

Addendum "A"

Policy Manual & Independent Contractor Agreement Between Broker & Sales Associate

\$495 Program

(Circle If This Program Applies)

1) Compensation To Agent: (Sales Associate = Agent = Associate.)

Sale: 100% of fee minus \$495 per Lenson Realty Elite, LLC (LRE) side.

Rental: 100% of fee minus \$95 per Lenson Realty Elite, LLC side.

Commercial: 60/40 per Lenson Realty Elite, LLC side. (An attorney is required on and hired by our customer's side with all commercial, business, and income producing properties of 5 units or more.)

70/30 Program

(Circle If This Program Applies)

2a) Compensation To Agent: (Sales Associate = Agent = Associate.)

Purchase and Sale: 70% goes to the agent. 30% to Lenson Realty Elite, LLC (LRE). Per LRE side.

Rental: 70% goes to the agent. 30% goes to Lenson Realty Elite, LLC (LRE). After 3 rentals, the Agent goes on a \$95 flat fee for each residential rental thereafter.

Commercial: 60/40 per Lenson Realty Elite, LLC side. (An attorney is required on and hired by our customer's side with all commercial, business, and income producing properties of 5 units or more.) The above is per LRE side.

2b) No less than 3% will be offered to the cooperating side for general residential properties, 5% for land, 5% for annual rentals, 6% for seasonal rentals, and commercial TBD.

2c) **Listing Side**: MLS printout to be emailed to LRE (Lenson Realty Elite, LLC) within 24 hours of taking the listing along with all of the listing paperwork.

LRE to review incoming offers **prior to their being countered** or signed by the Seller.

2d) **Buying Side**: No purchase and sale or rental contract to be signed by Buyer until reviewed by LRE along with all Buyer paperwork.

LRE to review outgoing offers before it is signed by the Buyer or **prior to their being countered** by the Seller.

_____ Violation of the above will result in an adjustment of the split for that transaction. Continued violations may result in termination.

2e) After _____ closed purchase and sale transactions, the agent is automatically switched to the \$495 program. See the \$495 program above.

3) Referrals: Outgoing, are a 90/10 split with 90% going to the Agent.

Any deceptive practice on the agents side (as seen solely by the Broker), the agent will be terminated and the agents commission will be forfeited.

Both Programs

4) In an effort to protect the Agent and LRE, ALL agents new to LRE will forward **no less than the 1st transactions** for purchase and sale contracts and **no less than the 1st 3 rental contracts** to LRE for review **prior** to it being fully executed. Violation of this **will** cause an adjustment in the commission.

5) If Lenson Realty Elite, LLC is the **only Broker** in a transaction, and if you are or are not the only agent, it will count as 2 transactions since there is **double liability**.

FSBO's mean Lenson Realty Elite, LLC is the only Broker in the transaction. As the only Broker you are mandated by the state to have certain "...duties..." to **both** sides. Therefore, Lenson Realty Elite, LLC is open to a lawsuit from **both** sides. As stated, as with any Real Estate Brokerage Firm, if Lenson Realty Elite, LLC is the only Broker in a transaction, it is considered **2 transactions** due to the **double liability**. Whether you charge 3%, 6%, 7%, a flat fee to a party or parties, the liability remains the same (double) and is considered 2 transactions.

6) Broker Processing Commission:

\$395 BPC to Lenson Realty Elite, LLC for purchase and sales contracts on each Lenson Realty Elite, LLC side of the transaction starting December 1, 2009. **\$95** BPC for rentals. These are customer fees. If not charged and collected, the agent picks up the fee.

7) Listings & Referrals:

Active (non-referred) listings will be released to the Associate when leaving.

Non-active listings (if an agent leaves Lenson Realty Elite, LLC) can be finished at the same commission split as stated above as long as it was not a referral. Buyers (unless released in writing by the Broker) remain with LRE.

Cancelled listings can only be done (in writing) and solely by the Broker.
ALL referred listings and buyers stay with LRE.

8) Referrals from this office typically are:

25% for sales \$100,000 and above. (Rarely referrals are 30%.)

20% for sales under \$100,000. (Rarely referrals are 30%.)

FREE for rentals.

9) Completed Files & Closing Checklist:

Completed closed files are to be turned in with the checklist completely filled out. No monies will be disbursed unless the file is complete. This includes (among other things) the **Sellers or Condominium Disclosure**. There may be adjustments to this section at Brokers option and an adjustment in the split for incomplete files. Disbursement of completed files will be made in 3 business days excluding weekends and holidays.

