

LOCAL POLICIES & GUIDELINES

Our Mission

To build careers worth having, businesses worth owning, lives worth living, experiences worth giving, and legacies worth leaving

Our Vision

To be the real estate company of choice for agents and their customers in the current market

Our Values

God, Family, then Business

Our Perspective

A technology company that provides the real estate platform that our agents' buyers and sellers prefer. Keller Williams thinks like a top producer, acts like a trainer-consultant, and focuses all its activities on service, productivity, and profitability.

WI4C2TES

WIN-WIN or no deal

INTEGRITY do the right thing

CUSTOMERS always come first

COMMITMENT in all things

COMMUNICATION seek first to understand

CREATIVITY ideas before results

TEAMWORK together everyone achieves more

TRUST starts with honesty

EQUITY opportunities for all

SUCCESS results through people

Local Policy for Destin Market Center and 30A, Crestview, Fort Walton Beach, Navarre, Niceville, and Seacrest Business Centers

1. Keller Williams Realty Emerald Coast is a Single Agency Broker.
2. **Market Center Policy:** All members must be in receipt of and sign for the Market Center Policies & Guidelines and shall go through an orientation process reviewing this material.
3. **Real Estate Forms:** All members must use the real estate forms chosen by the broker or any approved Florida Realtor® forms.
4. **Commission Split:** The member is paid 70% commission split until the Market Center's portion of the closed commission generated by that member has reached \$18,000 during the member's fiscal or anniversary year with the Market Center. When the Market Center's portion of closed commissions generated by the member has reached \$18,000 and Royalty, the member shall receive 100% commission on all transactions closed and funded during the balance of their fiscal year.

In case of teams or groups, the lead member shall be paid 70% commission split and the full Market Center cap of \$18,000. Each specialist associate is paid 85% commission split with ½ cap of \$10,500. All members shall pay the full royalty of \$3,000 per fiscal year.

5. **Published Commission Rates:** No member shall publish any commission rates (%) or dollar rebates in any mail-outs or advertising of any kind.
6. **Commission %:** Any commission less than 5% requires Broker's approval whether residential or commercial.
7. **Compliance & Commission Request:** Listing and Sales via DocuSign in Command

Listing Side:

Agents have 72-hours from the time the documents are acquired to them to turn into KWEC.

1. Agents get the executed Listing Agreement (with the attached Brokerage Relationship Disclosure in it) and Property Disclosure for the seller, signs/initials listing agreement, and inputs listing into Flexmls.
2. Agent then creates an opportunity in Command, title the property address (ex. 123 Main St. Destin, FL 32541).
3. Agent then creates an Opportunity in Command.
4. Agent then uploads the Listing Agreement, Property Disclosure, and Active MLS (Full Report with contact info - PRIVATE which includes the listing/expiration dates) to the Opportunity and submits it for compliance review.
5. Any other documents needed depending on the type of listing should also be uploaded to the Opportunity (HOA addendum, CCCL, etc.)

Buying Side:

Agents have 72-hours from the time the documents are acquired to turn them into KWEC (via Command). In order for you to receive commission checks at the closing, the Commission Request must be submitted 10 days prior to closing and your Opportunity must be approved through compliance.

By law, as a single agent brokerage, a Single Agent Notice (Brokerage Relationship Disclosure) needs to be executed before the agents start working with a potential client.

1. Both clients execute the Contract and the buyer signs the Property Disclosure.
2. The EMD Check is turned into the title company and the agent obtains the EMD Receipt.
3. Agent changes the MLS status from Active to Pending.
4. If the Agent does NOT have the listing side, Agent creates an Opportunity titled the Property Address (123 Main Street Destin, FL 32541). Then create a folder titled Buying Folder.
5. If Agent has the listing side, then they create a new folder (Buying Folder) in the same loop, so now they have 2 folders under the same loop. (Listing Folder and Buying Folder).
6. Agent uploads the documents to the Buying Folder in their Opportunity and submits the folder for Compliance Review.

7. Agent creates Commission Request and submits to MCA Assistant (If the agents associated with this transaction are both KW agents, the listing agent is to create the Commission Request.)
8. If compliance is approved, and The Disbursement Authorization is submitted to the closing company (by the Agent) in time, Agent gets paid at table and obtains the HUD and commission check. If not completed in time, KWEC is mailed (usually) the commission check for the Agent and Brokerage. If an Agent receives a commission check for KWEC at closing, the check needs to be turned into the MCA, as soon as possible.
9. Agent changes the MLS status from Pending to Sold.
10. Agent creates a new folder in the loop titled Closing Documents and uploads the HUD, copy of commission check, and Sold MLS, then submits the folder for Compliance Review.

