

Acknowledgment:

I have read and understand the POLICIES AND PROCEDURES MANUAL for our Company, and agree to abide by the terms set forth herein.

Date

Signature



POLICIES AND PROCEDURES MANUAL

A Guide for Success in Real Estate

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Veltri & Associates, Realtors
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Introduction



Every organization has certain methods of operation designed to allow the firm to efficiently achieve its objectives. Many organizations are structured to operate informally, and have so few personnel that a written document of policies and procedures is felt to be unnecessary.

The management of our firm believes that our clients and customers can be best served if we establish in writing our business philosophy, our policies and practices and the procedures to be used in carrying out those policies.

Because of these reasons, and because we know that our employees and associates will need guidelines and direction, we have prepared this Policies and Procedures Manual for your reference.

While we have attempted to provide detailed guidelines in this manual, there will be times when problems must be resolved by management decision, guided by the principles of fairness, integrity and good communication.

This is a living document, and we will add to it and change it when appropriate. We hope that you will become well acquainted with it, and refer to it often. If you believe we may have overlooked something that should be included, please make that omission known.

A handwritten signature in black ink, appearing to read 'Albert S. Veltri'.

Albert S. Veltri
President & CEO
Broker of Record

OUR GOAL
100% Customer Satisfaction!

GENERAL

Company Mission Statement

Our mission is to provide the most comprehensive real estate services and the highest level of customer service of any company in our marketplace with the most committed and best trained sales associates and support personnel available. We are dedicated to helping buyers and sellers of real estate make the most of their opportunities in New Jersey.

Corporate Values Statement

We believe our first responsibility is to Customers who use our services. In meeting their needs, everything we do must be of high quality. Customers' transactions must be serviced promptly and accurately. Our vendors and affiliates must have an opportunity to grow with us and make a fair profit.

We are responsible to our sales associates and support personnel, the men and women who work with us. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. Sales associates and support personnel must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens, supporting good works and charities and bearing our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to ownership and our financial partners. We must constantly strive to reduce our costs. Business must make a sound profit. We must experiment with new ideas. New equipment must be purchased, new facilities provided and new services launched. Reserves must be created to provide for adverse times. When we operate according to these principles, our company should realize a fair return.

Corporate Vision Statement

Veltri & Associates, Realtors aspires to be the best...serving our customers by providing them with high-quality services that will enrich their lives.

Our Company Philosophy

We believe that for this firm to be successful, we must set out our philosophy of doing business clearly. These things, above all else, are important to us:

Integrity. No other single attribute of a person or of a business can have such an impact on success or failure. We believe that every action must be taken with truth and honesty, and if we must ask ourselves if it is all right to do something, it probably is not. There must be honesty in every action, truth in every word. We expect honesty from our employees and our sales staff.

Service. Our clients and customers have a right to expect outstanding service. We are paid not for our time, but for our service. If we expect to be well paid, we must provide the highest level of service available. We expect our employees and our sales staff to provide excellent service.

Hard Work. No organization can grow and prosper unless each member of the team puts forth the maximum effort. Often, we feel a tendency to "let down," and to do less than our best. We expect hard work from our employees and our sales staff.

Professional Competence. We should never undertake an assignment for a client or customer unless we have the training and experience to do the job. We believe in continuing education, for only by learning better ways to provide service can we enhance our reputation. We expect our employees and sales staff to continue learning.

Cooperation. An organization can be great when all members are working together for a common purpose. It can be only mediocre when some are rowing in a different direction. Helping one another when possible will bring harmony and wealth to us all. We expect cooperation from our employees and sales staff.

Accountability. Our clients and customers must be happy with the transaction, or we shall not get repeat business. If we make a mistake, we must be accountable and make it right with the customer. We expect our sales staff to be accountable for mistakes if a client is damaged.

Professional Ethics. The Code of Ethics of the National Association of REALTORS® is a guide for our daily business operations. The laws of this state are clear as to our obligations to our clients and customers. These things, above all else, are important to us. We shall not vary from these principles under any circumstances.

Antitrust

Brokers do not have a "standard" commission in our area. Each office sets its commissions independently by negotiation with the seller or the buyer.

Accordingly, no individual should suggest to a seller or buyer that there is a "standard" rate charged in this area.

Under no circumstances should an individual with this office discuss with any individual from another office suggested commission rates charged to sellers or buyers.

No salesperson should suggest to a competitor that if they perform or refuse to perform a certain acts that the brokerage firms of our area will "boycott" them.

Any of these acts could be construed as a violation of Antitrust laws and subject the individual and our company to severe civil and criminal penalties.

Board of Realtors®

It is our policy that all licensed salespersons will join the Board or REALTORS®.

A strong Board is essential to our profession, and we encourage members of this firm to become involved in Board activities.

Hours of Operation - Office

Our normal business hours are:
9:00 a.m. to 6:00 p.m. Monday through Friday;
9:00 a.m. to 5:00 p.m. Saturdays and Sundays

Successful salespersons are frequently at work before and after the normal office hours. These hours may be expanded at the sole discretion of management.

Messages

All messages should be carefully taken by every member of the Company, and promptly made available to the appropriate salesperson via voice mail, e-mail, or written.

Office - Housekeeping

Clients and customers develop their first impressions from the appearance of our office.

We ask all members of the firm to help in keeping the office neat and clean. This includes reception area, desks, file cabinets, conference areas, and parking lot.

Confidentiality

We often learn a great deal about our clients and customers because they have placed their trust in us. It is good practice to keep all problems of our clients strictly confidential.

Sexual Harassment

The Company is committed to creating an environment where sales associates and support staff can live and work without fear. Sexual harassment can destroy a company's efforts to create and maintain the sort of environment so necessary for prosperity and growth.

Sexual Harassment is a form of misconduct, which fundamentally compromises the integrity of human relationships, affects morale and performance, and threatens an individual's sense of security and well being. The Company is committed to creating and maintaining a harassment free environment. This policy and procedure attempts to assist in the creation of such an environment within the Company as well as assist individuals who believe that they have been subjected to sexual harassment in contradiction to the Company's policy.

Sexual harassment is unacceptable conduct and will not be condoned in any form within the Company. This policy is part of the Company's effort to maintain a work environment free from sexual harassment. While this problem can seriously affect all members of an office, sexual harassment can be particularly devastating for our employees. A sexual harassment experience can affect an employee's emotional well-being, impair business progress and even inhibit the attainment of career goals.

Sexual Harassment Defined:

It is generally agreed that what constitutes and defines sexual harassment can vary under particular circumstances and events. Nevertheless, using the definitions of the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Education's Office for Civil Rights (OCR), the university defines sexual harassment as follows:

"Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute harassment when (1) submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of an individual's academic performance or employment; (2) submission to or rejection of such conduct by an individual is used as the basis for decisions about academic evaluation, employment, promotion, transfer, selection for training, performance evaluation, or selection for academic awards or benefits etc; (3) such conduct has the purpose or effect of creating an intimidating, hostile, or offensive educational or work environment or substantially interferes with a student's academic or an employee's work performance."

While the definition quoted above reflects the historical fact that the majority of sexual harassment complaints involve a male harasser and a female complainant (or victim), the definition applies equally to female harassers and male victims as well as same-sex harassment. As described by the U. S Office for Civil Rights:

"Sexual harassment consists of verbal or physical conduct of a sexual nature, imposed on the basis of sex by an employee or an agent of a recipient [of Federal funding] that denies, limits, provides different, or conditions the provision of aid, benefits, services or treatment protected under Title IX Generally, harassment at its extreme occurs when a person, in a position to control, influence, or affect another individual's education, grades, job, or career, uses their authority and power to coerce an individual into sexual relations, or to punish that individual for refusing sexual relations."¹

For example, sexual harassment may include:

Demands for sexual favors, accompanied by implied or overt threats concerning one's job, grade, or letter of recommendation; subtle pressure for sexual activity; unwelcome physical contact; sexual comments and innuendos; visual displays of degrading sexual images; up to and including physical assault and rape. As these examples indicate, sexual harassment can be very damaging to an individual and to an organization.

As this policy demonstrates, the Company is committed to eliminating Sexual Harassment from the Company while ensuring basic protection for all parties. The following procedure exists to implement this basic commitment and replaces all previous policies and procedures.

PROCEDURE FOR COMPLAINTS OF SEXUAL HARASSMENT

The broker will be responsible for administering this policy and its procedures on behalf of the Company. In determining whether an alleged incident constitutes sexual harassment, those entrusted with administering this policy will consider the totality of the circumstances, such as the nature of the sexual advances and the context in which the alleged incidents occurred. The respondent will make solely from the facts of the case and from any record of previous sexual harassment the determination of a suitable penalty.

I. Purpose and Scope

This grievance procedure is intended to provide a fair, prompt and reliable determination about whether the Company's sexual harassment policy has been violated. It is available to anyone who, at the time of the alleged harassment, employed by the Company, or was seeking employment at the Company. No Company employee or student is exempt from the jurisdiction of this policy.

This process is not meant to copy or mimic a judicial court proceeding; rather, it is an administrative process to ensure the integrity of the Company. This process attempts to protect both the accused and the accuser. However, truth and fairness are paramount in this process and must take precedence over procedural mechanisms.

In every allegation of sexual harassment, there are at least three parties; the complainant, the respondent, and the Company. The Company encourages informal resolution of allegations of sexual harassment through informal means wherever possible. Before such claims may be considered resolved through an informal process such as mediation, however, the Company, as represented by the broker, must agree to any "informal resolution" before the parties can consider a matter concluded or resolved.

In most instances, the complainant will be the victim of the alleged harassment. However, the Company reserves the right to act as the complainant and initiate formal proceedings against an employee or sales associate.

As in any grievance procedure, justice requires that all legal rights, as well as the right to the freedom of the complainant and the respondent, be fully assured. The Company will make every effort to protect these rights.

This procedure is not intended to impair or limit the right of anyone to seek a remedy available under state or federal law. A complainant may file a complaint with an external agency to meet state and federal agency deadlines without jeopardizing his or her right to a Company hearing.

In any case, if a complainant seeks relief outside the Company (i.e., particularly through the courts), the Company will not be obligated to continue processing a grievance unless the complainant continues to cooperate with the procedures set forth herein.

II. Retaliation

No individual will be penalized by the Company or by any person associated with the Company for participating in the procedures described herein. Any act of retaliation by any party directed against either a complainant, a respondent, witnesses, or participants in the process will be treated as a separate and distinct charge and will be subject to the grievance procedure. Complaints of retaliation should be addressed to the broker, who will

advise the grieving party of his or her rights in this matter. Broker will assist individuals claiming retaliation on preparation of their complaints.

III. Time Lines

Complainants are encouraged to file a charge as soon as possible after an alleged incident of sexual harassment has occurred; however, the Company is aware that this is not always possible. Therefore, Veltri & Associates, Realtors strongly encourages individuals who believe that they have experienced sexual harassment to file a complaint with the Company within four months or 120 calendar days following an incident. If the complainant can show good cause to do so, the broker may waive the timeline, however, this waiver should normally not exceed six months or 180 calendar days from the date of the last incident of sexual harassment.

Complainants must also be aware that they have the right to file with an outside agency such as the Equal Employment Opportunity Commission (for applicants, or employees of the Company and/or visitors), or with the State of New Jersey. However, please note, that the timelines for filing with any of these agencies is 6 months or 180 days from the latest alleged incident (depending on the agency). Interested parties should contact the specific agency to determine their timeliness requirements.

All time limits outlined in this procedure are designed for the expeditious resolution of complaints. Failure to strictly adhere to time limitations shall not be grounds for objection or appeal of findings by any parties involved in this process unless the parties can demonstrate prejudice to their abilities to present their case. Timelines cited in this document are intended to serve as outside limits for actions to occur. Timelines may be waived by the mutual agreement and consent of all parties to this matter. However, in the interest of all the parties concerned, all matters should be handled as expeditiously as possible.

A respondent will not prevent this process from proceeding by his or her silence or absence. Failure to respond may result in the hearing proceeding solely on the basis of the complainant's testimony. A complainant may withdraw a charge after it has been filed, provided the respondent agrees to the withdrawal.

However, a complainant's failure to cooperate with the process in a timely manner may negate the Company's obligation to continue with these procedures. The Company will make every effort to work closely and cooperatively with the complainant to ensure due process. However, the Company may administratively close a complaint if the complainant fails to fully cooperate or participate in the process.

IV. Filing a Complaint

Persons with sexual harassment complaints are encouraged to consult with the broker or their immediate supervisors, to learn about the options and resources available to them. Names of complainants do not necessarily become part of the record at this time.

Resolutions of complaints of discrimination based upon sexual harassment within the Company may be achieved by using an informal or formal procedure. Both procedures begin with the notification of the broker. The procedures used by both processes are different, but the intent for both is to stop the offending behavior, resolve the complaint, protect individuals' rights and reputations, and resolve the complaint in a manner that is timely and equitable to all parties.

Any individual who chooses to file a formal sexual harassment complaint should do so with the Company in accordance with the timelines outlined in Section IV. (Timelines) above. The Company will advise complainants about the informal and formal complaint procedures as well as possible sanctions and forms of remedy available to complainants. When appropriate, the Company may also recommend counseling or other support services that provide victim assistance. One of the goals of the Company is to work fairly with all parties and advise all parties of their rights and responsibilities under these and similar procedures.

Once an actual formal or informal complaint is filed with the Company, the broker will conduct a preliminary investigation to establish the factors necessary to substantiate an allegation.

The Company may determine through the preliminary investigation that a complaint alleges facts that could not be substantiated or result in finding of sexual harassment, and therefore may not pursue the formal hearing process. However the informal resolution process may still be an option. If a complainant wished to appeal the broker's decision not to use the formal hearing process, then she/he may appeal the decision.

Additionally, the Company will maintain a record of all complaints received, including complainants' and respondents' names, and the outcome of proceedings, including sanctions imposed. Such record shall be placed in the parties' employment folder.

V. Informal Process

In some circumstances informal resolution of a complaint may be more satisfactory than directly proceeding to a formal hearing. There are essentially two types of informal resolution; (1) an intervention by the broker, and/or (2) a formal mediation between the parties arranged by the Company.

If the complainant and respondent agree to pursue mediation, the Company will arrange for a mediator who is mutually acceptable to the parties. The mediator will consult and advise both the complainant and the respondent about the mediation process. If the mediation results in a mutually acceptable agreement, copies of the agreement will be forwarded to the broker for review and monitoring. If the mediation does not result in an agreement, the case will be returned to the Company at the earliest opportunity for a formal hearing. In no instance will this mediation take more than thirty (30) calendar days from the day of first referral.

