



FIRM POLICIES AND PROCEDURES

Our Mission Statement

Our purpose is to fulfill the dreams of home buyers and sellers by delivering world class service to our clients while *also providing Haven Real Estate Group's associates opportunities to grow and build their future.*

We accomplish our mission by incorporating our values—every day:

Put People First | Always do the Right Thing | Commit to Excellence

STATEMENT OF BUSINESS PRINCIPLES

The following principles form the basis for executing the mission statement of Haven Real Estate Group, LLC Agents, management and staff of the company work as a team to accomplish the mission statement and will abide by these principles.

1. **PROFESSIONALISM:** Professionalism at Haven Real Estate Group, LLC means approaching the business with ethical conduct toward our customers and clients. Abiding by the **REALTOR® CODE OF ETHICS** forms the basis of that standard. Secondly, continuing training and education keep us informed and at the peak of awareness for customer and client. Each agent and employee of Haven Real Estate Group is pledged to these ideals.
2. **INTEGRITY:** Simply put, honesty in all business dealings is the best way to get and keep business over the long term. Simple honesty also forms the basis for the best business protection we can get. It is a simple, effective, efficient and cost effective risk reduction method.
3. **PROFITABILITY:** Haven Real Estate Group, LLC is in business to make profits in the course of its ordinary activity. Each agent and staff member has a responsibility to the company to contribute to its profitability, whether it is in terms of direct production of revenue or careful expenditure of company funds.

This Office Policy Manual for Haven Real Estate Group, LLC is designed to guide each agent and staff member in the most important areas of company activity. If a matter is not covered, bring it to the attention of the President/Owner for possible inclusion in future revisions. If a matter is covered, the agent or staff member is expected to act according to this Manual. Failure to act in accord with company policy will be taken into account in future evaluations and/or retention of the agent or staff member.

Haven Real Estate Group, LLC welcomes each new agent and employee to the business of professional, ethical and profitable real estate sales.

THE SEVEN CHARACTERISTICS OF A PROFESSIONAL

1. **Specialized knowledge based on extensive preparation.** Being a professional does not happen overnight. It requires many hours of study and preparation. Professionals are expected to maintain a high knowledge level and expertise. Organizations compensate professionals for their knowledge.
2. **Participates in ongoing training and development.** A professional firmly believes in staying current in their field. This means that a professional is committed to continued training and development.
3. **Accepts responsibility.** Professionals seek and accept responsibility. A professional is always on time and never leaves a job incomplete. They can be trusted and given high levels of responsibility within the organization. A professional is handed tasks at such a high level, that poor performance can reflect poorly on the entire organization not just the individual.
4. **Have a sense of ownership of their work.** Professionals feel a sense of ownership and pride in everything they do. Professionals work, not to just meet organization standards, but most importantly meet the standards of their own pride in their work. Professionals work for the organization as if they were working in their own business.
5. **Maintain a collective networking spirit outside of the organization.** Professionals understand that their work is not limited to their organization. They understand the importance of professional relationships outside of work with others in the same field.
6. **Maintains high standards of ethics and integrity.** Professionals are driven by a code of ethics. They have a strong sense of right and wrong. Their integrity ensures that they adhere strongly to a set of values about how they do their work. Integrity leads management and others to trust the professional. They say what they will do and do what they say.
7. **Maintains high standards of performance.** Professionals have high levels of expectations both of themselves and others. They are determined to always do the right thing and do it well. Doing a job well is more important to a professional than the number of hours that they log on the clock. A true professional is unsatisfied with poor performance. While money may be important, it is not the driving force behind the professional's desire to put forth exemplary work.

It is clear that a professional is defined differently than an average worker. While not every professional will possess every quality of a perfect professional, they do possess most of the traits as defined.

QUALITIES OF A SUCCESSFUL REAL ESTATE PROFESSIONAL

1. Should have a strong internal desire to succeed and have the ability to set and attain goals.
2. Should be able to give to others more than they receive; i.e. to their clients/customers, business acquaintances, associates.
3. Should have the proper balance of ego drive and empathy: The ability to step on someone's shoes without destroying the shine.
4. Should be enthusiastic about themselves, the Real estate business, and continual real estate training.
5. Should like people and want to get involved with them to help them buy or sell property.
6. Should be able to think on their feet and effectively apply their training to their work.
7. Should be competitive in nature, but believe that selling is a cooperative reality and a win-win situation for client/customer and for associate. Should be honest and have high integrity.
8. Should be physically able to sustain long hours with high integrity.
9. Should have a neat and clean appearance.
10. Should be skilled in the psychology of good communication techniques.
11. Should be persistent and able to take rejection.
12. Should be able to seek positive, creative solutions to solve problem/challenges.
13. Should be willing to become part of a team of associates all working together for a common cause.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is Haven Real Estate Group, LLC policy to provide equal employment opportunities without regard to race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service, to all qualified employees and applicants for employment. This policy applies to all areas of employment, job assignment, training, promotion, transfer, compensation, discipline and discharge. The company abides by all federal, state and local laws regarding employment practices, including, but not limited to the Americans with Disabilities Act.

POLICY AGAINST SEXUAL HARASSMENT

Any harassment of an associate, whether agent, employee or applicant, because of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service is clearly prohibited and will not be condoned. Sexual harassment is one particular form of discrimination which is illegal and violates the company's longstanding equal employment opportunity policy. Haven Real Estate Group, LLC, maintains a strong policy prohibiting any form of sexual harassment.

No agent, employee, staff member, customer or vendor, male or female, may sexually harass an employee, agent or other person associated with the company by:

1. Making unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexually suggestive nature; or
2. Making submission to or rejection of such conduct the basis for employment, continued employment or any other employment decision affecting the employee; or
3. Creating an intimidating, hostile or offensive working environment by such conduct.

Any agent or employee who has been found to have sexually harassed another agent or employee will be subject to appropriate discipline up to and including discharge from association or employment.

This policy applies equally to any work-related sexual harassment by or to both men and women employed by or associated with the company or who deal with the company in our business, and it is not limited to supervisor/employee or manager/agent relations or to conduct occurring on premises or during working hours.

Any agent or employee who believes that he/she is being or has been sexually harassed by another agent or employee should promptly take one or more of the following steps:

1. If appropriate, discuss the situation directly with the person whom you feel is harassing you, and politely request that the person cease harassing you because you feel you do not like or welcome his/her conduct. You might also add that if such conduct does not cease altogether, you will take further steps under this procedure. (If the person involved is a customer or client, please refer the complaint to senior management instead.)
2. If you believe that some adverse employment consequence may result from your discussions with that person, or if the harassment continues, go to a higher level of supervision including any senior executive of the company. You may be required to state in writing the specific details of the harassing behavior including date, time, place and witnesses, if any.
3. An investigation of any complaint will be undertaken immediately. All complaints will be handled in a prompt, confidential manner insofar as the investigation permits. There will be no adverse action directed toward any complaining agent or employee or witness as a result of making or supporting the complaint, unless there clearly was bad faith.

FAIR HOUSING POLICY

Haven Real Estate Group, LLC believes that fair housing policies are not just the law of the land but simply the right thing to do. Haven Real Estate Group, LLC maintains a strong policy upholding all federal and state fair housing laws and Article 10 of the REALTOR Code of Ethics and the NAR Code of Fair Housing Practices. In addition, Haven Real Estate Group, LLC requires each agent and staff member to participate in periodic fair housing education.

Accordingly, Haven Real Estate Group, LLC, prohibits any agent or staff member from discriminating against any person in the provision of any of the Company's services because of the person's race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, familial status, military status, sexual orientation, unfavorable discharge from military service, or any other class protected by Article 3 of the Illinois Human Rights Act. The parties agree to comply with all applicable federal, state and local fair housing laws, including the all Chicago Ordinances banning discrimination based on source of income. CHA's Housing Choice Voucher (Section 8) holders will be shown any and all properties they want to view that they are within the financial parameters they define.

