



# Pacific

Real Estate Services LLC

## **BROKER'S POLICIES & PROCEDURES MANUAL**

Developed by:  
Jeff Olson R(B)  
Principal Broker

January 2018



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PRES Real Estate Agent

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Date

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Jeff Olson - Principal Broker

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Date

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### Exhibits

"A" - Hawaii Revised Statutes – Chapter 467

"B" - Hawaii Administrative Rules - Title 16 - DCCA - Chapter 99

"C" - National Association of Realtors - Code of Ethics

"D" - Pathways to Professionalism

## **Contact Information**

The Principal Broker will generally be available during work hours to discuss real estate matters. In emergency situations, the Principal Broker may be contacted by cell phone after business hours.

Entity:

Pacific Real Estate Services, LLC (“Brokerage”) or (“Pacific Real Estate Services”)  
Physical Address: 3483 Weli Weli Road #4, Koloa, Hawai’i 96756  
Mailing Address: PO Box 621 Lawai, Hawai’i 96765  
Office Phone: 808-635-0828  
Office Fax: 808-635-0828  
Website: www.preshawaii.com

Principal Broker:

Jeff Olson R(B) (“Principal Broker”)  
Cell: (808) 635-0828  
Home: (808) 332-7711  
Office: (808) 742-6999  
Email: preshawaii@gmail.com

## **Operations**

Pacific Real Estate Services, LLC is in the real estate business and its agents should never practice in areas that are outside the scope of their licensing or training. Always advise clients to seek counsel from professionals trained within the area in question. Continuing education, continued learning, and acquiring specialty licensing enhances your trade knowledge and makes you more valuable within your industry. Pacific Real Estate Services, LLC promotes and supports continuing education.

This Brokerage and its Agents must be accountable, responsible and proactive. Pacific Real Estate Services, LLC mandates that at the first inclination that an error has been made, transaction flawed, or breach in conduct; the Agent must notify the Principal Broker immediately to minimize the impact of damage to all parties.

The Code of Ethics of the National Association of REALTORS® is a guide for our daily business operations. As an agent of Pacific Real Estate Services you are required to follow this Code of Ethics and the Pathways to Professionalism, both included as exhibits to this manual.

## **Introduction**

Pacific Real Estate Services, LLC is committed to providing the highest fiduciary services to the Seller and fair dealing with all Customers. It is the policy of Pacific Real Estate Services to conduct business in the highest ethical, professional, and competent manner when dealing with the Client, Customer associates, employees, and other real estate professionals.

This Broker's Policies and Procedures Manual (the "**Manual**") has been developed to comply with the real estate laws, rules, and regulations of the State of Hawai'i and establishes a uniform system of daily business conduct, provides policies and guidelines to help avoid disputes with and liability to others, and provides an orderly system of conflict resolution.

As required by law, the Principal Broker has direct management and supervisory responsibility related to real estate matters for this office and all real estate licensees within this office. These duties and responsibilities may be delegated to one or more Brokers-in-Charge, as specifically set forth herein.

All real estate licensees associated with this office are referred to in this Manual as "**PRES Real Estate Agents(s)**." All PRES Real Estate Agents shall comply with the terms and provisions of this Manual.

Please carefully review and familiarize yourself with this manual and if you have any questions, please discuss them with the Principal Broker or Broker-in-Charge (if applicable). Your failure to comply with the Policies and Procedures within this Manual may result in your release.

This Manual is subject to change at any time. Certain aspects of this Manual survive termination, release or resignation of employment or affiliation with Pacific Real Estate Services.

## **Acceptance of Gifts**

PRES Real Estate Agents shall not accept gifts exceeding \$25.00 in value from suppliers or vendors or others doing business with Pacific Real Estate Services without prior approval of the Principal Broker or Broker-in-Charge. The Real Estate Settlement Procedures Act ("RESPA") establishes specific criteria for giving or receiving gifts from "settlement service providers" (i.e., lenders, escrow companies, title companies, pest control companies, and the like). If the PRES Real Estate Agent has any questions about whether any action is restricted by RESPA, it should be immediately discussed with the Principal Broker or Broker-in-Charge.

