2020

ERA® Circle of Success Awards

Official Program Rules

The International Awards and Recognition program described outlines recognition eligibility requirements for companies, offices, Sales Associates and teams, and applies to calendar year awards production. It is the sole responsibility of each Responsible Broker to understand and comply with all of the rules and guidelines as detailed. Companies not meeting all requirements as outlined in the Awards Official Program Rules will not be eligible for recognition at any level which includes companies, Sales Associates and teams.

Good Standing

In order to be eligible for any award rankings, designations and awards events, all companies/ offices must be in full compliance with their individual franchise agreement and current (1-30 days) on all financial obligations to ERA Franchise Systems LLC. (This includes any applicable transaction fees, monthly membership fees, Brand Marketing Fund contributions, royalty fees and any other financial obligations pursuant to their franchise agreement and/or contractual agreements with ERA Franchise Systems LLC.)

- Subject to below, a company must be in good standing at year-end close - the last business day in December of the calendar year of recognition - in order for each company, office, all producers and teams to be eligible for recognition and rankings.
- Companies on awards suspension for four or more months during the calendar year, will subsequently be excluded from all annual awards, rankings and designations. This includes all company, office, Sales Associate, selling broker and team recognition associated with the suspended company/office.
- Offices must pay all transactions electronically through ePay. Transactions must be paid within a timely manner as defined by the franchise agreement. For awards purposes only if the transaction payment is received after 45 days of the original close date or January 5, 2021 (the third business day in January immediately following the calendar year of recognition), whichever occurs first, the transaction will not be eligible towards rankings or designations.
- Offices must report all transactions electronically through dash®. Failure to report 100% of all transactions through dash® will result in the company, office, producers and teams being suspended from all recognition.

Transactions

It is the sole responsibility of each office to accurately report, correct and pay transaction and royalty fees in a timely manner as outlined by the franchise agreement and the Awards Official Program Rules. ERA Franchise Systems LLC reserves the right to request HUD Property Settlement Statements and any additional documentation for any transaction to support the reported production.

- Transactions must be closed, settled and a royalty fee must be received.
- Other income such as Leasing, Property Management, Consulting, Rental, Referral and appraisal income must all be reported, closed and paid in accordance with the franchise agreement. For awards purposes only such income must be reported and paid within 45 days of closing during calendar year 2020 or by January 5, 2021, whichever comes first.

- It is the responsibility of the Broker to review awards eligibility reports in dash® and work with Real Estate Financial Services to make transaction corrections within 45 days of the original close date. No changes to a transaction will be made after 45 days from the original close date.
- Awards credit will not be granted for underpaid transactions. Only transactions that are paid in full or overpaid will be counted towards awards recognition.
- An actual close date must be entered into dash® or the approved reporting system for a transaction to be granted awards credit. If a transaction is marked paid without a close date, awards credit will not be granted until the close date is entered into dash®.
- Awards credit will not be granted for transactions closed in a prior year regardless of when payment is made.
- Awards credit is granted in the month in which the transaction actually closed, regardless of the payment date.
- All unreported and underreported transactions discovered through an audit procedure are not eligible toward any company, Sales Associate, selling broker or team awards regardless of payment status.

General Business Rules

In addition to the above, in order to be eligible for awards and recognition, each company/office must meet the following guidelines:

- For designation levels, Sales Associates and selling brokers will only be awarded one designation (individual or team) based on their highest level of Total Units Closed or Total Sales Volume.
- All company, Sales Associate and team designations are awarded on an annual basis and must be earned each year to retain designation status and entitlements.
- In order to be eligible to receive awards, the company, Sales Associate, selling broker or teams must have an active status with ERA Real Estate at the time awards are presented.
- In the event of a tie, Total Sales Volume will serve as the tiebreaker for unit production based awards.
- All Sales Associate and individual selling broker production is based on sales and listings closed between January 1 and December 31 and paid by the specified deadlines of each calendar year in the following two categories:
    - Residential
    - Commercial/Non-Residential
- Award credit for Total Sales Volume and Total Units Closed is calculated based on the percentage in which the Sales Associate/representative participated in the transaction side. For example, if the Sales Associate/representative participates 50% on the listing side of a transaction, he/she will receive half a Unit credit (50%) and half of the Total Sales Volume. Subsequent splits are calculated accordingly for Total Sales Volume and Total Units Closed.
- For an in-house sale, whatever list and sell side commissions are entered through the reporting system will become the Total Sales Volume awards credit on each side. The awards credit from the list and sell side commissions are then split according to the participation percentage by each Sales Associate. For example, for an in-house sale that generated $6,000 in total commissions where the list side commission was $2,000 and the sell side commission was $4,000, the list side's commission of $2,000 would be split according to each Sales Associate's/representative's participation on that side and vice-versa. If Sales Associate one produced 20% of the list side, they would receive 20% of the Total Sales Volume and 20% of the List Side unit credit, $400 and 0.2 units, respectively.
- Anyone found to be misrepresenting their awards status by promoting themselves in a level or ranking they did not achieve, will be disqualified from participation in any future awards rankings or standings. This includes misuse of any of the award designation logos, award winner logos,

and advertisements without proper disclaimers, as well as improper reporting of transaction participation.

- Recognition is based on the information received by Real Estate Financial Services on or before January 5, 2021 (the 3rd business day in January) for all 2020 recognition.
- All 2020 designation award winners will be announced during the first quarter of 2021 prior to the Fuel® Conference.
- The official list of company, office, team and Sales Associates/representative designation winners are generated by the Awards & Recognition Department of ERA Franchise Systems LLC. This list supersedes any previous designation list or lists produced by an individual ERA® office or company.
- At the end of November, Affiliate companies, and top producing Sales Associates/Representatives and Teams, will receive October year-to-date production verification assessments. It is the Affiliate's responsibility to review these reports, verify awards production, and report any discrepancies to the Real Estate Financial Services Department at 1-800-475-1210 and the Awards & Recognition Department at Awards@teamERA.com by the required deadline.
- Recognition for the Jim Jackson Memorial Award is further based on the electronic summation of surveys for positive remarks received through the ERA® Customer Satisfaction Survey officially used by ERA Franchise Systems LLC during the calendar year of recognition. ERA Franchise Systems LLC reserves the right to amend, cancel, or revoke this program at any time for reasonable business considerations or because of circumstances beyond its control.
- Use of the trademarked logo 1ST IN SERVICE®, as well as the Platinum, Gold, Silver, Bronze, Leaders' Circle, Circle of Achievement, Circle of Honor and any other designation logos and/or entitlements is limited to the year in which the designation was received.
- Any federal, state or local tax liability imposed on the value of any award or incentive received through this program is the sole responsibility of the winner.
- The decision of the ERA® Awards and Recognition Department will be final in all matters relating to the interpretation and application of any rule or phrase of this program.
- Sales Associates and member brokers who qualify as winners in a Circle of Success or any of the National Awards will be sent official notification in writing.
- Participants may not request substitutions and all awards are non-transferable.
- A split or shared transaction may not be assigned in total to one person. It must be split between two Sales Associates or assigned split or shared transactions are counted as one-half transaction. For split transactions, the Transaction Report must reflect BOTH Sales Associates.
- For both individual recognition, participation in the transactions must meet the following criteria to receive recognition credit:
    - The individual must personally secure the listing agreement and negotiate any contracts relating to the closing of the transaction.
    - The transaction credit must be given to the individual who, in the mind of the consumer, completed the real estate transaction.
    - Individual producers may use assistants as defined by the following: Assistants are defined as those individuals employed to act as support for the producing individual or team. This can include any clerical duties, showings and logistical support. Assistants do not negotiate contracts, listing agreements or procure buyers.

Division Awards:

Awards are given to operations of all sizes for their annual production achievements. Honors go to the top three companies nationally in Total Units Closed or Total Sales Volume for the following divisions*:

- Division I 1-25 Sales Associates
- Division II 26-75 Sales Associates
- Division III 76-150 Sales Associates

- Division IV 151-500 Sales Associates
- Division V 500+ Sales Associates

*Divisions are based on average number of Sales Associate I.D.s in dash® designated as producing individuals over a 12-month period.