Among the prohibited practices which are against this policy and the law are:

1. Refusing to show, sell or rent based on a person being a member of a protected class.
2. Different treatment/disparate treatment to persons of a protected class.
3. Steering: A person shall not encourage or discourage another from moving into any area because of the race, color, religion, sex, handicap, marital status, familial status, ancestry, age, military status, sexual orientation, or order of protection status.
4. Discriminatory advertising that "expresses" a preference for buyers or tenants of a particular race, color, religion, sex, handicap, marital status, familial status, national origin, ancestry, age, military status, sexual orientation, or order of protection status, or any advertising that would discourage anyone from making an application for housing such as "Not section 8 approved".
5. Harassment (i.e., coercion, intimidation, threats or interference with a person's fair housing rights or because a party is abiding by fair housing law).
6. Applying more burdensome criteria to applicants of protected classes.
7. Blockbusting/Panic Peddling: A person is prohibited from inducing or attempting to induce another to sell or rent a property by making any express or implied representations regarding the entry or prospective entry into a neighborhood of a person or persons of any particular race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service, or any other class protected by the State of Washington. The parties agree to comply with all applicable federal, state and local fair housing laws

Agents and staff should be aware that persons with AIDS are considered handicapped and "familial status" means families with children under the age of 18 years, an individual who is pregnant or an individual in the process of obtaining legal custody of a person under the age of 18 years.

Haven Real Estate Group, LLC **has** agreed to and adopted the Fair Housing Partnership as adopted by the National Association of REALTORS® and the Department of Housing and Urban Development. Each agent and staff member of Haven Real Estate Group, LLC is required to participate in Association and/or Company education regarding the Partnership.

ANTITRUST POLICY

Haven Real Estate Group, LLC maintains a strong policy against any antitrust involvement by the Company, its agents or employees. Few obligations can be taken more seriously than those in this area. Haven Real Estate Group, LLC requires each person associated with the Company to participate in antitrust education and acknowledge his/her understanding of these principles.

Two areas are the primary antitrust focus.

1. **PRICE FIXING:** Price fixing means any agreement, setting, consent to, suggestion or implication with a competitor regarding a fee to charge. This includes fees charged to the public, fees split among brokers and fees paid to agents. "Agreement" can be overt, covert, express or implied. It is very broad and can even be suggested or implied by casual conversation with any competitor.

Accordingly, Haven Real Estate Group, LLC, its agents and staff are prohibited from discussing with any competitor, including an individual agent, any aspect of the fees the Company charges or how total fees are split. Haven Real Estate Group, LLC determines its charges based on the Company's own independent internal analysis of its expenses, its revenue, its desired profit level and its choice of the type and level of service it desires to provide.

In any discussion with a member of the public about our charges (such as a listing appointment), the only acceptable answer about why the Company charges what it does is the foregoing explanation. Do not be drawn into a discussion about Company fees as "the standard rate," "the Association rate," "the typical rate" or the like. If questions arise about other Company's fees, suggest that the potential client call several competitors and ask about their rates.

2. **BOYCOTTING COMPETITION:** It is also a violation of federal law to make any agreement, express or implied, with a competitor to boycott or otherwise not deal with a third party competitor. For example, assume Discount Realty opens up an office. Then assume Bob Broker, an agent with Big Bucks Broker, and Alice Agent, an agent with Just As Big Broker are having lunch one day and discuss the competitive impact of Discount Realty. Bob and Alice agree that Discount is a danger to their large listing portfolios and further agree that individually they will not show Discount's listings because "Something has got to be done about that price-cutting monger." This simple agreement with two agents is an illegal boycott. Even if it were implicit and not overt, it could be construed as an illegal boycott.

Haven Real Estate Group, LLC prohibits any agent or staff member from making any agreement or suggestion with a competitor, including an individual agent, that he/she or the Company will not deal with a third broker or agent, whether it be a listing company, buyer's brokerage, discount broker or any other broker or agent whatsoever.

PURCHASING GUIDELINES

Management ***will not be liable*** for the debts of the sales associates. All orders that are NOT approved by the Broker and services placed by the associate directly with the supplier are the sole responsibility of the sales associate.

1. Where applicable the sales associate should make a check payable to the supplier.
2. When local, state or national realty dues are paid, sales associate should make his/her check payable to the board.

In general, associates pay for business personal expenses such as insurance, MLS dues, license fees, trade association memberships, personal sales promotion items and career apparel.

However, in order to maintain consistency in advertising and image, associates should order personal sales material items through the manager or receptionist. All advertising and promotional materials must be signed off by the Managing Broker.

Haven Real Estate Group, LLC name badges are strongly recommended at open houses, listing presentations and showings. Name badges enhance the company image and team spirit by identifying the wearer as part of a large, reliable organization, recognizable to the public through our advertising. Contact the accounting department concerning information on ordering your name badge.

BUSINESS CARDS, BADGES, NAME PLATES

Designation or titles: Each Sales Associate may use the designation Realtor®, or “Broker”. The designation may be used without the express permission of the Managing Broker.

Logo regulations: Business cards and name badges will be ordered from an approved supplier who will print with Haven Real Estate Group logo rules and regulations. In no case will there be any deviation from the Haven Real Estate Group approved layout, format, logo, design, color, or paper and stock specified in the “Agent-Only” page of our website.

Photos on business cards are optional but highly recommended.

BLOGGING & SOCIAL MEDIA POLICY

We've developed this Blogging and Social Media Policy for our mutual protection. As Real Estate professionals, we are in an interesting position; because we are paid to promote our clients homes and our services, we may be regarded with understandable mistrust by the "ordinary person" on the web. Despite this, we are extremely keen to give you the freedom and confidence to experiment (or continue to experiment) with online media in your own way. The freedom and confidence to try out new things, to make the occasional mistake, and to discover new opportunities. Rather than telling you what we think you should do, where possible we've reduced this policy to as short a list as possible of the things that you *must not do*.

We've tried to give you some guiding principles. Please read them and understand them, and you'll be able to make your own decisions about what you should do in a new situation.

Scope

The blogging policy has been extended in an attempt to cover all forms of social media. While you might have believed that the old blogging policy didn't apply to you because you don't keep a blog, you might well already do things like:

- Maintain a profile page on one of the social or business networking sites (like LinkedIn, Facebook, Twitter or Pinterest);
- Comment on other people's blogs for personal or business reasons;
- Leave product or service reviews on retailer sites, or customer review sites;
- Take part in online votes and polls; or take part in conversations on public and private web forums (message boards). You may even have edited a Wikipedia page. Most of these activities can be grouped together under the heading "social media".

So – we've tried to extend this policy to include: "Anything you do online where you share information that might affect your colleagues or clients".

Guiding Principals

1. The web is not anonymous. Assume that everything you write can be traced back to the company, if not you personally.
2. There is no longer a clear boundary between your personal life and your work life.
3. Do not lie or withhold the truth.
4. The web contains a permanent record of our mistakes. But do not try to change things retrospectively. Be honest, straightforward, and respectful, and you will enjoy everything you do on the web.

"All I can promise is that I will be honest with you and never write something I don't believe in because someone is

paying me as part of a relationship you don't know about. Put differently: All I'll hide are the irrelevancies." David Weinberger

Social Media Responsibility – All Media

All your current responsibilities to the company remain in force. For the sake of clarity: whatever you do online:

- It must not interfere with your work commitments;
- You must not contain or link to libelous, defamatory or harassing content, *even by way of example or illustration*;
- You must not publish information that is confidential or proprietary to Haven Real Estate Group, LLC, our affiliates, or our clients; and,
- You must do nothing to bring the company into disrepute. Furthermore:
- You may not use the Haven Real Estate Group, LLC brand to endorse or promote any product, opinion, cause or political candidate; and
- It must be abundantly clear to readers that all opinion is yours, and does not represent the views of the company.

Blogs

- Posts must not contain or link to pornographic or indecent content;
- The company has the right to remove any content;
- Employees, Agents and independent contractors must not use company blogs to promote personal projects. Links to your social media presences can be included in your blogger profile, and on your byline)...
- All materials published or used must respect the copyright of third parties

Personal blogs, social networks, forums, microblogs, social news etc.

- No paid blogging.

Certain companies will pay bloggers to post articles about or reviews of their advertisers' products on their blog (or other social media presence). You may not do this.

Anonymous or pseudonymous

- Write as though everyone knows who you are. Do not hide behind anonymous or pseudonymous postings
- You shall not maintain anonymous accounts on Social Media sites for the purpose of seeding, voting etc. Only named accounts can be used for client work.