8. **Concessions:** Concessions or reductions to commissions are to be approved by the Team Leader **in advance** of closing.

When the concession is approved, the commission is treated as a “Flat Rate” commission and company dollar and royalty is calculated on the commission net of the concession. When the concession is not approved, the concession will be treated as a deduction from the associate’s commission. In that case, company dollar and royalty will be calculated on the gross commission before the concession.

9. **Earnest Money:** The Market Center does not hold EMD or Escrow Deposits. Associates receiving EMD or Escrow Deposits shall have the client make the check out to the Title company of choice.

It is the associate’s responsibility to make a photocopy of the check and keep it with their copy of the offer or contract. Forms are available for submitting EMD and releasing it for closing or back to the buyer. Please note that each title company requires advance notice to release EMD funds. If the associate already knows that the transaction will close with a specific title company or attorney, the EMD check can be made out to that firm.

10. **Personal Real Estate:** Buying and Selling: Purchasing or selling real estate (your personal residence and/or investment properties) is one of the greatest advantages you have as a real-estate professional and it's our goal to preserve this advantage. The following is the local policy with regards to personal transactions.

An associate can close two personal transactions, either personal residence or investment property - one buyer side and one seller side - per anniversary year at \$0 company dollar and \$0 royalty provided that the associates name appears on the HUD statement as either buyer or seller. The associate must have paid at least \$3,000 towards their cap in the last twelve months to qualify for this privilege. If the associate has not paid in \$3000 minimum Cap Amount then the difference up to \$3000 will have to be collected on the Personal Transaction, in order for the associate to waive the remaining commission/receive commission. If the associate takes a commission on a personal transaction, then the associate is required to pay the 6% franchise royalty fee until they reach the Market Center's annual cap.

To be covered under our E & O Insurance Policy, the sale of residential property by an insured who is the owner of such residential property and all of the following conditions are met in connection with such sale:

- a) A seller disclosure form was signed by the insured and acknowledged in writing by the buyer; and
- b) An accredited written home inspection report was issued or waived in writing by the buyer; and
- c) A state or local board-approved standard sales contract was utilized.

11. **Leaving KW with a Pending(s):** The day an associate announces his/her resignation from KWEC or their licence is claimed by a competing brokerage, his/her commission splits reverts back to normal MC splits - regardless of cap status. The departing associate will pay 6% royalty, and 30% company dollar on all pending transactions.

12. **Late Compliance Policy:** Capping not only means paying a designated amount in commission to KW, it also includes all compliance requirements to be in good standing. Brokerages are required to be compliant and audit ready per Florida Statute Chapter 475. Failure to meet compliance requirements timely will result in the following effective January 1, 2021:

Payment of commission requires all compliance requirements to be met no later than 5 business days after the closing date. Failure to provide all required documents to compliance by the 5th day after the closing date, will result in capped status reverted back to uncapped status with original commission split taking effect. Commission checks will not be distributed until all required compliance documentation has been submitted, reviewed, and approved by admin. Once a file is ready for a DA, agents will receive their uncapped commission, regardless of their capping status at time of closing, for any and all affected transactions. Once the agent is in compliance, uncapping status will revert back to capping status for any and all ongoing transactions until the agent's capping anniversary. Commissions will not be refunded to capping status for any and all closings affected by this situation.

In regards to uncapped agents in this similar scenario, there will be a noncompliance fee of \$250 per transaction, which will not be prorated, until documentation has been submitted, reviewed, approved by Admin, and a DA is ready.

Failure to meet compliance requirements in a timely manner is not considered to be in KW Culture. All Admins and agents in the KW offices are affected as well as profit share.

13. **Rental/ Leasing Policy:** According to the Department of Business and Professional Regulation (DBPR), sales associates or broker associates are permitted to rent or lease properties to others for compensation under the following regulations:

Associates must use the one and only approved lease RLHD-2 10/00. This form is the only one approved by the Florida Supreme Court for use by non-lawyers. This lease is for single family or duplex only. Approved leases for mobile homes and multifamily are RLAU-1x.