## **Address Changes**

The State of Hawai'i Real Estate Commission ("REC") requires all real estate licensees to notify the REC directly within 10 days of a change of legal name, residence or mailing address. A copy of the completed form should also be provided to the Principal Broker.

## **Advertising**

Advertising is essential to a success. Our website is [www.preshawaii.com](http://www.preshawaii.com) and web hits will be given via rotation. Business cards, nametags, magnet car signs, postcards, flyers, and road maps are also great ways to get our name out there. If you use cold calling as part of your marketing, you must first check the numbers you call against the federal "do not call list." All print advertising must be approved by the Principal Broker PRIOR to submission to any periodical or magazine. Email advertising must comply with the CAN-SPAM Act (pg. 4).

## **Affiliation between Pacific Real Estate Services and PRES Real Estate Agents**

Agreement of Mutual Benefit - All PRES Real Estate Agents are independent contractors and at no time should be construed as an employee. As an independent contractor you are under no obligation to work any hours. From time to time we hold meetings, rarely will a meeting be mandatory but the Brokerage reserves the right to do so. It is the PRES Real Estate Agent's responsibility to pay income taxes. The Brokerage will only withhold income taxes if directed to do so by a governmental authority. Acceptance of this manual is a binding contract between Pacific Real Estate Services and the PRES Real Estate Agent.

- ❖ All PRES Real Estate Agents shall put forth their best effort in selling real estate. Furthermore, all PRES Real Estate Agents shall act in lawful and ethical manner promoting the PRES Real Estate Agent's professionalism as well as Pacific Real Estate Services to the greatest mutual benefit of both parties.
- ❖ All PRES Real Estate Agents shall practice real estate consistent with the highest standards of professionalism and in accordance with sound business practices.
- ❖ All PRES Real Estate Agents shall practice real estate in such a manner as to enhance the reputation of Pacific Real Estate Services and promote positive community relations.
- ❖ All PRES Real Estate Agents represent all parties with the utmost fiduciary duties and if there is ever a conflict it is best to release a client rather than run the risk of compromising the law or loyalty.

Adhere to the Code of Ethics and Bylaws of Local Board and Multiple Listing Service (MLS).

- ❖ All PRES Real Estate Agents shall at all times conduct himself or herself in accordance with all laws, rules and regulations and code of ethics that are binding upon, or applicable to, all Hawai'i real estate licensees.

## **Agency Disclosure**

### Telephone

Inform callers that Pacific Real Estate Services, LLC may be retained by the Seller, the Buyer, or both. Whomever we represent in a transaction, we observe our duties as described by state law. All agency relationships will be in writing and by oral explanation. The PRES Real Estate Agent is required to make follow up notes regarding Agency Disclosure in the Pacific Real Estate Services office filing system.

### General

All PRES Real Estate Agents will treat Sellers, Buyers, and their representatives honestly and fairly. To this end, all prospective Sellers, Buyers and their representative must be informed of the agency relationship between all parties and Pacific Real Estate Services, LLC, both orally and in writing prior to the submission of any purchase contract.

PRES Real Estate Agents shall:

- ❖ PRES Real Estate Agents shall not offer advice, counsel or opinion concerning any aspect of a purchase and due diligence that falls outside of the business of real estate. Examples of areas of expertise that require the advice of a professional include but are not limited to law, accounting, tax advice, architecture, engineering, contracting, surveying and the like.
- ❖ PRES Real Estate Agents shall inform the Principal Broker immediately should he or she have any questions regarding the appropriate response to a Client seeking advice, counsel or an opinion. PRES Real Estate Agents shall clearly document all inquiries in the Pacific Real Estate Services, LLC office filing system or transaction file (if any) from Seller, Seller's Agent, Buyers, Buyer's Agent, Counsel or Advisors/Consultants and PRES Real Estate Agent's detailed

response and/or instruction to all parties listed above regarding retention of their own real estate professional and/or expert/consultant.