Named

- Your profile must include an explicit statement that you work for Haven Real Estate Group, LLC. Include the following minimum information: "I work for Haven Real Estate Group, LLC."
- You may repost your own stories, between your blog and a company blog. However (except by prior arrangement) explicit reference must be made on your blog towards the company blog ("cross-posted at [www.SpokaneHaven.com]", "reposted at [www.SpokaneHaven.com]" or "reposted from [www.SpokaneHaven.com]")

Friends & Connections

Use your own best judgment in deciding whether and how deeply to connect to clients, peers, supervisors, vendors and journalists on social networks. Understand that the agency stands fully behind your right not to befriend anyone who requests this in a professional relationship, just as you have that right personally.

Comments on blogs, forums, etc

- You must never post anonymous comments.
- For various reasons, sometimes you may want to comment using a nickname. Write as though everyone knows who you are.
- Where relevant, include an explicit statement that you work for Haven Real Estate Group, LLC. If you're working on behalf of a client, say "I work for Haven Real Estate Group, LLC, on behalf of my client", not "I work for [client]."

Consider carefully when something may be relevant. A comment on a friend's blog or wall is still a comment in a public space. Be guided by the content of your comment, not the context.

AGENT EXPENSES

The agent will be expected to pay for all other expenses, including these particular expenses.

- Cell Phone.
- Automobile.
- Automobile Insurance.
- Hospitalization Insurance.
- Transaction Fee (\$300 per Transaction)
- Monthly Brokerage Fee (\$100 per month)
- Haven Real Estate Group, LLC name badge.
- SAR (Spokane Association of Realtors) membership dues.
- MLS dues.
- Business cards.
- Car signs.
- Yard signs.
- Name riders on yard signs.
- Open House Signs.
- All advertising over and above company sponsored advertising.
- All advertising not authorized and placed by the company.
- Professional membership fees and dues.
- Any expense not previously approved by the Managing Broker.
- Gifts to customers, business entertainment/meals.

SMOKING POLICY

Smoking is prohibited in any office of Haven Real Estate Group, LLC including private offices, conference rooms, rest rooms and areas not normally accessible to the public. Smoking is only permitted outdoors in an area that is located at least 50 feet away from any door to the building.

SUBPOENAS AND SUMMONSES

If a process server appears in the office with a subpoena or summons for the company, any employee or agent should accept it. Once accepted, it should immediately be turned over to the managing broker. The managing broker should immediately contact the President or other officer of the company. In the absence of any of these persons, the managing broker should contact the company's attorney. If the process server asks for a specific person, only that specific person may accept the subpoena or summons. If that person is not in the office, the person receiving the inquiry should not volunteer any information about the person requested and should not give out home phone numbers or home addresses, even if asked. Refer the inquiry to the managing broker immediately.

INQUIRIES/VISITS BY GOVERNMENT OFFICIALS

Any inquiry by a government official, whether by telephone, letter or in person, should immediately be forwarded to the managing broker. In the absence of the managing broker, the name of the official and agency or department he/she represents should be obtained. Then, the President or other officer of the company should be contacted. If none of these persons are available, the person receiving the inquiry should immediately contact the company's attorney by phone and request that she/he come to the office. Unless presented with a valid search warrant signed by a federal judge or a judge of the county in which the office is located, the person receiving the inquiry should not allow any representative from a local, state or federal office to see any files or any information maintained in the office, nor should the person ever answer any questions of such a representative unless the company's attorney is present.

AGENT SAFETY

It is critically important that an agent be aware of safety risks inherent in any business. The residential real estate business presents certain safety risks because of the time of day and week when much of the business is conducted. Haven Real Estate Group, LLC has the following safety policies, guidelines and suggestions:

1. If the agent does not know a customer, try to arrange a meeting at the office or other public place. Another alternative would be to do a basic internet search of the name of the individual(s).
2. NEVER meet a prospect at a vacant house ALONE. ALWAYS take another person with you. DO NOT meet the prospect after dark.
3. ALWAYS let the office or someone at your home know where you will be when showing property, especially, to prospects you are first meeting.
4. When on the showing, DO NOT go to dark areas, basements, garages, or areas without multiple exits. Allow the prospect to view those areas on his/her own and stay in an area which allows for quick exit.
5. ALWAYS drive your own car. DO NOT let a prospect you do not know drive your car. Preferably, meet the prospect at the office, tell the office your destination and expected time of return and drive separate cars to the showing.
6. USE COMMON SENSE. If something doesn't feel right or look right, trust your instincts and remove yourself from the situation.
7. Whether to use self-defense techniques and how to handle a crisis if it occurs are personal decisions. Think about your choices in advance.

WEEKLY COMPANY MEETINGS

Haven Real Estate Group, LLC provides extensive internal training. All team agents are required to attend these sessions. At the company meetings, all changes in company policies are announced; new regulations are reviewed, training initiatives started, and sale contests joined. These meetings are to be considered mandatory. One or two absences are understandable; chronic absences will lead to termination.

USE OF PERSONAL ASSISTANTS

A growing trend in the real estate business is for high producing agents to use specific persons, both licensed and unlicensed, as their assistants. Haven Real Estate Group, LLC encourages the appropriate use of personal assistants as a tool for high earning agents to be even more productive. Several caveats are in order from the perspective of the company. Many of the distinctions are based on whether a licensed or unlicensed assistant is used. Haven Real Estate Group, LLC policies on the use of personal assistants are as follows:

1. **EMPLOYEE v. INDEPENDENT CONTRACTOR:** Whether licensed or unlicensed, the agent must decide whether to associate with the personal assistant (hereafter "PA") as an employee or independent contractor. Remember, that if the PA is licensed the employment or independent contractor agreement will be between Haven Real Estate Group, LLC and the PA.

Serious issues of the right of control, method of payment and direction of the work exist if the agent chooses to have an independent contractor PA. Haven Real Estate Group, LLC, strongly urges the agent to consult with her/his tax consultant and/or attorney to determine the proper procedures in making this choice. If independent contractor status is chosen, all of the issues mentioned above regarding withholding, unemployment taxes, worker's compensation and automobile insurance will be dealt with in the independent contractor agreement between the Haven Real Estate Group, LLC and the PA.

The form of independent contractor agreement used by Haven Real Estate Group, LLC will be signed by the PA unless the agent with whom the PA works indicates otherwise.

If employee status is chosen for a licensed PA the employment agreement will be between Haven Real Estate Group, LLC and the licensed PA with related costs and expenses being charged back to the agent with whom the PA works. The agent should be aware that for an unlicensed PA all employment taxes, withholding reports, unemployment tax reports, worker's compensation insurance and reports and W2 forms are the responsibility of the agent. Haven Real Estate Group, LLC will not be a party to the arrangement between the agent and the unlicensed PA and will not be responsible for any employment activities of the agent.

2. **UNLICENSED PERSONAL ASSISTANTS:** The policy of Haven Real Estate Group, LLC is that unlicensed personal assistants **WILL NOT UNDER ANY CIRCUMSTANCES** perform licensed real estate activities as defined in the License Law. The agent associating with the PA is strictly responsible for maintaining this policy.

If an unlicensed PA does any licensed activities, the agent puts herself/himself in jeopardy of disassociation. The State of Washington Real Estate Board has taken a position as to the types of things unlicensed office personnel may and may not do.

Please review the License Law rules to familiarize yourself with these items. **The policy of Haven Real Estate Group, LLC is that unlicensed personal assistants fall into the same category as unlicensed office personnel.**

The agent is further advised that unlicensed persons may not be paid any fees or commissions. The company will not split commissions with an unlicensed person.

3. **LICENSED PERSONAL ASSISTANTS:** By definition, a licensed PA can perform licensed activities. The license of the PA must be held by Haven Real Estate Group, LLC and any payments for the real estate business must come from Haven Real Estate Group, LLC

The easiest and cleanest way to accomplish this end is for the agent to split commissions as they are earned with the licensed PA in whatever proportion the two parties negotiate. The amount of the split between the PA and the agent should be specific and regular and should not vary per transaction. The company requires written agreements between the company and both agents to delineate the relationship and also requires the PA and agent enter into a written agreement defining the relationship and specifying the compensation arrangement.

