



Better Properties Solutions

REAL ESTATE

Office Policy & Procedures Manual

This policy manual is a living document that will change with our dynamic industry to reflect the needs of our brokers and our office.

Guiding principles:

Always do your best.

We promote a cooperative firm environment by focusing on each individual broker's situation. The only person we want you to compete with in this office is yourself. We want to help you reach your personal best. This is achieved by always looking to discover and follow best practices in our dynamic industry. We want you to set goals that fit with your life and then we want you to give your highest and best to achieve this. We are here to support you in this.

Always do the right thing.

We expect that brokers who work for our firm know and always follow the NWMLS rules and regulations and the State and Federal Laws governing our industry. We expect brokers to be professional and conduct themselves ethically. We love brokers who take their responsibility to their clients, the firm, the governing authorities diligently.

SHOW ME THE MONEY! How our business model works:

We are a 90/10 split office. This only works for us when we have brokers who are experienced, active and diligent about their responsibilities. It costs money to have an active real estate license, not just for the licensed broker, but also for the firm responsible for it.

You are responsible for keeping your license active. You cannot get paid or practice any real estate in any form unless your license is active. You are responsible for keeping track of your own required clock hours. If at any time your license is delinquent any listings you have will revert to the office. If your license becomes delinquent we will send your license back to the state and we will remove you from the NWMLS roster.

You as a broker are responsible for paying your NWMLS membership fees. Every broker whose license is with our office will be billed by the NWMLS unless they have successfully acquired an exemption. It is the individual broker's responsibility to make sure their exemption has been accepted and implemented by the NWMLS. The NWMLS does make mistakes and loses paperwork. It is up to the individual broker to follow up and verify with the NWMLS otherwise they risk getting bills which will not be waived. Exemptions are for commercial only brokers who will not be using the NWMLS website and who do not have a Supra Key.

Any fines, penalties or charges against Better Properties NW resulting from any activity by you will be paid for by you. This includes but is not limited to NWMLS disciplinary fines, DOL fines, legal fees, E&O deductibles, and good faith refunds. Our current E&O deductible is \$5000.

We pay for Errors and Omissions Insurance on every license whether you do real estate or not. If you fail to pay our annual E and O fee on time your license will be sent back to the state.

We pay to Labor and Industries insurance for every license. L&I considers every licensed broker as full time and bills our office accordingly. The only exceptions are if you are employed full time at another job and you give us documentation or if you daily keep track of your hours spent in real estate and turn them in to our office quarterly and on time. Failure to pay your L & I on time will result in your license being returned to the state.

We allow brokers to buy and sell their own personal residence at 100% minus our administration fee. Brokers investment properties and family member's real estate transactions still earn the firm 10% of commissions. Any gifts of contributions of your share of the firm's commission must be part of the contract. Your share is 90% minus taxes and any other fees you owe the firm.

Your personal real estate listings must be represented by a third party in order to be covered by E&O insurance. Co-listing with another broker is recommended. This is usually done by a fellow broker as a professional courtesy as most of the work will be performed by you. It is for good reason that E&O requires 3rd party representation as it is much easier to be objective when representing someone else than yourself and is ultimately in your own best interest. It just makes for better real estate.

You are not allowed to list your own property or receive commission (including referral fees) if your property is a Short Sale. There are legal reasons why. You must be represented by a third party who will receive the commission for the transaction.

Getting paid and optional fees:

In order for you to receive a commission we must have a complete file.

The DOL requires that all documents be turned into the office within 48 hours. We have a transaction guide and a paperless transaction coordination system to make keeping track of this efficient. For us to consider your documents submitted they must be legible and we must know who they belong to. Please scan your documents to your individual tracking email address that has been assigned to you. If you have not yet been assigned your special email address then use contractsfw@betterproperties.com and include a cover sheet so we can identify the paperwork as belonging to your transaction. DOL auditors look for completeness of files. Thus there is a \$10 per day fee for each form turned in late.

This includes listing paperwork. According to NWMLS rules when you submit a listing to the NWMLS website you warrant that our firm is in possession of all the listing paperwork.

You will be responsible for keeping a copy of all your contracts for 3 years.

Rookies:

You are a rookie if you have not yet had your first renewal. In addition to turning in your paperwork to the office' paperless system you must also email a copy of the contract to your designated broker for review. The DOL requires you to turn all paperwork within 48 hours of mutual acceptance or of addenda being added to contract and requires your designated broker to review it in 5 days of mutual acceptance or of addenda being added to contract. Email is time stamped and is proof of when the documents are submitted and reviewed. Each email will be responded to with line item corrections needed to the contract. If possible have your designated broker review your contracts before you have your client sign them. Please contact your DB directly by phone or text that you have emailed in contract paperwork for review.