Penalties for violating Pacific Real Estate Service, LLC's Agency policy may include:

- ❖ Forfeiture of commission without having to prove damages
- ❖ Canceling the transaction
- ❖ Exposure to a lawsuit for fraud and punitive damages
- ❖ Loss of license with the REC
- ❖ Termination or release

Our Sellers should not be asked to accept an offer until any and all other offers are shown. When representing the Seller, we must never suggest that a Buyer offer less than the asking price of a property, although we must present all offers when made. We must not disclose to the Buyer what price a Seller may accept, or our Seller's motivation for selling.

When representing the Buyer, we must never suggest that a Seller should counteroffer more than the price offered in the contract. We must not disclose to the Seller what price a Buyer may be willing to pay, or our Buyer's motivation for buying.

We must treat the business of our principals with confidentiality, and never disclose facts to the other party that might work to the disadvantage of our principal. We must be extra cautious when we become financially interested in a listed property, and must disclose any facts or rumors of which we have knowledge. We must also warn the Seller that we are no longer representing his or her interests.

When we are asked to represent a Buyer in a transaction, we may become an intermediary between the parties when showing a property listed by our office. Our Broker must be made aware of this situation, and both parties to the transaction must agree in writing so that we may never appear to have an undisclosed dual agency.

### **Antitrust**

Brokers do not have a "standard" commission in our area. Each office sets its commissions independently by negotiation with the Seller or the Buyer. Accordingly, no PRES Real Estate Agents should suggest to a Seller or Buyer that there is a "standard" rate charged in this area. Under no circumstances should a PRES Real Estate Agent with this Brokerage discuss with any individual from another office suggested commission rates charged to Sellers or Buyers.

No PRES Real Estate Agent should suggest to competitors that if they perform or refuse to perform a certain act that the brokerage firms of our area will "boycott" them. Any of these acts could be construed as a violation of Antitrust laws and subject the individual and our company to severe civil and criminal penalties.

### **Assistants (Employees of the PRES Real Estate Agent)**

If a personal assistant is engaged by a PRES Real Estate Agent of this Brokerage the assistant is an employee of the PRES Real Estate Agent and not the Brokerage. The PRES Real Estate Agent must agree to withhold taxes and FICA contributions, as well as make all required payments to IRS for those taxes. The PRES Real Estate Agent agrees to abide by other laws, including unemployment compensation taxes or workmen's compensation insurance, and to hold the Brokerage harmless from any claims for those items.

A list of activities, which an unlicensed personal assistant cannot perform in this state, must be provided. PRES Real Estate Agents may decide to hire licensed personal assistants because of

additional duties, which may be performed. If a PRES Real Estate Agent wishes to pay a portion of the commission to the assistant, it must be paid by the Broker.

### **Board of Realtors**

It is the Brokerage policy that all PRES Real Estate Agents will join the Board of REALTORS®. Dues are expected to be paid on time and failure to do so will force the Brokerage to place the PRES Real Estate Agent's license on inactive status. The same goes for MLS dues and vocational licensing fees.

### **CAN SPAM Act**

The law, which became effective January 1, 2004, covers email whose primary purpose is advertising or promoting a commercial product or service, including content on a Web site. A "transactional or relationship message" – email that facilitates an agreed-upon transaction or updates a Buyer in an existing business relationship – may not contain false or misleading routing information, but otherwise is exempt from most provisions of the CAN-SPAM Act.

