



**DANFORTH &
ASSOCIATES, INC.**

Policies & Procedures

September 1, 2011

POLICY AND PROCEDURE MANUAL: You are required to be current with CBDA's Policy and Procedure Manual at all times. The current version is available in CBWorks.

Sales Associate & Broker: The definition of the terms "sales associate" or "broker" for use within this document shall mean a licensed: 1. Broker 2. Managing Broker or 3. Assistant, within the CBDA organization.

OFFICE OPENING/CLOSING PROCEDURE: Each Sales Associate will have access to all CBDA offices through the use of the key pad located on an exterior door. Use the last 6 digit's of your SS# to gain access. Turn off all lights when leaving the office.

SECURITY SYSTEM: Set the alarm on the security system before leaving. All 3 offices have the same alarm code. If you do not know the code, call a manager before attempting to enter any of our offices. If you set off the alarm, immediately contact an office manager. Failure to contact either an office manager or Broadview Security within 2 minutes of setting off the alarm will result in a \$100.00 fine. If you have any questions on the operation of the system or security codes, contact any of our staff members for assistance.

ORIENTATION: Each Sales Associate is required to attend an Orientation class within 3 weeks of joining our company. Ask a manager for the Orientation schedule.

COPY MACHINE: Your code to the copy machines is the last 6 digits of your Social Security number. 200 free black & white copies per month are included. Any additional black & white copies will be charged at \$.10 per copy. All color copies are charged at \$.35 per copy.

STATIONERY STORE: Coldwell Banker stationery, envelopes, CMA covers, etc., can be purchased through the Receptionist. An extensive selection of all Coldwell Banker materials is available through Xpressdocs located in CBWorks under the Sales Associates Quick Links.

TELEPHONES:

Staff will provide information on how to use the telephones. Home Office Associates will be billed for use of long distance services.

ALL INCOMING TELEPHONE CALLS WILL BE HANDLED IN THE FOLLOWING MANNER:

SIGN CALLS/AD CALLS - All calls will go to the listing broker. Caller does not have to ask for the Sales Associate by name. Receptionist will transfer calls to the broker's mobile phone.

RELOCATION REFERRALS - Management reserves the right to determine who will receive relocation referrals. All web based leads are directed to an eligible broker by the LeadRouter computer. All leads given out by management or through LeadRouter (not on your own listings) have a 20% referral fee due to CBDA if accepted.

WILL CALL: Ask Receptionist for procedures and location.

POSTAGE: All items sent via US mail will be at Sales Associate expense.

VACATIONS & MEDICAL LEAVE: It is the Sales Associate's responsibility to arrange coverage for their business when leaving town, or otherwise unavailable. Sales Associate must notify Management in writing and provide name and telephone numbers of contact person.

COMMUNICATION: Sales Associate's must give their e-mail address to the office and notify the office of any changes. **E-mail is the primary means of communication between Management & Sales Associates.** Ask Management for information regarding the free email address available through Coldwell Banker.

E-MAIL & TEXTING: It is important to remember the nature of the information created and stored electronically. Because they seem informal, e-mail and texting messages are sometimes offhand, like a conversation, and not as carefully thought out as a letter or memorandum. Like any other document, an e-mail or text message or other computer information can later be used to indicate what the broker knew or felt. You should keep this in mind when creating e-mail or text messages and other documents. You should not send e-mail, text or other communications that either mask your identity or indicate that they were sent by someone else. Even after you delete an e-mail or text message or close a computer session, it may still be recoverable and may be used in a court of law.

FAXES & CONFIDENTIALITY: All incoming faxes are converted to a PDF and sent to your email account. All Fax transmissions are confidential and must only be viewed by the named recipient.

HOME OFFICE FAX: Make sure that your home fax machine has the correct fax number and date displayed on all outgoing and incoming faxes. It is helpful when sending a multi page fax to number each page. When faxing documents to other Sales Associates/Broker do the following:

1. All offers and subsequent notices must be faxed to the licensee's office or to the agent's home office provided that you have called to verify that agent is home to receive the document.
2. After faxing an offer, call the Listing Office/Sales Associates to verify that the fax was received.

DEDICATED FAX LINE: Home Office Sales Associate's are required to have a dedicated fax line at their home office. This can be an e-fax or traditional fax line.