Associates must be paid compensation through Keller Williams Emerald Coast.

However, Keller Williams Realty International does not recommend property management therefore, may not be covered under E & O Insurance. It is not recommended for associates to do leasing/rental for compensation for others on an ongoing basis. Keller Williams associates are not permitted to set up escrow accounts for rental management.

It is permitted to bring a lessor and lessee together and receive a referral through the Market Center. Personal Investment property listed for rent in the MLS must be treated as any other listing with a Listing Agreement, Commission Request, and Purchase Agreement turned into the Market Center. Rentals in the MLS for clients must also be turned into the Market Center. Commissions earned are treated as any other commission.

14. **Expired Listings:** Any Keller Williams associate working expired listings must always check to see if the expired listing was listed by another Keller Williams agent. If so, the associate who has the listing must be contacted first, before any contact is made with the seller. This applies to listings that have expired for 24 hours or less. Any listing that has been expired for over 24 hours does not fall under this policy.

15. **Marketing Listings:** Any marketing of a listing, other than by the listing associate(s), beyond what is automatically fed to existing websites, is to be approved in writing by listing associate(s). Marketing to include but not limited to print media, radio, and the internet.

16. **Expenses:** All expenses involved in marketing of an associate's real estate shall be at the associate's expense. Any expense charged to the Market Center for an associates transaction shall be at the associate's expense.

17. **Keeping in Contact with your Market Center:** When you are out of town, you must contact the Business Center Team Leader (BTL). Inform them of when you will be gone and who you have designated to handle your business during your absence.

18. **Auto Insurance:** Each sales associate must provide the company with evidence that he/she has secured and continues to maintain the appropriate endorsement on his/her automobile insurance policy in the minimum amount of \$100,000 / \$300,000 / \$500,000 naming "Florida Investment Group II, LLC" dba Keller Williams Emerald Coast as "additional insured".

19. **Accounts Receivable:** Associates will receive a Market Center invoice on or before the 10th of every month. The invoice will include the following monthly fees.

New Associates Application Fee	\$25/one-time fee
E & O Insurance	\$10/month
KWRI Technology Fee:	\$25/month
Local Technology Fee:	\$21/month
Annual Associate Fee (January)	\$25/annual

Optional Fees:

Office & Desk Fee:	Based on location and office size
Market Leader Pro:	\$50/month
Color Copies:	\$0.17/each
Black & White Copies:	\$0.04/each
IGNITE Manual:	\$40/each
MLS Dues NBOR:	\$27.50/month
MLS Dues PAR:	\$35/month

This invoice will be sent via email on or before the 10th of every month. Payment is due on the 21st of the month and is considered past due after the 21st. Associates who have provided their credit card information for monthly invoice processing will be charged on the 21st. Associates who provide payment via check will be required to submit accordingly.

NOTE: If the associate has not paid their invoice by the last day of the month, there will be a local late charge of \$25 on the current month's invoice. **If a hardship exists please contact the MCA Office.**

20. **Destin Market Center:** Hours of operation for staff are Monday through Friday, 9:00am - 5:00pm. Associates are free to come into the Market Center to work at any time. If you are working in the Market Center alone, please make sure that you are locked in as a safety precaution. When you leave, be sure that the lights are turned off and the front door is locked. The Market Center is a tobacco free/non-smoking office.

This is a professional office and it is the responsibility of all to keep the Market Center looking clean and neat. If you use the mini-conference room or the training room, please make sure that it is left neat and clean for the next associate. If you bring in cardboard cartons, is it your responsibility to take those to the dumpster. It is your responsibility to clean your coffee cups, dishes, silverware, etc.

21. **Market Center Computers:** No associate may tamper with or change settings on any Market Center computer. Tampering with Market Center computers and adding any unapproved software or internet sites will result in a fine to pay for the computer technician to fix the computer. If the same individual violates this policy a second time, it can be considered grounds for dismissal.

22. **Floor Duty:** Floor Duty time to receive Market Center calls regarding properties for sale is a strictly voluntary assignment. (Exhibit 1) All associates wishing to participate in floor duty time are required to attend a Floor Duty Class either in person or Zoom prior to first time sitting floor duty. If an associate signs up for a time slot and cannot make that time period for any reason, it is their responsibility to find a replacement. If an associate does not show up for their time slot and has not found a replacement, they will forfeit the right to have floor duty the following month.