The Federal Trade Commission (FTC), the nation's consumer protection agency, is authorized to enforce the CAN-SPAM Act. CAN-SPAM also gives the Department of Justice (DOJ) the authority to enforce its criminal sanctions. Other federal and state agencies can enforce the law against organizations under their jurisdiction, and companies that provide Internet access may sue violators, as well. For more information you may log on to: <https://www.ftc.gov/tips-advice/business-center/guidance/can-spam-act-compliance-guide-business>

### **Cell Phones**

It is mandatory that all PRES Real Estate Agents have a cell phone with voice mail. Agents that travel should have free roaming and long distance as well. It is the Brokerage Policy to return ALL Client calls within a 48-hour period as this responsiveness reflects on the Brokerage as much as the Agent.

### **Client's Keys**

When a client entrusts the keys to his or her property to us, that trust must never be breached. Always request permission to make extra copies of keys. Keys should never have an address tag attached. A coded tag should identify the key. When other offices check out keys or individuals (such as appraisers) who have been approved by the Seller, careful notation should be made in the files, and the expected time of return. Under no circumstances should keys be given to Buyers or Tenants until the transaction has been closed or occupancy granted. After showing the property, the PRES Real Estate Agent should ensure that all windows and doors are locked, and that fans and lights are turned off.

### **Code of Ethics**

Pacific Real Estate Services, LLC, and its Agents, adhere to the NAR Code of Ethics; a copy of which is attached hereto.

### **Commissions**

Commissions and Referral Fees, brokerage fees, bonuses, consulting fees, rental fees, or foreclosure fees are all governed by Hawai'i law, and payable only from Broker to Broker only.

- ❖ A non-licensee (other than a principal to the transaction) cannot be paid a commission or receive any compensation from a licensee;
- ❖ Commissions may be withheld until the closed transaction file is updated with proper documentation by the PRES Real Estate Agent and signed off by the Broker
- ❖ A licensee can only receive commissions/referral fees from the real estate company with whom he or she is licensed. A licensee can only compensate another licensee through his or her company. A licensee cannot pay another licensee directly; and
- ❖ All commission payments are subject to Hawaii law.



Commissions will be paid to PRES Real Estate Agents within three business days after this Brokerage has received the gross commission. Commission splits will vary depending on the terms negotiated with the PRES Real Estate Agent and Broker; indicated on the signature page of this document

The following must be completed before commissions will be dispersed:

- ❖ The closed escrow file must be turned in to the Broker. Make an additional copy for yourself. Include email communication.
- ❖ The MLS must be updated with the new status.

### **Compliance with All Applicable Laws**

It is Pacific Real Estate Services, LLC's policy to comply with all Federal, State, and local laws and ordinances, including but not limited to Fair Housing laws, real estate licensing laws and regulations, antitrust laws, telephone solicitation laws, copyright and trademark laws, and laws dealing with sexual harassment and other forms of harassment. Each PRES Real Estate Agents compliance is mandatory. A violation of this policy constitutes grounds for release.

### **Confidentiality**

We often learn a great deal about our clients and customers because they have placed their trust in us. It is good practice to keep all information regarding our clients and transaction strictly confidential.

### **Disputes**

On occasion, a dispute may arise between two or more PRES Real Estate Agents. It is essential that any disputes be addressed and resolved immediately. PRES Real Estate Agents are strongly encouraged to settle disputes between themselves. If they are unable to do so, the PRES Real Estate Agents should request mediation by the Principal Broker or the Broker-in-Charge or by a panel of three, one selected by each PRES Real Estate Agent and one selected by Pacific Real Estate Service. If mediation is not successful, the dispute shall be taken to the Principal Broker or the Broker-in-Charge for a decision and final resolution. PRES Real Estate Agents agree to accept the decision rendered.

### **Disputes Between Buyer and Seller and/or Buyer's and Seller's Agent**

It is essential that all potential disputes between Buyer and Seller and/or Buyer's and Seller's Agent be addressed promptly. Many such disputes escalate quickly into costly litigation, and the PRES Real Estate Agents and real estate companies involved are often pulled in as parties. Many disagreements and misunderstandings can be resolved if dealt with immediately.