FUNCTIONS OF UNLICENSED OFFICE PERSONNEL

The policy of Haven Real Estate Group, LLC regarding the functions and use of unlicensed office personnel follow the License Law rules promulgated by IDFPR. The general policy is that unlicensed office personnel (secretaries, assistants, personal assistants, receptionists, accounting personnel, etc.) are to be used in a support role to the main real estate business function of the company. **UNDER NO CIRCUMSTANCES** will unlicensed office personnel be allowed to engage in licensed activities.

"Engaging in licensed activities" means doing any of the acts for which a license is required as defined in the License Law.

License Law rules explicitly allows for the use of unlicensed clerical personnel to support licensed activities but strictly limits their ability to perform licensed activities.

The Rule governing unlicensed PA's states that the unlicensed PA may:

1. answer the telephone, take messages, and forward calls to a licensee;
2. submit listings and changes to a multiple listing service;
3. follow up on a transaction after a contract has been signed;
4. assemble documents for a closing;
5. secure public information from a courthouse, sewer district, water district, or other repository of public information;
6. have keys made for a company listing;
7. draft advertising copy and promotional materials for approval by a licensee;
8. place advertising;
9. record and deposit earnest money, security deposits, and rents;
10. complete contract forms with business and factual information at the direction of and with approval by a licensee;
11. monitor licenses and personnel files;
12. compute commission checks and perform bookkeeping activities;
13. order a sign for a property from an approved installer;
14. order items of routine repair as directed by a licensee;
15. prepare and distribute flyers and promotional information under the direction of and with approval by a licensee;
16. act as a courier to deliver documents, pick up keys, etc.
17. schedule appointments for the licensee (**this does not include making phone calls, telemarketing, or performing other activities to solicit business on behalf of the licensee**);
18. gather feedback on showings;

19. provide concierge services and other similar amenities to existing tenants;
20. manage or supervise maintenance, engineering, operations, building trades and security;
21. perform other administrative, clerical, and personal activities for which a license under the Act is not required.

An unlicensed PA may not:

1. host open houses, kiosks, or home show booths or fairs;
2. show property;
3. interpret information on listings, titles, financing, contracts, closings, or other information relating to a transaction;
4. explain or interpret a contract, listing, lease agreement, or other real estate document with anyone outside the licensee's company;
5. negotiate or agree to any commission, commission split, management fee, or referral fee on behalf of a licensee; or
6. perform any other activity for which a license under the Act is required.

PAYMENTS TO UNLICENSED PERSONS

Haven Real Estate Group, LLC maintains a strong policy that no unlicensed person will be paid for any real estate activity requiring a license. The License Law makes clear that an unlicensed person may not be paid for engaging in licensed activities.

INDEPENDENT CONTRACTOR/ EMPLOYEE AGREEMENT

Haven Real Estate Group, LLC has a policy of associating with its licensees as independent contractors or statutory non-employees (independent contractors). Each agent will be required to sign the Haven Real Estate Group, LLC Broker (Designated Broker-Broker Contract) agreement setting out the relationship as an independent contractor. While the exact terms of the relationship are covered in the contract, a few reminders about being an independent contractor follows:

1. **Income Taxes:** All income taxes, federal and state, are the responsibility of the agent. The company does not withhold or pay Social Security taxes on commission earnings. Self-

employment tax must be paid by the agent.

- *2. **Unemployment Taxes:** As an independent contractor, the agent is not covered under state or federal unemployment laws. Independent contractor real estate agents acting under an agreement such as the Haven Real Estate Group, LLC form, are exempt from the unemployment laws by Illinois statute. Accordingly, Haven Real Estate Group, LLC does not pay unemployment taxes on the earnings of its agents.
- *3. **Automobile Insurance:** Each agent should carry adequate automobile insurance to protect not only the agent but also the customer or client. In today's legal climate, liability coverage of \$100,000.00 per person \$300,000.00 per accident should be obtained. Any lesser amounts could cause unnecessary exposure of personal assets. Consult carefully with your insurance agent. **The agent must name Haven Real Estate Group, LLC. as an additional insured and provide Haven Real Estate Group with a certificate reflecting that status.**

Each agent is reminded that state law requires each person in the front seat of an automobile to wear a seat belt. In addition, state law requires that any child age four or younger must be in an approved child restraint system when seated in a vehicle. To reduce risk, we strongly recommend that you insist that all occupants of your vehicle wear safety belts and that all children age four or younger sit in an approved child restraint system.

You should also note that any infant's car seat, (children approximately one year or younger) should not face forward, but should face the rear of the vehicle. In cars equipped with passenger side airbags, a car seat should never be installed in the front passenger seat but always installed in the rear seat(s). In addition, children and small adults should not sit in the front passenger seat. Airbags are known to release with such force that injury or death is possible for children and small adults.

INDEPENDENT CONTRACTORS AGREEMENT

THE TERM OF THIS AGREEMENT IS FOR ONE YEAR. IT SHALL RENEW EACH YEAR FROM THE EXECUTION OF THIS AGREEMENT.

This agreement made this _____ day of _____, by and between Haven Real Estate Group, LLC, party of the first part, Robert Henry, hereinafter referred to as the **Designated Broker**, and _____, party of the second part, hereinafter referred to as Broker, for and in consideration of their mutual promises and agreements and for their mutual benefits, witnesseth.

Whereas, said Designated Broker is now engaged in business as a general Real Estate Broker in the County of Spokane, City of Spokane, State of Washington, and is qualified to and does operate a general Real Estate business and is duly qualified and does procure the listings of real estate for sales, prospective purchasers and has and does enjoy the good will of, and a reputation for, dealing with the public.

Whereas, said Designated Broker maintains an office in said County, properly equipped with furnishings and other equipment necessary and incidental to the proper operation of said business and staffed with independent contractors (Brokers) and employees, and is now and has been engaged in business as a Real Estate Company and has enjoyed and does enjoy a good reputation for fair and honest dealing with the public as such.

Whereas, it is deemed to be to the mutual advantage of said Designated Broker and said Broker to form the association hereinafter agreed to under the terms and conditions hereinafter set out, therefore:

1. The Designated Broker agrees to make available to the Broker all current listings of the office, except those the Broker may find expedient to place exclusively in the temporary possession of some other Broker, and agrees to assist the Broker in his/her work by advice, instruction, and full cooperation in every way possible.
2. The Designated Broker agrees that the Broker may share with other Brokers all the facilities of the office now operated by said Designated Broker in connection with the subject matter of this contract, which offices are now maintained at: 304 W Pacific Ave; Suite 360; Spokane, WA 99201.
3. The Broker agrees to work diligently and with his/her best efforts to sell, lease or rent any and all real estate listings with the Designated Broker, to solicit additional listings and customers of said Designated Broker, and otherwise promote the business of serving the public in real estate transactions to the end that each of the parties hereto may derive the greatest profit possible.
4. The Broker agrees to conduct his/her business and regulate his/her habits, so as to maintain and to increase the good will and reputation of the Designated Broker, and the parties hereto agree

to conform and to abide by all laws, rules, and regulations of the State of Washington and the Designated Broker, and codes of ethics that are binding upon or applicable to real estate Brokers.

5. By the signing of this agreement, it shall be known that the above named Broker will be performing professional services for the Designated Broker as an independent contractor and that the Broker will not be subject to the will and control of the Designated Broker, nor will the Designated Broker have the right to control either the method and the result of the services so performed.

This agreement does not constitute a hiring by either party. It is the parties intention that the Broker be an Independent Contractor and not Designated Broker's employee, and in conformity therewith, that Broker, except as required by law, shall retain sole and absolute discretion and judgment in the manner and means of carrying out Broker's selling and soliciting activities. The parties are hereto and shall remain independent contractors bound by the provisions of this agreement.