Because of the extra work for the designated broker and liability to the office rookies are at a 70/30 commission split and do not cap out.

We highly recommend partnering up under an experienced and active broker. Any commission they split with you will be under their 90/10 split. Yes you will make less commission per transaction (half of 90/10) but you are likely to do more transactions and you will learn a lot. (Note that contracts must be in their name to be 90/10 as contracts written in your name must be reviewed and will be 70/30.)

To all brokers: Please stay within your area of expertise. For example: If you acquire a commercial client and you usually work residential, partner up with someone who is

experienced in commercial real estate. Or better, refer your client to a commercial broker and stick with your specialty. I have seen very experienced brokers get into trouble because they underestimated their lack of knowledge when jumping into an area of real estate outside their expertise.

EARNEST MONEY:

See section on Earnest Money.

Failure to deposit earnest money on time puts your buyer's contract in danger of being terminated and thus puts you and our office at risk of being sued for negligence and of coming under disciplinary measures by the DOL. Thus there will be a \$100 per day from the date of mutual acceptance fee for late earnest money deposit. This means if the contract says you have 3 days from mutual acceptance to deposit earnest money and you deposit it on day 4 you will be charged \$400.

FAILURE TO COMPLY Fees are completely optional. You can turn your paper work in on time and you can get earnest money deposited within the contracted time. Better Properties NW wants your legally required timeliness.

HUD transactions:

HUD owned properties represent some of the best values on the market for your clients.

If you are going to represent your buyers on HUD transactions we strongly recommend that you take one of the many HUD selling classes being offered by HUD Listing brokers.

If your HUD bid has been accepted you have very little time to jump through a lot of hoops. These hoops will involve getting your Designated Broker's signatures and initials everywhere the contract says "broker". HUD will only accept "wet" signatures. Your DB wants you to have a successful contract and will often rearrange schedules and go out of the way to get your paperwork done. Thus HUD contracts are an extra 10% to the designated broker, an 80/20 split transaction.

Protection from irregular contracts:

High dollar contracts must include the Attorney Review Contingency Addendum.

High dollar contracts are any contract that is in excess of \$1,000,000 purchase price or over \$5000 earnest money. If the contract is for more than one million or has earnest money higher than \$5000 then the contract must include the attorney review contingency addendum.

Bank addenda,

Bank addenda often invalidate whole sections of the NWMLS boiler plate contracts we are familiar with. Anytime you must deal with bank addenda you must first have your client sign a notice stating that you the selling broker are not a lawyer and cannot legally explain non NWMLS documents to them and that you have recommended that they consult an attorney. Do this before you present them with the bank addenda.

Builder contracts,

New construction often involves special non NWMLS contracts. Have your client sign a notice that you are not a lawyer and cannot legally explain non NWMLS contract documents to them and that you have recommended that they consult an attorney. Do this before you present them with the Builder Contracts.

Short Sales,

As a listing broker your client must sign the Short Sale Advisory form before you take the listing.

The Short Sale Advisory form advises your client to consult with an attorney. Please take your time going over the short sale advisory form with your client. If you do not usually do short sales you should partner up with one of the many experienced brokers who have become experts at short sales and bring them to the listing appointment. Educate your sellers about the process and what to expect. Foreclosure is a possibility they should be prepared for. Never attempt to double end a short sale.

Educate you buyers about the high failure rate of short sales.

Double ended contracts,

Are illegal on residential property unless you have both a listing agreement and a buyer representation agreement. Be sure to submit your buyer representation agreement with your double ended contracts. See code of conduct.

Going on vacation,

Arrange well in advance to have someone manage your transactions and take care of your clients before you leave. Make sure everyone involved in the transaction is informed and has needed contact information.

Failure to make sure we are informed of your leave of absence may result in someone else getting your commission and your dismissal from our firm.

Form 17:

Never fill out any part of the Form 17 Seller Disclosure statement for your clients.

Encourage your clients to disclose everything as fully as possible.

ADVERTISING AND SOCIAL MEDIA: See DOL Guidelines and Better Properties NW code of conduct.

We never grant permission to outside firms to advertise Better Properties NW listings.

We encourage Brokers to use social networking/media (Twitter, Facebook, Blogs, ect.) as a way to connect with clients and others.