VI. Formal Procedure

A complainant may file a formal complaint immediately after an incident or may do so after efforts to reach an informal settlement regarding the allegations prove unsuccessful.

The complaint will be forwarded to the Company's legal counsel for advice. The Company will send the respondent a copy of the complaint within five working days after it is received.

Smoking

Our office has established a "no smoking" policy for the comfort of our staff and customers.

If employees or salespersons must smoke, we ask that you leave the office to do so.

Smoking is often distasteful to those who do not smoke. Salespersons should be aware that they risk the good will of our customers and clients by smoking in their presence. Please refrain from doing so, even with permission. Please do not discard cigarette butts on the ground. Use a proper receptacle.

Alcohol and Drugs

Veltri & Associates, Realtors, is committed to providing its sales associates and support personnel a safe working environment. Nothing interferes with this mission more than sales associates and support personnel reporting to work under the influence of alcohol or drugs, unfit for duty. Sales associates and support personnel who are guilty of alcohol or drug abuse at work are a hazard to themselves and other sales associates and employees of the Company. In addition to possible violations of criminal laws, such conduct increases accidents and serious injuries, reduces productivity, damages Company property and hurts morale.

Statement of Policy

1. Sales associates and support personnel are prohibited from being under the influence of alcohol or drugs while working at the Company or while on Company business anywhere else.

2. The use, possession, sale, purchase, providing or accepting of alcohol or drugs while working at the Company or while performing Company business anywhere else is strictly prohibited.

3. Any sales associate or support person who violates these prohibitions will be subject to discipline, up to and including termination.

4. A sales associate or support person will be subject to discipline, up to and including termination, if he/she engages in any conduct while on Company's property or performing Company business which violates the criminal laws.

5. If a sales associate or support person must take a prescription drug for medical reasons, he/she will be permitted to use and possess the drug while at work. The sales associate or support person must keep the drug in the original container provided by the pharmacist, with the prescription attached. In addition, it is the sales associate's or support person's responsibility to notify management, that he/she is taking medication. The sales associate or support person must also provide a doctor's note that use of this medication will not affect his/her ability to adequately and safely perform his/her job. The Company will keep this information strictly confidential.

6. For purposes of this policy statement, "under the influence of alcohol or drugs" means having these substances present in the sales associate's or support person's body as determined by medical tests. (Be advised that traces of certain drugs remain in the body for days, sometimes even weeks, after they are taken). A "drug" means any substance other than alcohol, which is capable of altering an individual's mood, emotional or mental state, perceptions, pain level or judgment. A "prescription drug" is any substance prescribed by a licensed medical practitioner as medication for an illness.

Searches for Drugs and Alcohol

1. If the Company has reasonable cause to suspect that a sales associate or support person has drugs or alcohol in his/her possession while at work, the sales associate or support person may be subject to a search.

2. Searches will be conducted with concern for each sales associate's or support person's privacy subject to the Company's need to maintain an alcohol and drug-free work environment. Whenever possible only two Company managers or supervisors and the suspected sales associate or support person will be present when the search is conducted. No search will be conducted without prior notice to the sales associate or support person and the sales associate's or support person's presence during the search.

3. Before a search is conducted, the sales associate or support person will be told why the Company believes he/she has drugs or alcohol in his possession. No search will be conducted unless the sales associate or support person consents. However, a sales associate or support person who refuses to allow a search will be subject to discipline, up to and including termination, for insubordination and violating this Policy.

Medical Tests for Drugs and Alcohol

1. Medical tests for the presence of drugs and alcohol will be conducted in the following situations:

A. Reasonable Suspicion. A sales associate or support person will be required to take a medical test (breathalyzer, urinalysis, and possible saliva or hair analysis) if the Company has reasonable cause to suspect that the sales associate or support person is under the influence of alcohol or drugs while at work or on the Company's property. Before a test is conducted, the sales associate or support person will be told why the Company believes that he/she is under the influence of alcohol or drugs.

The following are examples of what is considered reasonable cause for ordering sales associate or support person to take an alcohol or drug test:

- (i) Excessive absenteeism or tardiness, reduced productivity, care or interest in work (e.g., continued failure to meet work schedules);

- (ii) Erratic or unsafe conduct in the sales associate's or support person's performance of his/her work (e.g., reckless violation of safety rules and use of equipment);
- (iii) Consumption or possession of alcohol or drugs during work or on Company property;
- (iv) Exhibiting those physical signs and symptoms of alcohol or drug impairment or use which are generally recognized by an ordinary person (e.g., slurred speech, difficulty in walking, lack of body coordination, glassy or bloodshot eyes, dilated pupils, flushed face, odor of alcohol or marijuana on breath and clothes, drowsiness, acting belligerently or in a disruptive manner); and
- (v) Any other facts or circumstances which would raise a reasonable suspicion in an ordinary person that the sales associate or support person is using or is under the influence of alcohol or drugs (e.g., carelessness in personal appearance and hygiene, sharp swings in mood or attitude, severe weight loss, drastic worsening of complexion, rapid decline in overall health, general inattentiveness or disorientation to surroundings, and any other abnormal behavior or major change in the sales agent's usual conduct).

Managers and supervisors are being instructed to observe sales associates or support personnel for these signs and symptoms of alcohol and drug abuse. When such observations are made sales associates or support personnel are subject to testing.

B. Serious Accident/Near Accident. Sales associates or support personnel may be tested for alcohol and drugs when they are involved in a "serious accident or near accident". This is an incident, which did or could have resulted in death or personal injury requiring medical treatment or in significant damage to Company property that is beyond the minor damage, which often occurs, in the usual course of operations.

2. No test will be conducted unless the sales associate or support person consents. However, a sales associate or support person who refuses to submit to such testing will be subject to discipline, up to and including discharge, for insubordination and violating this Policy.

3. Drugs for which sales associates or support personnel will be tested include, among others, cocaine, heroin, marijuana, hashish, , amphetamines, barbiturates, opiates, PCP, methadone, Librium, valium and alcohol.

4. The Company will select an independent medical facility to conduct these tests. The facility will provide for the sales associate's or support person's modesty in taking urine samples, maintain a chain of custody to protect the sample, check and cross-check test results to insure their accuracy, and keep all test results strictly confidential. The Company will also maintain the confidentiality of these records.

Office Closing – Holidays

The office(s) will be closed on the following holidays:

- New Year's Day
- Thanksgiving Day
- Christmas Day
- Easter Sunday
- 4th of July

Office Closing – Inclement weather

Every effort will be made to keep the office open during inclement weather. However, we do not want any sales associate or support personnel to take any chances attempting to come into the office. We want you to use

your best judgment whether or not you can make it into the office. The broker is the sole authority on office closings.

Dress

The attitudes of others toward us are frequently shaped by the way we dress.

We cannot think of an instance when a sale was lost because the salesperson was professionally dressed, but “sloppy,” over-casual, or “sexy” clothing has put off many customers.

When we expect customers and clients to trust us with the largest single transaction of their lives, the purchase of real property, we must understand why they expect us to dress and act as if we are serious and professional.

We would like Veltri & Associates, Realtors, to be known as a company where employees enjoy their work while creating extraordinary results. Also, we would like our office to be a place where open communication occurs across all levels.

To help meet these goals, we plan to adopt casual business wear as our everyday dress standard. Sales associates and support personnel are invited to leave their suits and ties and dress suits at home and wear casual business wear to work. We want to emphasize that this does not mean you will never wear suits again. For some, there may be times when more formal attire is the appropriate choice – perhaps when you have a meeting with a conservative client or customer. For others, traditional attire may simply remain the more favored option. The choice will be yours.

The following guidelines should help clarify what we mean by casual business wear. However, please do not hesitate to check with management if you have any questions.

Casual business wear means clean, neat, professional clothing.

Anything you would wear to the gym, beach, and nightclub or to clean your garbage please leave at home. For men, ties and sport coats will be optional. May we suggest that you purchase a supply of our custom monogrammed oxford shirts. slacks, khakis, sweaters, shirts with collars, polished leather shoes and quality accessories are key items. For women, all of the same items plus twin sets, dresses and skirts are good options. Jewelry works best if it is simple and classic. As may be obvious, quality shoes, belts and sock in complementary, muted colors are necessary for completing a professional look.

Wearing jeans, sleeveless shirts and sandals are strictly prohibited.

Equal Opportunity Employer

It is the policy of the Company to hire, train and promote sales associates and employees at all levels without regard to race, creed, religious belief, national origin, ancestry, color, sex, age, disability, marital, familial or veteran status, affect ional or sexual orientation, or any other conditions against which discrimination is prohibited by law. Any sales associate or employee who feels that he or she has been discriminated against should bring the circumstances to management immediately.

Any sales associate or employee, who suffers from a disability and requires accommodation for such disability, should submit a formal written request to management. The Company will reasonably accommodate such requests to the extent required by the New Jersey Law Against Discrimination.

SALES ASSOCIATE SECTION

Broker - Appointments with

The broker is available for assistance and consultation, and will try to be accessible to all salespersons. If you need the broker's assistance, please check to see when it would be convenient. Confirm the appointment.

Broker - Assistance from

The broker will provide assistance to the sales staff whenever necessary. The broker should not have to do those things that a salesperson should do. Counsel from the broker should supplement the salesperson's efforts, not replace them.

If the salesperson has a problem, the salesperson should give the broker his or her recommendation for the solution to the problem. This will help the salesperson and the broker.

Agency

In New Jersey, real estate licensees are required to disclose how they intend to work with buyers and sellers in a real estate transaction.

Consumers are often confused about whom the real estate broker represents in a transaction.

The seller or the buyer, or both may employ our firm. Whomever we represent in a transaction, we must observe our duties as described in state law. Pay particular attention to our commission plans which detail the type of agency the Company will accept under certain circumstances.

Our Salespersons should always remember who has employed us, and never allow the pursuit of a commission to blur the clear-cut responsibilities to our customers.

We must inform our principal of any facts or rumors that might affect their decision, along with the source of these facts or rumors.

Our sellers should not be asked to accept an offer until any other offers are shown.

When representing the seller, we must never suggest that a buyer offer less than the asking price of a property, although we must present all offers when made. We must not disclose to the buyer what price a seller may accept, nor our seller's motivation for selling.

When representing the buyer, we must never suggest that a seller should counteroffer more than the price offered in the contract. We must not disclose to the seller what price a buyer may be willing to pay, nor our buyer's motivation for buying.

We must treat the business of our principals with confidentiality, and never disclose facts to the other party that might work to the disadvantage of our principal.

We must be extra cautious when we become financially interested in a listed property, and must disclose any facts or rumors of which we have knowledge. We must also warn the seller that we are no longer representing his or her interests.

When we are asked to represent a buyer in a transaction, we may become a Dual Agent when showing a property listed by our office. The broker must be made aware of this situation, and both parties to the transaction must agree in writing so that we may never appear to have an undisclosed dual agency.

Perhaps the best way to represent our principals is to treat them as if they were family members: do the best job you can.

At your first meeting with a buyer or seller and prior to the first discussion at which a buyer's motivation or financial ability to buy is discussed and prior to the first discussion at which a seller's motivation or desired selling price is discussed you must verbally inform the buyer or seller of the four business relationships as outlined in the Consumer Information Statement (CIS) and how you intend to work with the buyer or seller.

Salesperson is required to provide a copy of the CIS to the buyer or seller indicating that he intends to work as either a buyer's agent or seller's agent and disclosed dual agent if the opportunity arises and ask the client to sign the CIS. If the client refuses to sign the CIS then Salesperson shall indicate on the form the date and time he informed the client of the business relationship and keep the CIS for the file.

Commissions - Taking back a note instead of cash

Often a sale that might otherwise be lost can be saved if we defer our commission as a note. The seller may then receive more cash at closing, or the buyer can probably have a lower down payment. If a sale cannot be put together in any other way, we may agree to do this using the following guidelines:

- a. Salespersons should not agree to accept a note without the approval of the broker.
- b. The broker must approve the interest rate charged.
- c. Notes should be in the name of the buyer, secured by a mortgage in the property.
- d. A bookkeeping fee of \$5.00 per check will be charged to the salesperson.

Commissions – Discounting

The Company, being market-driven, is aware that the market has been affected by the so-called "Alternative Business Models" and believes that this type of business will diminish as the market begins to normalize and decline. Meanwhile, they seem to be here and taking a portion of business traditional brokers cannot capture. It is our intention to blend the two segments, via unbundling of services and creation of our flexible commission plans. Like the stock brokerage industry which started out by offering discounted commissions with no advice or representation have been able to blend the traditional brokerage with the discount market segment giving the consumer the choice as to which level of service the consumer wants. Like the stock industry, we believe this will also work in our industry as well. While most real estate brokers and sales associates think this may be bad for the industry, we believe this is a huge opportunity for both the Company and Salesperson.

Commissions - Agreement with other brokers

Commission splits between brokerage offices may be adjusted from time to time by the Company. Salespersons will not discuss commission splits with other offices.

Commissions - Schedule of rates charged and listing term

Occasionally, offices have several different rates on similar types of properties depending upon financing, pricing, or negotiating skills of the seller. We have found such policies to be destructive of goodwill and must insist that all company listings be taken at the rates and term quoted in our current Customized Marketing Plans brochure. We do allow our associates to "blend" or "customize" commission plans based on their clients' needs but caution our associates to taking a flat discount.

The Company reserves the right to modify, change, or delete any or all of these plans at any time.

Buyer Rebates

On January 17, 2010, P.L. 2009, c. 273 ("the Act") was signed into law. The Act permits licensed real estate brokers to provide a purchaser of residential real property a rebate from the commission the broker receives. The law is effective immediately and is a significant change to prior New Jersey law. The Real Estate Commission intends to promulgate regulations to effectuate the provisions of this law. In the meantime, however, the Real Estate Commission urges real estate licensees to be guided by the provisions of the Act and by this bulletin.

While rebates are now permitted in New Jersey, the statute imposes several restrictions on who may provide and receive a rebate, conditions concerning the providing of a rebate, limitations on the nature of the rebate that may be paid and requirements on the advertisement of rebates. Those provisions are summarized below.