6. Further, it is agreed that the Designated Broker will not be held responsible for the collection and payment of taxes or contributions of any nature on behalf of the Broker including, but not by way of limitation, contributions on behalf of the individual for Federal Social Security (F.I.C.A.) for Federal and State Unemployment Compensation, for State Labor and Industry Insurance, for State Real Estate Commission registration, for State, county and municipal occupational licensing or for any insurance, annuity, or retirement program in which the individual may participate as part of a collective group.
7. In performing these professional services to the public, the Broker will pay all his or her own travel and entertainment expenses.
8. The usual and customary commissions shall be charged for any service performed hereunder, and the Designated Broker shall advise the Broker of any special contract relating to any particular transaction that he/she undertakes to handle. When the Broker shall perform any service hereunder whereby a commission is earned, the said commission shall, when collected, be divided between the Designated Broker and the Broker, in which division the Broker shall receive a proportionate share as set out in the rider attached headed "Commission Schedule" and the Designated Broker shall receive the balance. In the event of special arrangements with any client of the Designated Broker serviced by the Broker, whereas a special division of commission may apply, such rate of division is to be previously agreed upon the Designated Broker and the Broker. In the event that two or more Brokers participate in such a service, or claim to have done so, the amount of the commission over that accruing to the Designated Broker shall be divided between the participating Brokers according to the agreement between them, which shall be agreed to in writing and witnessed by the Sales Manager of the office, or by arbitration. In no case shall the Designated Broker be personally liable to the Brokers for any commissions, or shall the said Broker be personally liable to the said Designated Broker for any commissions, but when the commissions have been collected from the party or parties for whom the service was performed,

the said Designated Broker, in the event such commissions are paid to it, shall hold the same in trust for said Brokers, to be divided according to the terms of their agreement, and in the event such commissions are paid to said Brokers, the said Brokers shall pay over to said Designated Broker its proportionate share of such commissions according to the terms of this agreement.

9. It is agreed by the Broker that all listing leads and all leads to prospective buyers are the property of the Designated Broker at all times, and must be returned to the Designated Broker at the time of termination of the individual's services, or upon demand by the Designated Broker. Further, since the leads always remain the property of the Designated Broker, the Broker, if terminated, will refrain from soliciting business from all principals involved in the property leads, and leads of prospective buyers, for a period of one year following the date of termination.
10. The Broker will hold the Designated Broker harmless against all suits, claims, and obligations which the individual may incur in performing his services as an independent contractor, and the Broker shall have no right to bind, contract, or obligate the Designated Broker in the performance of his/her services even though the individual, for purposes of sales promotion only, may be termed as "Broker" by the Designated Broker. In the event any transaction, in which Broker is involved results in a dispute, Broker shall fully cooperate with the Designated Broker. Broker agrees to indemnify Designated Broker and hold Designated Broker harmless from all claims, demands, and liabilities, including costs and attorney's fees to which Designated Broker is subjected by reason of any action by Broker taken or omitted pursuant to this agreement, not reimbursed by any insurance coverage carried by Designated Broker. This indemnity shall be limited to the following: Broker's violation of fiduciary responsibility to clients, fair housing and discriminatory violations, anti-trust violations, or Realtor board violations.
11. It is understood that the Broker will abide by all laws, ethical practices, and regulations promulgated by the State of Washington and will adhere to the procedure and policies of the Designated Broker that are currently in force and as they are changed from time to time, including attending all company meetings where new office policies and procedures are explained and discussed.
12. It is further understood and agreed that the performance of professional services by Broker, as herein set forth, may be terminated at any time without notice. The terminated Associate can share in the commission on transactions entered into prior to termination that result in closings after the associate leaves the company. The company, however, will charge a follow-up fee of 20% of the agent's commission with the Designated Broker.
It is further agreed that said Broker agrees to fulfill, to the best of his or her ability, the following terms and conditions:
 - A) Broker agrees to receive his or her CRS (Certified Residential Specialist), GRI (Graduate of the Real Estate Institute), and ABR (Accredited Buyers Representative) designations within 18 months of the date of this Agreement.

- B) Broker agrees to participate, at the Broker's expense, in the personal development course: "The Landmark Forum" and "Advanced Course" within 18 months of the date of this agreement.

- C) Broker agrees, that by signing this document, to all the terms and conditions of Haven Real Estate Group's Firm Policies and Procedures.

Date: _____

Broker:

Print Name

Signature

Address:

Accepted by:

Haven Real Estate Group, LLC, Designated Broker (Designated Broker)

Robert Henry

Date: _____

COMMISSION AGREEMENT

New / In-experienced Agents with less than 3 years of experience and/or fewer than 15 transactions in the previous twelve months will be required to join at a 50% / 50% split, a \$300.00 per transaction fee and a monthly \$100.00 Brokerage Fee. Use of private office space or a designated desk (if available) shall be charged a monthly fee. Leads, photography, business cards, a follow up system, a website, personal marketing, transaction management and weekly coaching will be supplied by Haven Real Estate Group, LLC.

Experienced Agents (an agent who has three plus years' experience AND has closed above 15 transactions in the previous twelve months) shall have an 80% / 20% commission split with 20% of the commission going to the Brokerage and a Cap at \$20,000.00 for each fiscal year as created by the date this document is signed. Additionally, each transaction shall have a \$100.00 transaction fee (this continues after the agent has achieved their Cap - Additionally, L&I, Errors & Omissions Insurance and Washington B&O Tax will be deducted from each transaction.) and a monthly Brokerage fee of \$100.00. Use of private office space or a designated desk (if available) shall be charged a monthly fee.

Teams - shall have an 80% / 20% commission split with 20% of the commission going to the Brokerage. NOTE: Team Leader MUST have a Managing Broker Designation with the State of Washington and have a Supervisory Agreement in place with Haven Real Estate Group.

See the variable cap outlined below.

Additionally, each transaction shall have a \$100.00 transaction fee (this continues after the agent has achieved their Cap). Additionally, L&I, Errors & Omissions Insurance and Washington B&O Tax will be deducted from each transaction. Each additional agent will be responsible for their own monthly Brokerage fee of \$100.00.

Variable Cap:

\$25,000	2 Agents* (Including Team Leader / Managing Broker)
\$30,000	3 Agents (Including Team Leader / Managing Broker)
\$35,000	4 Agents (Including Team Leader / Managing Broker)
\$40,000	5 Agents (Including Team Leader / Managing Broker)
\$45,000	6 Agents (Including Team Leader / Managing Broker)
\$50,000	7 Agents or more (Including Team Leader / Managing Broker).

The Cap resets at the start of each fiscal year as created by the date this document is signed.

LISTING PROCEDURES

Haven Real Estate Group, LLC accepts listings and seeks to build an inventory of available merchandise for sale to buyers of homes and investment real estate. It offers the merchandise directly to the public and by cooperating with other licensed agents.

Listings not only represent "the merchandise on the shelf" but also present a significant area of risk. Traditionally many of the claims filed against real estate agents involve claims of misrepresentation or fraud. It is at the listing level that many of these claims originate. As a listing company, it is imperative that Haven Real Estate Group, LLC develop clear policies to reduce the risk of later claims from oversights and exposures at the time of listing. The following policies apply to all listings taken by Haven Real Estate Group, LLC

LISTING PHOTOGRAPHY

- a. It's the firm's belief that professional photography is an absolute imperative for all listings. Nothing else so readily defines the professionalism of an agent than the quality of photos he choose to display to the world through the MLS, various websites, and a variety of social media outlets. The company cannot permit an agent to diminish his/her own brand, that of his fellow agents, and the company by using less than professional photos even for the lowest priced listing.**
- b. If an agent feels that it's not economically feasible to use professional photos on a listing because of the low commission it will generate, THE AGENT SHOULD NOT TAKE THE LISTING. Professional photography is defined as (1) photos taken by a professional photographer, or (2) photos taken by an agent with a professional quality camera who has formal photographic training.**
- c. No listing will be input unless a minimum of 20 professional quality photos are presented with the listing input sheet. Associates are encouraged to display many more pictures with a virtual tour. The MLS will accept up to 20 photos; Realtor.com , Zillow.com and Trulia.com accept 25+**

MINIMAL MARKETING REQUIREMENTS FOR A LISTING

1. Professional photography as defined in the policy manual.
2. Comprehensive, accurate listing information. No cloning please!
3. Well-written narrative.
4. Clear showing instructions.

5. **Pristine “For Sale” sign with your name, number, email address, and website stated. No agent can ever put up a “For Sale” sign on any property by himself or herself. All signs must be ordered through and installed by a company approved vendor without exception. Any agent installing a sign will be terminated by the firm immediately.**
6. MLS input within 72 hours of contract execution by seller and managing broker, or listing exemption form must be in file signed by seller.
7. True copy of listing returned to seller within 24 hours of execution by managing broker of firm. Only the managing broker is permitted to sign a listing.
8. Check that listing has been accurately downloaded into all major websites in showcase format.
9. Check that the flyer represents the listing properly.