Team Awards:

Rules & Guidelines

- Teams consist of 2 or more licensed Sales Associates/selling brokers, participating on team transactions. A licensed Sales Associate/selling broker, with one licensed assistant is also considered a team unless that licensed assistant is only performing administrative duties and not tasks requiring a real estate license. Teams may include non-licensed assistants; however, those assistants do not receive awards credit.
- Licensed Sales Associate who gains the assistance of one or more Sales Associates/selling brokers to perform "producing" activities such as: showing properties, preparing listing/selling or management agreements.
- Sales Associates/Selling Brokers who have 1 or more individuals engaging in producing activity with them as a buyers Sales Associate who perform 50% or more of their business together are considered a team.
- "Producing activities" are those for which a real estate license is legally required, and which contribute to the production of the team. Producing activities include, but are not limited to the following:
    a. Showing properties
    b. Preparing or negotiating a listing, sale or management contract
    c. Assisting buyers or sellers with financial and/or legal services
    d. Conducting property management, rental, lease, consulting, referrals or appraisal services
- Non-producing activities consist of the following:
    a. Prospecting
    b. Coordinating and conducting open houses
    c. Putting up signs
    d. Record keeping
    e. Clerical paperwork
    f. Opening properties for inspectors and other service individuals
    g. Preparing a comparative market analysis (CMA)
    h. Preparing listing presentations and advertisement/promotions
- ERA® Teams are defined as competing in the following ways:
    a. Licensed Sales Associates engaging in any "producing" activities that may constitute the production of a listing, sale offer or management contract on a real estate property are considered team members.
    b. Sales Associates/Selling Brokers who market or advertise themselves on their website and/or in their local market as a team with two or more Sales Associates.
    c. An Sales Associate with multiple Sales Associates working for them who do not receive any awards credit or recognition, thereby acting as "silent" Sales Associates
- To qualify for team awards, teams must be reported to ERA during the enrollment period of March 1-July 31. All teams must be registered through dash® or through the Team Enrollment form located in the Awards program section of the teamera.com website.
- Sales Associates/Selling Brokers who market or advertise themselves on their website and/or in their local market as a team with two or more Sales Associates/Selling Brokers, must enroll and compete as a team for awards purposes.

- Sales Associates/Selling Brokers who market themselves as an individual but perform business in a team capacity must also register and compete as a team.
- Sales Associates/Selling Brokers, who co-list on occasion, are not required to declare themselves as a team.
- Experienced Sales Associates acting in the capacity of a mentor, and allowing a new Sales Associate to receive payments for accompanying them on listing/buyer appointments and/or open houses in a temporary arrangement are not considered a team. If this arrangement continues for 1 year or more and/or the new Sales Associate is conducting producing activity on all or most transactions, they are considered a team.
- Sales Associates/Selling Brokers who "team up" occasionally in a temporary situation for other Sales Associates on listing or selling transactions to ensure their clients' services are maintained while they are out of town; do not need to declare themselves as a team.
- All licensed Sales Associates/selling brokers who belong to a team must have an active Sales Associate/selling broker record within dash® and an individual dash® identification number.
- The Awards and Recognition Department will perform an annual audit in the 3rd quarter to confirm that teams as well as individuals are marketing themselves in a way that is consistent with the ERA Circle of Success Program Rules. Websites, marketing material, as well as Social Media may be reviewed to validate an individual's awards category. Brokers will be required to sign an affidavit to validate their affiliated Sales Associate's award category on an annual basis in the 3rd quarter.
- While the Awards & Recognition Department will perform annual audits and random checks throughout the year, it is the broker's responsibility to ensure all Sales Associates and teams are properly identified in dash®. Brokers are responsible for maintaining the integrity of their affiliated Sales Associate's competitive awards category. If the Awards and Recognition Department has concerns with how a team or individual may be representing themselves the broker will be notified.
- The Awards and Recognition Department reserves the right to disqualify or exclude any person or persons misrepresenting themselves as a team or individual, with or without notice, from all award ranking and designations.
- For Team Designation awards, each team will receive one award, use of the award emblem and recognition at the 2021 Fuel® Conference. For ranking awards, only one award will be granted to the team.
- Prior production may be counted for Team designation awards. However, it will only count for existing teams at the time of affiliation, or for teams that are formed during the enrollment period. Team's prior production must be submitted on or before the deadline date. All prior production forms must be accompanied by production summary verification.
- Team members must be from the same ERA® Company.
- Should a team disband or team member leave the team; individuals who left will then be ranked/designated on their individual production. The individual's production, who left the team, will not count towards the team totals.
    - Example 1: 3 Team Members [Person A, Person B, Person C]
      Person A leaves the team and becomes an individual in the company, they will take their production with them and be ranked/designated according to the individual award rules and regulations. Person B and C remain a team and only Person B and Person C's production will count towards Team Totals.
    - Example 2: 3 Member Team [Person A, Person B, Person C]
      Person A leaves the company and deactivates. Person A's production will stay with the team and still be combined with Person B and Person C's production for Team Totals.
    - Example 3: 3 Member Team [Person A, Person B, Person C]
      The team disbands and they remain as active individuals in the company. Person A, B, and C will now be ranked/designated according to the individual award rules and regulations.