Who may provide/receive a rebate and conditions concerning the providing of a rebate:

- Only a real estate broker may provide the rebate. A broker-salesperson or salesperson may not provide a rebate.
- A rebate may only be provided to a purchaser of residential real property. A rebate may not be provided to a seller or to a lessor or lessee.
- The broker and the purchaser must contract for a rebate at the onset of the brokerage relationship in a written document, an electronic document or a buyer agency agreement.
- The document or agreement must specify the terms of any rebate to be credited or paid by the broker to the purchaser. The broker must provide the document or agreement to the purchaser at the outset of the brokerage relationship.
- The broker must comply with any State or federal requirements regarding the disclosure of the payment of the rebate.
- The broker must recommend to the purchaser that the purchaser contact a tax professional concerning the tax implications of receiving the rebate.
- The broker must disclose the payment of the rebate to all parties involved in the transaction, including any mortgage lender.

The nature of the rebate that may be paid.

- The rebate must be-
 - in the form of a credit to the purchaser and reducing the amount of the commission payable to the broker paying the rebate or a check paid by the closing agent made at the time of closing; and
 - calculated after the purchaser negotiates the rebate commission rate with the broker paying the rebate.
- The rebate must not be-
 - paid to an unlicensed person for any act that requires licensure;
 - contingent upon the use of other services or products being offered by a broker or an affiliate of a broker; and
 - based on the use of a lottery, contest or game.

Advertisements of rebates.

- Advertisements regarding permitted rebates must include:
 - a disclosure concerning the purchaser's obligation to pay any applicable taxes for receipt of the rebate; and
 - a notice that the purchaser should contact a tax professional concerning the tax implications of receiving the rebate.
- In all such advertisements, the required disclosure and notice must be conspicuously displayed in the advertisement and the size of the text shall be equal to or larger than the size of the text used for the advertisement.

Licensees contemplating offering rebates to purchasers are also reminded that other Commission rules that guide their conduct continue to apply. For example, advertisements regarding rebates must also comply with

N.J.A.C. 11:5-6.2(r) which provides that no advertisement shall contain false, misleading or deceptive claims or misrepresentations.

Moreover, when acting as an agent for a client, licensees operate as fiduciaries who must protect and promote the interests of their client. See N.J.A.C. 11:5-6.4(a). Licensees are prohibited from making any false promise or any substantial misrepresentation. See N.J.S.A. 45:15-17(a).

It is the Company's position NOT to offer Buyer Rebates unilaterally. However, the Company WILL agree to a Buyer Rebate ONLY after the sales associate participates in a Webinar outlining the rules as set forth in the NJREC and Veltri & Associates, Realtors Company Policy AND the agreement is in the form prescribed by the Company and is entitled: "NEW JERSEY BUYER REBATE & EXCLUSIVE BUYER AGENCY AGREEMENT". This form can be found on the company Intranet in the Forms Section. Sales associates offering Buyer Rebates understands that the rebate will be shared between broker and salesperson in the same way the parties share the commission as stated in Schedule A of the Independent Contractor Agreement.

Sales Associates' Share of Rebate Calculation.

The sales associate's compensation will be calculated as follows:

Gross Commission Received after Rebate is Paid
 Less: Co-Broke Fee, MLS Fee, Referral Fee (if any)
 Less: 6% Support System Contribution
 Less: Sales Associate's Portion of Rebate (based on your current split)
 Equals: Net Distributable Commission
 Multiplied By: Sales Associates' Current Split

Bonus Programs

Production

Every sales associate is eligible to participate in the Production Acknowledgement program. Certificates for production will be given quarterly. The acknowledgement structure is as follows:

<i>Level</i>	<i>Number of Units Closed</i>	<i>And/ Or</i>	<i>Dollar Volume</i>	
Platinum	10		\$1,900,000	
Gold	8		\$1,700,000	
Silver	6		\$1,500,000	
Bronze	4		\$1,000,000	

In an effort to clarify the above schedule, number of closed units, within the quarter, requires the unit to be closed and the commission collected and deposited with the company.

The sales associate shall receive a framed Top Producer Certificate and a press release prepared and submitted to local newspapers.

Company Year-End

Every sales associate who shall be eligible to participate in the year-end bonus program. Bonuses will be presented at the annual awards function. The bonus categories are as follows:

- Top Producer (*highest dollar volume*) \$1,000 Cash
- Most Units Listed \$300 Marketing Dollars

- Most Units Closed \$300 Marketing Dollars
- Highest Unit Sold (*based on closed price*) \$100 Marketing Dollars
- Most Referrals Given \$100 Marketing Dollars
- Highest Income \$100 Marketing Dollars

In addition to any monetary bonus, the sales associate shall receive a framed Best of the Best in the “*Specific Category as listed above*” Certificate and a press release prepared and submitted to local newspapers.

Top Listing and Top Sales Agents of the Month

The Company will have a Top Listing Agent and a Top Sales Agent of the Month for each region. In order to qualify, the salesperson must have a bona fide listing using one of our listing plans without any discounting. Personal homes do not count towards the award. In the case of a sale, the salesperson must have a contract signed by all parties and into attorney review. In the case of a tie, volume will dictate the winner.

Each winner will have this accomplishment displayed on their web page. The winning sales associates are encouraged to use their accomplishment in any of their personal marketing materials.

Veltri & Associates, Realtors Million Dollar Sales Club

We recognize that our associates work hard to achieve their goals. To that end we have developed our “Veltri & Associates, Realtors Million Dollar Sales Club”. In order for an associate to achieve this status, he or she must have closed a minimum of \$2,000,000 gross volume sales in a calendar year.

Associates reaching this goal will receive a customized plaque as well as having the ability to market this achievement on their business cards and in their personal marketing.

Veltri & Associates, Realtors Presidents Club

In order to become a Presidents Club member, the associate must close a minimum of \$5,000,000 gross sales volume in a calendar year.

Associates attaining this distinction will receive a customized plaque as well as having the ability to market this achievement on their business cards and in their personal marketing. In addition, there will be a special presentation at the annual awards function as well as receiving \$1,000.00 in marketing dollars to be used during the next calendar year.

Discipline

If it becomes necessary to discipline a sales associate, the disciplinary action taken will depend on the seriousness of the conduct or violation involved. The Company, in its sole discretion, reserves the right to determine the level of discipline, if any, it deems appropriate in light of all the circumstances. The Company shall have the absolute right to terminate the sales associate at will.

Conduct - Professionalism in the Office

To be a professional, one must act professionally.

A professional atmosphere is necessary for the most effective representation of our clients, and will enhance our income levels.

A professional atmosphere excludes:

- Horseplay
- Practical jokes
- Loud laughter
- Long gossip sessions

Salespersons should conduct themselves in a businesslike and professional manner.

Cooperation

Few real estate salespersons are successful without a spirit of cooperation. We encourage our salespersons to give help to others, both within and outside our firm.

Pitch in without being asked. Give assistance pleasantly, not grudgingly. Other offices will sell our listings, and will let us know of their good listings sooner. Appraisers remember a helpful organization. Lenders appreciate cooperation.

Unless directed not to do so in writing by a seller, every sales associate shall fully cooperate with all other New Jersey Licensees utilizing cooperation arrangements which shall protect and promote the interests of the licensee's client or principal.

The obligation to fully cooperate with all other licensees includes the requirements that listing broker:

- Transmit to their principal(s) all written offers by licensees with other firms within twenty-four (24) hours of receipt of the written offer by their firm.
- Place no unreasonable restrictions upon the showing of properties listed with the Company to prospective purchasers who are working through cooperating brokers.

Our company will hum with more activity.

Practice cooperation and receive the rewards of satisfaction, happiness and wealth.

Disputes - Arbitration of

Salespersons will occasionally disagree about prospects or commission splits. This is to be expected and, if handled promptly and fairly, will usually be settled to the satisfaction of all concerned.

If the two salespersons are unable to resolve the dispute, they should meet with the broker and explain the situation, so that the broker may try to help them resolve it.

In case the broker cannot help them resolve the dispute, the parties will submit to arbitration by their peers. Three salespersons will be appointed to the arbitration panel, one by each of the disputing parties, and one by the broker.

The parties will present the facts of their case to panel, and the decision of the panel will be final and binding on the parties.

Disputes - Between buyer and seller

Buyers and sellers often have differing interests, needs and personalities. The result of these differences is occasionally a dispute over the terms of the contract.

We believe in the moral and legal validity of properly drawn real estate contracts.

We do not believe that litigation is the way to resolve these disputes. Litigation is costly, time-consuming and often results in both parties being hurt.

Salespersons should try to move buyers and sellers toward the 'center' to a common ground and encourage reason, flexibility and compromise.

Education

"If I saw farther, it is because I stood on the shoulders of giants."
- Isaac Newton

Members of our company should not undertake an assignment for a client or a customer unless we have the training and experience to do the job well.

We cannot expect to be called a 'professional' without making an investment of time and money on education.

We encourage our salespersons to continue learning better ways to provide service.

There are many resources for education, including:

- Real estate seminars
- REALTORS® Institutes
- Sales meetings
- Board of REALTORS® meetings
- State and National Association Conventions
- Books
- Magazines ("Real Estate Today," etc.)
- University courses

As a company, we will reimburse salesperson on-half (1/2) of any real estate related educational program, seminar, workshop and convention up to \$300 per calendar year and approved in advance by the broker. Submission for educational expenses shall be made on a company expense report and submitted immediately upon completion of the event.

Invest in education. It will pay you back tenfold.

Expectations

We believe we have the finest sales staff in this area. To that end we have created commission plans and offer services like no other broker. We have high expectations of the members of our firm:

1. We expect each salesperson to serve clients and customers with integrity, competence and courtesy.
2. We expect each salesperson to understand, accept, and abide by our Company philosophy, policies and procedures.
3. We expect each trained salesperson to strive to attain the following objective:
 - a. Each Sales Associate is required to produce a minimum of 3 sales transactions per year. Salesperson's who fail to perform to the minimum may be subject to termination without notice.

(While the above should be objectives of all salespersons, they should not be considered as "quotas.")

We expect each salesperson to understand that our firm must be profitable if it is to remain viable. This means that all should strive to enhance revenues and keep costs in line. A profitable firm provides an environment of success for all. The Broker's responsibility is to provide the tools and support

necessary for sales associate to build his/her book of business. While sales associate may receive leads from performing floor time, it is the sales associates' primary function is to prospect and generate his/her own leads.

Support System Contribution

The company will retain 6% off the top of each gross commission check for a support system contribution. This amount will help defray the cost of providing specialized marketing, promotional, Internet and technology innovations as well as installing and removing post signs and commission advances and loans. This contribution comes "off-the-top" of the gross commission after any referral and MLS fees are paid.

Expenses

Questions often arise about which expenses the Company pays, and which are the responsibilities of the salesperson. Please check your Independent Contractor Agreement for more specific details on what expenses, if any, you will be responsible for. Generally, our policy is as follows:

THE SALESPERSON WILL PAY FOR:

Business Cards
Overnight Mail & Specialty advertising items
Licensing fees
Board of REALTORS® dues
MLS & Lockbox Fees
Personal office supplies
Personal sales and listing tools
Stationery and postage for mass mailings
Special, additional advertising
Automobile expenses
Health insurance
Social security and taxes

Any other expenses incurred by the salesperson not specifically shown above as provided by Company.

Forms - Office

We have designed and printed certain forms to organize information into a permanent, written record. Very often, a form can be effective in sales presentations. Only Company approved forms shall be used.

Critical questions will occasionally arise about a listing or a contract when the salesperson is not available. At such times it is good to be able to get the necessary information. Salespersons must fully complete all necessary paperwork during the listing and sales process.

If a salesperson has suggestions for improving a Company form, the broker should be informed.

If a salesperson sees that the supply of a certain form is low, the Service Coordinator should be informed.

The Company has developed an Intranet which has all the forms necessary to conduct business from the web 24/7 and is accessible from any computer connected to the Internet. We ask all salespersons to use the forms from our Intranet to ensure uniformity and consistency. Salesperson is prohibited from forwarding any documents to third parties that are not involved in a particular transaction.

Library

We have purchased books and tapes on various real estate subjects for our salespersons to read and enjoy. We hope all associates will take advantage of this self-improvement opportunity. A list is posted in the Education Center of our Intranet.

When a salesperson wishes to take a book, we ask that make arrangements with your Sales Manager to check out the book so that a record will be available.

Each book may be checked out for 10 days and should be returned to the Sales Manager. The sales manager will note the return on the card, and the book will then be available to others.

The salesperson will be responsible for the replacement cost of the book if it is lost.

Office - Equipment and Supplies

Equipment and supplies, including reference material, should not be removed from the office without permission. Upon termination, salespersons will return any supplies and reference materials in his or her possession.

All office equipment and supplies are strictly for salesperson's real estate business use. No printing, photocopying of personal photos and the like are permitted.

Keeping in Contact With the Office

Keeping in contact with the office is an integral part of providing a high level of customer service. If the Company does not know or keep track of salespersons whereabouts it make everyone look bad. It is recommended that Salesperson call into the office to retrieve messages and to inform the Sales Manager where and when he can be reached.

Absence - Compensation to another Salesperson

Salespersons must occasionally leave town for education seminars, business or vacation. Our customers should not experience any decrease in service during this period. It is recommended that you notify the Sales Manager of you absence.

The Sales Manager should not be expected to assume the workload. Another salesperson should be selected to serve our customers, and the salesperson that takes care of the absent salesperson's work must be compensated. If the broker must handle the salesperson's work, the broker will be compensated.

We have set a standard compensation to be paid by the absent salesperson; this does not preclude a different written agreement between two salespersons.

<u>Work performed</u>	<u>Compensation</u>
Taking a listing	50%
Writing a contract	50%
Presenting a contract	\$50
Presenting a contract (sold)	20%
Attending a closing	\$50

The salesperson that is to be absent should arrange with another salesperson to handle any business.

Appointment Calendar

It is our experience that the most successful salespersons have a written plan of action for each day.

We strongly recommend that our salespersons use our technology and keep a daily calendar for appointments, for completing necessary tasks, and for prospecting effectively.

Appointments

It is imperative that we maintain the good reputation of our Company by making and keeping appointments.

Before showing any listing to a prospective buyer, call the seller to make a showing appointment so that the seller can be prepared. This will result in a property that shows better, and a seller who respects our professionalism.

If a salesperson has made an appointment to show a property, the appointment should be kept, or the seller called with an explanation of why the property was not shown.

If Salesperson intends to meet a prospective customer at the office he shall inform the Personal Services Director of the following prior to them arriving at the office:

- Customer name
- Date and time of appointment
- Weather it is for a listing or a sale

The reason for this is simple. We want to greet our customers by name and have some idea as to the reason for their visit so we can build a strong long-lasting relationship. This will effectively benefit the Salesperson and the Company.

Automobile

First impressions are lasting impressions.