If you identified Better Properties NW as your firm on Twitter, Facebook, or other social media outlets then you are representing our firm and are subject to this policy manual.

Any online media where you are representing yourself as a Real Estate Broker must disclose the firm you are licensed with.

Not all our personal views or images are appropriate for business networking. For example: strong political views, religious proselytism, sexually suggestive photos, and or vulgar language. For this reason some have chosen to have separate social networking/media accounts (Twitter, Facebook, Blogs, ect). One for business and one for their personal lives. This allows for more personal freedom of expression where one is not acting as a representative of Better Properties NW.

Better Properties NW code of conduct:

- I. All conduct in Real Estate transactions shall demonstrate good faith, honesty, trustworthiness and competence.
 - a. Be honest:
 - i. In marketing and advertising;
 1. Conspicuously and clearly disclose firm name.
 2. Avoid giving the impression that you are a separate firm.
 - ii. Always disclose material facts.
 - b. Keep complete and accurate records
 - c. Comply and cooperate with investigations by the firm management and the DOL;
- II. Advertising: All brokers and managing brokers licensed with our firm must operate under our firm name or our assumed name as licensed, in this case Better Properties NW.
 - a. All advertising or solicitations without limitation for brokerage services, to include the internet-based advertising, web pages, e-mail, newspaper, and other visual media must include the firm name or an assumed name as licensed, at this time Better Properties NW. (Also see Better Properties NW's social media policy)
 - b. Brokers and managing brokers advertising using a name, title, or brand without obtaining an assumed name license must:
 - i. Always use and display the name Better Properties NW in a clear and conspicuous manner in conjunction with the use of such name, title, or brand.
 - ii. Not use a name, title, or brand which suggests a legal entity separate and distinct from the firm, such as "Inc.," "LLC," "LLP," "Corp.," "firm," or "company."
 - iii. Not use name, title, or brand commonly understood to reference a firm or an office, such as "realty," "realtors," "firm," or "real estate."
 - iv. Receive advance written approval from the firm's designated broker to use an unlicensed title or brand.
- III. Brokers and managing brokers must submit written notification to the designated broker of Better Properties NW when they terminate affiliation with their firm.
- IV. Commissions:
 - a. Getting Paid:
 - i. Commission checks will be processed in a first come, first served manner.
 - ii. Better Properties NW strives to pay commissions in a timely fashion to our brokers, but brokers must make sure that their files delivered to the office are complete and legible. Missing documentation will delay compensation. In general, commissions

will be paid within 2-5 business days of the date that the compliance officer receives the final documents, including the closing statement and check(s) payable to Better Properties NW. This produces a complete file.

- iii. No commission checks will be issued without these conditions being met.
 - iv. If the broker owes expenses to the office (whether or not these expenses have been billed to the broker), the expenses will be deducted from the commission due the broker. A statement of accounting will be provided.
 - v. Keep in mind when negotiating your commission fee with clients that the office transaction fee will be payable in full upon successful close of proposed transaction.
 - vi. Should the office discover that a broker closed a transaction without the office fees or share coming through escrow, there will be a penalty in the amount of twice the amount due and Better Properties NW reserves the right to withhold future commissions payable to the broker, up to the amount of the office fees and penalties due, or to institute Civil actions as necessary to collect such fees. If Civil action is necessary, Better Properties NW, may elect to collect the entire amount of commission due on that transaction plus attorney fees.
 - vii. Form 40 must be delivered to the office 10 days prior to closing. Leave the signature line for the designated or managing broker to sign. (do not sign)
- b. Sharing commissions: All commission funds go through the firm. This means no brokers or managing brokers of Better Properties NW get paid for any real estate services independently from this firm, including but not limited to BPO's for short sale negotiators, property management for third parties, referral fees from out side real estate firms, or commissions due for successfully closed real estate transactions. RCW 18.85.301
- i. Better Properties NW, and any broker, or managing broker licensed with our firm WILL NOT pay any part of a licensee's commission or other compensation to any person who performs real estate brokerage services and who is not a licensed firm, real estate broker, or managing broker in any state of the United States or its possessions or any foreign jurisdiction with a real estate regulatory program.
 - ii. Better Properties NW WILL NOT pay any part of the firm's commission from brokerage services or other compensation to a real estate broker or managing broker not licensed to do business for the firm.
 - iii. NO brokers or managing brokers licensed with Better Properties NW will pay any part of their commission from brokerage services or other compensation to any person, whether licensed or not, except through the firm's designated broker.