Return inquiries within 5 minutes.

RESIDENTIAL REAL PROPERTY DISCLOSURE FORMS

The Residential Real Property Disclosure Form is a detailed statement by the seller of his/her knowledge of the condition and features of the property. Haven Real Estate Group, LLC has a policy of urging sellers to complete the form and to provide them to buyers in compliance with the state statute. An agent should provide a blank disclosure form to the seller and request the disclosure form be completed on every listing unless the property is exempt from disclosure under state law. It is in the best interest of the seller to complete a disclosure form because it can avoid future misunderstandings with a buyer as to what the seller's knowledge of the condition of the property was at time of listing and because it is required by State law.

In addition, it is a valuable risk reduction tool for Haven Real Estate Group, LLC and assists the Company in complying with its obligations to disclose adverse material facts. By the seller making accurate, factual statements as to his/her knowledge of the property, later controversies as to "who said what" can be minimized.

A listing agent should be careful to make sure that the seller and not the agent complete the Disclosure form and keep it current. If the information becomes inaccurate because the property's condition has changed, a seller could have liability for allowing known inaccurate information to be given to buyers. Once the form is complete the agent needs to make sure that it is delivered to prospective buyers before they prepare an offer to purchase.

Some sellers may refuse to sign a Disclosure form. In Illinois, there is a state law which requires a seller to execute such a statement unless the property or the transaction is exempt. If a seller declines to complete a disclosure form he/she should be referred to his/her own attorney to determine if the transaction or the property is exempt from disclosure. Haven Real Estate Group, LLC **WILL NOT** accept a listing for which a seller refuses to complete a disclosure form unless the property or transaction is exempt.

In completing the disclosure form, the seller her/himself **MUST** fill in the form. A Haven Real Estate Group, LLC agent **MAY NOT** complete the form on behalf of a seller. The responsibility to complete the form under Illinois law is on the seller and not on the agent.

In general, the agent may rely on the statements of the seller. The License Law provides that the licensee owes no duty to conduct an independent inspection of the property for the benefit of the customer and owes no duty to independently verify the accuracy of any statement made by the client.

However, an agent may not ignore any suspect items on the disclosure form just because the seller completed it. If an agent, in his/her reasonable judgment and expertise, suspects that a statement is not accurate, the agent should seek further information from the seller. An example might be a seller who states that there has been no water in a basement in which there are obvious water stains and cracks. An agent's best course is to seek further information from the seller as to the exact nature of their statements and if the seller persists in inaccurate statements then either refuse to take the listing or withdraw as the listing agent. If an agent needs assistance with this type of problem they should contact the managing broker.

ACCURACY OF LISTING INFORMATION

Several "traps" of liability exist in taking a listing. These are covered below. Each Haven Real Estate Group, LLC agent should take careful note of these hazard areas and be particularly diligent in handling these issues.

- a) **ROOM COUNTS:** Haven Real Estate Group, LLC agents must be careful to accurately represent the number of rooms, bedrooms and bathrooms in a property. Generally, questions of whether an area constitutes a room, bedroom or bathroom are resolved by determining whether an appraiser would count the area as such. For example, basement rooms which are below grade are not generally considered rooms, bedrooms or bathrooms for appraisal purposes. Another example is that a room normally must have a closet to be considered a bedroom. Also, "walk-through" rooms are not usually considered separate bedrooms. These ambiguous areas can be denoted by a symbol such as a "+" sign after the room count (e.g. 8+ rooms, 4+ bedrooms) or highlighted in remarks for the property or other descriptive information.
- b) **ROOM SIZES:** The agent should personally measure each room. DO NOT take room sizes from a former listing company's form. Be cautious about taking room sizes from plans. There may have been construction changes not reflected on the plans. Measure room sizes to feet and inches. **(NOTE: Many MLS systems do not allow input of room sizes to feet and inches. In such case, round inches to the nearest foot, e.g., 7 feet 7 inches rounds to 8 feet but 7 feet 5 inches rounds to 7 feet.)** If you have not measured yourself or will not measure, be sure to cite the source of your information so it is clear that it did not come from you.
- c) **EXCLUSIONS/INCLUSIONS:** An agent should pay particular attention to inclusions and exclusions in the sale of the property and verify the seller's intention. For example, if an owner checks off that the master bedroom draperies will not be sold with the house, the agent should verify that this is the seller's intent

and then make clear in any promotional material mentioning draperies that the master bedroom draperies are excluded. Also, it is very important to make sure the exclusion is expressly specified in the contract. The listing information sheet is not usually incorporated into the terms of the contract. Thus, an agent should not rely on the listing information sheet to control the contract but must make sure that the exact understandings of the parties are reflected in the sale contract. Also, it is a good idea to suggest that seller remove an excluded item before marketing the property for sale if possible.

- d) **LOT SIZE:** Lot size and acreage should only be determined from an accurate survey. The agent should NOT attempt to measure lot size on her/his own.
- e) **TAXES:** Taxes should be determined from county tax records or the owner's tax bill. The agent should not rely on the statements of the owner as to tax amounts. If there is a question regarding reassessment between time of contract and time of closing, refer the client to their attorney to negotiate contract language when necessary.
- f) **MODERNIZATION INFORMATION:** Often, good selling features about a property are the updates or upgrades made by the owner. In order to accurately advertise these items, Haven Real Estate Group, LLC requires that the owner verify any information given to us before it can be used in any promotional material on the listing.

Items such as "new" roof, "new" air conditioner, "new" furnace, "new" bathroom, "new" kitchen, etc. are misnomers because of the difficulty in defining what "new" means.

Substantiation of the information means the owner must supply Haven Real Estate Group, LLC with receipts, canceled checks or other proof of payment of upgraded or rehabbed items. Once provided, then Haven Real Estate Group, LLC will accurately advertise and promote these good selling features with language like "New roof, 2000", "New furnace, 2003", "Kitchen remodeled, 2006".

If it is not possible to substantiate modernized features, they can be advertised or promoted as "Newer" or "Recent", as in "Newer furnace" or "Recently remodeled bathroom".

SIGNATURES

Washington law requires written listing agreements to be signed by "the parties." In addition, Haven Real Estate Group, LLC desires that listing agreements be enforceable in every possible situation to ensure that the company and agent will be paid under the terms of the listing agreement.

Because of these factors, agents must secure listing agreements with the signatures of all sellers or the duly authorized representative of all sellers **before the listing will be promoted** or advertised in any way. Agents should be particularly aware in the several situations below:

- a. **SPOUSAL SIGNATURES:** A spouse must ALWAYS sign a listing agreement unless certain conditions exist, as follows:
- (1) A waiver of marital rights given by the non-signing spouse exists and a copy is provided to Haven Real Estate Group, LLC
 - (2) A quitclaim deed made to the signing spouse has been executed and recorded by the spouse not signing and a copy is provided to Haven Real Estate Group, LLC
 - (3) A prenuptial agreement waiving the non-signing spouse's rights exists, a copy of the prenuptial agreement has been given to Haven Real Estate Group, LLC, and legal counsel for Haven Real Estate Group, LLC has consulted with a title company to determine the validity of the prenuptial agreement.
 - (4) A court order provides otherwise.

Most often, these questions come up when the property is titled only in the "selling" spouse's name and the "non-selling" spouse claims that he/she has no interest in the property. Typical situations are a widowed person who has remarried or a divorced person who has remarried. The spouse not on the title ALWAYS has a potential homestead interest under Washington law and MUST sign the listing agreement unless one of the four exceptions noted above exists.

