3.5.1 Application fee per applicant
 - 3.5.2 Security deposit in amount equal to one-month rent or according to owner specifications.
 - 3.5.3 Pet deposit in amount of \$250 or greater (non-refundable) for each pet or according to owner specifications.
 - 3.5.4 Full month rent for first payment.
 - 3.5.5 Pro rated rent for a partial month of occupancy for second month's payment.
- 3.6 The Broker shall complete the check list to assure adherence to the State property management governmental code.
 - 3.6.1 Peep hole on front door for tenant visibility
 - 3.6.2 Smoke detectors in all bedrooms and/or hallways
 - 3.6.3 Door locks changed from previous occupant.
 - 3.6.4 Keyless dead bolt on all exterior doors used for exit.
 - 3.6.5 Carbon monoxide monitors (optional) suggested
- 3.7 The Broker will report any tenant requests for repairs to the landlord. A determination of repair completion will be assigned by the Broker to the landlord.
 - 3.7.1 Tenants will be instructed to submit requests for repairs in writing for inclusion in the office property file.
- 3.8 The managing agent will arrange to inspect the property at 6-12 month intervals with the tenant's prior permission as outlined in the lease.
- 3.9 The managing agent will be available to assist the tenant with property lawn care, or neighborhood related privileges and/or restrictions according to the Home Owner's Association guidelines

4 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 105.0 Use of Company Logos, Advertising and Marketing

1.0 Purpose

- 1.1 To standardize the use of San Jac Real Estate logos
- 1.2 To provide a monitoring system to assure adherence to standardization.
- 1.3 To provide consistency in our marketing and advertising
- 1.4 To clarify practices and responsibilities related to agent and company policy regarding the use of logos and advertising

2.0 Policy

- 2.1 All agents with San Jac Real Estate are required to use only the Broker approved logos provided on our website at SanJacRealEstate.com
- 2.2 All business cards, door magnets, calendars, pens, post cards and any other marketing tools must contain the San Jac Real Estate logo and meet all NAR and TREC advertising guidelines.
- 2.3 Agents will provide a “proof”, in advance, of any marketing or advertising to the Broker for final approval before they have that item produced or use the item in any way.
- 2.4 San Jac Real Estate agents are encouraged to have door magnets on their cars, a name badge with the company logo, and business cards with the company logo. Agents are responsible for paying for all marketing and advertising out of their own funds.
- 2.5 All San Jac Real Estate agents will follow Federal Fair Housing Guidelines and not discriminate in any advertising

3.0 Procedure

- 3.1 All logos and samples of San Jac Real Estate marketing are located on the company website at SanJacRealEstate.com/agentsonly.htm
- 3.2 Agents should ask the broker for vendors that have our logo on file and supply us with marketing items.
- 3.3 Agents may borrow yard signs from the Broker but are responsible for replacing them if they are lost, stolen or damaged.
- 3.4 Agents may buy their own yard signs as long as they duplicate our existing yard signs or if the Broker approves a variation in writing in advance.
- 3.5 Agents will use sign riders that include their name and cell phone number

4.0 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 106.0 Education and Competency

1.0 Purpose

- 1.1 To standardize education standard
- 1.2 To provide a monitoring system to assure adherence to standardization.
- 1.3 To provide consistency in our agents knowledge and competency
- 1.4 To clarify practices and responsibilities related to agent competency and education requirements

2.0 Policy

- 2.1 All agents with San Jac Real Estate are required to maintain the minimum TREC required SAE/MCE every 2 years.
- 2.2 All agents with San Jac Real Estate will keep their license in ACTIVE status and will not allow it to lapse into INACTIVE status
- 2.3 All Agents will provide the Broker with a copy of the TREC agent page showing all MCE classes that they have taken each year.
- 2.4 San Jac Real Estate agents are encouraged to take more classes than required by TREC to keep their license active.
- 2.5 All San Jac Real Estate agents will consult the Broker if they have a concern about their educational requirements or if they have a real estate question to which they are unsure of the answer or how to proceed.

3.0 Procedure

- 3.1 All agents will know when their license expires and will register for and complete classes as needed
- 3.2 Agents should read emails and look for free or discounted opportunities for MCE training classes offered by title companies, HAR or other sources
- 3.3 Agents will annually print out a copy of their TREC education page
- 3.4 Agents will email, call or text the Broker if they have any questions regarding educational requirements or real estate questions in general. Better safe than sorry.
- 3.5 Agents are aware that their erroneous actions can not only cause damage to clients and customers but can also result in the agent's license being suspended or revoked by TREC and possible sanctions to the Broker, San Jac Real Estate. Think before you act. Ask the Broker if you are unsure.

4.0 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 107.0 Employment

1.0 Purpose

- 1.1 To make it clear that all San Jac Real Estate agents are independent contractors

2.0 Policy

- 2.1 All agents with San Jac Real Estate will sign an Independent Contractor Agreement each year
- 2.2 Agents are not employees and will not receive a W2 or a 1099
- 2.3 Agents are responsible for keeping accurate records of their own income and expenses for tax and legal purposes

3.0 Procedure

- 3.1 Agents will receive an annual productivity sheet from the Broker showing their closings and income from those closings
- 3.2 As independent contractors, Agents will not receive health care benefits, social security or retirement benefits from San Jac Real Estate

4.0 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 108.0 Training

1.0 Purpose

- 1.1 To provide a monitoring system to assure our agents have read and understand the Policies and Procedure Manual
- 1.2 To provide consistency in the service and information our agents provide
- 1.3 To clarify practices and responsibilities related to agent and company policy regarding agent real estate knowledge and practices expected by San Jac Real Estate

2.0 Policy

- 2.1 All new agents with San Jac Real Estate are required to sit down with the Broker for a 2 hour orientation session regarding San Jac Real Estate Policies and Procedures
- 2.2 At the Broker's Discretion, agents will be asked to complete short quizzes regarding various real estate terminology and practices
- 2.3 Agents that fail to show a knowledge of general real estate practices and terminology and/or San Jac Real Estate Policies and Procedure may, at the Broker's Discretion, have their sponsorship terminated by the Broker or be suspended from further real estate activities until the Broker feels that the agent has sufficiently increased their knowledge and competency

3.0 Procedure

- 3.1 Broker/Agent orientation meeting
- 3.2 Broker initiated agent quizzes
- 3.3 Broker initiated suspension and additional training. (written tests, shadowing the broker on showings and listings, observing the Broker writing contracts and addenda)

4.0 Education

- 4.1 This policy shall be included in the Policies and Procedures Orientation Program for San Jac Real Estate

Policy 109.0 Forms

The following forms are currently produced and used by San Jac Real Estate and its agents

1. Closing Checklist
2. Commission Disbursement Agreement Form
3. Company Letterhead/Fax Form
4. Listing Checklist
5. Market Value Pyramid
6. MLS Listing Data Sheet
7. Receipt of Funds
8. Referral Form to Outside Broker
9. Rebate Disclosure Form
10. ZipForm Most Used Forms
11. Buyer/Tenant Representation Agreement

FORMS ATTACHED AFTER THIS PAGE