- iv. The only legal exception to the above is: A commission may be shared with a manufactured housing retailer, licensed under chapter 46.70 RCW, on the sale of personal property manufactured housing sold in conjunction with the sale or lease of land.

V. REAL ESTATE—RECORDS AND RESPONSIBILITIES

- a. Required records
 - i. Brokers and managing brokers shall provide a LEGIBLE COPY of the transaction or contracts for brokerage services to Better Properties NW to be retained in our firms files as a transaction folder.
 - ii. Brokers and managing brokers shall provide for each transaction ALL agreements, receipts, contracts, documents, leases, closing statements and material correspondence for each real estate or business opportunity transaction, and for each rental, lease, contract or mortgage collection account.
- b. Suit or complaint notification. Every licensee of Better Properties NW shall, within twenty days after service or knowledge thereof, notify the real estate program and the Designated Broker of the following:
 - i. Any criminal complaint, information, indictment, or conviction (including a plea of guilty or nolo contendere) in which the licensee is named as a defendant.
 - ii. Entry of a civil court order, verdict, or judgment, against the licensee in any court of competent jurisdiction in which the subject matter therein involves any real estate or business-related activity by the licensee. Notification is required regardless of any pending appeal.
- c. Procedures for referring a home inspector to buyers or sellers:
 - i. All licensees of Better Properties NW recognize a consumer's right to freely pick a home inspector of the buyer's or seller's choice.
 - 1. Buyers may choose any inspector who is currently licensed.
 - 2. Buyers may lawfully do inspections themselves. We do not recommend this and give written notice to our buyers who choose to do their own inspections that we recommend that they hire licensed professionals.
 - ii. Referring of Home Inspector by brokers:
 - 1. If a licensee of Better Properties NW refers a home inspector to a buyer or seller with whom they have or have had a relationship including, but not limited to, a business or familial relationship, then full disclosure of the relationship must be provided in writing prior to the buyer or seller using the services of the home inspector. Use NWMLS Form 41D and include at least 2 inspectors.
 - 2. Before referring home inspectors to consumers, brokers must ensure that they are currently licensed. This can be

looked up at

<https://fortress.wa.gov/dol/dolprod/bpdLicenseQuery/> to check that a home inspector is licensed and current.

- d. Levels of supervision of all brokers, managing brokers and branch managers of the firm.
 - i. All brokers, managing brokers and branch managers must sign a written contract with Better Properties NW outlining basic responsibilities and obligations. This policy manual is part of said contract.
 - ii. All brokers, managing brokers and branch managers will ask for help and advice when experiencing difficulties with fellow brokers licensed with our firm or branches, brokers from competing firms, unhappy clients, unusual contract situations, or any area of real estate outside their area of expertise.
 - iii. All licensees of Better Properties NW will immediately inform management (designated broker or branch manager) of any situation that may result in client/agent disputes, NWMLS rule violations, DOL violations, illegal activity, legal action or any situation that could result in a filed complaint.
 - 1. Basically if there is trouble brewing we want to hear it from you first.
 - 2. Quick action and full disclosure go a long way to favorable resolutions so please feel comfortable asking for help.
 - iv. Review of all brokerage service contracts involving any broker of the firm licensed for less than two years. Review must be completed by the designated broker or their delegated managing broker within five business days of mutual acceptance. Documented proof of review shall be maintained at the firm's record locations.
- e. Broker responsibilities. Broker responsibilities include, but are not limited to:
 - i. Assuring all real estate brokerage services in which he/she participated are in accordance with chapters 18.85, 18.86, 18.235 RCW and the rules promulgated thereunder.
 - ii. Cooperating with the DOL and Better Properties NW management in an investigation, audit or licensing matter.
 - iii. Being knowledgeable of chapters 18.85, 18.86, and 18.235 RCW and their related rules.
 - iv. Keeping the DOL real estate program and Better Properties NW informed of his or her current mailing address.
 - v. Following the designated broker's written policy on referral of home inspectors.
 - vi. Being appropriately licensed.
 - vii. Delivering transaction documents and brokerage service contracts to designated broker or delegated managing broker within two business days of mutual acceptance.