If master file is out of the office, Broker may request and have file returned within 24 hours of the request.

ALL residential purchase and sale transactions must have a Seller's or Condominium Disclosure (as applicable) included or evidence our agent tried to get one and signed/dated by our customer.
Violating this may result in an adjustment to the commission for this transaction.

10) Escrow Monies:

Personal checks, business checks, money orders, and traveler checks only may be accepted as deposit monies. **All monies must clear before they are drawn on.** Deposit monies should never be held in a real estate company escrow account and should always be in an attorney's or title companies escrow account.

Escrow monies should be put in the **closing agent's escrow account**. (A title company's or an

attorney's escrow account.) Deposits into escrow accounts are always made **immediately**. Immediately is defined by the close of the next business day.

ALL RENTAL MONIES MUST BE RECEIVED AS GOOD FUNDS BEFORE DISBURSEMENTS ARE MADE. ONLY GOOD FUNDS ARE TO BE RECEIVED AT LEASE SIGNING, AND BEFORE THE LESSEE MOVES IN.

11) Real estate fees are:

- 6% for general residential property
- 10% for land
- 10% for annual leases
- 12% for seasonal property

These are suggested guidelines.

Commercial, industrial, etc... property TBD.

Associate has the right to make exceptions to this fee structure provided they are exceptions and not the rule. Broker only will define the fee and how often exceptions are allowed.

Associate does not have the right to advertise our commission rates in any way, shape, or form. Nor does Associate have the right to advertise "discount Broker" or any terminology that may signify being less than a full service Broker.

12) Area Of Practice:

For liability purposes, real estate services are to be performed only in the agent's "area of expertise". Real estate services are not to be performed outside of the agent's area of expertise without the Brokers approval. Practicing real estate outside the agent's area of expertise increases every ones liability. If you going to practice outside your "area of expertise", then it is the agents responsibility to review "working out of the area" with the Broker.

13) Joining The Association Of Realtors® & MLS:

Joining the appropriate association(s) must be done within **3 days** after signing this agreement. If the association(s) are not joined within the **3 days as noted above, the agent will be charged \$500.**

14) Violent Death Properties:

Although state law (as of this writing) allows for non-disclosure of violent deaths, the state allows "corporate policy". It is the corporate policy of Lenson Realty Elite, LLC to list a violent death property provided it is disclosed in the sellers disclosure or condominium disclosure and signed by the Buyer(s) prior to the Buyer(s) signing a purchase and sale contract.

If a property owner does not allow the above disclosure, then the listing will not be accepted by Lenson Realty, Inc.

The reason behind this; attorneys for the Buyer will inevitably view a violent death as materially affecting the value of the property and should be disclosed prior to entering any meaningful contract. Ergo, a suit is inevitable.

In addition, a good rule of thumb is, it is better to disclose than not to disclose.

15) Seller's Disclosure or Condominium Disclosure (Owners Property Disclosure Statement):

The Seller's or Condominium's Disclosure must be included with all residential transactions. The only exception is when you have the Buyer and the listing side says they do not have the disclosure and/or will not fill one out.

In this case, that fact is either placed on the contract for purchase and sale under special or additional

clauses, or at the very least, the fact of such signed off by the Buyer on a separate piece of paper and dated.

As a condition of receiving commissions, there must always be a fully executed Seller's Disclosure or Condominium Disclosure Statement included with the transaction or evidence included that we tried to get the disclosure and the other party refused to give it to us or fill it out.

- 16) Due to massive liability, LRE Agents are prohibited from performing POA (Power Of Attorney) activities for any LRE customer(s). And we never co-list or co-cooperate with a non-LRE company. In other words we do not list a property with another real estate company or work the tenant / buyer with another real estate company.
- 17) For Sale / Rent Signs:
Agent is responsible for calling in the sign order to put up and take down signs. Agent is to make sure signs are secure or removed in case of a hurricane. Agent will be billed for their MLS inputs, their signage, media costs when using corporate account(s), etc...
- 18) Corporate Accounts:
Associate may make full use of the corporate account (corporate rates if any) with the media.
- 19) Agency:
No sub-agency is accepted by Lenson Realty Elite, LLC We are primarily Transaction Brokers. No Brokerage and Single Agency as needed and with prior permission.
- 20) Mortgage Broker Disclosure:
If you are a Mortgage Broker with a non-affiliated company, then you need to use the Business Disclosure Statement IN ADDITION TO the Affiliated Company Business Disclosure. If you have the owner's side of the transaction in any form, you are prohibited from doing the mortgage for the Buyer. (Good business decision per F.R.E.C. Attorney.)
- 21) If you are related to or have interest in any product or service being used or relied upon in any way during a real estate transaction, it must be disclosed and signed off by all interested parties no later than when the contract is being signed.
- 22) Listing Forms:
LRE agents are authorized to sign off on approved listing agreements only where the standard verbiage is not changed and after the Broker reviewed the 1st 3 transactions. The latest FAR Exclusive Right To List is the only approved listing agreement.