Associates are to attend all team meetings at their respective business center or market center location. When a call comes in on a Keller Williams listing, the caller's information is to be taken down and the listing agent is to be **TEXTED** with the caller's contact information. (This is to establish a timeframe.) If the listing agent is not reached, or does not return the text within 5 minutes, the floor duty agent is allowed to take the lead. If the lead calls back, and the listing agent does not contact the caller, the lead goes to the floor agent who first took the call.

23. **Disciplinary Action:** Upon proof that an associate has violated local or Keller Williams International (KWI) policy, upon the first infraction, the Team Leader will discuss with and write a reprimand for the associates file. If there is a second occurrence, that would be grounds for dismissal or brought before the ALC for review.

24. **National Do Not Call Registry:** The telephone is an excellent way to keep a customer current and to prospect for new customers. But please be cautious and follow the guidelines of the Federal Do Not Call Law. There could be a fine of up to \$11,000 for violations.

25. **KWI Policy & Guidelines:** The KWI Policy and Guidelines are available to everyone through the Keller Williams International Intranet Site. Every associate is encouraged to review these policies and guidelines. They affect how we do our business and operate in the Market Center.

26. **Keller Williams Community Cares Maximum:** The maximum KW Cares grant without ALC approval is \$200. The maximum KW Cares grant with ALC approval is \$1,500.

27. **Keller Williams Office Eligibility Policy & Guidelines:** Keller Williams Office Eligibility Policy and Guidelines has been provided to the associates who have established the following parameters for office/desk eligibility: (Exhibit 2)

- a) Private Office - \$2.5 million in closed production the preceding 12 months, or “full cap”
- b) Semi-Private Office - \$1.25 million in closed production the preceding 12 months, or “half cap”
- c) Designated Desk - \$625,000 in closed production the preceding 12 months, or “quarter cap”

28. **Social Media:** Social media refers to blogs, podcasts, wikis, social networks, virtual worlds, and all new or as-yet-undiscovered technologies. All KW agents and employees are encouraged to adhere to the following guidelines:

Participate - KW’s use of social media grows in importance every day. The tools improve and evolve rapidly; influencing our lives and those of our members to a greater degree each year. Our interest in participating in social media is to aid and assist our members in their need to stay current with these technologies and to help inform the public by giving them access to our products and those of affiliated industries and government sites relevant to real estate. While each agent must make the decision to participate or not in social media, KW encourages its members and employees to explore all forms of social media and find the ones that best fit their needs. Doing so expands our ability to learn and share our knowledge with others.

Be smart and safe - Here are some generally accepted guidelines to follow when using social media:

1. First and foremost, remember you are representing the Real Estate Professional and KW when participating in social media. Your conduct should always be consistent with our mission statement, code of ethics and a high level of professionalism.
2. Associates should follow the guidelines on conduct as outlined in the National Association of Realtors (NAR) Code of Ethics.
3. Agents are personally responsible for all content they post. Remember that posts are often read by people other than the intended audience. Post responsibly and protect your privacy and the privacy of others.
4. If you publish content related to KW on any non-KW site, identify yourself and use a disclaimer such as “The views expressed in this post are my own and not necessarily those of Keller Williams”
5. Do not publish confidential or proprietary information on a social site.
6. Remember that if you are “advertising”, you must abide by the Florida Real Estate Commission (FREC) rules requiring you to identify your Realtor® status and the brokerage under which you are licensed.
7. Do not discuss other Real Estate Agents, clients, vendors or other affiliates without their approval. Link back to the original source whenever possible.
8. Be nice. Do not use insults, obscenity, racial or ethnic slurs. Be respectful.
9. Be yourself. Do not post anonymously or use pseudonyms.
10. Be aware of and respect copyright, fair use and financial disclosure laws.
11. Contribute to the knowledge of the pool. Whenever possible, post content that adds value to your social media friends and followers.
12. Use good judgement. If you are unsure about posting something, DON'T.
13. Own up to mistakes. If you made an error, do so but do not alter the original text of the incorrect post. Instead, add an update in which you explain and correct the error.
14. KW agents should always remember their posts reflect upon NAR, FREC, their company, fellow Realtors® and themselves in a medium that never goes away.