- viii. Following licensing laws and rules regarding:
 - 1. Safe handling of customer/client funds and property.
 - 2. Timely delivery of customer/client funds or property.
 - 3. Proper and legal advertising.
 - 4. Modifying or terminating brokerage service contracts on behalf of the firm.
- f. Better Properties NW Brokers with less than two years experience are considered to be and are referred to as Rookies. Rookie Broker responsibilities include, but are not limited to:
 - i. All the responsibilities for brokers listed above in section IX and in WAC 308-124C-140.
 - ii. Being subject to a heightened degree of supervision for the initial two years of licensing which includes:
 - iii. Participating in all required reviews of real estate brokerage agreements and services by the designated broker or appointed managing broker.
 - iv. Submitting evidence of completion of department required clock hour education courses to the designated broker or appointed managing broker.
 - v. Securing advice or assistance from the designated broker or appointed managing broker when offering brokerage services beyond the broker's level of expertise.
 - vi. Timely submission of brokerage service contracts, documents and funds to the appropriate managing broker or designated broker in accordance with designated broker's document and contract review policy.

VI. REAL ESTATE—OPERATIONAL PROCEDURES. BROKERAGE SERVICE REQUIREMENTS AND PROCEDURES

- a. Checks—Payee requirements. All checks received as earnest money, security or damage deposits, rent, lease payments, contract or mortgage payments on real property or business opportunities owned by clients shall NOT be made payable to the firm Better Properties NW (because this firm has elected to NOT have a trust fund), but Licensees instead shall cause to be mutually agreed in writing by the principals that the deposit shall be paid to the seller or an escrow agent named in the agreement. The Better Properties NW shall retain a copy of the written agreement.
- b. Negotiating agreements and closing. The real estate licensee shall be responsible for negotiating the agreement between seller and purchaser as follows:
 - i. All licensees of Better Properties NW shall not handle closings independently or outside of escrow.
 - ii. All transactions and closings shall use a licensed Escrow firm.
 - iii. Even though Escrow customarily prepares and delivers HUD statements brokers shall review HUDs for accuracy. Our delegation to Escrow does not completely relieve brokers of their

responsibilities to have accurate HUDs delivered to all parties.
WAC 308-124D-205

- iv. Where an agreement for the sale of real estate has been negotiated involving the services of more than one licensee, and funds are to be deposited by the purchaser prior to the closing of the transaction, the firm first receiving such funds shall retain custody and be accountable, until such funds are distributed or delivered in accordance with written instructions signed by all parties to the transaction.
 1. Better Properties NW licensees SHALL NOT accept cash or any form of payment made out to Better Properties NW.
 2. No agreements should name Better Properties NW as holding funds in account as the firm has elected to NOT HAVE A TRUST ACCOUNT.
 3. Contracts must be written to name escrow or the seller as the receiving party for funds.
 4. CASH IS FORBIDDEN.
 5. Personal Checks, Cashiers Checks or Promissory Notes made payable to a licensed Escrow company or to the seller as stated in contract are acceptable.
- v. All licensees must keep the party to whom they provided brokerage services informed of the earnest money deposit status and must retain and provide copies of receipts to the principals and participating firms.

XII. Expeditious performance. A real estate licensee shall perform all acts required of the licensee by a real estate agreement as expeditiously as possible. Intentional or negligent delays in such performance shall be considered detrimental to the public interest in violation of RCW 18.85.361(23).

XIII. REAL ESTATE BROKERAGE RELATIONSHIPS

- a. Agency relationship.
 - a. A broker who performs real estate brokerage services for a buyer is a buyer's agent unless the:
 - i. Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, in which case the broker is a seller's agent;
 - ii. Broker has entered into a subagency agreement with the seller's agent's firm, in which case the broker is a seller's agent;
 - iii. Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, and the broker's firm has appointed the broker to represent the buyer pursuant to a written agency

agreement between the firm and the buyer, in which case the broker is a dual agent;

- iv. Broker is the seller or one of the sellers; or
 - v. Parties agree otherwise in writing after the broker has provided a pamphlet on the law of real estate agency in the form prescribed in RCW 18.86.120 to all parties to whom the broker renders real estate brokerage services.
- b. In a transaction in which different brokers affiliated with the same firm represent different parties, the firm's designated broker and any managing broker responsible for the supervision of both brokers, is a dual agent, and must obtain the written consent of both parties as required under RCW 18.86.060. In such case, each of the brokers shall solely represent the party with whom the broker has an agency relationship, unless all parties agree in writing that the broker is a dual agent. *Translated plainly, if your buyer is interested in one of our firms listings get a buyer's agency agreement signed before writing an offer.*
- c. A broker may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the broker complies with this chapter in establishing the relationships for each transaction. *This means that all clients/parties must receive the Law of Agency Pamphlet and then have all relationships for each transaction spelled out in written contract. Make sure you fully disclose to all parties and they all understand the respective relationships.*
- b. Duties of broker.
- a. Regardless of whether a broker is an agent, the broker owes to all parties to whom the broker renders real estate brokerage services the following duties, which may not be waived:
 - i. (a) To exercise reasonable skill and care;
 - ii. To deal honestly and in good faith;
 - iii. To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;
 - iv. To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the broker has not agreed to investigate;
 - v. To account in a timely manner for all money and property received from or on behalf of either party;