International Awards

Companies, offices, teams and Sales Associates of the ERA® International Master Franchise Territories participate in the following awards as reported by January 31st:

- Top Sales Associates
- Top Selling Brokers

Awards Categories

The ERA® Circle of Success Awards Program offers three categories of national designation. Transaction credit is contingent upon eligibility as outlined by the ERA Awards Official Program Rules. Category declarations are determined by each member broker and reported to Real Estate Financial Services in Madison, New Jersey. It is the sole responsibility of the Responsible Broker to ensure that the Affiliate Roster is updated on a timely basis to ensure the proper active status and recognition category of each of their affiliated Sales Associates.

Individuals may only compete in one category. All category declarations must be made by July 31st for the current calendar year of recognition. Category changes received after that date will be reflected the following year.

Leaders' Circle categories are defined as follows:

- Sales Associate: Individual who holds a real estate license. Sales Associates are recognized in all production categories. A Sales Associate must have an active status with an ERA® office at the time awards are presented. Leaders' Circle minimum national recognition benchmark requirement for individual Sales Associates is 65 Total Units Closed (both sides) or $10,000,000 Total Sales Volume.
- Individual Selling Broker: Individual with the majority of ownership in the company and/or is responsible for the day-to-day management of an office. This category is separate from the Sales Associate category. Individual selling brokers are recognized in all production categories. Leaders' Circle minimum national recognition benchmark requirements for individual selling brokers is 65 Total Units Closed or $10,000,000 Total Sales Volume.

Sales Associate Team/Selling Broker Team:

Two or more individuals may collectively participate as a "team" for awards purposes. A team is considered a partnership where commissions are split equally, and the team must market themselves as a team to the consumers.

- The Sales Associate and broker teams who have achieved a minimum of 97.5 Total Units Closed or $20,000,000 Total Sales Volume will receive national recognition for the categories of Total Units Closed and/or Total Sales Volume.
- The next level designation is a separate awards category which receives designation recognition only. The qualifying minimum criteria for Sales Associates and selling brokers to achieve this designation includes 45 Total Units Closed or $6,000,000 Total Sales Volume for individuals and 67.5 Total Units Closed or $12,000,000 in Total Sales Volume for teams.
- The third level designation is a separate awards category which receives designation recognition only. The qualifying minimum criteria for Sales Associates and selling brokers to achieve this designation includes 25 Total Units Closed or $3,000,000 Total Sales Volume for individuals and 35.5 Total Units Closed or $6,000,000 in Total Sales Volume for teams.

Production rankings for Sales Associate and selling broker individuals and teams are based solely on Residential transactions. Production used to determine Leaders' Circle, the second, and the third level

designations is a combination of Residential and Commercial/Non-Residential Total Units Closed and Total Sales Volume.