29. **Staff Position Hiring:** KWEC will post available staff positions internally through KW.com. If candidates are not found in KWEC, KW will use outside job sites in order to fill the position. Should an associate indicate a desire to apply for a staff position, this is permissible. If an associate that is interested is part of a team, an offer has been made, and the associate accepted, a call will be made to the team lead to review an accurate time frame for being released from the team and securing a smooth transaction. The associate may not sell real estate if they are part of the staff at KWEC.

30. **Market Center Team/ Group Policy:** Keller Williams Emerald Coast recognizes the need for a high producing associate to form teams in order to handle the high volume of buyers and sellers generated by a “rainmaker” associate. We fully enforce and promote the philosophies of The Millionaire Real Estate Agent (MREA) including ‘lead with revenue, not expenses’ and ‘add staff one at a time once your ability to handle the task has outstripped the demand.’ We also recognize the need to maintain win-win situations between top agents, team/group associates and the Market Center while promoting the philosophies presented in MREA. (Exhibit 3)
Keller Williams Emerald Coast Market Center allows for reduced Company Dollar caps for team members agents operating under the supervision and brand of a Lead Agent. Therefore, in order to maintain financial equity for all associates and for the Market Center we have established a policy that outlines the criteria at which Team/Group members are eligible for reduced caps.

31. **Concealed Weapons:** It is acceptable for a licensed person to carry a concealed weapon on company property as long as they keep it concealed in their purse or vehicle.

EXHIBIT 1:

Floor Duty Policy

FLOOR DUTY TIME SHIFTS ARE –

9:00 am - 1:00 pm and 1:00 pm - 5:00 pm

Floor Duty Schedule will be available on the 15th of the month prior to the month of floor.

- Agents are allowed 3 Floor Shifts a month.
- The schedule will open for all KWEC associates to sign up for floor duty shifts effective the 1st of the month no more than 8 a month.
- All Agents must complete a mandatory Floor Duty Class.
- If an agent does not show up for their floor duty shift they will be suspended from floor duty the following month.
- Should an agent need to miss the floor duty for ANY reason, it is the agent's responsibility to find a replacement. No Exceptions.
- If you will be late please let the agent before you know. You must speak to the agent
- If you are late or leave early more than 3 times a month your floor duty will be suspended the following month.
- If you do need to leave early, please notify your Business Center Team Leader (BCL).
- Agents must be present during floor time at the Floor Duty Desk. BCL's will not forward calls to the agent's cell phone. This is to prevent problems for walk-in situations.
- The last person on floor duty gets the call forwarding to them. Please do not come in and switch at night or over the weekend.
- When a property call comes in on a Keller Williams listing, the call is transferred to the listing agent.
- In addition, when a call comes through on a Keller Williams listing, the caller's information is to be taken down and the listing agent is to be **texted** the caller's contact information. (This is to establish a timeframe.) If the listing agent is not reached or does not return the text within 5 minutes the floor duty agent is allowed to take the lead. If the lead calls back and the listings agent did not contact the caller, the lead goes to the floor duty agent who originally took the call.

- When a property call comes in on a non-Keller Williams listing, the call is given to the floor duty agent. If there is no agent on floor duty, the BCL will take down the contact information of the caller and give it to the first available agent.
- The consequence for not abiding by the above guidelines will be to **forfeit his/her next month's floor time**. These guidelines may be altered by the ALC/Leadership Team as needed. Ample notification will be given.

AGENTS MANNING FLOOR DUTY IN THE MORNING ARE RESPONSIBLE FOR BRINGING THE KW SIGN OUT IN FRONT OF BUILDING.

AGENT MANNING FLOOR DUTY IN THE AFTERNOON ARE RESPONSIBLE FOR BRINGING THE SIGN BACK INTO THE OFFICE AND PLACING IT IN THE FLOOR DUTY WORKSTATION.

EXHIBIT 2:

Office Eligibility Policy

1. Categories
 2. Eligibility Requirements
 3. Monthly Cost
 4. Deposits/ Late Fees
 5. Obligations/ Basic Terms
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1. CATEGORIES

There are three categories of Associate-occupied space:

Private Office (1 Associate)

Semi-Private Office (2 Associates)

Designated, Private Desk

From time to time, the agency may find it necessary to make adjustments within the available office space in order to better accommodate and serve its associates. This may include, but it is not limited to, number/size of desk and room configuration(s).