RECOMMENDED MINIMUM HOME OFFICE COMPUTER SOFTWARE: You will need to have Microsoft Office Professional 2003 (including Power Point) to operate the Wheel of Resources and other office programs we have available for your use.

COMPANY FAX LINE: Any faxes received during business hours, seven days a week, shall be forwarded to agents via the e-mail address cbdafax@comcast.net to prevent this address from being considered spam or junk mail, please make sure that you enter it into your contacts or safe list.

MEETINGS (AS NEEDED): There will be meetings to keep the Sales Associates informed on changes that occur. We also send out emails in regards to legal and NWMLS updates. You MUST read all emails from the office.

PROFESSIONAL ATTIRE: Management & Sales Associate's personal image is a reflection on the professional reputation of this office. You get only one chance to make a "great" first impression. The public perceives a person dressing casually in the business world as having a "casual attitude" toward business.

TALKING TO THE MEDIA: No Sales Associate shall talk to the media without the express written permission of a CBDA Manager.

WORK ORDERS: Do not order work to be done on any property in the name of Coldwell Banker Danforth. Your Seller or Buyer should always be named as the responsible person to pay the bill, not Coldwell Banker Danforth. Should a Sales Associate use Coldwell Bankers name to place a work order, then that Sales Associates will be expected to pay the bill.

COMPANY COMPUTERS/INTERNET ACCESS: Company-owned and maintained computers and Internet service providers obtained and paid for by office are to be used for company-related real estate business purposes only. Internet access via company computers for personal use is not permitted. If you wish to use your laptop while in our offices, please consult our “The CBDA Wireless Laptop Instruction Manual” in each office for gaining access to the wireless system.

OFFENSIVE MATERIAL: Sending, saving or viewing offensive material or otherwise violating CBDA’S policies against harassment or discrimination is prohibited. Messages stored and or transmitted by computer, voice mail, e-mail, copiers or telephone must not contain content that may reasonable be considered offensive to any client, staff of CBDA, or other broker. Offensive material includes, but is not limited to obscenity, sexual comments, jokes or images, racial slurs, gender specific comments, or any comments, jokes or images that would offend someone on the basis of his or her race, color, creed, sex, age, national origin or ancestry, physical or mental disability, veteran status, marital status, medical condition or sexual orientation as well as any other category protected by federal, state, or local laws. Any use of the internet to harass or discriminate is unlawful and strictly prohibited by CBDA. Violators will be subject to discipline, up to and including release of license.

PROPERTY MANAGEMENT: If you want to do any Property Management, you must read the “Property Management Policy and Procedure Manual” before conducting any Property Management related business. A copy of this manual is available in CB Works under the Learn tab.

SHORT SALE NEGOTIATORS: Any individual who is directly or indirectly negotiating with a lender is required to hold an active real estate license or be appropriately licensed by the Department of Financial Institutions. **Brokers with CBDA will not use any unlicensed negotiators.** It is appropriate to ask to see the license of any Short Sale Negotiator.

Effective December 29, 2010 a federal program entitled MARS (Mortgage Assistance Relief Services) will regulate short sale negotiators. Significant penalties, both legal and regulatory, may be imposed on any real estate broker who refers a short sale negotiator who is not compliant with both state and federal short sale negotiator requirements.

MARS Rules prohibit any MARS provider (e.g. short sale negotiator) from collecting an advance fee by requesting or receiving any payment until the consumer has executed a written agreement with the consumer’s lender that incorporates the offer of mortgage assistance relief that the MARS provider obtained from the lender. Second, the MARS Rules require that any MARS provider make specific disclosures in any written or audible “commercial communication” related to any MARS service. “Commercial communications” means any written or oral statement, including web pages, designed to effect a sale or create interest in purchasing any MARS service.

CBDA BROKER ACTING AS SHORT SALE NEGOTIATOR: NWMLS Form 48A will be delivered to the client upon initial discussion of a short sale listing. Form 48A will be delivered to the transaction center with the signed listing agreement. When lien holder approval is obtained, NWMLS Form 48B will be attached to the lien holder approval letter and delivered to the seller. A copy of the lien holder letter and Form 48B will be delivered to the transaction center. (See NWMLS Legal Bulletin 188)

CLOCK HOUR CLASSES: Information for local schools is available on <http://cbworks.coldwellbanker.com> under the tab entitled “Learn”.