The appearance of a salesperson's automobile is as important as his or her personal appearance.

The automobile need not be new, but must be neat and clean. Air conditioning and heat will help to keep your buyer's loyalty.

Your automobile should be in good mechanical order. Reliability is very important. Safety is everything.

The automobile is a traveling office and should be stocked with the tools of our business, such as: maps, business cards, forms, contracts, tape measure, flashlight, hammer, screwdriver, pliers, WD-40, etc.

Business Cards

Business cards must be in the format prescribed by the Company, strictly adhere to NJAC 11:5-1.15 rules and regulations, and may be ordered through the office to take advantage of printing discounts.

Attitude

Probably the single most important attribute of a successful salesperson is attitude.

It is said that the act of smiling releases a chemical into the blood stream that brings on a feeling of happiness.

Whether or not this is true, good things clearly come to those with good attitudes. A positive attitude allows us to do difficult tasks more easily. A negative attitude renders difficult tasks impossible.

Attitude, good or bad, cannot be concealed. A smile can be "heard" by phone. Clients and customers will easily recognize caring for others. Success comes from attitude.

Caravan

We believe that salespersons should see new listings of the Company so that they can intelligently discuss the merits of the property with potential buyers who call.

The Company will assemble caravan from time to time at its sole discretion. While on caravan, salespersons should act professionally. At each property inspected, the salesperson should leave his or her business card in an obvious place so the seller will be aware of our visit.

The property should be thoroughly inspected, and each salesperson should independently write comments on what can be done to improve the salability of the property, and an estimate of the final sales price.

The listing agent should follow up on these suggestions with the seller. If followed, such recommendations often result in a quicker sale.

Each office may set their own policy on what properties will be on caravan.

Checks

When a salesperson receives a check as an earnest money deposit the check will be submitted to the office within twenty-four (24) hours, along with a copy of said check and appropriate contract forms.

Under no circumstances will a salesperson accept as an earnest money deposit a 'postdated' check as well as presenting offers with NO earnest money deposit.

Checks - Return to Customer

Occasionally, a sales contract takes an extended time to negotiate, and is never completed. Often, the Company will have deposited the earnest money.

The salesperson should inform the buyers that the Company would not refund earnest money until the customer's check has cleared our bank.

In cases of a completed contract that later falls through, the salesperson must have written confirmation from both the seller's and buyer's attorney and attach copies to the 'Release of Contract and Deposit' form to show who is to receive the binder check.

Commission Checks

The salesperson is expected to attend all closings. Commission checks shall be deposited with Company within twenty four (24) hours of a closing. It is the sales associates' responsibility to make sure this occurs. Should the Company assign an agent to attend a closing, then the original sales associate shall pay \$50.00 to the attending sales associate out of their commission. No commission checks shall be released until verification of return of all signs and lockboxes as well as a copy of the settlement statement. This policy shall be strictly adhered to. Real Estate Commission rules state that we must pay our sales associates within 10 business days from "receipt" and "clearing the bank". It is our policy to strive to pay our sales associates between seven and ten days. If a special circumstance should arise, sales associate may request an "early pay" by asking the office manager to contact bookkeeping.

Discrimination

Salespersons may not discriminate based on race, color, religion, sex, or national origin, family status or disability. This is the law, and it is a good law. We expect all salespersons to assist all customers to purchase the home of his or her choice. In the event a seller or buyer indicates to the Salesperson that he, she or they will not sell to or buy near any person because of his/her race, creed, color, national origin, sex, marital status, affectional or sexual orientation, familial status, actual or perceived physical or mental handicap, ancestry or nationality then Salesperson shall inform customer that it is not legal to discriminate. If customer persists, cease working with the buyer or seller immediately and notify broker.

Realtor Billing Credit Line

Salespersons will be billed monthly for expenses paid by the Company that is properly chargeable to the salesperson.

The salesperson is expected to pay the Company within 10 days. If payment is not received by Company within that time, the Company, at its sole discretion may charge interest on any balance 30 days past due. The Company at its sole discretion may deduct any monies owed from salesperson's commission check.

Floor Time

Floor time is a privilege, not a right. The company at its sole discretion may assign floor time to salespersons that the Company believes would convert calls to transactions. Generally, the company requires all sales associates to meet a minimum requirement to qualify to participate. This requirement is set by management and can change without notice. Please check with your manager for further details. Sales associates who participate in floor time has the responsibility to "cover" their floor time if they are delayed or they cannot make it. It is also expected that salesperson will not make any appointments during their floor time and should they have to leave the office due to receiving an up call they are to call someone to cover for them or call their sales manager. If, for any reason, the floor schedule cannot be filled voluntarily then Broker or Manager at their sole discretion fill the slots with any available salesperson.

Up Calls

Up calls are extremely important and will be handled promptly. It is the company policy to "never let a caller go unserved". We have established a protocol for handling up calls. The floor person is to receive all up calls except those callers who ask for a specific salesperson. In that case the floor person shall forward the call to the appropriate salesperson. If the caller asks for a specific salesperson who is not in the office AND the caller states that they want the information immediately and that any salesperson can help them, in that case the floor person will take that lead. Multiple calls. If there is only one floor person who is currently on the phone and an up call comes in then the person answering the phone shall ask the floor person to take the call. If the floor person "waives off" the call then another salesperson will help the customer. Please note, WE DO NOT TAKE MESSAGES FOR THE FLOOR PERSON SO THEY CAN CALL THE CUSTOMER BACK. We will service all customers at the time of the call.

Integrity

This subject has been covered in this manual in several sections. Expressing again our strong feelings is not redundant.

A prospect that buys based on half-truths will probably not close the transaction. If there is a defect in the property, be "up-front" about it. NJAC 11:5-1.23 defines Salesperson's obligations to the public and to each other. Salespersons are required to know this rule and strictly adhere to it. For example, licensees shall

disclose all information material to the physical condition of any property which they know or which a reasonable effort to ascertain such information would have revealed to their client or principal and when appropriate to any other party to a transaction.

If you say you will do something, do it. Never deviate from the truth.

Independent Contractor

Salespersons are considered to be independent contractors, not employees. The Company will not withhold income taxes or social security taxes.

The salesperson is under the direction of the broker as to the results of the work, but not the methods by which such results are accomplished.

The Company and the salesperson will execute an Independent Contractor Agreement that defines the relationship in detail.

All sales associates working for the Company are considered "at-will". This means that you are not promised and are guaranteed that your status as an independent sales associate will continue for any length of time. The Company retains the right to terminate the relationship between Salesperson and Company at any time for any reason.

Keys

When a client entrusts the key to his or her property to us, that trust must never be violated. Always request permission to make extra copies of keys. No keys shall be kept in Salesperson's desk, briefcase or home.

Keys should never have an address tag attached. A coded tag should identify the key. Thus, if the key is lost, the property will remain secure.

When keys are checked out by other offices or individuals (such as appraisers) who have been approved by the seller, careful notation should be made in the files, key log and the expected time of return. A business card should be obtained and in the event no business card is available a copy of the individual's driver's license is requested.

Under no circumstances should keys be given to buyers or tenants until the transaction has been closed or occupancy granted by written consent of all parties.

After showing the property, the salesperson should be careful to see that all windows and doors are locked, and the lights are out.

Listings

Listings are the lifeblood of the real estate business. Without listings, the phone does not ring, our name is not known, and our income will drop substantially.

We believe that salespersons should devote two thirds of their time to listing real property on an Exclusive Right to Sale Agreement. With this agreement, you have a monopoly on a property that all other agents in our area will try to sell. No matter who has the buyer, you will earn a commission.

A listing well taken is half-sold. Salespersons who take listings within 5% of market value, who are candid with the seller about necessary repairs or cleaning, and who prepare the seller for an offer, will sell more of their listings.

Exceptions to listings shall be inserted on the agreement and shall be for no more than fourteen (30) days from the date signed by seller. No Salesperson shall name themselves as an exception to any listing of the Company.

Listings - Files

A listing file will be made, labeled and filed in the office listings section of the file cabinet by the processor. All forms should be completed and given to the processor and filed with the listing, including:

- Comparative market analysis
- Signed CIS Statement
- Informed Consent to Dual Agency
- Signed Property Condition Disclosure Statement
- Signed Lead-Based Paint Disclosure (*if needed*)
- Listing Agreement
- Signed Commission Plan
- Listing Agreement Addendum (*if any*)
- Lead Based Paint Addendum
- Waiver of Broker Cooperation (*if needed*)
- Listing Profile Sheet
- Copy of MLS Printout
- Ad Forms
- Correspondence

Listing files are for the reference of all salespersons and the Company. They should never be removed from the office. Upon completion of the file, the salesperson shall place the listing information on the Monthly Listing Activity Board.

The Company has purchased an Internet based Transaction Management Program. Every sales associate shall participate and post their documents to the Internet. Company shall charge sales associate for their appropriate share of using the system. This charge will be payable when due. . Additionally, salesperson when using the "Make a CD" program option is strictly limited to sales contract, disclosures, mortgage and title documents and the HUD-1. All other correspondence and documents shall not be copied to the CD.

Listings - Servicing Suggestions

It is imperative that we maintain regular contact with the seller who has entrusted the sale of his property to our Company. A salesperson that does not service his or her listings properly will find referral business substantially reduced, and sellers will not renew.

We recommend that salespersons set aside one evening each week as "servicing" night. Call each of your sellers and discuss your efforts. If you are not able to reach them, write a note or letter to them immediately. A contact reminder should be placed on your calendar for tomorrow.

Calling a seller each week is often difficult because we do not know what to say week after week. Don't feel uncomfortable. Call! Nothing is worse than not calling for several weeks, and feeling guilty about your performance. Sellers will appreciate the call... even if nothing is happening!

We suggest that you clip the seller's advertising and mail it to the seller. Ask the seller to call if another agent shows the property so that you can follow up.

Our business is built on service. Service your listings.

Listings - Withdrawal

Occasionally, when a property is not sold as quickly as sellers would like, the sellers ask to have the listing withdrawn so that they can sell it themselves or list with another broker.

We invest considerable effort, money and time in listing and marketing a property, and expect to be reimbursed if the listing is taken from us.

Our standard unconditional withdrawal fee is 1% of the listed price, and should be placed on the Listing Agreement. It should be brought to the sellers' attention.

A withdrawal fee, if collected, will be split with the salesperson on the same basis as if the property had sold.

In certain circumstances, the Company may decide that charging such a fee would not be appropriate. Such situations include a seller whose transfer to another city is canceled, or a seller who can show that we have not serviced the listing properly.

No salesperson shall give a release to any seller without the permission and consent of the manager or broker.

Newspaper - Ad Copy to Seller

The Company will regularly clip ads on listings and post them to the client's Internet Folder. This, in no way, shall relieve sales associate of their responsibility to see that their client is well informed as to the advertising efforts of the Company.

Advertising Policy

Salespersons should use caution in promising an owner that we will do extensive newspaper advertising. Such promises can cause ill will and resentment if we do not follow through. Our advertising is designed to generate calls on homes in certain price ranges so that, after the salesperson has qualified the buyer's needs and capabilities, the buyer can be matched with one or more of our listings. Often, the buyer never saw the ad on that particular home.

Display advertising is used to supplement classified advertising, and is often the only way to show a property to its full advantage.

Salesperson is responsible to write ads for their listings. We encourage that this task be performed at the time the listing is taken and with the sellers input. The Company reserves the right to modify, change or re-write any ad.

We believe that sellers are entitled to know what our "minimum" advertising policy is and where we intend to promote their listings. To this end, we have created different commission fee plans with "minimum advertising standards".

Please note that our advertising will be strictly adhered to and according to the listing plan selected by the customer. Agents can offer supplemental advertising which is either paid for by the customer or the sales associate. Properties listed that are not in accordance with the sales fees outlined in the current "Customized Marketing Plans" brochure and Commission Plans will not be guaranteed ANY advertising by the Company. The Company will advertise these listings at its sole discretion.

Saturday & Sunday Advertising

Open houses only. It is highly recommended that each sales associate do one open house per month. If the Company is participating in a pre-determined open house schedule, then the requirement of sales person to do an open house in addition to the pre-determined open house schedule shall be waived.

Personal Marketing and Advertising

We believe that you should invest in your business. The Company encourages Salesperson to market themselves to enhance their image and get more business. All personal marketing and advertising shall be presented to management for approval prior to the placement and/or mailing. Marketing and advertising pieces shall be in strict conformance with NJAC 11:5-1.15 and shall carry the name of the Company in a prominent location with a type at least twice the size of Salesperson.

Generally, we pay for all property ads that are in accordance with our Customized Marketing & Commission Plans. You may, at your discretion and own expense, place advertisements in newspapers or magazines of your choice. A form will be issued for your use. It is suggested that the ad contain the phrase "ask for" the agent placing the ad. All ads must be reviewed by management prior to placement. Return form to advertising coordinator.

Direct Mail Policy

All flyers and letters to prospective sellers shall contain the following language:

"If your property is currently listed with a real estate broker, please disregard this offer. It is not our intention to solicit the offerings of other real estate brokers."

The company from time to time and at its sole discretion may create a direct mail procedure for a particular task or time frame.

Sales associates are encouraged to do direct mail campaigns and are required to get the format, addresses, and method of mailing approved by the manager before and direct mail goes out. Additionally, sales associates are to enter their mailing in to the Canvassing Book at the front desk to insure no other sales associate will mail to that particular area within six months. This does not include just listed or sold postcards, letters to expired listings or FSBO's or a sales associate's personal friend or relative.

Personal Assistants - Employees of the salesperson

We believe that a personal assistant can help a salesperson be more productive in every aspect of his or her business. Personal assistants can do many of the tasks which do not require marketing and sales skills, such as preparing brochures on properties for sale, inserting advertising, measuring listed properties, placing signs on properties and even, when properly trained, comparative market analyses.

If a personal assistant is engaged by a salesperson of this office the following requirements apply:

- A. The Company, the salesperson, and the personal assistant must enter into a written agreement which:
 1. States that the assistant is an employee of the salesperson and not the Company.
 2. States that the personal assistant is an employee, not an independent contractor, for income tax purposes. The salesperson must agree to withhold taxes and FICA contributions, as well as make all required payments to IRS for those taxes. The salesperson agrees to abide by other laws, including unemployment compensation taxes or workmen's compensation insurance, and to hold the Company harmless from any claims for those items.