Therefore, the policy of Pacific Real Estate Services, LLC is as follows:

- ❖ At the first sign of a dispute, potential claim, or threat of litigation involving a Buyer, Buyer's Agent, Seller, Seller's Agent, and/or Pacific Real Estate Services, LLC, the PRES Real Estate Agent shall report to the Principal Broker or the Broker-in-Charge. No PRES Real Estate Agent will be criticized for bringing any such matter to the attention of the Principal Broker or the Broker-in-Charge.
- ❖ The Principal Broker or the Broker-in-Charge and the PRES Real Estate Agent shall develop a plan of action to resolve the dispute and immediately act upon it. Such plan may involve correspondence, telephone calls or letters, negotiation, mediation or arbitration.
- ❖ Terms and conditions of any compromise or settlement shall be subject to the review and approval of the Principal Broker.
- ❖ The PRES Real Estate Agent shall keep the Principal Broker or Broker-in-Charge informed of all developments on the matter and consult with the Principal Broker or the Broker-in-Charge as appropriate.
- ❖ Should Buyer or Seller require legal counsel, they should be advised to retain their own.

## **Do Not Call Compliance Procedures**

All REALTORS®, when making a solicitation call, must comply with the National Do-Not-Call rules beginning October 1, 2003. All PRES Real Estate Agents shall read the national do-not-call rules once each year. To learn more about the do-not-call registry, you may log on to: <http://www.realtor.org/LetterLw.nsf/pages/0703fccrules>.

## **Earnest Money**

When a PRES Real Estate Agent receives a check as an earnest money deposit the check will be submitted to Escrow or to our client trust account immediately, along with appropriate contract forms. The earnest money deposit must be held in trust according to state law. Under no circumstances will a salesperson accept as an earnest money deposit a 'postdated' check. Checks should be made out to the Escrow Company or Pacific Real Estate Services, LLC.

Occasionally, a purchase contract takes an extended time to negotiate, and is never completed. Often, the Brokerage will have deposited the earnest money. The PRES Real Estate Agent should inform the client that they may, if needed, stop payment on the check, or wait until the check has cleared our bank. This Brokerage will not refund earnest money until the Customer's check has cleared our bank, nor will it refund the stop payment fee to the customer.

Improper handling of Earnest Money may be grounds for immediate dismissal of a PRES Real Estate Professional. Improper handling could include failing to turn over funds to Office Manager and/or the Contract Closing Coordinator in a timely manner, or falsely representing that Earnest Money had been deposited, and/or loss or misplacement of the Earnest Money check.

## **E-Mail**

All PRES Real Estate Agents must have an email account and check and respond to emails several times a day.

## **Escrow Filings**

It is the policy of Pacific Real Estate Services, LLC to adhere to all applicable State and Federal law or laws regarding the protection of private and confidential information, including, but not limited to the Privacy Act of 1974. To this end, PRES Real Estate Agents shall not request nor collect Social Security numbers from Buyers or Sellers. If Social Security numbers are required by escrow, or other third parties, it shall be the sole responsibility of escrow or the third party to obtain all personal information from the Buyer independent from the PRES Real Estate Agent and Pacific Real Estate Services, LLC.

## **Expenses**

Questions often arise about which expenses the Brokerage pays, and which are the responsibilities of the PRES Real Estate Agent. PRES Real Estate Agents will be billed monthly for expenses paid by the Company that are properly chargeable to the PRES Real Estate Agents.