- vi. To provide a pamphlet on the law of real estate agency in the form prescribed in RCW 18.86.120 to all parties to whom the broker renders real estate brokerage services, before the party signs an agency agreement with the broker, signs an offer in a real estate transaction handled by the broker, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040 (1)(e), 18.86.050(1)(e), or 18.86.060(2) (e) or (f), whichever occurs earliest; and
 - vii. To disclose in writing to all parties to whom the broker renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the broker, whether the broker represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."
- b. Unless otherwise agreed, a broker owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the broker to be reliable.
- c. Seller's agent — Duties.
- a. Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth above (and in RCW 18.86.030) and the following, which may not be waived except as expressly set forth in (e) of this subsection:
 - i. To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;
 - ii. To timely disclose to the seller any conflicts of interest;
 - iii. To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;
 - iv. Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and
 - v. Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030(1)(f) by delivering "Law of Real Estate Agency Pamphlet", to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.

- b. The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.
- c. The representation of more than one seller by different brokers affiliated with the same firm in competing transactions involving the same buyer does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest.
- d. Buyer's agent — Duties.
 - a. Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in above (and in RCW 18.86.030) and the following, which may not be waived except as expressly set forth in (v.) of this subsection:
 - i. To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;
 - ii. To timely disclose to the buyer any conflicts of interest;
 - iii. To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;
 - iv. Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and
 - v. Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f) by providing "Law of Real Estate Agency Pamphlet", to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:
 - 1. Seek additional properties to purchase while the buyer is a party to an existing contract to purchase;
 - 2. show properties as to which there is no written agreement to pay compensation to the buyer's agent.
 - b. The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.
 - c. The representation of more than one buyer by different brokers affiliated with the same firm in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.
- e. Dual agent — Duties.
 - a. Notwithstanding any other provision of this chapter, a broker may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with RCW 18.86.030(1)(f) by delivering to both parties the "Law of Real

Estate Agency Pamphlet”, which consent must include a statement of the terms of compensation.

- b. Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth above for brokers (and in RCW 18.86.030) and the following, which may not be waived except as expressly set forth in (v.) and (vi.) of this subsection:
 - i. To take no action that is adverse or detrimental to either party's interest in a transaction.
 - ii. To timely disclose to both parties any conflicts of interest;
 - iii. To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;
 - iv. Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;
 - v. Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f) (PROVIDING LAW OF REAL ESTATE AGENCY), to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and
 - vi. Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f) (PROVIDED LAW OF REAL ESTATE AGENCY), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to:
 - 1. Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or
 - 2. show properties as to which there is no written agreement to pay compensation to the dual agent.
- c. The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is adverse or detrimental to the seller or create a conflict of interest.
- d. The representation of more than one seller by different brokers licensed to the same firm in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.
- e. The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

- f. The representation of more than one buyer by different brokers licensed to the same firm in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyers or create a conflict of interest.
- f. Duration of agency relationship.
 - a. The agency relationships set forth in this chapter commence at the time that the broker undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:
 - i. Completion of performance by the broker;
 - ii. Expiration of the term agreed upon by the parties;
 - iii. Termination of the relationship by mutual agreement of the parties; or
 - iv. Termination of the relationship by notice from either party to the other. However, such a termination does not affect the contractual rights of either party.
 - b. Except as otherwise agreed to in writing, a broker owes no further duty after termination of the agency relationship, other than the duties of:
 - i. Accounting for all moneys and property received during the relationship; and
 - ii. Not disclosing confidential information.
- g. Compensation.
 - a. In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms.
 - b. An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the broker.
 - c. A seller may agree that a seller's agent's firm may share with another firm the compensation paid by the seller.
 - d. A buyer may agree that a buyer's agent's firm may share with another firm the compensation paid by the buyer.
 - e. A firm may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.
 - f. A firm may receive compensation based on the purchase price without breaching any duty to the buyer or seller.
 - g. Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a broker to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

- h. *For purposes of Better Properties NW's policy manual this section is interpreted to mean that any agreement to compensation is possible as long as it is legal and in writing.*
- h. Never disclose confidential information with anyone you have entered an agency relationship with. "Confidential information" means information from or concerning a client of a broker that:
 - a. Was acquired by the broker during the course of an agency relationship with the client;
 - b. The client reasonably expects to be kept confidential;
 - c. The client has not disclosed or authorized to be disclosed to third parties;
 - d. Would, if disclosed, operate to the detriment of the client; and
 - e. The client personally would not be obligated to disclose to the other party.
- i. Material facts must always be disclosed. "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.

