

# 30 DAY GUARANTEE OPERATION MANUAL



Revised 7/29/08  
Copyright © 2008, Bike Realty LLC All rights reserved.

# Sold in 30 Days or we'll buy it. Guaranteed!

## Scope

This is the official documentation for the implementation of the Bike Realty System as it relates to the 30 Day Guarantee. The intended audience for this document is all parties involved in the implementation of guarantee, including:

- The GM
- The Broker
- The Sales Associate
- The Affiliated investor

## The System

The 30 Day Guarantee is a system in which Bike Realty and our affiliated investors purchase property for investment purposes. As with any transaction, we must purchase the property with terms that are agreeable to the Buyer and the Seller.

We do not guarantee the purchase of the property for asking price, appraisal price, or even market value; instead, we guarantee to purchase the property at a price that is attractive as an investment. This fact is clearly documented on-line and in the 30 Day Guarantee Brochure.

As such, the system is most appropriate for only motivated sellers. This system will NOT be a good alternative for the typical seller.

### 1. The Inquiry.

The process begins with a potential seller inquiring about the 30 Day Guarantee. The Bike Realty staff member shall provide the seller with the 30 Day Guarantee Brochure or direct the seller to [corresponding section of BikeRealty.com](#). All potential sellers are welcome to fill out and submit the 30 Day Guarantee Application Form, regardless of whether or not the property is listed with Bike Realty, or the duration which the property has been listed.

### 2. The 30 Day Guarantee Application Form

The Bike Realty staff member who is working with the seller shall [download the form](#) from the BikeRealty.com Agent Resource Center, and deliver the form to the seller. The staff member should assist the seller in entering the data accurately.

Once the form has been completed by the seller, the Bike Realty staff member shall provide the General Manager with the form (by fax, e-mail, or by whatever means).

### **3. The General Manager**

The General Manager shall act as the 30 Day Guarantee Administrator. Upon receiving the application form from a staff member, he shall distribute the form to the affiliated investors.

The GM needs to have established a network of qualified affiliated investors, which are private individuals and or companies who are ready, willing, and able to purchase investment property. The GM has sole discretion as to which persons are affiliated investors and which affiliated investors are alerted as to a specific property, with the following caveats:

- There must be at least one firm offer on each property.
- If the GM is in any way a nonbiased party, or stands to make a financial gain, he must obtain a firm offer from at least one unrelated investor.

### **4. The Affiliated Investor**

The GM will distribute the application form to the affiliated investor. After receiving the form, the investor will research the property and the seller circumstances in order to formulate one of more offers.

The investor shall [download the Affiliated Investor Letter of Intent](#) from the BikeRealty.com Agent Resource Center. The investor shall complete the form by writing in one or more offers to purchase the property. The price and terms of the offer are at the sole discretion of the investor.

Once completed, the investor shall return the letter of intent to the GM.

### **5. The Offers**

The GM shall acquire the offers from the affiliated investors and then return them all at once to the staff member which originated the application form. If the seller is not working with a specific licensed real estate sales person, the GM shall proceed as the company interface and shall work directly with the seller.

Once an offer has submitted, the GM cannot and may not legally neglect to process the offer.

### **6. Reviewing the offers with the seller.**

The originating staff member (or the GM by default) shall schedule a meeting with the seller to review the offers. During the meeting, the staff member will present and explain the offers.

If the seller would like to accept an offer, proceed with the process; otherwise the process is finished.

The seller may wish to think about the offer or maybe wait for a better offer. In any case, if 30 days has passed since the original offers were presented, the process must begin again. The process may be stream lined by having the GM confirm with the investor whether or not the offer still stands.

## **7. Accepting an offer**

If the seller wants to accept an offer, the seller shall select the offer which they would like to accept and sign the letter of intent. At which time the staff member will notify the GM, who shall notify the affiliated investor.

## **8. Formal Contract**

At this point, there has been a meeting of the minds, as illustrated by the seller signing the letter of intent. This is the trigger to the affiliated investor to write a formal Contract for Sale and Purchase of the property. After writing the contract, the investor shall submit it to the GM, who shall submit it to the staff member, who shall submit it to the seller.

Alternatively, the GM or staff member may coordinate a meeting between all the parties involved, to have a formal signing of the contract.

## **9. Closing**

Prior to and during closing, all parties will carry out their obligations as identified in the contract.

In addition to the purchase price and terms negotiated between the buyer and the seller, the buyer shall pay 1.5% of the sales price as commission to Bike Realty. Again, the commission is in addition to the sales price and paid by the buyer at closing. This should be established using a commission agreement.

1% Commission to the originating staff member.

0.25% Commission to the originating staff member's broker.

0.25% Commission to the Bike Realty Franchise.