- b. **PROPERTY IN ESTATE:** When property is in an estate, ALL heirs AND spouses must sign. If a Personal Representative (Executor or Administrator) has been named, it is possible that the Personal Representative has authority to sell the property. The agent must secure a copy of the part of the will or court order which empowers the Personal Representative to sell property. The power of sale granted the Personal Representative by a will may not be acceptable to a title company until the time to file a will contest has expired, which is six months after the first publication of notice of Letters Testamentary being issued. Management or legal counsel for Haven Real Estate Group, LLC will consult with a title company to determine if the power to sell in the will is acceptable.
- c. **TRUSTEES:** If a property is held by a trust, the trustee will normally be empowered to sell. However, the agent must secure a copy of the part of the trust which empowers the trustee to sell because some trusts require the signatures of more than one trustee to sell as in the case of an individual and corporate trustee (bank). The trustee's spouse does not sign the listing agreement because the trustee is acting in a representative capacity.
- d. **SELLER INCAPACITATED:** If a seller is not mentally competent to sell, and no acceptable Power-of-Attorney exists, a guardian must be appointed by the court and the guardian must obtain a court order to sell the property. Until such time, the property cannot be sold even if a child, sister, niece, nephew, etc. is also on the title. Also, if a property is jointly owned in this fashion, the spouse of the "second signer" (child, sister, niece, nephew, etc.) must also sign the listing contract. It is possible that a properly drawn Durable Power of Attorney may provide a means to sell this type of property. However, before relying on the Durable Power of Attorney, a title company should be consulted to

determine whether the company will insure the title based on the existing Durable Power of Attorney. Also, refer to the paragraph on Powers of Attorney, below.

- e. **DIVORCES:** A person is NOT legally divorced until a court so orders. A person "in the process of divorce" cannot sign the listing agreement alone. The spouse must also sign, regardless of whether the spouse is living on the premises or the couple has a "legal separation." Once divorced, the person may sign alone. However, if the county records continue to show the property in both names, the agent must secure a copy of that part of the divorce decree which awards the property to the signing spouse for Haven Real Estate Group, LLC files.
- f. **POWERS-OF-ATTORNEY:** A Power-of-Attorney is acceptable for signature on a listing contract. However, not all powers-of-attorney authorize the sale of real estate. A copy of a recordable Power-of-Attorney authorizing the sale of real estate must be secured for the files of Haven Real Estate Group, LLC. Washington law requires a Power-of-Attorney for the sale of real estate to be recorded.

POLICIES OF THE FIRM UNDER WASHINGTON LICENSE LAW

The following policies of Haven Real Estate Group, LLC dba Haven Real Estate Group, (the "Firm"), shall be effective with respect to each licensee of the Firm immediately upon licensure. These policies are not intended to be an exclusive list of Firm policies, and do not replace or take priority over other active policies or procedures of the Firm that are not inconsistent with these policies. These policies are adopted in accordance with Washington license law.

- 1. REFERRAL OF HOME INSPECTORS.** All licensees of the Firm shall comply with Washington laws and rules regarding the referral of home inspectors.
- 2. SUPERVISION OF BROKERS AND MANAGING BROKERS.** License law permits the Firm's designated broker to delegate duties to managing brokers by written agreement signed by both parties. A licensee must hold a managing broker's license to supervise other licensees (including licensed assistants) in the performance of "real estate brokerage services". However, a broker (who is not a managing broker) may supervise activities of a licensed assistant that are not considered licensed activity (i.e. are not "real estate brokerage services"). A broker will use and comply with the Haven Real Estate Group Licensed Assistant Addenda to ensure proper compliance with license law.

The term "Real estate brokerage services" (i.e. licensed activity) is defined at RCW 18.85.011(16) and includes:

- Listing, selling, purchasing, exchanging, optioning, leasing, or renting of real estate;
- Negotiating or offering to negotiate any of those services;
- Counseling or advising buyers, sellers, landlords, or tenants in connection with a real estate transaction;
- Issuing a broker's price opinion, collecting, holding or disbursing funds in connection with an actual or prospective real estate transaction, and performing property management services.

The Washington Department of Licensing, Real Estate Division (“DOL”), has stated that the following activities do not constitute “real estate brokerage services” for purposes of activities of and supervision of licensed assistants:

- Holding an open house that the broker he/she assists has listed for sale;
- Showing properties to clients/customers which have already been shown to that client/customer by the broker he/she assists;
- Providing information to the client/customer that the Broker he/she assists has provided to the assistant.

No licensee may supervise licensed assistants engaged in activity other than the activity identified above without authorized written delegation from the designated broker.

3. SUPERVISION OF NEW BROKERS. All newly licensed brokers shall be subject to “heightened supervision” during the first two years of their licensure.

New brokers subject to heightened supervision must:

- Participate in all required reviews of real estate brokerage agreements and services with the designated broker or authorized delegate;
- Attend all weekly training meetings;
- Submit evidence of completion of clock hour education courses to the designated broker or authorized delegate;
- Secure advice or assistance from the designated broker or authorized delegate when offering brokerage services beyond the broker's level of expertise; and
- Timely submit brokerage service contracts, documents and funds to the designated broker or authorized delegate in accordance with the Firm’s Recordkeeping and File Management policy (set forth below).

4. DELEGATION OF DESIGNATED BROKER DUTIES. The designated broker may delegate certain duties only to managing brokers by written agreement. Such delegation agreements will specifically state the duties being delegated, and will be signed by both the designated broker and the managing broker to whom the duties are being delegated.

5. CUSTOMER FUNDS AND PROPERTY. If any licensee exercises control over real estate transaction funds, those funds are considered trust funds. Trust funds must be kept in a trust account and may not be used for the benefit of any person for whom the funds are not intended. Selling Brokers should use the Haven Real Estate Group Earnest Money Receipt and Instruction form to account for earnest money received from clients.

Brokers must deliver any and all trust funds to the designated broker or authorized delegate within 2 business days of client signature (or sooner, if required by the purchase and sale agreement or other client instructions). The designated broker or authorized delegate will then deposit the funds into the Firm’s trust account, deliver

the funds to the closing agent, or hold the funds according to the client's written instructions.

If trust funds are ever claimed by more than one party, the broker must immediately notify the designated broker or authorized delegate. The designated broker or authorized delegate will promptly provide written notification to all contracting parties to the real estate transaction of the intent of the designated broker to disburse the trust funds. The notification will include the names and addresses of all parties to the contract, the amount of money held and to whom it will be disbursed, and the date of disbursement that must occur no later than thirty consecutive days after the notification date. The designated broker or authorized delegate must also comply with any further requirements set out in the parties' purchase and sale agreement pertaining to disbursement of earnest money.

Washington real estate licensees must handle client funds strictly according to Washington laws and regulations, and the agreement of the parties (as applicable). The designated broker will keep specific trust account records of all transactions involving trust funds, such as account records, receipt journals, checks and check registers, duplicate bank deposit slips, reconciled bank statements, and canceled checks.

6. CONTRACT PREPARATION AND DELIVERY. Listing agreements, leases and purchase and sale agreements shall be prepared in a legal and professional manner using the correct SAR MLS forms and in accordance with industry standards of practice. Broker may not vary, or promise to vary, the preprinted form without prior approval of Designated Broker. Broker shall complete blanks in standard SAR MLS forms at the direction of the client and shall not incorporate extensive or nonstandard language without the consent of Designated Broker or advise clients on the legal effect of any particular clause or term. All agreements shall include an attached legal description, in the form of the last recorded document or "Schedule A" provided by the title company, and initialed by the parties; disclosures as identified in the appropriate Haven Real Estate Group Master Acknowledgement and Receipt of Disclosure Documents; and the Real Property Transfer Disclosure Statement and/or receipt or waiver. Brokers shall immediately communicate notices, offers or counteroffers to the appropriate party.

7. RECORDKEEPING AND FILE MANAGEMENT. The Firm will maintain a file containing transaction records and documents for every transaction. License law does not recognize an "agent file", so brokers will regularly update the Firm's file with documentation in order to comply with license law. Brokers must deliver transaction records and documents to the Firm within 2 business days of mutual acceptance. After mutual acceptance, a broker must deliver additional transaction records and documents to the Firm as they become generated (and no later than 2 days later). The Firm will keep an accurate and up-to-date log of all agreements or contracts for real estate brokerage services in which the Firm or its licensees are involved.

The Firm may maintain the Firm file in hard copy, digitally, or both. All contents of the Firm file will be readily retrievable, whether in a hard copy format or digitally stored. The Firm file will be kept and maintained at a licensed location of the Firm. The file will contain legible copies of all transaction records and documents, including but not limited to the following:

- Brokerage agreements such as listing and buyer agency agreements;
- Purchase and sale agreement and all addenda;
- Any documents signed by any party to the transaction (including but not limited to: Form 17, lead-based

- paint disclosure, real estate pamphlet, etc.);
- Material correspondence;
- Earnest money receipt;
- Closing statement; and
- Any other material documents relating to the transaction.