If you are interested in using any of the other listing agreement, fax it to me (561) 394-3696 for review and written approval.
- 23) Policy Amendments:
For the sake of simplicity, future policy changes will be done via the **UPDATE** and/or **Brief Notes**. The **UPDATE** and **Brief Notes** will be sent via e-mail and posted on our website.

Everyone is aware they are responsible to read the UPDATE & Brief Notes and understand it is posted on the LRE website. Agent also affirms they have access to the LRE website and are responsible to check it frequently.

If there is anything in the UPDATE that is not understood, call the Broker for a detailed explanation.
- 24) Agents are responsible to keep LRE up to date with their most current and working phone number(s), current home address, and **e-mail address**. No post office boxes. If an Agent is unable to be reached within 24 hours (possibly less if the situation dictates at the discretion of the broker) of our attempting to contact you at the last known contact information you gave to us, we can re-assign temporarily or

permanently your customers and payment can and / or will be due to the agent covering for you from that transaction. The last known contact information is what we have on file. You are free (and it is recommended) to check your contact information with us any time and preferably regularly.

- 25) If an In-House Agent To Agent disagreement arises and comes to me, the remedy for any such disagreement is as follows: The Broker will choose a disinterested Lenson Realty Elite, LLC third party real estate agent to act as an arbitrator. The cost thereof will be borne equally between the agents in dispute or directly affected by the dispute as seen by the arbitrator.

The arbitrator will make his/her best effort to sit with all parties concerned to resolve the matter. If there is no resolution, the arbitrator will come forth with a resolution. The arbitrator will review the case and findings with the Broker. Everyone can expect that the Broker will endorse and enforce the arbitrator's decision 100% of the time without modification(s). The results will be binding on all parties and the matter concluded.

If a disagreement occurs or an interpretation of any part of this agreement is required, it will be made solely by the Broker. If litigation were to be effected, the prevailing party will be entitled to recover reasonable attorneys' fees and costs at all levels.

- 26) Availability, Vacation, or Time Off:

When taking a vacation or time off, call us with the dates you will be gone and who is covering for you. We would rather you assign an agent to cover than our having to do so if it is necessary.

If an agent is unreachable (defined solely by the Broker or General Manager), regardless of cell batteries going dead, cell messages being delayed, the agent was in another state/country but with your cell phone on, the agent did not get the message, claims that no one called the agent, or any other excuse, all parties understand the Broker could (and will) assign another agent along with reasonable compensation to a transaction(s).

Broker/The Broker's Representative will always use reasonable care and effort in contacting an Agent. Reasonable care solely defined by and at the discretion of the Broker.

- 27) Forms:

All forms used in real estate transactions are **FAR** forms, (FAR-BAR only when it is absolutely necessary) are an exception to the rule, and Lenson Realty Elite, LLC forms. You also may use FAR computerized standard local forms customarily used as found on Alta Star, RealFast, Formulator, Zipforms, TrueForms, or any of the forms on **FloridaRealtors.org**.

The only Listing & Buyer Packets to be used are the ones included in the packet of information provided to you upon joining Lenson Realty Elite, LLC and on the company web site.

- 28) Logo:

The Lenson Realty Elite, LLC logo may be used (but not altered) in all media. The color is PMS 200 and the font is Aachen Bold (similar to) Rockwell Extra Bold. The logo is available on the LensonRealty.com website.

- 29) Integrity - Morals - Ethics - Conduct:

The Agents with Lenson Realty Elite, LLC are of the highest quality. We reserve the right (at our sole discretion) to release any agent who we believe deviates from having proper integrity, morals, ethics, and conduct. Or anyone who approaches "walking the line" in any of the above.