REAL ESTATE LICENSE RENEWAL: It is the Sales Associate’s responsibility to complete all required clock hours (including CORE) and renew their license on or before their birthday. Renewal can be accomplished on the DOL website or mailing the renewal application to the state.

- Renewing Online: Upon completing the online form, print out a copy and fax or email to the office.
- Renewing by Mail: Make a copy of the completed form. Fax or email to the office prior to dropping the renewal application in the mail.

If the office has not received this information by your license expiration date, we will be forced to return your license to the state. You will not be removed from our billing list unless you notify us in writing that it is your intent not to renew your license. You will still be obligated for your monthly fees up to the date that you notify us that you are no longer intending to be a CBDA Sales Associate. Upon completion of your clock hours and license renewal, we will assist you in reactivation with our office.

BROKER ACTING AS LOAN OFFICER: Generally, under RCW 19.146.0201 (the Mortgage Brokerage Act), it is a violation for a person to act as a mortgage broker in any transaction in which they are acting as a real estate broker. However, it is not a violation if the person complies with the following:

1. Prior to providing mortgage brokerage services to the borrower, the person provides to the borrower the following written disclosure: THIS IS TO GIVE YOU NOTICE THAT I OR ONE OF MY ASSOCIATES HAVE/HAS ACTED AS A REAL ESTATE BROKER OR SALESPERSON REPRESENTING THE BUYER/SELLER IN THE SALE OF THIS PROPERTY TO YOU. I AM ALSO A LICENSED MORTGAGE BROKER, AND WOULD LIKE TO PROVIDE MORTGAGE BROKERAGE SERVICES TO YOU IN CONNECTION WITH YOUR LOAN TO PURCHASE THE PROPERTY. YOUR ARE NOT REQUIRED TO USE ME AS A MORTGAGE BROKER IN CONNECTION WITH THIS TRANSACTION. YOU ARE FREE TO COMPARISON SHOP WITH OTHER MORTGAGE BROKERS AND LENDERS, AND TO SELECT ANY MORTGAGE BROKER OR LENDER OF YOUR CHOOSING.
2. The person must maintain his mortgage brokerage business activities separate and apart from his real estate brokerage activities.
3. You are not allowed to participate in FHA loans and be a licensed real estate broker. The buyer is not required to disclose the relationship to the seller. However, most broker consider such a disclosure an aspect of professionalism indicating good faith. Any broker working with Coldwell Banker Danforth & Associates, Inc, who is also acting as a loan officer shall comply with the requirements as outlined above. In order to act as a loan officer, CBDA broker must sign an Addendum to their Independent Contractor Agreement. Sales Associate shall turn into the Transaction Center with the P&S, a copy of the buyer signed receipt of the above written disclosure statement on any transaction where they are serving as Real Estate Salesperson and Loan Officer.

PERSONAL WEBSITES: NWMLS allows the broker to choose the IDX download provider of their choice. We have 4 web providers set up for your convenience, with varying costs and support/tools. Feel free to contact any of the list below or to use any other provider.

| | | | |
|--------------------|------------------------|--------------|---|
| Graphical Data | Chris | 866-850-4674 | chris@graphicaldata.com |
| Logical Dog | Jan | 360-929-1049 | jan@logicaldog.com |
| ColdwellBanker.com | Go to CBWorks for info | | http://cbworks.coldwellbanker.com |

Agent must supply the office with the URL for personal websites. E-mail this information with your photograph to Support@CBDanforth.com

ADVERTISING: As of July 1, 2010, you may advertise a title, group, team, or brand name without getting an assumed name license if the advertisement always displays the real estate firm's licensed or assumed name in a **clear and conspicuous manner**.

- The advertising must use color, contrast, size, or audibility to ensure the firm's name is readily noticeable and understood.
- The recipient of any advertising must be able to clearly distinguish the licensed firm name from the name of the unlicensed group, team, or brand advertised.
- Advertising for an unlicensed title, group, team or brand name **can't** include wording that:
 - Suggests a legal entity separate from the real estate firm, such as "Inc.," "LLC," or "Corp."
 - Is commonly understood to reference an entire firm or office, such as "realty," "realtors," "firm," or "real estate."
- All affiliated licensees who want to use an unlicensed title or brand must get advance written approval from their real estate firm's designated broker. This written permission should be available to our auditors and investigators upon request.