2. ELIGIBILITY FOR DESIGNATED DESK, PRIVATE & SEMI-PRIVATE OFFICES

Keller Williams Emerald Coast, is seeking to provide a win-win situation for both associate and company and has established the following parameters for office/desk eligibility:

- a) Private Office - \$2.5 million in closed production in the preceding 12 months, or “full cap”
- b) Semi-Private Office - \$1.25 million in closed production in the preceding 12 months, or “half cap”
- c) Designated Desk - \$625,000 in closed production in the preceding months, or “quarter cap”

Space permitting, the agency may, at its discretion, allow associates who are “on track” to do the above production occupy the appropriate type of office/desk when available and not needed by incoming associates.

3. MONTHLY COST(S)

1. Private and semi-private offices shall be assessed a monthly fee based upon the actual square footage of the subject office. Presently, the factor of _____ square feet is assigned. (For example, a 10 x 10 office = 100s/f. At ____ x 100. _____ divided by 12 months = _____.) With two associates, this amount would be divided equally.
2. Designated desks are assessed at _____ per month.
3. Services provided by the company include, but are not limited to: utilities, janitorial services, pro-rata taxes/insurance, all of which are included in the monthly rent.
4. All rents are due and payable on the 10th of each calendar month and billed to the associates with their Market Center invoice. The Market Center invoice is payable upon receipt and is past due after the 20th. All associates are to pay the Market Center bill by the end of the month resulting in a \$0 (or credit) balance. If the associate has not paid their invoice by the last day of the month, there will be a late charge of \$25 on their next month's invoice.
5. If an associate is delinquent more than 2 consecutive months, the associate automatically loses their designated office/desk privilege. Associate is still responsible for their remainder of their sublease term unless the company is successful in securing another occupant for the space.

4. GENERAL OBLIGATIONS/TERMS

1. Associates must meet the company minimum production/cap requirement for a private or semi-private office.
2. In the event of a shortage of available space, and involving more than one associate, tenure (length of time with the company) shall be a deciding factor.
3. Each associate renting an office/designated desk from the company will be required to sign a 12-month sublease with the company (hereby attached) stating all terms and conditions of occupancy, etc.
4. Rents are due on the 10th of each calendar month for the particular month and are delinquent if not received by the MCA by the close of the 20th business day. If not received by the last day of the month a late fee of \$25 is incurred and will be billed the following month.

5. If the event associate is delinquent two (2) consecutive months, the associate agrees to vacate office/space for use by the company.
6. In such case as #5, associate remains responsible for the remaining rents due for the balance of the term unless the company is able to position another eligible associate for the subject space/office.
7. In the event an office/desk becomes vacant and/or there is an opportunity to “upsized”, or “downsize” or “trade”, without interfering with the associate - offering order, the company shall attempt to honor such request.
8. In the case of semi-private (shareD) offices, each occupying associate is responsible for his/her own portion of the rent.
9. Associate is allowed to customize his/her own office with pictures, awards, etc. providing it is within the limits of good taste and is complementary to the Keller Williams decor adopted by the Market Center. Small holes are allowed in walls for pictures and the like, but larger holes or damage of any kind will be the agent's responsibility to repair upon vacating. Changes to paint color are not allowed. To make alterations other than paint color required approval by the Team Leader, ALC, and the landlord of the Market Center (Latitude Group, LLC) prior to the alterations. The approved alterations of any kind will be the agent’s responsibility to return the office space to the original landlord specifications and decor at their expense.
10. Each associate shall provide keys for each semi-private and private office. A copy of each key will be maintained by the Facilities Manager in the event of an emergency. Associate shall be responsible for his/her own contents and shall hold harmless for theft or damage to office contents.

Associate Signature: _____

Date: _____

EXHIBIT 3:

Market Center Team/ Group Policy

MC Team Group Policy

Keller Williams Emerald Coast recognizes the need for a high producing associate to form a team in order to handle the high volume of buyers and sellers generated by a “rainmaker” associate. We fully enforce and promote the philosophies of MREA including ‘lead with revenue, not expenses’ and ‘add staff one at a time once your ability to handle the task has outstripped the demand’. We also recognize the need to maintain win-win situations between top agents, team/group associates and the Market Center while promoting the philosophies presented in MREA.