3. Sets forth the compensation to be paid to the assistant, including any bonuses.
4. Outlines the duties of the personal assistant, as well as a list of activities, which an unlicensed personal assistant cannot perform in this state.
5. Gives the Company the right to approve the continued employment of the assistant from time to time. The approval shall not be unreasonably withheld, but if the assistant is causing problems in the operations of the Company, the assistant will not be allowed to continue to work in the offices of the Company.

Salespersons may decide to hire licensed personal assistants because of additional duties, which may be performed. Often the licensed assistant will work under a split-commission basis. A salesperson may not pay a portion of the commission to the assistant. The broker must pay commission split between the salesperson and the personal assistant.

Personal assistants who work in the office use many of the office facilities, such as parking areas, plat books, office space, telephones and supplies. Because of the additional expense to the Company, the Company shall charge the Salesperson a mutually agreed upon amount per month, per assistant for the assistant's use of the facilities.

Personal Sales and Purchases

We feel that real estate is one of the best investments, and we encourage our salespersons to buy real estate for investment. We have several important policies regarding purchase and sale of real estate by our salespersons:

1. FULL DISCLOSURE. When a salesperson buys or sells real estate, the seller or buyer must be informed about the salesperson's license status, and must be aware that the salesperson is not representing the interests of the other party. To protect ourselves, this fact is to be clearly revealed in the contract for sale and purchase, and in all discussions.

When a salesperson is buying or selling a property, the manager will review the listing agreement and/or sales contract. Broker reserves the right to be present or causes to be present a representative of Broker at any presentation or negotiation of any contract or lease. Broker of Record will make a determination on a case-by-case basis as to what kind of discount on the fees will be offered on the sales associate's personal primary residence after deducting the 6% Support System Contribution, management fees and expenses.

Referrals – Out of Town Brokers

Referrals can be a substantial source of income to alert salespersons. Send a referral on every client or customer who is leaving our area.

All referrals shall be placed with the Relocation Director of the Company. It is our intention to receive the highest referral percentage on all outgoing and the lowest referral percentage on any incoming referrals subject to any referral or relocation organizational rules the Company may associate with.

Our Company expects to receive a minimum of 25% on referrals we send. We pay a maximum of 25% on the listing or the selling side of the transaction of referrals from another broker.

Salespersons should prepare a Referral Placement Form and send it to the Relocation Director. The Company can later follow up on prospects that have been referred so that we may promptly pay referring brokers.

Salespersons are expected to keep the Relocation Director informed at all times of any development or pending transaction.

Incoming referrals shall be given to qualified salespersons who have fulfilled the basic training for referrals. Salespersons who continually fail to convert these referrals may be suspended or removed completely from the referral list. Referrals are placed at the sole discretion of the Broker and Relocation Director.

Referral Fees - Interoffice

We encourage salespersons to refer customers to each other if doing so will provide greater service to the customer.

When this is done, if compensation is involved, the salespersons must come to an agreement as to compensation due, and put it in writing. It should be placed in the files, and each salesperson should keep a copy. When the commission is to be paid, the broker should be given a copy of the agreement so that commission checks can be properly prepared.

Referral Fees – Internet and Brand Advertising, LeadGen Network

Criteria for Receiving Referrals

Sales associates are assigned incoming referrals based on the criteria set by management. Not everyone automatically receives incoming referrals. For example, new agents are not likely to receive a referral until they have proven themselves and have a proven track record. Part time agents are not eligible to receive referrals.



Sales Associates providing OUTGOING referrals will be given priority on receiving incoming referrals.

Relocation Department will place all referrals. However, it will be with agreement of office manager after determining that sales associate is eligible.

There are Two Types of Referrals

Internet Referrals: *(those coming in through our website and other Internet sources with the potential client preferring to work via email)*

- Experience level
- Preference given to e-Pro sales associates
- Must have text messaging and be proficient in their email capabilities
- Must have home and office PC
- Must be proficient in MLS prospect management and email search notification
- Must be able to respond immediately in the manner client requests
- Initial status report to Relocation Department *immediately* after first contact and then every 2 weeks thereafter
- Must do floor time in month of referrals
- Must be in good standing with manager (missed floor times, not following up, etc.)
- Agrees to work leads until sure of outcome
- Realize all leads belong to Veltri Realtors and it can be pulled and reassigned or given back to Relocation Department
- Sign 25% referral form, one time only
- Attend training session with department head
- **Must refer to our business partners (Mortgage, Title & Attorney's)**

Telephone Referrals: *(those coming in from both Internet and referring Realtors, with potential clients willing to work via the telephone)*

- Experience level
- Must be proficient in MLS prospect management and email search notification
- Must be able to respond immediately in the manner client requests
- Initial status report to Relocation Department *immediately* after first meeting and then every 2 weeks thereafter
- Must do floor time in month of referrals
- Must be in good standing with manager (missed floor times, not following up, etc.)
- Agrees to work leads till sure of outcome
- Realize all leads belong to Veltri Realtors and until can be pulled and reassigned or given back to Relocation Department
- Sign 25% referral form, one time only
- Attend training session with department head
- **Must refer to our business partners (Mortgage, Title & Attorney's)**



Internet sales associates are also qualified to receive telephone referrals.

Food For Thought

Sometimes leads take a long time to cultivate and become clients. People who start looking for a home on the Internet start their search 12-24 months before they buy. Follow up, follow up. Set them up on auto mailers, send them local information, and keep your name in front of them.

On the other hand there are people looking to transfer quickly into our area and need to find the right home in the right neighborhood with the right schools, *fast*. It will be your understanding of the area and grasping the needs of the transferee, their spouse, and children that will make you stand out and get another happy client that will give you life long business.

Treat referral clients with kid gloves. They are reporting back to an agency that keeps track of referrals they gave, just like we do, and they may have some input to discussions on the right agent for them, and it might not be you.

If you feel you cannot service your referral (*personality, time constraints, whatever*) please call the Relocation Department, so we may have an opportunity to refer the client to another sales associate. There is currently a \$100.00 per listing transaction "Technology Fee" which will be deducted off the top of each listing transaction. On all Internet referrals, the Company will provide qualified full-time salespersons with leads at no cost. If a referral comes in on a full-time salesperson's own listing the referral given to that sales associate.

Salespersons who continually fail to convert these referrals may be suspended or removed completely from the referral list. Referrals are placed at the sole discretion of the Broker and Relocation Director.

Sales Contracts

Until a salesperson has been told otherwise, management before presenting them to the seller must review sales contracts. This policy has saved time and litigation, and is a protection to the buyer, seller, and salesperson.

A sale file will be made, labeled and filed in the office sales section of the file cabinet by the PSC. The Salesperson should prepare an information sheet showing the personal information of the buyer, and items such as Mortgage Company, title closing agent, temporary address of the buyer, etc. This information shall be placed in the file.

The earnest money deposit must be given to the Company within twenty four (24) hours and deposited in the escrow account within five (5) days of receipt by Salesperson and held in trust according to state law.

While the NJREC does not provide for a minimum deposit to be given with a contract, the Company encourages the salesperson to obtain a minimum earnest money deposit of \$1,000.00. Additionally, the Company encourages the salesperson to obtain a second deposit equivalent to 10% of the purchase price.

Upon full acceptance of all parties, the transaction shall be placed on the Monthly Sales Activity Board.

Multiple Contracts

As we move through the real estate cycle, many housing markets have improved to the point that homes offered for sale frequently have multiple offers, raising the final selling price equal to or above the listing price. Does that mean in hot seller's markets that buyers overpay? What can be done to make sure that buyers are treated fairly and don't become disillusioned in a multiple-offer situation?

Because of the frequency of multiple offers in some markets, sales associates shall abide by the following strategies:

For seller's agents

- When you have a listing, which is generating multiple offers, inform all buyer's agents that they are in a multiple offer situation.
- Ask for the highest and best offer, so that the agent's buyer isn't excluded from consideration.
- Inform the buyer's agent that the first offer may be his/her only shot at the contract, as a counter-offer will only be made to one offer
- Encourage the buyer's agent to keep contingencies to a minimum, so as to improve the buyer's chances of having his/her contract accepted.
- Remind the agent to prepare his/her buyer for the possible heartbreak that can attend multiple offers. Only one buyer is going to get the home. The others will be turned away, and may possibly miss out on other homes offered for sale in the same time period.

For buyer's agents

- Be an agent with a strong network. Work well with other agents so that you are in the loop when new listings come on the market. Hearing about a listing before it goes into the MLS may be the advantage that your buyer needs.
- Be aware who has "pocket" listings in your farm area. If you are an exclusive buyer's agent, be willing to share tips on properties that you think might be offered for sale soon, so the seller's agent may be more willing to give your buyer first shot at their seller's property.
- During the offer period, be available, and have your buyer available to give quick responses to seller's questions or to negotiate counters on the offer.
- Underscore your buyer's seriousness by demonstrating their ability to proceed to closing without impediments. Some examples are that your buyer should already be pre-approved for a loan, and your buyer should not have contingencies such as needing to sell another home before proceeding to closing.

Encouraging buyers to remain flexible while giving the home of their dreams the best shot possible isn't easy, but helping the buyer to understand current market conditions can be the first step toward a successful contract for buyer's agents.

Residential Leases

All residential leases shall be accompanied by a Residential Lease Application and Credit Report. Tenants will pay for the credit report in cash or by money order. There are NO EXCEPTIONS to this requirement. The lease shall be properly filled in and the proper lease form shall be used. In the event a landlord does not require a credit check it should be stated in the lease under Other Conditions at the end of the lease. Checks collected from Tenant to be used as commission shall be Certified Check, Money Order or Bank Ccheck. NO PERSONAL CHECKS WILL BE ACCEPTED.

Sales Meetings

Sales meetings help to provide effective communication of important information. Topics at these meetings might include:

- Review of advertising
- Discussion of Company policies
- Review of current financing
- For sale by owners
- Sharing of experiences - good or bad
- Guest speakers
- Review of new listings
- Sales results
- Training

The meetings will begin at a time and place determined by the Company and will be for one hour unless a guest speaker or presentation is on the agenda. The format for these meetings will be as follows:

- General Housekeeping – 20 minutes
- Listings Review – 20 minutes
- Education – 20 minutes

Meetings will begin on time and all Salespersons are encouraged to attend.

Signs and Lockboxes

Each salesperson is responsible for the signs and lockboxes put on listings. Every listing file should note whether the listing has a sign or a lockbox.

Sign "riders" with the salesperson's name are exceptional opportunities for the listing agent to receive calls and find buying and listing prospects. Sign riders can be purchased from the Company for an additional fee.

When a listing sells or expires or is withdrawn, the salesperson must return the sign and lockbox to the office and check it in with the secretary. It should be noted in the listing file.

If a sign or lockbox is lost or stolen through no fault of the salesperson, the Company will bear the cost of replacement. If a sign or lockbox is lost due to salesperson's delay in removing it from the listing, the cost of the lost items will be charged to the salesperson.

Commission checks will be held until the sign and lockbox from the sold listing has been returned to the office.

"Contract pending" signs should be placed on the property when both buyer and seller have signed the Contract for Sale and Purchase. Because such signs are an excellent source of additional listings, the sign should remain on the property until the day of closing.

When a listing is taken and another real estate agency sign is on the property, you may remove the sign and return it to the other agency, or call the other agency and suggest that they pick up their sign.

Specialty Advertising

Salespersons often purchase different items to give away to sellers, buyers and prospects. Such items must have the name of the Company and the name of the salesperson prominently displayed, and often results in increased business. All items and content must be approved in advance by the broker and shall strictly comply with NJAC 11:5-1.45 rules and regulations.

We recommend such advertising; the selection of items should be made with discretion to maintain the professional image that we so carefully nurture.

Telephone Answering

First impressions of our firm are often made from the way our telephone is answered. From time-to-time, the Sales Associate may have to answer the telephone.

The salesperson should consider the act of answering the telephone one of the most important of all duties.

The telephone should be answered:

"Good [morning] [afternoon], this is Veltri Realtors. This is [agent name]. May I help you?"

Full attention must be given to the caller. All other work should cease until the caller has been helped.

If the call is for a salesperson who is out, say:

"Mrs. Wilson is out. May I transfer you to her voice mail? Or would you like his cell phone number?"

This may be said even if Mrs. Wilson has not arrived at work today. Never say, "She has not come in to work yet."

The call should be transferred to voice mail so that the absent salesperson can return the call promptly.

Telephone - Long Distance Calls

We believe the telephone is the second best means of communication. When it is used long-distance, it is also one of the most expensive.

We believe that a call is more effective than a letter. We suggest that you plan each call by preparing a list of each major point you wish to cover before dialing.

Telephone - Personal Calls

Our telephone equipment was installed to serve our business needs, and all our lines will often be in use. Therefore we ask that you keep personal calls short. Our 800 numbers are for the customers trying to communicate with the Company. Please advise family members not to use the 800 numbers to contact you at the office.

Errors and Omissions Insurance

The Company shall make available Errors & Omissions insurance to all full-time sales associates. Check your compensation plan for details. Any deductible applied to any incident shall be shared between the Company and Salesperson at the same rate the parties share in the commission. The Company will not provide representation for any incident arising out of a transaction in which the salesperson has a financial interest and in the case of consumer fraud. Salesperson shall hold Broker and Company harmless from any claim made on the Company previous to Salesperson's affiliation with Company. Company shall be entitled to be reimbursed by Salesperson for any award, settlement, and fees that may be assessed or attributed to this case. All sales associates shall be assessed the cost of Errors & Omissions insurance in an amount as established by the Company per year. This amount will be due each September 1st and those sales associates who fail to pay their E&O insurance shall be terminated without notice. The Company may increase or decrease this amount due to an increase or decrease in the Error & Omissions policy premium.

Inspections

The sales associate shall attend all inspections scheduled for a transaction. Under no circumstance shall Salesperson give a key to an inspector to enter a property without the written permission of the seller.

Personal Property

The Company shall not be held liable for personal property.

Sales Associate Reviews

The Company from time to time shall conduct sales associate reviews. Salesperson shall cooperate with the Company.

Ancillary Services – Sales Associate Cooperation

The Company, while attempting to compensate Salesperson at the highest level possible and keeping the company viable, will offer to our customers additional services which, Company may charge a fee. Salesperson shall support these services to the fullest extent.

Thank You Cards

Little is as effective in establishing customer loyalty and referrals as a simple "thank you."

We recommend that salespersons keep a supply of "thank you" cards on hand and make it a rule to hand write at least two every day. You will be amazed at the additional listings and sales that will result.

Time Off - burnout

Real estate is an exciting, sometimes exhausting business. Salespersons can become so involved that they work 15 hours a day, seven days a week.