XIV. Professional conduct — Be familiar with RCW 18.235.130: Unprofessional conduct — Acts or conditions that constitute. The following is an affirmative and positive statement of professional conduct based on RCW 18.235.130

- a. Always act in a morally correct, ethical, honest, legal and open manner relating to the practice of your profession or operation of your business, whether the failure to act so would constitute a crime or not.
- b. Represent truthfully and fully disclose material facts in obtaining or renewing a license or in reinstatement thereof;
- c. Advertising shall be true, honest, and give accurate information;
- d. Be competent, diligent, and use best practices. Protect your clients, firm, and public interest from harm, damage or unreasonable risk of loss.
- e. Be responsible to only practice real estate with a valid and active license.
- f. Fully cooperate with the disciplinary authority in the course of an investigation, audit, or inspection authorized by law by:
 - i. furnishing any papers or documents requested by the disciplinary authority;

- ii. furnishing in writing an explanation covering the matter contained in a complaint when requested by the disciplinary authority;
- iii. responding to a subpoena issued by the disciplinary authority, whether or not the recipient of the subpoena is the accused in the proceeding; or
- iv. providing authorized access, during regular business hours, to representatives of the disciplinary authority conducting an investigation, inspection, or audit at facilities utilized by the license holder or applicant;
- g. Fully comply with any order issued by the disciplinary authority;
- h. Comply with any of the provisions of this policy manual and all DOL laws pertaining to real estate such as specified in RCW 18.235.020(2) or any rules made by the disciplinary authority under the chapters specified in RCW 18.235.020(2);
- i. Stay within the scope of practice or operation of your profession and refer clients to other properly licensed professionals when your clients need services outside your scope of practice such as legal counsel, structural inspections, contractor estimates, ect.
- j. Provide truthful representation in all aspects of your conduct in your business and profession;
- k. Adequately supervise or oversee auxiliary staff, whether employees or contractors, to the extent that consumers may always be safe or protected;
- l. Fully cooperate with an investigation or disciplinary action by truthful representation of facts before the disciplinary authority or its authorized representatives, and act ethically and in a moral manner with any consumer or witness who may be providing evidence in a disciplinary action or any other legal action, and will carefully avoid even the appearance of undue influence to any consumer or witness to prevent or attempt to prevent him or her from providing evidence in a disciplinary action; and
- m. Will only engage in practice of profession that one is licensed and qualified for as defined in RCW 18.235.010.

COMPUTER AND PRINTER USAGE POLICY

In short, office computers and printers should be used only for real estate-related use.

Do not download executable files (those ending in .exe) and documents directly from the Internet.

Do not run unsolicited executables/documents/spreadsheets on the office network.

Do not play computer games or use screen savers that did not come with the operating system.

Any exceptions must be approved by office owners and IT directors.

Brokers should have no expectation of privacy when using office computers. Please be diligent about logging out of the NWMLS, email, and banking sites.

Please be diligent about removing working document files on office computers. Please use personal portable thumb drives to store/save working documents.

Have no expectations that any of your working documents will ever be private or saved on shared office computers.

Whenever possible, save all Word documents as RTF (rich text format) files instead of .DOC files, which can harbor macro viruses.

Treat with suspicion any newly arrived e-mail that was unexpected.

Inform I.T. immediately if you suspect a computer has been infected with a virus.

Ask for help! Let IT or management know right away if you have inadvertently stumbled upon a malicious website or email link. It happens.

Avoid printing in color.

If you have a large printing project it is courteous to bring your own paper and contribute to cost of ink.

Personal laptops are encouraged. We are happy to provide printer drivers to connect your personal devices to the office printers.

POLICY ON DISCRIMINATION AND HARASSMENT

Better Properties NW does not discriminate or permit discrimination by any member of its firm against any individual on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, gender expression, parental status, marital status, age, disability, citizenship, veteran status, or genetic information in matters employment, client representation or services or in advertising or marketing.

Harassment, whether verbal, physical, or visual, that is based on any of these characteristics is a form of discrimination. This includes harassing conduct affecting tangible job benefits, interfering unreasonably with an individual's work performance, or creating what a reasonable person would perceive is an intimidating, hostile, or offensive environment. Prohibited sex discrimination includes sexual harassment and sexual violence.

