

# Policies and Procedures Manual



# **Table of Contents**

**Introduction .....Page 3**

**Advertising .....Page 4**

**Agent Commission Splits .....Page 5**

**Discrimination and Harassment .....Page 6**

**Documentation & Licensing .....Page 7**

**Insurance .....Page 7**

**Mediation/ Arbitration .....Page 8**

**Property Management by Sales Agents .....Page 8**

**Training & Continuing Education .....Page 9**

**Incapacitation or Death of Principal Broker...Pages 9,10**

**Acknowledgement & Receipt .....Page 10**  
**(Please sign, date and return a copy of Page 10 to your BIC)**

## **Introduction**

Aloha and welcome to Hawaii Coast Realty, LLC (HCR)! We are very excited to have you join our real estate Ohana and look forward to working with you towards meeting your professional goals. This Policy and Procedures Manual is designed to share with you HCR's guidelines for business operations and to address commonly asked questions. If you have a question about any company policy or business practice that is not addressed in this manual, please do not hesitate to contact Eddie or Shannon Underwood for an answer.

Hawaii Coast Realty, LLC is dedicated to providing quality, professional real estate services to our clients with honesty, integrity and a spirit of aloha. We have found that hard work, outstanding customer service, follow up and putting our clients needs first is the foundation for success in the real estate industry. For so many of us, living in Hawaii started out as our own dream, and it is truly a wonderful and fulfilling experience to help someone else make their Hawaii dreams come true.

Best wishes to you in your real estate business and keep in mind that we are here to assist you every step of the way.

Our best to you with aloha,

Shannon and Eddie Underwood

## **Advertising**

As an Independent Contractor, each Agent is responsible for their own advertising costs, be it for listings or of their own business. HCR will add Agents biographical photos and information to the HCR web site, [www.HawaiiCoastRealty.net](http://www.HawaiiCoastRealty.net), but Agents are encouraged to develop web sites for their own promotion as well.

There may be times when HCR will offer Agents special “group” rates for print advertising in periodicals such as Homes and Land, and if an Agent decides to participate in this advertising, the Agent’s portion of the cost will be due to HCR prior to the printing deadline.

### **Advertising Guidelines**

The following information **MUST** be included on all forms of advertisement including business cards, post cards, letters, print ads and web sites (including Face Book & other social media sites) or web advertisements:

- Hawaii Coast Realty, LLC (with the HCR Logo available to download from [www.HawaiiCoastRealty.net/for\\_agents.cfm](http://www.HawaiiCoastRealty.net/for_agents.cfm))
- Office Address: 75-5915 Walua Rd., Kailua Kona, HI 96740
- Office Phone Number: (808) 929-7063 as well as Agents phone number.
- Agents legal name as shown on your HI Real Estate License AND your designation either R(S) for Realtor Salesperson or R(B) for Realtor Broker.
- If a web site or online ad: include a link to HCR’s web site.
- If advertising a leasehold property, this must be stated in the listing and advertisement.
- If advertising your personal properties, the fact that you are a licensed Realtor must be stated in the listing.

All advertising must be truthful and not deceptive or misleading.

**ALL advertisements must be approved by the Principal Broker prior to running or printing.**

## **Agent Commission Splits**

HCR Policy and Procedures Manual  
Updated April 2018

Hawaii Coast Realty, LLC's (HCR) commission split for its Independent Contractors (Agents) is based, initially, when an Agent first joins the company, on the amount of experience in the field of real estate of the Agent. The commission split is determined by the Principal Broker (PB) and/or the Broker in Charge (BIC) and will be agreed upon in writing in the Independent Contractor Agreement signed by the Agent and the PB/BIC.

Agents have the ability to increase their initial commission split based upon their production, which, for this purpose, will be calculated by the amount of income they take home. All brand new Agents will start out at a 65% (going to Agent), 35% (going to HCR). To increase commission split, the following income levels need to be reached.

- 65% Take home income of \$74,999 or less
- 70% Take home income of \$75,000 to \$79,999
- 75% Take home income of \$80,000 to \$89,999
- 80% Take home income of \$90,000 to \$99,999
- 85% Take home income of \$100,000 or more

Commission split will adjust as the Agent reaches each plateau of income throughout the year and may be re-adjusted at the beginning of each year based on production and performance.

Agent personal sales or purchases of real estate commission split shall be at 5% above their normal commission split, not to exceed 90%.

Commission splits are always at the PB and BIC's discretion, however, and may be adjusted based on production and performance.

## **Discrimination and Harassment**

Hawaii Coast Realty, LLC is firmly committed to a policy of non-discrimination and the right of all employees to a work environment free of harassment and intimidation. Harassment of any employee or Independent Contractor on the basis of race, color, national origin, ancestry, age, sex, religion, political affiliation, disability, marital status, or sexual orientation is prohibited and could be considered reason for disciplinary action or dismissal.

Unwelcome sexual advances, requests for sexual favors and other verbal or physical contact of a sexual nature by any employee or Independent Contractor to any other employee or Independent Contractor are considered to be serious violations of Hawaii Coast Realty, LLC's policy and will not be tolerated.