We want to caution of the dangers of "burnout," a condition in which a salesperson becomes unable to talk to a prospect, and begins thinking that another line of work would be appropriate.

We suggest that every salesperson periodically take time off to recharge the energy and enthusiasm and ideas that bring success. A physically exhausted agent simply cannot perform effectively.

However, if we take off every time we "feel like it" we may miss many income-producing activities.

Often, the only way to do this to avoid "guilt" feelings is to schedule time off as if it were an appointment.

Vendor Referrals

It is not the Company's intention to restrict vendors from doing business with our firm or customers. However, we must take all appropriate steps to ensure that the vendor is properly licensed and insured as well as fully capable of handling the requirements of our customers. To that end the Company has instituted a Preferred Vendor program. Under this program any vendor can request that we refer them to our customers. In order for a vendor to participate they must first demonstrate the following:

- Must submit a copy of license (*if required to have one*)
- Must submit an insurance certificate naming Veltri and Associates, Inc., t/a Veltri & Associates, Realtors as additional insured
- Must complete Preferred Vendor Application

Health Benefits

The Company will offer health coverage to all full-time salespersons after 3 months with the company. Sales associate will be responsible for payment of all premiums when they become due.

The company reserves the right to terminate the health coverage at any time without notice to the salesperson.

Should a payment due not be made, the company shall terminate the sales associate in the plan and upon reapplying the sales associate may be subject to the pre-existing conditions clause of the plan.

The company, while offering health insurance makes no warranties or guarantees of the Insurance Company.

The Sales Team

Each sales associate will be assigned to a sales team. They will be supervised by a Sales Manager. All questions shall be directed to the Sales Manager. If there is a complaint regarding a Sales Manager it shall be directly presented to the President or Vice President.

Sales associates may transfer to another sales team for good reason. The sales associate must first approach the Sales Manager and request a transfer. Transfers will not be granted unless extenuating circumstances exist. The President & Vice President shall be the sole authority on whether a sales associate may or may not transfer to a new sales team.

Satellite Offices and Training Centers

The Company may have leased space in convenient areas for the purpose of training and having meetings. Each of these satellites will consist of a conference room, computer, fax/copy/printing capabilities. These locations are not real estate offices, rather a convenience to our sales associates who work an area outside of the Regional Sales & Marketing Center to "drop in" and use the computer or make a copy or send a fax.

Veltri Transaction Management System

Our company has established a Transaction Management System for maintaining on-line files. This greatly benefits the sales associate by allowing them access to their file 24/7 from anywhere in the world.

The system is proprietary and each sales associate will be provided a username and password to access the system. Sales associates are strictly prohibited from giving out their username and password. Violating this policy will result in immediate dismissal of sales associate.

EMPLOYEE AND SUPPORT PERSONNEL SECTION

Teamwork

The Company believes that to achieve success in our business both sales associates and support personnel need to work together. Even though you may have been hired for a specific job the Company believes strongly in cross-training each employee to perform other tasks when asked.

Service Coordinator

The Service Coordinator (SC) has a myriad of responsibilities. This individual is on the company's front-line greeting and servicing our customers, clients, and Realtors. The Service Coordinator will be responsible for

answering telephones, maintaining files, customer satisfaction surveys, up-selling additional products and services as well as assisting sales associates in their transactional needs.

Listing Files - Checking for completeness

When a salesperson turns in a listing, several items should be included in the file. It will be the Sales Manager and (SC) responsibility to see that these items are attached to all listing files and uploaded to our Transaction Management System:

- Signed CIS Statement
- Listing Contract (*with attachments*)
 - *Signed Property Condition Disclosure Statement*
 - *Lead Based Paint Addendum*
 - *Signed Informed Consent to Dual Agency (if applicable)*
 - *Profile Sheet*
- Seller's personal information sheet
- Signed Commission Plan
- Advertising Sheet
- Closing Cost Disclosure Statement, signed
- CMA

Contract Files - Checking for completeness

When a salesperson turns in a contract, several items should be included in the file. It will be the Sales Manager and (PSC) responsibility to see that these items are attached to all contract files and uploaded to our Transaction Management System:

- Signed CIS Statement
- Sales Contract (*with attachments*)
 - *NOTICE to Buyer and Seller*
 - *Agreement of Sale*
 - *Signed Property Condition Disclosure Statement*
 - *Lead Based Paint Addendum*
 - *Signed Informed Consent to Dual Agency (if applicable)*
- Buyer's personal information sheet
- Closing Cost Disclosure Statement, signed
- Closing information sheet
- Deposit slip for earnest money
- Copy of Earnest Money Deposit Check

Files

The (SC) along with the office manager is responsible for all listing files, contract files, general information files, and other documents that are necessary for our firm to serve our customers and clients properly. A lost file or lost information could result in loss to our company.

All files will be placed in the proper storage area in the proper sequence. A regular, periodic inventory of the files should be made to ensure that all are in the proper order, and that all are accounted for.

No files shall be removed from the office except for a closing and in that case be promptly returned after the closing has occurred.

Office Neatness

The first impression and lasting impressions of our firm are made based on the appearance of the office.

We ask our salespersons to clean up after themselves. Occasionally, in the rush to write a contract or to arrive in time for an appointment, an area of the office may be left messy.

We cannot penalize other salespersons by leaving the mess, nor, because they are paid by commission only, expect them to straighten it out.

The (SC) will be responsible for ensuring that the reception area is neat and clean; free from cups or bottles. The conference room should be checked regularly during the day to determine that it is in good order.

Supplies

It is the (SC) and the office manager's responsibility to ensure that an adequate stock of supplies is maintained. This includes all company forms, contracts and listing agreements, paper, staples, tape and other items necessary for the efficient operation of the office.

There shall be ample supply of Listing and Sales packets for the sales associate's use.

It is important that supplies be stored to prevent damage and waste, and so that we do not reorder an item in error, resulting in overstocks.

Supplies should be checked and ordered on the same day each week. On Friday the (SC) shall make sure that all copiers, faxes and printers are filled with paper.

Telephone Answering

First impressions of our firm are often made from the way our telephone is answered. Support personnel should consider the act of answering the telephone one of the most important of all duties.

The telephone should be answered:

"Good [morning] [afternoon], this is Veltri Realtors. This is [employee name]. May I help you?"

Full attention must be given to the caller. All other work should cease until the caller has been helped.

If the call is for a salesperson who is out, say:

"Mrs. Wilson is out. May I transfer you to her voice mail? Or would you like his cell phone number?"

This may be said even if Mrs. Wilson has not arrived at work today. Never say, "She has not come in to work yet."

The call should be transferred to voice mail so that the absent salesperson can return the call promptly.

Time Off - Doctor's Appointments

We are firm believers in preventive medicine; a visit to the doctor or dentist often results in greater benefit than waiting until sickness forces a visit.

Because it is quite disruptive to the office when the employee is absent, we ask that such appointments be scheduled at times most convenient to the office whenever possible.

Time Off - Holidays

The secretary will have the following holidays:

- New Year's Eve - at noon;
- New Year's Day;
- Memorial Day;
- 4th of July;
- Labor Day;
- Thanksgiving Day;
- Christmas Eve - at noon;
- Christmas Day.

Time Off - Personal Business

Because of the disruption caused by the absence of the employee, we request that time off for personal business is kept to a minimum.

If taking time off is necessary, the employee should schedule it with the manager with as much notice as possible.

Time off may be paid from vacation time accrued, or may be deducted from salary during that pay period, at the discretion of management.

Time Off - Sick Time

The employee will receive credit for 1/2 day per month toward sick pay. If being out due to sickness is necessary for the employee, the salary will be paid from the accrued sickness credit.

The accrued sickness credit will not be carried over from year to year, and may be used only for actual sickness and not personal time off.

Time Off - Vacation Time

The employee will receive five days of paid vacation time after one year of service; ten days of paid vacation time each year after two years of service; and fifteen days of paid vacation each year after seven years of service.

Management, taking into account the needs of the employee, will schedule vacation time.

Health Benefits

The Company will provide basic health coverage after 3 months employment. Employee can supplement the cost of additional coverage for spouse or dependants through a payroll deduction.

INTERNET POLICIES AND PROCEDURES

Introduction

The Internet represents a whole new world of communication, marketing, information distribution, and connection for the real estate industry. We recognize the need to fully incorporate this new way of doing the

real estate business throughout our organization. However, as is true with any relatively new “territory”, there are both dangers and opportunities to be addressed.

The primary purpose of this Policies and Procedures guide is to help you avoid the unique pitfalls of conducting your business on the Net, some of which could have serious legal and/or business consequences for you and the company. At the same time, we also understand the need to have ample room to “maneuver” and encourage you to take advantage of opportunities as they arise in the ever-changing and rapidly evolving landscape of the Internet.

When you conduct you business using the Internet, not only are you representing yourself, but the company as well, to potentially millions of people around the world. You are encouraged to use the Net to its fullest possible potential within the following “Rules Of The Road”, or guidelines, which are designed to protect our respective interests...

A Unique Collaborative Environment

The Net, by definition, is a highly collaborative environment that interconnects members of our organization and the rest of the world in powerful and far reaching ways. We intend to take full advantage of this unique quality of the Internet to provide the highest levels of service and human “connection” to members of this organization and the people they serve. This philosophy becomes the foundation of our Company Internet Vision.

Company Internet Vision

As an organization, we have a very definite and clear “vision” of who we are and what we expect to accomplish via the Internet. This is articulated below as our Company Internet Vision statement:

We are leaders in using the Internet to connect, communicate, and serve our customers and staff around the world. Internet based change and innovation are strategic opportunities we use to better serve our stakeholders, and to lead the competition.

Connecting To The Internet

Within the office you will be provided access either via the company LAN or wireless. The Company reserves the right to discontinue providing Internet access to any sales associate who uses the connection for other than business purposes or abuses this privilege.

Hardware / Equipment

Outside the office environment you will be responsible for the cost and maintenance of your own equipment (i.e. computer, printer, modem, etc.) needed to access the Net. The following guidelines apply to any use of company equipment to access the Internet:

Adding software - due to risks of system corruption through viruses or other means, you may not add any program file to the memory or hard disk of any computer within the company without explicit permission from management or the System Administrator.

Downloading files - likewise, you may not download any binary files (i.e. non-ASCII text data) via FTP, HTTP, or e-mail attachments to company computers without permission. Exceptions to this rule are e-mail attachments in the form of word processing files, spreadsheet files, and CMA data files from sources you know to be reliable and trustworthy.

Deleting files - you may not delete any files other than data files you were previously given permission to install on a company computer.

System configuration - company computers are set up in certain ways or “configurations” that maximize performance. You are not allowed to change any system configurations without permission.

Software / Copying

As mentioned above, you may not add software to any company computer without permission of management or the System Administrator. Also, you are not authorized to copy any software programs or data files that are not yours off any company computer. You assume all liability in the event you break this rule and where you and/or the company are charged with copyright violations due to your actions.

You are responsible for all the costs and maintenance of software you use on your own computer and making sure it is data-file compatible with software used on company machines. We recommend that you have on your own computer the following software in order to maximize the use of the Internet and Company designed forms and programs:

- Microsoft Office 2000
 - MS Word
 - Excel
 - Power Point
 - Publisher
- Microsoft Internet Explorer 5.5 or newer
- Adobe Acrobat
- MLS Software

Training

Unless otherwise specifically provided for by the company, you are responsible for obtaining the necessary training to run the computers, and use the major facilities of the Internet with confidence.

These are the areas of recommended training:

Equipment - general operation and use of computer, printer, and other peripheral equipment as may be used within the company

Operating system - a thorough understanding of how to use either Windows 98 or the Mac OS, depending upon the type of computer used in the company

Internet - general Internet principles including e-mail, FTP, the Web and the respective software to access these Internet tools

Miscellaneous - virus detection and file compression software

Using The Company Intranet

The company maintains an Intranet (i.e. private Internet) to facilitate intra-company communications and information distribution. Due to the importance of this system to company operations, there are several issues that need to be addressed...

Security

Much of the data on the company Intranet is proprietary, and in some cases restricted to certain authorized personnel. The following guidelines are recommended to help protect your interests and that of the company:

Passwords - access to the Intranet is password protected. Use a password that would be difficult for anyone to guess or find at your desk. It is also wise to change it periodically. Never give your password out to anyone, especially to people outside of the company. **Figure C-1** below shows how to create a password that is difficult to “break” but easy to remember.

Proprietary Information - much of the information on the company Intranet is sensitive. To protect your and the company’s competitive interest, never distribute information to persons who are not authorized to receive it.

Unauthorized Access - if you suspect that someone has unauthorized access to the company Intranet, or that data files have been tampered with (either yours or the company’s), notify the System Administrator immediately.

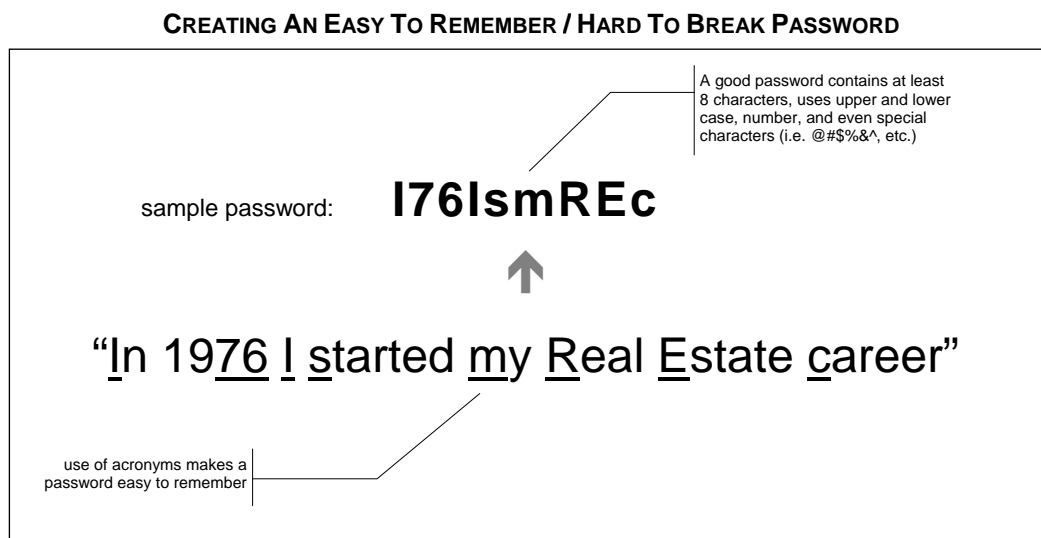


FIGURE C-1

Access Software

The company may decide to standardize its Intranet to function with specific browser software such as supplied from Netscape or Microsoft. In that event, you are responsible for obtaining and learning to use that particular software for your own personal computer at your own expense, if you want access to the Intranet from an off-site location or a non-company computer. This includes any plug-ins or other types of “extension” software to be added to your browser, which may be required to facilitate access to the Intranet.