All Code of Ethics, Rules and Regulations, Standards of Practice, By Laws and Principles and Practices will be abided by. **VIOLATION OF THIS may adjust your commission split and cause you to incur fees from LRE and LRE Attorney's.**

- 30) Agent's Selling / Buying For Themselves & Others:

Agent owes the normal commission to LRE (that LRE would normally receive) when selling/buying for themselves when any FAR, FAR/BAR, MLS, or any other real estate related paperwork put together by an Association of Realtors® or in part by an Association of Realtors® be it local or national other than private documents. Whether the Seller/Buyer was found by or through any of the aforementioned or related real estate related documents or not. Not to the exclusion of anything else here, if the Agent uses or causes to be used anything that falls under F.S. 475 or related law/s or administrative rules, or similar regulations, it is not considered a private sale and a commission as referenced above is due to LRE. If no real estate related document is used, no FAR, FAR/BAR, MLS, or any other real "Realtor®" related paperwork (also as noted above) put together by an Association of Realtors® be it local or national other than private documents, then the sale is considered private. If this is not fully understood, it is the Agent's responsibility to call LRE.

An agent can use their private signs with the proper disclosure/s, the newspaper, flyers, etc.... as long as the process is not relative to the FAR, FAR/BAR, MLS, or any other real estate related paperwork put together in full or in part by an Association of Realtors® be it local or national as noted above.

31) Agent's Involvement With Any Type of Dispute Regardless of Guilt, Innocence, Defending, Responding, implied/expressed issues, etc...:

If an Agent is involved in any type of dispute, formal or informal, written or verbal, etc., the Agent may be liable for expenses incurred. The Agent involved will also be available and participate (at Brokers option) in whatever dispute that occurs.

LRE's attorney will be chosen by the Broker. The Agent at all times will protect and defend LRE for any and all issues, actions, disputes, etc... the Agent is involved with as allowed by law. If a Broker / Agent disagreement were to exist, then 1) the venue will be Palm Beach County, 2) there will be no mediation or arbitration, 3) each party will hire separate counsel.

32) **E&O is not refundable and is not blanket coverage allowing an Agent to skip their ICA, NAR and FAR responsibilities and skip filling out the Seller's package and skip filling out the Buyer's package, to make illegal side agreements, discriminate, give illegal kick backs, falsify or change executed contracts without the parties knowledge, to look the other way or purposely deceive someone, etc.... To haphazardly say it is ok to make error's or have omission's since you are covered by E&O Insurance is unacceptable and irresponsible. It is not acceptable to skip filling out the proper paperwork and in a timely manner. Agent's must abide by the ICA, FAR, and _____ NAR rules, regulations, policies, etc... When an Agent is grossly negligent, or has willful intent to damage another party or does something solely for their own benefit, the use of E&O will be denied. E&O is for an innocent error or omission. It is not a "pass" or free "Get Out Of Jail" card. Willful intent to damage another party is never acceptable. With limits, it is coverage for oversight's, accidental error's and omissions and their likely will be a deductible the agent will need to pay per incident.**

33) LRE Agents are never to sign for or as the Broker. Agents may sign the Listing Agreements as the "Authorized Listing Associate" and initial as needed in the Dispute Resolution paragraph only when they have closed 6 purchase and sale transactions, are on the \$395 program and there are no changes or additions made to the standard FAR Listing Agreement.

34) LRE Agents do **not** give tax advice, legal advice (unless you are an attorney and giving the advice under the auspices of you law firm), call **ANY** type of association (**homeowners, condominium, or co-op**) on behalf of any customer, do a walk through on behalf of a customer, check inventory, or any other activity that is or could possibly be construed as the responsibility of the customer themselves.

Agents may set up and coordinate a walkthrough, pass on association phone numbers and such to our customers, but it is the responsibility of the **customer** (not the agent) the **customer** themselves to make the call.

35) Only LRE Agents can cover for LRE Agents.

- 36) LRE is not involved in any type of property management.
- 37) LRE will not be held liable to anything not agreed to in writing.
- 38) Items in this agreement take priority over items in the FAR Independent Contractor Agreement.
- 39) If there are conflicts in this agreement, it does not affect any other part of this agreement.
- 40) This agreement automatically renews annually unless cancelled.
- 41) Communication Policy: Text Messaging with Independent Contractors
- By engaging in services with Lenson Realty Elite and/or New Floresta Realty, independent contractors acknowledge and consent to receiving such text communications. Text messaging will be used solely for professional, work-related matters. Contractors may opt out of text communication at any time by providing written notice.

This policy is intended to support efficient and timely coordination while respecting each contractor's communication preferences. Message and data rates may apply. Text STOP to stop these messages at any time. Text HELP to be contacted by our support team. View our terms and privacy policy at our website <https://www.lensonrealty.com/terms-and-conditions/> and <https://www.lensonrealty.com/privacy-policy/>

Broker: Daniel Lindeman
Date

Sales Associate