Our policy is as follows:

Pacific Real Estate Services, LLC pays for:

- ❖ For Sale and Open House Signs and frames
- ❖ Company envelopes and letterhead

PRES Real Estate Agents will pay for:

- ❖ Business Cads
- ❖ Name riders
- ❖ Lockboxes
- ❖ Color Brochures for every listing
- ❖ Postcards for mailings
- ❖ Specialty advertising items

- ❖ MLS fees Licensing fees
- ❖ Board of REALTORS® dues
- ❖ Personal office supplies
- ❖ Personal sales and listing tools
- ❖ Long distance telephone charges
- ❖ Special, additional advertising
- ❖ Social security and taxes
- ❖ GET

### **Expert Referrals**

Real estate transactions can be extremely complex and can involve a myriad of issues, problems and/or questions that involve such diverse fields as engineering, tax consulting, law and the like. PRES Real Estate Agents must be aware of all issues that arise in their transactions and shall immediately discuss the issue, problem or question, as well as the background facts, with the Principal Broker. Whenever appropriate, Buyers and Sellers shall be advised to retain their own expert or professional to answer all questions related to the issue in question and to provide such guidance or advice as may be needed. This section includes requests made by Buyers or Sellers that place the PRES Real Estate Agents in a compromised position. Examples of such include but are not limited to the forecasting of values, demonstration of stable values within a specific region or community, and cash flow analysis (a Securities Law violation and strictly prohibited by Pacific Real Estate Services, LLC). PRES Real Estate Agents shall not offer Buyers or Sellers any professional or expert advice in any field of expertise outside of real estate.

### **Fair Dealing with all Customers**

It is the policy of Pacific Real Estate Services, LLC to treat all customers honestly and fairly. Accordingly, all PRES Real Estate Agents shall make all reasonable efforts to ensure that all information presented to customers is factually accurate. To the extent a customer seeks information which is not readily available to a PRES Real Estate Agent; the Principal Broker shall be consulted prior to responding to the customer.

### **Federal Fair Housing Laws**

It is the policy of Pacific Real Estate Services, LLC to strictly comply with the Federal and State Fair Housing laws and not to discriminate against a Buyer or Seller in any way on the basis of race, religion, color, sex, national origin, familial status, or disability. PRES Real Estate Agent are strongly encouraged to attend seminars offered on fair housing law updates.

Should a PRES Real Estate Agent encounter any Buyer or Seller who refuses to comply with fair housing laws, the PRES Real Estate Agent shall immediately report the matter to the Principal Broker or the Broker-in-Charge. If the Buyer or Seller cannot be persuaded to comply with the law, the relationship with the Buyer or Seller shall be terminated. To learn more about the Federal Fair Housing laws, you may log on to:  
<https://www.hud.gov/states/hawaii>.

### **Fiduciary Duty to Buyer or Seller**

All PRES Real Estate Agents are obligated to uphold and maintain their fiduciary duties. As a fiduciary, a real estate agent is held by law to owe specific duties to his or her principal (the person who they are representing), in addition to duties or obligations set forth in a buyer or seller representation agreement, or other contract. Further specific fiduciary duties include:

- ❖ Loyalty
- ❖ Obedience
- ❖ Disclosure
- ❖ Confidentiality
- ❖ Reasonable Care and Diligence

## ❖ Accounting

### **Floor Time**

The Brokerage strives to have a PRES Real Estate Agent available to customers from 8:00 a.m. until 5:00 p.m, seven days a week. A floor time sign-up sheet, with available time slots, will be made available to all PRES Real Estate Agents coupled with a rotation schedule to ensure fairness to all Agents.

The opening floor time PRES Real Estate Agent must:

- ❖ Unlock office doors and turn on lights
- ❖ Take out open house sign
- ❖ “Wake up” the copier and fax machine and ensure paper supply is sufficient. Any incoming faxes should be directed to the recipient’s box. If unsure of the recipient, place in the Principal Broker’s box.

The closing salesperson or the last person to leave the building must:

- ❖ Ensure office is clean and professional looking upon departure
- ❖ All messages and faxes are routed appropriately
- ❖ Perishable Trash removed
- ❖ Bring in open house sign
- ❖ Turn off all lights Lock up all doors

If there are any physical problems such as paper jams, fax errors or we run out of supplies try to resolve the issue or report it to the Principal Broker via email and the floor time Log.