Company Web Site

The company maintains a Web site for the primary purposes of attracting new buyers and sellers, displaying company listings, and promoting the company, its services, and agents to the general public. This Web site is an important and integral part of the company’s overall Internet strategy that can involve and impact you in several ways...

Agent Web Pages On The Company Site

To help you in your marketing efforts on the Net, the company will provide a Web page with your picture, short biographical section, Hyperlinks to your listings, and contact information. It is your responsibility to check your page for accuracy and report any errors to Management or the System Administrator. You may also link from this page to your own independent Web site (if you have one), if it meets the criteria outlined in this manual. To facilitate this Hyperlinks you need to provide the System Administrator the URL of your site.

Having your Web page on the company site is a privilege, not a right. The company reserves the right to discontinue this practice at any time whether for a single agent, a group of agents, or the whole company. Breach of any of the policies and procedures found in this manual may result in deletion of your agent Web page on the company site.

Leads Generated From The Company Web Site

There are several different ways new business can be generated from the company site. Commissions paid to you as a result of leads generated by the company site may vary depending upon how you received the lead...
Prospect contacted you directly - In the event you were contacted directly via e-mail, phone, fax, or letter as a result of the prospect visiting the company site, your standard commission split remains unchanged.
Prospect contacted company first - In the event a prospect first contacts the company relocation department or management as a result of the Web site and you are given the lead, any commissions generated off that lead may be subject to a referral fee back to the company. An exception to this is if the prospect phoned in to a floor agent or a receptionist who then passed the call to an agent, in which case **a)** above applies.

Lead tracking is an important exercise that allows both you and the company to determine what works and what doesn't with respect to marketing on the Net

Helping To Improve The Company Web Site

It is for everyone's benefit to look for ways to boost productivity of the company Web site. There are four primary things you can do to get the most out of this very important part of your Internet marketing strategy...
Respond in a prompt manner - Prospects looking for property or services on the Web tend to be an impatient group. The longer you take to respond, the less likely you will close a transaction with them. Therefore, an immediate response is the preferred goal, but if that is not possible never let it go more than 24 hours.
Lead / transaction tracking - It is hard to know what works and what doesn't regarding Internet based lead generation. Therefore it is important that you ask each new prospect how they came to make the initial contact. (i.e. if they say the company Web site, ask them what part of the site, etc.)
Feedback - For those prospects generated from the company Web site, try to solicit feedback (after a relationship has been initiated) as to what they liked and didn't like about the site. Letting management know this information can only help to improve the site's performance.
New Ideas - It is hard to use the Internet for very long without coming up with some new innovational way of serving the clients or attracting new ones. Your input will always be highly valued and given careful consideration. Be sure to let the System Administrator or Management know of your ideas.

Promoting Your Services And Listings Via The Net

The Internet offers a myriad of ways to promote your services and the properties of your clients. Keep in mind that when you are using the Internet to promote yourself or your clients' listings, you are also representing the company. Whether you have your own personal Web site, use e-mail, participate in e-mail discussion groups, or use any other Internet tools, there are certain standards to be upheld no matter how you get your message out...

Identification And Disclosure

For many legal, ethical, and business related reasons, it is important that with every business related communication you:

- Identify yourself as a licensed real estate agent / broker
- =Indicate your affiliation with this company
- Provide complete contact information

Specific examples and standards as to how this is done when using e-mail or your own Web site are covered in the respective sections below. Also, the NJREC regulations and regulations governing identification and disclosure of other non-Internet forms of communication (i.e. advertisements, direct mail, etc.), are assumed to apply to all of your Internet activities as well.

Staying Within Your Jurisdiction

Since the Internet knows no borders or boundaries, it is easy to attract potential customers from states or jurisdictions that you are not licensed to do business in. Potentially serious regulatory problems can occur if it can be shown that the intent of your online marketing efforts are to make contact with consumers residing in jurisdictions other than the one(s) you are licensed to do business in.

Therefore, it is important to avoid any appearance of intention to solicit consumers outside your licensed jurisdiction. This holds for all aspects of your online marketing including e-mail and the Web. This prohibition also explicitly includes the practice of attracting consumers from other jurisdictions for the purpose of referring them to other licensees for a referral fee.

Marketing Properties Using Independent Listing Services

An independent listing service (ILS) is any third party site or service on the Internet that is not controlled by the Company, that you use to list or market your property listings. You may not use these services without the permission of the Company.

Marketing Yourself Using Independent Promotional Services

An independent promotional service (IPS) is any third party site or service on the Internet that is not controlled by the Company, that you use to market your services as a real estate agent or broker. You may use such services, under the following conditions:

Costs - you are responsible for all costs involved

Identification, disclosure, and jurisdiction - any reference to you and your services on an IPS must meet the guidelines set forth above.

Prohibited IPS's - In the event that the company determines that a particular IPS is not suitable for marketing company agent services, you are to immediately effect the removal of your marketing information from the prohibited site, at your expense.

As with using independent listing services covered above, you assume all legal and financial liability for using an IPS.

Using E-Mail

E-mail is the most powerful and effective Internet tool at your disposal. In addition to being a very efficient means of communication, it can also be an endless source of new learning and information as well as a potent marketing tool. On the other hand, improper use of e-mail can result in significant "damage" to both your reputation and that of the company...

Disclosing Who You Are And What You Do

The rules for identification, disclosure, and jurisdiction found in this policy are also applicable when using e-mail. The easiest and most consistent way to accomplish this is by use of an e-mail "signature". An e-mail signature is a small text file that is automatically appended to the end of each e-mail message you send out. It is recommended that it contains the following kinds of information:

Identification - your name and the name of the company

Disclosure - the fact that you are a licensed agent or broker in the state of New Jersey and any other information you are required to disclose by state or federal regulation

How to contact you - it is suggested that you include every means of contacting you including mailing address, business phone, fax number, home phone, e-mail address, and Web site URL (if you have one)

Marketing message - if you include a short marketing message about what you do or specialize in, an e-mail signature can become an effective marketing tool every time you send an e-mail

E-mail signatures should not include any unsubstantiated claims and ideally are no more than 6 - 8 lines long. Consult your e-mail software to see how to set up signatures for all of your e-mail messages.

Figure F-1 below shows an example of how an e-mail signature might look when creating a message:

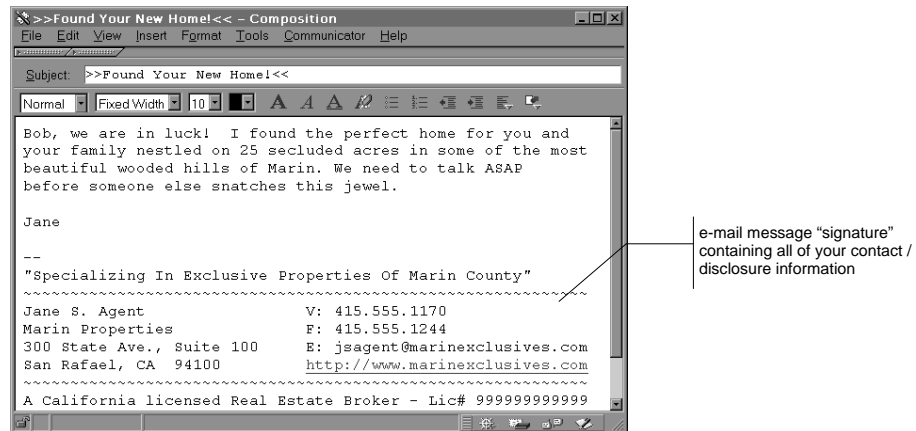


Figure F-1

Sending And Receiving Attachments

E-mail attachments are convenient way to send and receive documents generated by other kinds of software applications. Unfortunately, attachments can also be a source of computer virus's that can infect not only your computer, but potentially the company's entire network as well. The following guidelines are designed to protect you and the company when dealing with attachments:

Receiving e-mail with attachments - as mentioned above, only accept e-mail with attachments from sources you know and trust. Ideally the attachments should only be in the form of word processing, spreadsheet, or CMA software files. DO NOT OPEN OR LAUNCH any e-mail attachment from a source that you don't recognize.

Sending e-mail with attachments - be certain that whatever file you attach to outbound e-mail is free from viruses and does not contain any confidential or proprietary information not intended for the recipient.

Confidentiality

There will be times when you may want to use e-mail to send important and confidential information. In these cases, you will need to "encrypt" (i.e. scramble) the message and any attachments in a manner that is very secure and readable only by the intended recipient. This approved method of doing this is by a type of encryption known as "Public Key" encryption, one that uses an encryption key of at least 64 bits in length. If you feel uncertain of how to facilitate this level of encryption, or your software (or that of your recipient's) doesn't support it, then use a more traditional means of transmitting the information, such as an overnight express service with package tracking capability. Maintaining the confidential nature of sensitive documents is your responsibility.

Use Discretion

It is best to assume that any comment you make in an e-mail message about yourself, another person, group, entity, or situation will eventually be read by the affected parties. It is impossible to ensure that whatever message you send in confidence will not be forwarded to any number of other people. A good rule to follow here is: don't send or forward it unless you would still be comfortable if the whole world were to see it (encrypted transmission of sensitive client or transaction documents notwithstanding). The Company reserves the right to monitor electronic mail for unwarranted use. Messages relating to or in support of illegal activities will be reported to management when detected. All e-mail originating from Company provided access could potentially be construed as representing the Company. Each subscriber is required to restrict their activities and opinions to those that enhance the Company's public image.

Respecting Copyright Laws

E-mail makes it easy to forward information that you perhaps received from others to one or many people at the click of a mouse button. Forwarding or sending copyrighted material without permission of the holder of the copyright is against the law, and against company policy. Be sure that you have the legal right to forward material you received from someone else.

Timely Response To E-mail Inquiries

Prospects or clients who contact you via e-mail expect to be responded to in a timely manner. You should wait no longer than 24 hours to respond, preferably much sooner than that. It is recommended that you check your e-mail several times a day, and try to respond immediately whenever possible. Your success at using e-mail to generate new business (and keep your existing clients satisfied) will depend upon it.

Save E-mail Exchanges With Clients And Prospects

It is very important that you save or keep copies of all business related e-mail, just as you would with any other kind of correspondence. Saving transaction related e-mail is especially important. Either printing each one out, and/or archiving them on a disk can accomplish this. Remember, e-mail correspondence is admissible evidence in a court of law.

Proactive Marketing Using E-mail

E-mail is the most powerful Internet based direct marketing tool at your disposal. It's easy, fast, low cost, and very targetable. Unfortunately, this kind of marketing power can also lead to trouble if not used wisely or with discretion. You are encouraged to use e-mail in a proactive way to generate new business, but under the following additional guidelines:

Bulk or mass e-mailings are prohibited - often referred to as "spam", sending out mass e-mail to an untargeted e-mail list can have serious professional, financial, and legal consequences for both you and the company. Targeted e-mailings, however, are allowed as long as the prospects on the target list truly do fit a reasonable prospect profile for your services, and you make it clear in each mailing that they can request to be taken off the list.

Mailing lists - participating in or moderating an e-mail mailing list or discussion group that is real estate related and either designed for the general public or does not restrict public participation may involve certain regulatory issues. It is best to be on the safe side and follow full disclosure rules when participating in or moderating such discussion groups. Also, any solicitation for business through "posting" (i.e. submitting comments) on the list must comply with all applicable state and federal laws governing solicitation in print media.

State and federal regulations - any kind of promotion via e-mail must meet all applicable state and federal regulations concerning advertising, promotion, and disclosure.

Accuracy of information and disclaimer - all information that you send to anyone must be, to the best of your knowledge, be accurate and up to date. When sending information of a promotional nature (other than just about yourself), you are to use the following disclaimer (which is to be put after your signature):

“The information herein provided is deemed to be reliable but accuracy is not guaranteed”

Complaints - in the event that someone on your e-mail target list does complain, you are to respond to the complaint directly in a timely manner (no more than 24 hours) and immediately notify the System Administrator of the complaint by forwarding to them a copy of the complaint (if it came via e-mail or US mail) and a copy of your response. This kind of e-mail “damage control” is important to stem potentially serious legal and business consequences to you and the company.

Personal Agent Web Sites

In terms of being an effective marketing tool, the Internet will give back in proportion to an agent’s investment in time, energy, and money. Nowhere is this more true than when an agent decides to have his or her own Web site. While a personal Web site can be a very effective tool for generating business online, it also represents a major commitment, if it is to be done properly.

Since your actions in building, promoting, and maintaining a personal Web site can have large ramifications on the entire company, certain guidelines must be enforced to protect your interests as well as those of the company...

Required Information

The rules for identification, disclosure, and jurisdiction found in this policy and NJAC 11:5 apply for each page of your Web site (whose content you control). It is also suggested that you have complete contact information (i.e. 800#, toll #, fax #, U.S. mail address, e-mail address, etc.) on every page as well. While this is not a mandatory requirement, it just makes good business sense to make it as easy as possible for visitors of your site to contact you.

In addition to the above, each page should have a disclaimer as to the limitations of the information found on the site. An example of a disclaimer that is acceptable to the company is found below:

“The information herein provided is deemed to be reliable but accuracy is not guaranteed”

Any deviation from this wording needs approval of company management, or the System Administrator.

Company Logo

In addition to stating your affiliation with the company, you need to show it as well. On each page of your Web site (whose content you control) there needs to be an approved company logo graphic (see **Figure G-1** below):

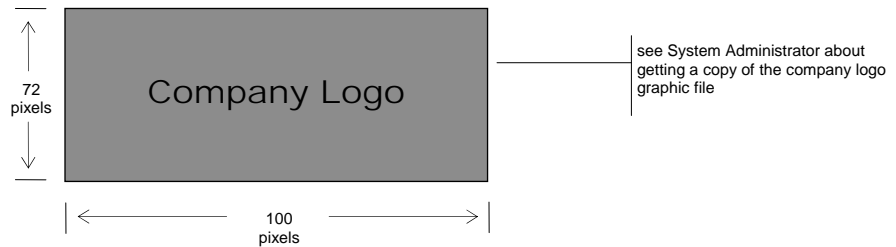


Figure G-1

The placement of the logo on your Web pages should be in close proximity to your contact information and in fact should be fully visible whenever your contact information is visible. This includes when viewing with monitors with maximum resolution of 640 x 480 pixels.