New Company or Sales Associate Qualification

If a company affiliates with the ERA® system during a calendar year, prior affiliate production from the current calendar year will count for national recognition status. If applicable, the company will receive Platinum, Gold, Silver or Bronze company status in Total Units Closed or Total Sales Volume provided that a Manual Adjustment Form is submitted to the Awards and Recognition Department within 60 days of the company's start date in the ERA® system or the 3rd business day in January immediately following the calendar year of recognition; whichever occurs first. The company will not replace the ranking of an existing company but will be included in all recognition associated with the Platinum/Gold/Silver/Bronze status.

If a Sales Associate is recruited from another real estate company, their prior production with the other company during the year of recognition will be counted towards their individual national awards designation. The recruited Sales Associate's prior production is not counted towards the company. For those Sales Associates who have prior production, a Manual Adjustment Form must be completed and submitted to the Awards and Recognition Department upon affiliating with the ERA® system. However, production from another real estate company will not be used in determining the Top 25 in any production category and/or other applicable awards.

If a Sales Associate transfers from another ERA® affiliate, the reported and paid production received from that affiliate will be considered for all designation recognition categories. It is the responsibility of the Member Broker to notify the Awards and Recognition Department in writing immediately upon changing affiliates.

- Prior production is used for designation purposes only.
- Prior production is not used for national ranking purposes.

Top Affiliate Trip

This trip rewards leading companies for their outstanding achievements. It is an opportunity for the ERA® "Best of the Best" to relax with their peers, enjoy their success and network for future accomplishments, all amidst exciting vacation destinations.
This honor is open to the responsible broker plus one guest from companies earning the following awards.

- Gene Francis Memorial Award Winner
- Gene Francis Memorial Award Finalists (4)
- Top 20 Companies in Total Sales Volume
- Top 20 Companies in Total Units Closed

Pursuant to U.S. tax rules, participants are subject to tax on the value of the trip to the extent furnished by ERA Franchise Systems LLC (including but not limited to travel, lodging, meals and activities). ERA Franchise Systems LLC reserves the right to issue Forms 1099-MISC in connection with the trip. Participants agree that they will cooperate with ERA Franchise Systems in connection with the issuance of such forms and that they are solely responsible for the payment of any such taxes.

Awards Acknowledgement

By accepting an award presented by ERA Franchise Systems LLC, Award Winners authorize ERA Franchise Systems LLC, their affiliates, and their respective employees, Sales Associates, contractors and advertising agencies (collectively, "ERA") to record, print or reproduce my photo, spoken and/or written quotes, statements and words on any medium in connection with the acceptance of said award; to edit, modify and reproduce all or any portion of the photo, words, statements or quotes at the sole discretion of ERA; and to incorporate the photo, words, statements or quotations (as edited) into any and all manner of media and forms of expression, including without limitation, brochures, advertisements, billboards, letter, electronic communication tools, i.e. newsletters, TeamERA, movies, print, sound and silent films, videotape, broadcasts of all kinds, photographic slides, computer disks, photographs, television and radio programs, or otherwise; and to use and license others to use such photos, words, statements or quotations (as edited), including unrestricted use for the purpose of publicity, advertising and sales promotion, with or without advertising sponsorship; and to use my photo, name, words and biographic or other information in connection therewith.

Award Winners consent to the exhibition, use and disclosure of their photo, name, words and biographic or other information by ERA as provided above and expressly release ERA from all liability for, and claims and demands arising out of, this instrument and the use of the photo, words, statements or quotes as described above. Award Winners understand and agree that ERA will own exclusively all right to the photos, words, statements and quotes described above regardless of the forms in which they are originally or subsequently printed or used. Award Winners acknowledge that they have been promised no compensation, nor have they contracted with any party for any compensation, for the photos, words, statements or quotes or the use thereof.

Any questions regarding the information contained in these rules, please contact the Awards and Recognition Department at 973-407-2111. For questions regarding transaction level information contained on the Award Eligibility or Ineligible Reports, corrections or royalty fees, please contact Real Estate Financial Services at 1-800-475-1210.

The Awards Official Program Rules apply to each calendar year. The rules may be revised at any time and are subject to change without notice.

Awards and Recognition
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