Examples of discrimination and harassment may include

Refusing to hire or promote someone because of the person's protected status

Demoting or terminating someone because of the person's protected status

Jokes or epithets about a person's protected status

Teasing or practical jokes directed at a person based on his or her protected status

Displaying or circulating written materials or pictures that degrade a person or group

Verbal abuse or insults about, directed at, or made in the presence of an individual or group of individuals in a protected group

POLICY ON SEXUAL HARASSMENT

It is the policy of Better Properties NW that no member of the Better Properties community--brokers, managing brokers, supporting office staff, vendors, contractors, or third parties—may sexually harass any other member of the community, or clients. Sexual advances, requests for sexual favors, and other verbal, physical, or visual conduct of a sexual nature constitute harassment when

Submission to such conduct is made or threatened to be made, either explicitly or implicitly, a term or condition of an individual's employment or professional representation.

Submission to or rejection of such conduct by an individual is used or threatened to be used as the basis for employment decisions or professional representation affecting that individual; or

Such conduct has the purpose or effect of substantially interfering with an individual's professional performance representation or creating what a reasonable person would perceive is an intimidating, hostile, or offensive professional, work or living environment.

Examples of sexual harassment may include

Pressure for a dating, romantic, or intimate relationship

Touching, kissing, hugging, or massaging

Pressure for or forced sexual activity

Unnecessary references to parts of the body

Remarks about a person's gender or sexual orientation

Sexual innuendoes or humor

Obscene gestures

Sexual graffiti, pictures, or posters

Sexually explicit profanity

Stalking or cyber bullying

Email and Internet use that violates this policy

Sexual assault

SEXUAL VIOLENCE STATEMENT

Sexual violence is a prohibited form of sexual harassment. Sexual violence includes physical sexual acts perpetrated against a person's will or where a person is incapable of giving consent due to use of drugs and/or alcohol or to an intellectual or other disability. Some examples of sexual violence may include rape, sexual assault, sexual battery, and sexual coercion.

ADDITIONAL GUIDANCE

Investigation and confidentiality

All reports describing conduct that is inconsistent with these policies will be promptly and thoroughly investigated. Complaints about violations of these policies will be handled discreetly, with facts made available only to those who need to know to investigate and resolve the matter.

Retaliation

The Better Properties NW prohibits retaliation against anyone for registering a complaint pursuant to these policies, assisting another in making a complaint, or participating in an investigation under the policies. Anyone experiencing any conduct that he or she believes to be retaliatory should immediately report it to the Designated Broker or Company Owner.

Resolution

If a complaint of discrimination, harassment, or sexual harassment is found to be substantiated, appropriate corrective action will follow, up to and including separation of the offending party from Better Properties NW as complies with Washington State Law.

Your responsibilities

All members of the Better Properties NW community are responsible for creating a working, and professional environment that is free of discrimination and harassment, including sexual harassment. It is important to contact your Designated Broker or Office Owner if any of the following occurs:

You believe you have been subjected to conduct or comments that may violate these policies. You believe you have been retaliated against in violation of these policies.

You hold a supervisory, managerial, or office staff position and have been told about or witnessed conduct that may violate these policies.

Vendors, contractors, and third parties

Better Properties NW policies on discrimination, harassment, and sexual harassment apply to the conduct of vendors, contractors, and third parties. If a member of the Better Properties NW community believes that he or she has been subjected to conduct by a vendor, contractor, or third party that violates these policies, the community member should contact the Designated Broker or Office Owner. Better Properties NW will respond as appropriate, given the nature of its relationship to the vendor, contractor, or third party.

Freedom

While Better Properties NW is committed to the principles of free inquiry and free expression, discrimination and harassment identified in this policy are neither legally protected expression nor the proper exercise of freedom.

If you believe you have been discriminated against or harassed: Contact the owner(s) or the Designated Broker.

Don't blame yourself. Don't delay reporting a problem. Consider keeping a written, dated record of events.

If you witness or become aware of possible discriminatory or harassing conduct by others: Contact one of the office owners or Designated Broker.

If you think you may have offended or harassed someone:

Don't assume others will tell you when they feel offended or harassed by what you say and do.

Examine how others respond to what you say and do.

Apologize as soon as possible.

Change your behavior.

I acknowledge receipt of and agree to follow and abide the Better Properties NW Policy Manual

X _____ dated _____

(PRINT AND SIGN)