The floor time PRES Real Estate Agent may take telephone and walk-in prospects who do not ask for a specific Agent. Floor time is not mandatory and the Broker, taking into account requests by salespersons, will administer the floor time schedule and thereafter rotate fairly. In the event the floor time PRES Real Estate Agent is busy, unavailable, or unable to properly handle a call or walk-in prospect, the inquiry will be referred first to the backup salesperson and second the listing salesperson (if available). The scheduled floor time PRES Real Estate Agent should attempt to secure a replacement if leaving is necessary.

### **Independent Contractor**

All agents are independent contractors and at no time should be construed as an employee. As an independent contractor you are under no obligation to work any hour. From time to time we hold meetings, rarely will a meeting be mandatory but the Brokerage reserves the right insist attendance. It is the PRES Real Estate Agent’s responsibility to pay income taxes. The Brokerage will only withhold income taxes if directed to do so by a governmental authority. Acceptance of this manual is a binding contract between Pacific Real Estate Services, LLC and the PRES Real Estate Agent.

### **Listing Agreements**

When you get a new listing, email it to all PRES Real Estate Agents. Commissions are increased if the sale is a dual agency. The Principal Broker must review and sign off on all Listing Agreements. If a listing is a CPR, the CPR map must be given to the Principal Broker for questions that arise when the PRES Real Estate Agent is unavailable.

It is imperative that we maintain regular contact with the Seller who has entrusted the sale of their property to our Brokerage. A PRES Real Estate Agent that does not service his or her listings properly will find referral business substantially reduced, and Sellers will not renew.

## **Maintaining Contact with the Brokerage**

Travel or absence of any duration longer than a 24-hour period needs to be conveyed to the Principal Broker so client relations can be managed and maintained at the highest levels.

## **Memoranda, Articles, Notices or Other Written Materials**

From time to time, the Principal Broker and/or her/his designee, shall distribute copies of memoranda, articles, notices or other written materials to PRES Real Estate Agent that are related to the practice of real estate, updates in the law and/or company policies. These may include, but are not limited to, hard copies, transmission by e-mail, general postings or by inclusion as a specific topic at a sales meeting or training and education session. It is the responsibility of all PRES Real Estate Agent to read and understand all such memoranda, articles, notices or written materials as distributed by the Principal Broker. Any questions regarding the contents of such memoranda, articles, notices or written materials should be directed to the Principal Broker.

PRES Real Estate Agent shall acknowledge, in writing, and/or email their receipt of the memoranda, articles, notices or written materials regarding such changes in the laws and regulations affecting real estate transactions and the provision of real estate brokerage services.

## **Purchase Contracts**

The Principal Broker must review all purchase contracts before presenting them to the Buyer or Seller. This policy has saved time and litigation, and is a protection to the Buyer, Seller, and Agent. It is the Brokerage's policy that if a customer incurs loss from a PRES Real Estate Agent's negligent estimate of costs, the PRES Real Estate Agent must repay the loss. All document transmissions and conveyances that are MATERIAL to the transaction must be memorialized in hard copy format within the transaction file and have a date and time stamp noted on the correspondence.

## **Real Estate License**

It is mandatory that each PRES Real Estate Agent hold an active State of Hawai'i Real Estate License and maintain the following:

- ❖ Proof of continuing education compliance no later than fifteen (15) days prior to the applicable license renewal date.
- ❖ Current Membership in Kauai Board of Realtors® and the National Association of REALTORS®.
- ❖ DCCA – Professional Vocational Licensing Requirements.
- ❖ The PRES Real Estate Agent is financially obligated to all fees required to ensure continual licensure.

## **Referral Fees**

Out of State referral fees will be paid from the PRES Real Estate Agent's gross commission and must be paid through Pacific Real Estate Services, LLC to the respective referring Outside Agency. When dealing with out of state brokers, Pacific Real Estate Services, LLC shall request written evidence that the broker is licensed (copy of current license) and that the broker is actively practicing real estate in his or her state, before agreeing to pay a referral fee. All referral fees shall be negotiated and agreed to in writing prior to the issuance.