You can receive a copy of the graphic file by going to our company Intranet. The approved size for the logo graphic is 100 pixels wide and 72 pixels high. You may not make any changes to the logo graphic file as this is trademarked property of the company and represents its market place "good will".

Links To And From Your Site

Hyperlinks can be a powerful way to extend and promote your Web site. There are some things to consider though, to ensure that links always work for you, instead of against you...

Links from other sites - you are encouraged to have as many other sites as possible link to your site as an effect means of promoting it to the public. Ideally your site will have links from other sites whose visitors best fit your prospect profile. Links from sites with a primarily sexual theme, or sites promoting racial or ethnic intolerance are not acceptable because of the implied undesirable association of the company and the referring sites.

Links to other sites - linking to other sites from yours that provide valuable or interesting information for your visitors is acceptable. However, keep in mind that each link pointing to somewhere off your site becomes a chance that you may "lose" a prospect or visitor to casual browsing of the other sites. Also, be aware that some sites require that you obtain permission first before you can legally link to them.

Framing other sites - "framing" is the process of using frames on your site to allow visitors to navigate to other linked sites, yet stay "captive" on your Web site. While this procedure gives you more control over where your visitors go, it can also be a source of serious legal trouble and potential copyright violation if you didn't get explicit permission from the framed linked sites owners. The company policy on this issue is that you must always obtain written permission from another site owner that you intend to "frame" within your site.

The whole issue of links to and from other Web sites is bound to become more complicated as the Web and its sophistication continues to grow. You are expected to keep up with and keep your site current with all state and federal laws concerning this issue.

Web Site Content

The content of your site reflects to the whole world not only your professionalism, but that of the company as well. You are encouraged to fully use your creative resources to provide content that is not only interesting, but valuable as well to the online visitor. However, there are certain guidelines that need to be followed to protect against potential legal, ethical, and business problems that otherwise could occur...

Copyrighted materials - it is your responsibility to make sure that all content on your site is in compliance with federal copyright laws. This means you must obtain the explicit permission of the copyright holder(s) for all site content in which you don't own the copyright. This includes, but is not limited to, graphics, text, site design, style or design elements, program code (i.e. Java, ActiveX), animations, sound, movies, or any other kinds of discrete information forms.

Listing information - the same guidelines in policy apply to posting listings on your own Web site as well. In addition, you may not list other agents' properties for sale on your site without their permission. Also, to avoid public confusion, you may not post For Sale By Owner (FSBO) properties for sale.

Mortgage loan information - this area of the law can be tricky and you are urged caution here. If you show any explicit mortgage rate or terms information on your site, you must be in compliance with all state and federal laws, including but not limited to RESPA, REG Z (etc.). If you link to another site that provides such information, you may be required to make sure that it is in compliance as well. This is especially true if you "frame" another site within yours and that site provides mortgage information subject to regulation.

Calculators - while calculators (mortgage, relocation, etc.) can be very valuable information tools for visitors of your Web site, they can also be a potential source of liability for you and the company. If you choose to provide calculators of any kind on your site, the following disclaimer must be prominently visible near the calculator and its result:

The accuracy of this calculator and its applicability to your circumstances is not guaranteed. You should obtain advice from a qualified professional before relying on it.

Unacceptable content - obviously any content containing adult oriented information (i.e. primarily sexual theme, offensive language or graphics, etc.), or promoting racial or ethnic intolerance is not acceptable.

Meta-Tags and other non-visible content - hidden information within an HTML document typically used to help Web search engines categorize the content on your Web page. While this is a powerful way to drive prospects to your Web site, it can be abused. Any use of sexually oriented words or registered trademarks not owned by you within your Web page meta-tags or other non-visible content areas is not acceptable. For example, the words "Sex" and/or "MicroSoft" within a meta-tag is considered inappropriate and possibly illegal.

Selling products or services - the main focus of your Web site should be to promote your real estate business and market your client's properties. The sale of any non-real estate related products or services on your Web site is considered inappropriate because of the implied message it sends to the browsing public (i.e. that you are not just in the real estate business). All forms of multilevel marketing business opportunities, real estate related or not, are also considered inappropriate.

Contests and give-a-ways - while contests and give-a-ways can be a means of attracting new and return visitors to your site, this is another tricky area of the law. You will not provide any contests or give-a-ways whatsoever.

Providing ad space for other Web sites - so called banner ads or other types of advertising on your site that promotes another Web site is typically acceptable and a potential secondary source of minor revenue for your site. You are urged to be cautious, however, in making sure that the ad content and sponsor are suitable and appropriate for placement on your site where prospects for your visitors will see them. Ideally, banner ads on your site will promote products or services that are complementary to your real estate services.

Soliciting consumers outside of your licensing jurisdiction - as discussed above, your Web marketing activities are restricted to directly or indirectly soliciting consumers that reside in those jurisdictions in which you and the company are licensed to sell real estate.

Web Site Design

You are encouraged to use as much creative freedom as possible in designing your site. This is an effective way to express your online individuality and achieve a sense of professional distinction and differentiation for your Web site. However, good taste in design is always in the eyes of the beholder, or in this case, Web site designer. What you consider to be a "cool" site design may in fact be a complete "turn-off" to your visitors.

You are urged to do some "market research" by letting others see your site design *before* it is published on the Web. Not only will this be an opportunity for valuable feedback, but it could also help you avoid potential personal and professional embarrassment in front of the entire online community.

Promoting Your Web Site

As the Internet "ocean" rapidly gets wider and deeper, with hundreds of thousands of new pages being published every day, it will become an increasing challenge to successfully promote your own site. While there are many ways to do this, some promotional methods need to be explicitly addressed to avoid potential negative business or legal consequences...

For sale signs and riders - standard company For Sale signs may not be altered or have their design changed in any way without company permission. This includes adding your Web site or e-mail address.

You may, however, use hanging sign riders with your Web or e-mail address under the following conditions:

- They are used on standard company signs and for your listings only
- You bear their cost and responsibility for their placement
- The riders' design conform to company and NJREC standards

Business cards and stationery, and other printed materials – all business cards shall have your company e-mail address. Adding your Web address(s) to company stationary, business cards, or other printed promotional material is not allowed.

Print and broadcast media - you are encouraged to include your e-mail address in any print or broadcast media that is for your or your clients' exclusive benefit, and you are responsible for any related costs.

Banner ads - banner ads on other Web sites promoting your site and/or services is allowed as long as the same guidelines for links from other sites are followed.

Search engine registration - you are encouraged to register your site with as many search engines as practical. However, as mentioned above, use of non-real estate related keywords, specifically sexually oriented words or well known trademark names, to lure more prospects to your site, is unacceptable.

In general, you are responsible for keeping all the various references to your Web and e-mail address up-to-date and accurate so that prospective consumers are not confused when trying to reach you online.

Archiving Your Web Site

Keeping a printed and/or digital record of your entire Web site and all its changes over time is very important. This will make it much easier to defend against any legal action against you and/or the company as a result of something found on your site.

It is a good idea in any case to have your Web hosting service maintain a complete digital backup of your entire site, including incremental changes. Also, you should maintain a hard-copy print file of your site that includes printouts of any changes as they occur.

Using Other Internet Tools

In addition to e-mail and the Web, there are other tools or means to promote your services and communicate with prospects and clients...

Newsgroups

Newsgroups are a form of topic-based discussion groups that allow you to post comments to the group and others to respond to your posting. Unlike e-mail discussion groups, no registration process is required and in most cases anyone can read all postings made to any publicly available newsgroup. Because of this, it is advisable to use discretion and not post anything that can be used against you or the company.

Real estate related newsgroups are somewhat notorious for postings involving properties for sale or services available. Keep in mind that anytime you forward a posting regarding properties or real estate services you should be following the same identification and disclosure rules outlined above.

Internet Chat

Internet Chat sometimes referred to as Internet Relay Chat (IRC) is a way of communicating with one or more people in "real time" by typing in messages via the keyboard and have all participants see and respond in kind. Scheduled Chat is where two or more people agree to participate in a Chat session at a previously scheduled time and typically about a specific topic.

Moderating or being a "guest" expert during a scheduled Chat session can be an effective way to create a public awareness of your professional skills and abilities. However, if the general public is allowed to participate in these sessions, it is wise to identify who you are, what you do, your license status, who you work for, and how you can be contacted right in the beginning of the session. Also, be careful about making any unsubstantiated claims any time during the session, explicit or otherwise, concerning you or the company.

Miscellaneous

There are many issues involving doing the real estate business on the Internet that doesn't fit into specific categories. This section is a "catch-all" where such issues are covered...

Keep It All Business

In addition to being an incredible business tool and means of communicating and connecting with people, the Internet can also be just a lot of fun. The problem is that “fun” on the Net can take a lot of valuable time and resources. Restrict your use of the Net at the office to business related activities. While “surfing” the Web can be an exciting pastime, it is an unacceptably expensive one if you do it during business hours and use company resources.

Claims And Representations

In every aspect of the real estate business it is important to guard against making direct or implied unsubstantiated claims and representations. This is particularly true for the Internet, given its tremendous capability to reach so many people almost instantly...

Direct claims and representations - as with any other kind of advertising media, you must be able to substantiate all direct claims and representations via any form of communications using the Internet including (but not limited to) e-mail, the Web, Newsgroups, Chat sessions, etc. For example, claiming that your own Web was awarded recognition that it never received is unacceptable.

Implied claims and representations - these can be tricky to identify since, by definition, to be considered a problem, visitors to your site or recipients of your e-mail must consistently come to the wrong conclusion about some aspect of the information you are trying to impart.

One example of an unacceptable implied claim is the use of a “hit counter” on your Web page that deliberately exaggerates the indicated visitor activity to your site. This will consistently give the false impression that the agent and/or their site is more popular than they/it really are.

A good general rule to follow when using the Internet for business is: *don't write it, display it, or say it if you can't substantiate it or if it clearly implies something that isn't true.*

Sexual Harassment, Pornography, And Libel

The Internet has opened vast worlds of information and possibilities to the millions of people that use it. It currently represents perhaps our greatest example of freedom of speech. With this freedom, however, comes responsibility. There are some types of information on the Net that are less than acceptable in a professional business setting...

Pornographic or sexually explicit material - viewing, downloading, or uploading pornographic or sexually explicit information (i.e. graphics, text, audio, video, etc.) within the premises of the company is neither appropriate nor acceptable. Neither is forwarding such material via e-mail.

Sexual harassment / discrimination - since it is so easy to send information of any kind via e-mail, err on the conservative side when forwarding any off-color humor, cartoons, graphics, etc. to any other member of the company. It is possible that their reaction may not be what you expect, perhaps resulting in a sexual harassment or discrimination complaint which could have serious consequences for both you and the company.

Potentially Libelous Content - avoid originating, contributing to, or forwarding information that could be considered libelous or defamatory by any person, group, or legal entity whether via e-mail, the Web, or postings to a Newsgroup.

Compliance With All Laws And Regulations

Doing business on the Internet provides almost unlimited opportunities to expand what we do and how we do it in the real estate industry. This expansion of possibilities does not preclude the need to maintain compliance with all laws and regulations governing the real estate industry. When in doubt, apply the same rules to your use of the Internet as would be applied for other more traditional forms of marketing and communication.

Broker Supervision / Approval

All of your marketing, promotional, and transaction related communications via the Net are subject to the same scrutiny and Broker approval procedures as currently in place for the traditional ways of handling those issues by the company.

In addition, every calendar quarter, or whenever you intend to make material changes to your Web site, which ever occurs first, you are required to complete an **Internet Activities Report** for Broker approval.

A paper or Web based form will be provided to you to facilitate your completion of this report. These reports will assist management in helping you achieve the most from your online activities while avoiding inherent pitfalls of doing business on the Net.

Consumer / Regulatory Complaints

The spirit behind these policies and procedures is to give you as much freedom as possible regarding your online business activities, as long as they follow the guidelines within this manual. In other words, play by the rules, and no one will bother you. The only exception is when the company receives a complaint about your online activities from someone outside the company, such as a consumer, regulator, or even a competitor. Should this occur, you and the company will examine the nature of the complaint. As a result, you may be required to make whatever adjustments to your online activities the company deems necessary to protect its legal and business interests. This is whether or not the activities in question fall within the guidelines of this manual.

Consequences Of Breaching Policies And Procedures

You are expected to follow the spirit of these Internet policies and procedures during the course of your online activities. Failure to do so could result in major legal, regulatory, operational, and public relations problems for both you and the company. As such, the company has defined below a set of consequences for breaching the guidelines within this manual. They are listed in order of the nature and severity of the potential breach:

Legal Issues - any online activity that breaks any applicable Federal or State law that could be considered a serious crime (e.g. downloading or distributing child pornography, illegal wagering, etc.) can result in immediate termination.

Regulatory Issues - breaking of any applicable Federal or State regulation or law governing online real estate activities (e.g. non-disclosure, unsubstantiated claims, etc.) can result in possible termination or suspension of your privileges to conduct business online.

Tort Liability Issues - online behavior that puts yourself or the company at risk for lawsuit (e.g. sexually or racially inappropriate e-mail transmission, e-mail defamation of third parties, etc.) can result in possible termination or suspension of your privileges to conduct business online.

Operational & Security Issues - use of company computers and/or Intranet that jeopardizes the integrity of the system or the proprietary nature of its data (e.g. downloading un-approved files, forwarding proprietary data to un-authorized persons, etc.) can result in suspension of your privileges to conduct business online or to use the company Internet related equipment and systems.

Online Goodwill Issues - any activity that could damage or confuse the public's perception of the company's online presence (e.g. spamming, inappropriate use of company logo in your Web site, etc.) can result in suspension of your privileges to conduct business online.

Regardless of the nature of any breach to these guidelines, Management reserves the sole right to determine what action, if any, will be taken as a result of said breach.

Incorporating Other Company Policies And Procedures

These Internet policies and procedures are not to be considered separate from any other company policies and procedures, but rather, in addition to. This means that if a particular activity is not covered here, it may be covered in some other set of company guidelines. It is your responsibility to make sure that your activities stay within all published company policies and procedures.

Conclusion

Just using common sense when conducting your business online can go a long way to helping you avoid most of the problems and pitfalls you can encounter on the Internet. When in doubt, use this guide as a reference

and don't hesitate to contact the System Administrator for any other questions you may have. Good luck, and may your online adventures turn into great Net Success!