All advertising and promotional materials must include the Firm's Name as licensed, Coldwell Banker Danforth. The Firm name must be used in a clean and conspicuous manner. "Clear and conspicuous" means the Firm's name is of such a color, contrast, size, or audibility, and presented in a manner so as to be readily noticed and understood. There is no exception to this requirement and includes, but is not limited to: internet-based advertising, web pages, e-mail advertising, newspaper ads, magazine ads, radio and television advertising and any other visual or auditory media.

No advertising or promotional materials shall contain any statements or representations that are false or deceptive in any manner. All advertising shall comply with all laws, MLS rules and the Realtor Code of Ethics. All advertising and promotional materials must be approved by the branch manager or designated broker prior to publication.

ADVERTISING OR MARKETING FEES: If you collect an advance fee for advertising, or any other purpose, the listing contract should state the purpose of the fee; indicate if the fee is part of the commission upon closing, and state if any unused funds are refundable if there isn't a sale. The funds must be turned in to your designated broker or their delegated managing broker to be deposited in the firm's trust account, and held in trust for the purpose indicated in the brokerage service contract.

ASSUMED NAMES: Designated broker must submit a name reservation request to DOL so they can determine if the name you want is available. If DOL approves the requested name, the designated broker will send DOL an assumed name application and fee payment. When received, DOL will send the firm a license with the new assumed name. This license expires on the same date as the license for your firm.

YARD SIGNS: Yard Signs are considered a form of advertising. The complete specifications can be found on CB Works. In the search bar type "Identity Standards". To assist you in the order process, the following vendors have our corporate requirements:

1. SignPros @ www.signpros.net
2. Signs By Tomorrow @ www.signsbytomorrow.com/tacoma/
3. Realty Solutions @ www.realtysolutionsinc.com/sign_cb.asp

If you elect to use any other vendor, prior to printing the proof must be submitted for approval to management.

WEBSITES: Any Website is considered online advertising. This means that the content is subject to many regulations, and should be carefully considered before being made public.

You are solely responsible for the information and other content that you make available **anywhere** on the Web. Craig's List and other sites not associated with NWMLS or Coldwell Banker may be used for advertising provided that the seller has given written permission to post on these sites. Make sure you comply with the following:

- 1) Your site must use **Coldwell Banker** Marks and slogans correctly and consistently at all times.
- 2) Make sure you have permission to reproduce and display content, as well as artwork and graphics, in accordance with applicable Trademark, copyright patent and other laws
- 3) Follow all regulations governing the accuracy and presentation of advertising and the promotion of your business on the Web

Mandatory Disclaimers: Office, company, team and individual Websites must contain disclaimers on every page. Disclaimers can be placed in the footer so that it appears at the bottom of every page. Make sure the following is included on each page.

Affiliate Disclaimer: ©2009 Coldwell Banker Real Estate LLC,
Coldwell Banker is a registered trademark licensed to Coldwell Banker Real Estate LLC.

- 1) Equal Housing Opportunity  Equal Housing Opportunity.
- 2) Each Office Is Independently Owned And Operated.

When using a logo for advertising, you must use our Company Logo Specifications

Make sure that you are using the correct Coldwell Banker® brand identity. These are the basic components that make up this identity:

The Coldwell Banker Mark
Affiliate DBA
Minimum Required Disclaimer



** The Coldwell Banker® Identity Standards manual can be found at <http://cbworks.coldwellbanker.com>

Coldwell Banker Danforth & Associates, Inc Logo and Each Office Independently Owned Logo is available on DOCSS in the file entitled Forms

Equal Housing Opportunity Slogan, Logo and Statement Specifications



All advertising for the sale, rental or financing of residential real estate should contain the equal housing slogan, logo or statement. These indicate to the public that the property is available to everyone regardless of race, color, religion, sex, familial status, handicap or national origin.

SLOGAN

"Equal Housing Opportunity" The slogan is used in ads under four column inches. The slogan may never be abbreviated to "EHO." Ads under four column inches are not required to use the slogan if they are grouped with other ads under a Publisher's Notice.

LOGO

- 1) The logo consists of the symbol and the slogan. The symbol may not be used alone.
- 2) The logo is used in ads of four column inches or more. The logo should be clearly visible and

legible. When other logos are used in display ads, the federal regulations suggest that the equal housing opportunity logo be of a size at least equal to the largest of the other logos.

