Norris & Stevens

INVESTMENT REAL ESTATE SERVICES

MEMO

TO: All Employees

DATE: August 9, 2021

FROM: David Keys, Chairman and Managing Director
Tim Mitchell, President
Marshall Ellis, EVP Commercial Property Management

RE: Property Management Fee Referral Program

All employees were made aware of the Property Management Fee Referral Program due to a memo circulated on May 26, 2020. Modifications to the program are outlined below in red font.

Property Management is a core business for Norris & Stevens. We are always looking for new clients. Referral fees regarding new property management business are available for all employees, as described below.

Referral fees are earned when all of the following occur:

A. An employee notifies David Keys regarding a new multi-family property management opportunity or Marshall Ellis regarding a new commercial property management opportunity.
B. The employee provides either (a) the address of the property and the reason the employee believes there is an opportunity for Norris & Stevens to provide property management services, or (b) the contact information for a building owner who may not be aware of Norris & Stevens.
C. An acknowledgement of the referral is provided to the employee from David Keys, Marshall Ellis or Tim Mitchell.
D. Norris & Stevens enters into a property management agreement with the owner and receives property management fees.

The referral fee paid to the employee will be 15% of the management fees received by Norris & Stevens for the first 12 months of the property management contract. This will be in the form of a monthly Management Fee Bonus.

If the new property management contract is signed with a client that we are not currently providing property management services to, then the referral fee will be 50% of the management fees received by Norris & Stevens for the first 12 months of the property management contract, provided the following criteria is met:

1. Commercial office or retail space is 50,000 SF or greater.
2. Commercial industrial space is 100,000 SF or greater.
3. Multifamily of 50 apartments or greater.
4. Clarifications:
    a) If the client is receiving multifamily PM services, and the new contract is for commercial PM services, the referral fee is 15%.
    b) If the client is receiving commercial PM services, and the new contract is for multifamily PM services, the referral fee is 15%.
    c) If the client is receiving brokerage services, but not PM services, the referral fee is 50%.
    d) If the client had received PM services over 24 months ago, and does not currently receive PM services, the referral fee is 50%.
    e) Fees received by Norris & Stevens must be based upon a percentage of revenue collected.
5. The new PM contract must be fully executed by December 31, 2022.

If more than one employee is involved in the referral, then the referral fee will be split between the employees involved in the referral.

Additional Comments:

i. Employees cannot provide a long list of properties or owners without any understanding of the opportunity or building owner. In other words, employees can't refer buildings they simply drive by or lists of property owners and have no reason to believe that there is an opportunity for Norris & Stevens.

ii. Brokers and Property Managers who are involved in a sale are eligible, provided the broker or PM is involved in management discussions with the seller or buyer.

iii. Commercial Brokers who have listings for lease and Norris & Stevens does not manage the property are eligible, provided the broker is involved in management discussions with the owner.

iv. All employees who speak with vendors, friends, neighbors, or relatives and hear about properties that are not managed well, the property has a problem that needs to be solved, or obtain information about a property owner that could be introduced to Norris & Stevens are eligible.