Keller Williams Emerald Coast Market Center allows for reduced Company Dollar caps for team members agents operating under the supervision and brand of a Lead Agent. Therefore, in order to maintain a financial equity for all associates and for the Market Center, we have established a policy that outlines the criteria at which team/group members are eligible for reduced caps.

DEFINITIONS:

INDIVIDUAL: An associate producing in his/her name, not working as a group/team. This associate may have non-producing, licensed or non-licensed support, sometimes referred to as a “Transaction Coordinator” or “Assistant”.

ADMINISTRATIVE ASSISTANT/TRANSACTION COORDINATOR: A non-producing licensed or unlicensed support person who is an employee of the Lead Agent. The primary purpose of licensed support staff is administrative but may carry out duties of the individual agent on a limited basis such as fielding sales related calls, acquiring signatures, covering business when the individual is out of town, ill, etc.

LEAD AGENT: A capping agent who has chosen to leverage himself or herself by working with one or more additional licensed and producing agents in addition to non-producing licensed or unlicensed support. The Lead Agent serves as the “rainmaker” for the team/group.

GROUP/TEAM MEMBER: Also known as “member”, “buyer agent”, “buyer specialist”, “listing specialist”. Any licensed producing agent who is not an individual and works under the brand of a Lead Agent.

TEAM (OTHER THAN HUSBAND/WIFE): A Lead Agent with one licensed team member and one or more non-producing administrative staff.

TEAM (HUSBAND/WIFE): Married licensed agents.

GROUP: A Lead Agent with non-producing licensed or unlicensed support and three or more producing group members all working under the same brand.

PARTNERSHIP/ALLIANCE: Two or more licensed agents working together by sharing the marketing vehicles, administrative assistant(s), leads, etc. without anticipation or eligibility of a reduced market center cap.

POLICY GUIDELINES FOR TEAM/GROUP FORMATION:

Lead Agents who are developing a team are doing so with the knowledge of the Millionaire Real Estate Agent (MREA) models and with the intent of following such models. Lead agents exhibit behaviors that are consistent with a goal of mastering the MREA models and conduct their business with integrity and in the spirit of the W14C2TS belief system.

1. Market Center Cap: The Lead Agent must be a “capping agent”
2. Experience/ Production: Any agent meeting the criteria herein is eligible for team/group formation status regardless of years of experience or number of completed transactions.
3. Team/Group Member Independent Contractor Agreement: Lead Agents are required to have a detailed written agreement with each Team/Group member. The agreement must address compensation, termination of agreement by any party and performance expectations for both parties. A copy of the agreement signed by both the Lead Agent and the Group/Team member shall be placed in the team/group member’s file with the Market Center Administrator (MCA). Any changes must be in writing and provided to the MCA immediately after being amended. Note: Lead Agents who incorporate a non-compete clause within their Group Member Agreements are to make sure that the clause is fully explained and understood by the group member.
4. Administrative Support: The Lead Agent must have at least one full time (30 hours minimum) non-producing administrative support state (employee) prior to being eligible for team/group status.
5. Business Plan: It is recommended that the Lead Agent have a complete and thorough business plan for the current year including goals, action plans, budget and outcomes of the team/group. This would include those goals established by any and all team/group members including administrative staff.
6. Business Equipment/Supplies: Lead Agent must provide the following minimum supplemental equipment and supplies for his/her team/group’s use in common space. Copier (if doing regular large in-house print jobs for team marketing), printer, computer, printer paper, and office supplies. This infrastructure is in addition to those items provided by the Market Center.

***In the absence of the above mentioned requirements, team/group members will not be eligible for reduced caps or team/group status.**

COMMISSIONS/COMPANY DOLLAR/ROYALTY

- 1. Market Center Cap:** The Lead Agent must always pay a full cap. If a Lead Agent does not pay a full cap over the course of their anniversary year, they are by definition, not qualified as a Lead Agent. In the event that the Lead Agent does not cap in any anniversary year while a Lead Agent of a team/group, the caps of all team members will be adjusted to a full cap for the subsequent anniversary year. Once the Lead Agent achieves cap status, their team members caps can be re-adjusted according to the policy at the following anniversary date (except for extraordinary circumstances to be reviewed on a case by case basis by the Team Leader and ALC.)
- 2. Market Center Cap Reduction:** If the team/group qualifies herein, the team/group members' Market Center cap(s) shall be \$10,500.00. The split to the Market Center by the team/group members may NOT be reduced below 15%.
- 3. Keller Williams Realty International Royalty Cap:** refer to KWRI Policy & Guidelines
- 4. Anniversary Date for Cap Calculation:** Caps for all team/group members, including the Lead Agent, will be calculated based on the agent's actual anniversary date as established according to KWRI policy and procedure.
- 5. Commission Disbursement:** All production will be recorded into the MORE system under the same name of the Lead Agent. The Greensheet must reflect the amount paid to the team/group member(s) as a split transaction in order for the company dollar and royalty amounts to be reflected in his/her records. The MCA will disburse checks to the Lead Agent and team/group members after company dollar and royalty have been calculated.