Anyone violating these policies will be subject to immediate disciplinary action, which could result in dismissal. Anyone who feels that he or she has been subjected to discrimination or harassment of any nature may contact Shannon or Eddie Underwood immediately for a confidential discussion of the incident(s).

### **When Dealing With Clients or the Public**

As Real Estate Agents, we are held to a high standard of professionalism in our dealings with the public, our clients and with other professionals in our industry. We ask that our Agents/Independent Contractors/ Employees abide by the same discrimination/ harassment policies in all of your professional dealings.

If you are feeling uncomfortable with remarks or the actions of a client of yours, you may tactfully explain that as a professional Realtor you are not allowed to comment on certain questions/ subject that could be construed as discriminatory in nature.

## **Documentation and Licensing**

Each HCR Agent will be expected to provide their Broker with their original Real Estate License and a copy of their current “pocket card” from the Real Estate Commission of the State of Hawaii, showing an active Real Estate License, in good standing.

Agents are responsible for making sure that they take and pay for the required hours of continuing education credits per each licensing period in order to maintain their license in an active status.

## **Insurance**

**Automobile:** All Agents are required to carry adequate automobile insurance. Liability coverage in the **minimum** amounts of \$100,000 Bodily Injury and \$30,000 Property Damage are required. Please provide a current copy of your declarations page for your personnel file.

**Errors and Omissions:** Each agent will be billed 2% of commission or \$100 (which ever is greater) per transaction for Errors and Omissions insurance which will come directly out of your commission check. This amount may be changed in the future. If a claim is made against the companies Errors and Omissions policy that you as an Agent are named in, you will be responsible to pay HCR the retention (deductible) fee of \$2,500 for each wrongful act.

## **Mediation and Arbitration**

Any dispute or claim dispute arising between HCR Agents that can not be resolved between the parties shall be handled as follows:

- A. Agents shall first make every effort to settle the dispute without intervention of the Principal Broker (PB) or Broker in Charge (BIC).
- B. If unable to settle the matter amicably, the PB and/or BIC shall bring together all parties to the dispute, for discussion and consideration of the dispute and attempt to mediate a settlement during this period.
- C. If the matter can not be resolved during the previous meeting, the PB and or/ BIC shall make a binding decision in the matter within 24 hours of the end of the previous meeting.
- D. The final arbiter, if necessary, will be the Principal Broker of HCR.

## **Property Management by Sales Agents**

As of this printing, Hawaii Coast Realty, LLC does not have a Property Management Department and does not participate in property management. If Agents own rental properties they are encouraged to hire a professional, licensed Property Manager to manage them as property management is a very specialized field.

**At the discretion of the PB and or BIC**, an Agent **may** be allowed to manage their personal properties. Speak with your BIC if you wish to do this. Your BIC must review and approve all rental documents prepared by you for your tenants and will be responsible for monitoring all activities related to management of your personal properties. A monthly fee of \$100.00 per property shall be charged to the Agent for this oversight. Agents who intend to manage their own personal properties are encouraged to take advantage of all Property Management courses offered by various providers such as West Hawaii Association of Realtors, Hawaii Association

of Realtors, National Association of Realtors, etc., to improve their knowledge of State and National laws relating to Property Management and to obtain yearly updates on any changes to the Landlord Tenant Code.

## **Training and Continuing Education**

Hawaii Coast Realty, LLC shall provide training to all new Agents on an as-needed basis. The curriculum and training manuals shall be supplied by HCR.

On-going training will be provided to all Agents at monthly sales meetings and at periodic special training sessions as the PB and/ or BIC feel it is necessary.

All Agents are required to stay up with their Continuing Education (CE) classes which are a requirement of your Hawaii Real Estate License. If you fail to meet your CE requirements and your license is not renewed or becomes inactive, all real estate activities that you are involved with cease immediately and any transactions in progress will be taken over by the PB or BIC.

## **Incapacitation or Death of Principal Broker**

Hawaii Coast Realty, LLC is a limited liability company with its own Hawaii Brokers License Number which is RB-20950 and should be able to maintain regular business operations in the event of the Principal Broker (Shannon Underwood) becoming incapacitated due to accident or illness, or upon her demise. If this occurs, the Broker in Charge (Eddie Underwood) will assume the PB responsibilities for Hawaii Coast Realty, LLC.

In the unlikely event that both the PB and BIC were to become permanently incapacitated or to die, Hawaii Coast Realty, LLC agents shall contact the Hawaii Real Estate Commission and request the temporary assistance of a PB until they can either hire a new PB or appoint a licensed Broker from within the company to assume the job.

If both the PB and BIC were to pass away, the ownership of Hawaii Coast Realty, LLC will pass to its most senior agents as stated in the will of  
HCR Policy and Procedures Manual  
Updated April 2018

Shannon Underwood. If you are ever unable to reach both Shannon and Eddie Underwood for an extended period of time and you suspect that there may be something wrong, please contact Floyd Smithson of Citrus Heights, California at 916-745-3088 or Mark Smithson of Orangevale, California at 916-601-9086 for assistance.

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Please sign, date and return a copy of this page to your BIC.

I have received a copy of this manual and have read and acknowledge these policies:

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Please Print Your Name

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Signature

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Date