Transactions that have been closed for at least one year may be maintained at one central facility located in the state of Washington. All records that are maintained off-site will be available for review upon demand of the DOL and maintained in a manner so as to be readily retrievable. A list of all transactions stored off-site will be maintained at the Firm's licensed office. License law requires that the Firm retain the file for three (3) years, although Haven Real Estate Group Guidelines require the Firm to retain files for seven (7) years.

8. ADVERTISING. All advertising and promotional materials, including all social media intended to promote real estate brokerage services, will comply with all laws, local ordinances, rules, and regulations (including Realtor® Association and SAR MLS rules). All advertising and promotional materials including internet advertising, web pages, social media, newspapers, and other visual media must include the Firm's licensed name in a clear and conspicuous manner, and shall also prominently display the Haven logo.

9. UNLICENSED BRAND NAMES. Licensees must conduct business either in the licensee's name as licensed or with reference to an authorized unlicensed brand name. A licensee wishing to authorize an unlicensed brand name will execute a written agreement with the Firm. Licensees must always include the Firm's licensed name in a clear and conspicuous manner in conjunction with use of an unlicensed brand name.

10. BROKER-OWNED RENTALS. Licensees of the Firm who own any rental or investment properties which they directly or indirectly self-manage must not involve the Firm in any way with respect to the management of those properties. Licensees must conduct all business relating to such rental properties outside of the Firm, and without use of any Firm property (including, but not limited to letterhead, fax machine, office space, or mail). Special care must be taken to ensure that tenants are aware that the licensee is in fact a licensee licensed with the Firm and that the Firm is in no way involved in management of the property. Licensees should use an Addendum to all such lease or rental agreements specifically disclosing that the licensee is a Washington state real estate licensee, and that the Firm is expressly not involved in any such lease or rental agreement or with the property in any way.

11. LICENSURE & TERMINATION OF AFFILIATION WITH FIRM. The Firm shall keep and display at all times the physical real estate license of each broker and managing broker licensed to the Firm. When a licensee ceases to continue his/her affiliation with the Firm (either voluntarily or involuntarily), then that person's license shall no longer be in effect. Any licensee wishing to terminate his/her affiliation with the Firm must notify the designated broker in writing of his/her intention to discontinue the affiliation. The designated broker shall thereafter give written notice to the DOL of termination of the affiliation with that licensee. The notice shall include the license being surrendered. If the Firm must terminate a licensee for violation of licensing or agency laws (Chapters 18.86, 18.85, 18.235 RCW), then the designated broker or authorized delegate will file with the DOL a statement of the facts relating to the violation(s). If the Firm ceases to do business, the designated broker will provide DOL with a closing Firm affidavit.

12. HAVEN REAL ESTATE BRAND STANDARDS. Licensees shall comply with the Haven Brand Standards.

13. FCC REGULATIONS AND DO NOT CONTACT LIST. Brokers shall comply with the FCC Do Not Contact Legislation of 2003, the FCC Telephone Consumer Protection Act of 1991 and the Washington State Telephone Solicitation Act of 1990. Brokers must honor consumers' requests not to be contacted again. Brokers agree to reference the "Do Not Contact" list prior to making prospecting calls or sending mailing pieces.

14. OFFICE HOURS AND HOLIDAYS. With the exception of holidays or special circumstances, the office is open to the public Monday through Thursday, 8:30 AM to 5:30 PM; Friday, 8:30 AM to 5:00 PM; and Saturday and Sunday, 10:00 AM to 4:00 PM. The Firm observes the following holidays for which it will be closed each year. New Year's Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve, and Christmas Day. In the event that a holiday falls on a Saturday or Sunday, the Firm may determine an alternate date to be taken as staff holiday time. On occasion, the Firm will shorten office hours on days preceding holidays. Additionally, at the Firm's discretion, the office may be closed on Memorial Day weekend, Labor Day weekend, Thanksgiving weekend or Christmas weekend. The facilities and equipment are available to Brokers for business purposes when the office is not open to the general public. When using facilities in off hours, Brokers are responsible for shutting down equipment and verifying the office is locked and secured.

15. OPENING AND CLOSING PROCEDURES. Doors are to remain locked outside of normal business hours unless otherwise permitted by Designated Broker.

Opening Procedures: Turn on overhead lights in lobby/hallways/conference/resource room (main light switch).

Closing Procedures: Turn off all overhead lights in lobby/hallways/conference/resource room and clean up as needed. Do NOT turn off computers, copiers. Verify outside doors, including side door, are securely closed and locked.

16. OFFICE MEETING AND TOUR. Office meetings are held Tuesday mornings at 10:00 AM in the Resource Room for the purpose of providing Brokers with information, announcements, legal updates, current trends, and listing updates. Brokers shall wear business attire and conduct themselves in a professional manner while touring clients' homes, or in the office and while representing the Firm.

17. FULL TIME COMMITMENT. Broker agrees to commit their full effort to their real estate business. If necessary, Brokers should enlist the resources of a partner or colleague if they will be away or unavailable. Broker shall advise the administrative staff as to when and how Broker can be reached or who will be covering their business during any absence. Broker understands that failure to make appropriate arrangements for coverage may result in Firm appointing another Broker to assist client and adjusting the absent Brokers' commission as appropriate.

18. PROFESSIONAL CONDUCT AND APPEARANCE. Broker will conduct themselves in a manner that reflects the utmost professionalism when in the office or in the presence of customers or potential customers. Business

attire will be worn in the office and on tour. Casual attire is acceptable when briefly stopping into the office, provided that Broker is discrete and does not conduct business, attend meetings or tour homes. Brokers will not conduct outside business through the office, or use staff or office equipment for the purpose of outside business.

19. COPYRIGHT OF FIRM CREATED MATERIALS. Staff created presentation materials, logos and designs are copyrighted by the Firm, exclusive of any Broker provided text, photos or artwork, and only for use by the Broker they were designed for and during their affiliation with the Firm. Staff will not share the content with any other Broker without the express permission of the Broker they were created for. The office will maintain all original documents and publications. Broker may request a secure PDF copy if needed.

20. OFFICE EQUIPMENT. Office computers and equipment are available to all Brokers for use pertaining to real estate activities only. Brokers shall not install or remove programs, change/reconfigure settings, or consume food while at office computer workstations. Brokers may print directly to the office printer.

Brokers will not be billed for staff-printed CMAs or buyer, pre-listing and listing presentations printed for a specific client. The Firm has the discretion to limit free prints as it deems reasonable. Broker further understands that Broker's folder is not password protected and could be viewed by others. Broker is strongly advised to purchase a portable flash drive to store important documents.

21. GUESTS IN THE OFFICE. Due to the nature of the workroom environment, guests are not permitted in the resource room. They may be in Broker's office area provided that their presence is not disruptive to other Brokers or fellow office mates.

22. PERSONAL PROPERTY. Firm does not carry insurance covering losses or damages of any kind to Brokers' personal property and equipment. It is highly recommended that Brokers contact their own insurance carrier for appropriate coverage.

23. INQUIRIES AND INTERNET LEADS. Inquiries and internet leads from prospective clients will be forwarded to the first available Broker in the office. Brokers desiring incoming leads should let the staff know they are interested and available. Brokers are expected to have a working knowledge of current office listings and to demonstrate "The Haven Way", which includes providing "Wow" service to the public when they contact our office. Calls for a particular Broker will be immediately directed to that Broker. Referrals placed directly by Designated Broker will be based upon a fair distribution system and the following criteria: 1) client specific requests/needs are met; 2) receiving Broker regularly attends office meeting; 3) Broker responds immediately and is available for the referral; 4) Broker is actively engaged in real estate and business procurement activities.

24. PROBLEM RESOLUTION. Brokers shall attempt to resolve any issues they may have quickly and directly with the person involved. For the benefit of office morale, Brokers agree not to involve other Brokers or third parties in their issue. Brokers are expected to treat other members of the office in a calm, professional manner at all times. Firm will follow Haven Real Estate Group, LLC's dispute resolution process in handling any matter unable to be resolved by the parties.