HIRING & TERMINATION POLICIES:

Hiring agents or staff from within the Market Center; Actively recruiting agents or staff from within the Market Center to join a team is unacceptable and can result in being “de-hired” from the Market Center. There are circumstances when an associate is an appropriate candidate for a team and the Lead Agent agrees to consult the Team Leader prior to initiation of such dialog with an existing associate.

- 1. Hiring from out the Market Center:** When an agent joins a team from outside the Market Center, they are subject to the same fees, educational requirements, and any applicable Market Center policies. They are eligible for an immediate reduced cap as long as the Lead Agent meets the requirements of the team policy and agrees to consult with the Team Leader prior to initiation of such dialog. Newly licensed agents (less than one year in the business) that are added as team/group members should attend all Market Center required new agent training. He or she may participate in the Market Center Mentor Program in accordance with the compensation plan set forth at the discretion of his or her Lead Agent. All group/team members must pay all applicable new agent fees associated with joining the Market Center prior to their license being held by the Broker. All joining members must submit the necessary paperwork for new agents, as well as their written agreement with the team/group that they are joining. They will not be entered into the KW systems until all documentation is received.
- 2. Incoming Teams/Groups:** In the event that a team/group (having met the formation guidelines above) transfers to KWEC from another Market Center or non-Keller Williams Realty company, they must adhere to the Team Policies including, but not limited to, cap reduction requirements, documentation, and accounting policies.
- 3. Termination or Disassociation:** In the event that an agent with a reduced cap is terminated or otherwise becomes disassociated with a team/group, his/her cap is returning to the full Market Center cap. In the event there is any dispute concerning monies earned while on the team/group, the MCA will refer to the most recent written agreement submitted by the team/group that is on file.

- 4. Team Leaders Discretion:** Although Lead Agents have primary discretion as to who they hire as a team/group member, the Team Leader reserves the right to approve or disapprove prospective agents and/or de-hire licensed agents that are affiliated with a team/group. Such reasons for dismissal or non-hiring shall be in accordance with company standards of practice. Florida Real Estate Commission rules and regulations, and/or Keller Williams Realty Company Culture.

ADDITIONAL RELATED POLICIES:

- 1. Awards/ Recognition:** Awards and recognition will be in the team/group name. Production from all members of the team/group will be included for calculation purposes and individual names may be included in some awards, however, most will be in the team/group name only.
- 2. Billing:** All administrative billing for teams/groups, including team/group members, will be billed at discretion.
- 3. Office Space:** The Market Center equipment and supplies are available to the team/group as well, however, due to a reduced cap, the team/group is asked to be somewhat self-sufficient. Private office space is not prioritized based on the number of agents on a team/group. The Team Leader may award space to teams/groups based on a variety of factors including, but not limited to; company dollar contributed, space usage, availability, etc. One cap per office leased.
- 4. Rules & Laws:** Lead Agents and group/team members shall comply will all applicable laws, rules and code of ethics related to their activities and operations as set forth by Keller Williams Realty International, national and state government agencies and Board of Realtors.

GLOSSARY:

LEAD AGENT: The agent who is responsible for the team.

CAPPING AGENT: An agent who has paid in the maximum amount of company dollar to the Market Center in their anniversary year.

RAINMAKER: Lead Agent who is providing the lead generation systems and relationships that feed consistent leads to the team/group.

CAP: Company dollar amount paid into the company by agents.

MREA: Millionaire Real Estate Agent: Book by Gary Keller, Dave Jenks & Jay Papasan.

ROYALTY: Amount paid to Keller Williams Realty International by every licensee on an annual basis. The Royalty amount is \$3,000 and is paid at 6%. Royalty is subtracted from all commissions earned until \$3,000 cap is achieved for the anniversary year.