Interoffice referrals and commission splits must be formalized by written agreement and acknowledged by all parties. The document should be placed in the transaction file, and each PRES Real Estate Agent should keep a copy. When the commissions are to be paid, the Broker should be given a copy of the agreement so that commission checks can be properly prepared.

## **Risk Management**

- ❖ STEP 1 - Spot the issue: Identify the problem in the transaction.
- ❖ STEP 2 - Discuss the matter with the Principal Broker: Develop a plan of action to address the issue presented in the transaction. When the circumstances require, your plan of action should include a referral to an appropriate expert or professional.
- ❖ STEP 3 - Discuss the matter with the Buyer or Seller: Describe the issue presented in the transaction. Discuss possible courses of action, including the retention of experts or professionals. Ask Buyer or Seller for further instructions after they have consulted with their expert or professional.
- ❖ STEP 4 - Document contact with the Buyer or Seller: Maintain a phone log, print email messages, and keep signed copies of confirming letters. In your documentation, confirm the nature of the issue, your suggested plan of action, your referral to appropriate experts or professionals, and your request for further instructions.
- ❖ Copies of all written communications, and notes on all verbal communications, shall be retained in the Office Filing system or Client transaction file.
- ❖ In addition, all Escrow transaction related communications must be maintained in hard copy format in the transaction file.
- ❖ In many cases, common sense advice such as keeping a good paper trail is all you need. Situations need to be promptly documented and brought to the attention of the Principal Broker before a situation gets out of hand. When in doubt, immediately notify the Principal Broker at the first sign of a problem or concern and do not wait for a situation to escalate.

## **Sales Transactions**

Disclosure that a Real Estate Professional is acting on behalf of the Buyer or Seller must be made verbally before any binding agreement is made and must also be in writing and agreed upon by all parties involved. It is the responsibility of the PRES Real Estate Agent to disclose agency prior to any real estate information being provided to a Buyer or Seller.

When a PRES Real Estate Agent buys or sells personal real estate, the Seller or Buyer must be informed about the PRES Real Estate Agent's current license status, and must be made aware that the PRES Real Estate Agent is not representing the interests of the other party. To protect all parties, this fact should be clearly revealed in the listing and/or contract for sale and purchase, and in all discussions.

When a PRES Real Estate Agent buys a personal property, the commission due the company will always be paid in full. The PRES Real Estate Agent can choose to credit his or her own share of the commissions towards the purchase price. When a PRES Real Estate Agent sells their own personal property or a property they, or an entity in which they, have an interest in, the Brokerage will collect no commission on the first sale in any twelve (12) month period. On the second sale, Pacific Real Estate Services, LLC expects a \$500 processing fee and on the third and any subsequent sales, Pacific Real Estate Services, LLC expects a \$1000 processing fee.

## **Sexual Harassment Policy**

Harassment or badgering of any nature will not be tolerated and the PRES Real Estate Agent will be released.

## **Termination or Release**

The release of any PRES Real Estate Agent shall be subject to the terms and provisions contained in the aforementioned Policy and Procedures manual.

## **Work-Related Injury/Accident & Incident Reports**

Report ALL injuries and accidents to Principal Broker and record in the Floor time log or if it occurs while sitting open house notify all appropriate parties immediately.

## Signature Page

This manual is a living, fluid document. By signing below you agree to abide by the terms of this agreement.

Any updates to this Manual will be made per the aforementioned **Memoranda, Articles, Notices or Other Written Materials**. By replying to any E-Mail with the subject line that says PRES Real Estate Agent Manual Update or providing a written acknowledgment is your confirmation of receipt and agreement to abide by those changes.

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PRES Real Estate Agent Name (Print)

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PRES Real Estate Agent Signature

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Date

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Jeff Olson - Principal Broker Signature

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Date

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Commission Split

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Date

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Commission Split Revision

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Date

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Jeff Olson - Principal Broker Signature

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Date