3) The federal regulations suggest the following guidelines for including the logo in ads of four column inches or more:

| Size of Ad | Size of Logo |
|-----------------------------|----------------------|
| 1/2 page or larger | 2 inches by 2 inches |
| 1/8 page to 1/2 page | 1 inch by 1 inch |
| 4 column inches to 1/8 page | 1/2 inch by 1/2 inch |

The above Federal Law also applies to web sites. Please make sure that you abide by this law.

LEGAL: You must notify Management immediately when you think that one of your transactions may have a legal dispute. Your E & O coverage may not apply if you do not record the complaint at the onset. Do not try to fix the problem prior to discussing the issue with Management.

E & O INSURANCE LEGAL FEES: Should there be a legal dispute on one of your transactions, you will be required to deposit the \$5000 deductible upon request from the E & O Insurance legal firm.

If the following 4 items are included in the transaction then the \$5000 deductible will be waived.

- Statewide (NWMLS) forms are used to generate the contract
- Seller completes a Form 17 and delivers to the buyer. Buyer signed acknowledgement.
- Inspection of the property is performed
- One year Home Warranty is provided to the buyer at closing

If one of the principals in the transaction is a Danforth Sales Associate; then NO WAIVER of the deductible is possible.

HOME WARRANTY PROGRAMS: Coldwell Banker Danforth highly encourages the use of Home Warranty Programs on all properties.

The policy of this office regarding the home warranty insurance program is as follows:

1. You must offer this program regardless of who pays for it.
2. If your client does not want the warranty, then the Buyer/Seller must check the box on our General Addendum in the Purchase & Sales Agreement that states that they are not interested.
3. It is the Sales Associate's business decision on whether they want to pay for this service for their clients. You must be consistent should you decide to buy this for your clients. (Example, if you buy for one, you must do it for all or be able to justify it should you have a complaint). If you are purchasing a warranty, please note it on the Listing or Sales Transaction Guide.

QUESTIONS FOR MANAGEMENT: We want your questions!!! Always call your branch manager or the corporate office with any questions regarding any facet of your real estate business. You can also email your questions to BrokerQuestion@CBDanforth.com your questions will be sent to all available staff. Because these emails will go to all of our brokers when sent, you will get the quickest response possible by using this method.

AGENCY DISCLOSURE PAMPHLET: At initial contact, brokers shall provide all clients/customers a copy of “The Law on Real Estate” pamphlet and obtain a receipt thereof at the earliest opportunity. Agency disclosure should always be made at the time of initial client-licensee contact. Written agency disclosure shall be obtained with every written agreement executed between a buyer and a seller or seller’s broker. Agent should either keep an email receipt or get written confirmation that delivery took place. You must keep this in your file.

LISTING COMMISSIONS: There will be **no** limited service listings allowed at our office. We are a full service brokerage and will treat all clients to excellent service.

1. All Selling Office Commissions (SOC) will be offered at market commission rate.
2. 6% is considered a market commission, although we allow our brokers to negotiate the listing side of the commission as needed.
3. No listing shall be taken at zero% commission to Listing Office. Minimum fees associated with this type of transaction are \$75.00 for E&O Coverage, \$195.00 Processing Fee, plus 6% franchise fee (based on the market rate commission listed as SOC on the contract) and the State B&O Tax.

COMMISSION REDUCTIONS: It is CBDA’s policy that you will always offer a full market SOC on every listing. If you choose to reduce your listing or buyer’s side commission you must do so in writing within either the listing agreement or buyer’s agreement. If you do not handle your commission reductions through these agreements, you will be charged the 6% royalty fee by CB corporate as they choose not to participate in your client gifts that are non-contractual.

SUBMISSION OF DOCUMENTS: Brokers and managing brokers are responsible for maintaining all brokerage services documents and agreements and transaction files until they are surrendered to the Transaction Center. Documents shall not be considered surrendered to the Transaction Center until the documents are logged into DOCSS.

Transaction files include: all agreements, receipts, contracts, documents, leases, closing statements and correspondence for each real estate transaction and for each rental, lease, or contract. Correspondence that must be printed and included in a transaction file includes any correspondence that is material to the transaction. If broker or managing broker is not sure as to whether correspondence is material to the transaction, broker or managing broker shall print and retain the correspondence.

Brokers and managing brokers shall submit all documents to the Transaction Center within two business days of mutual acceptance. Documents that must be submitted include, at a minimum, listing agreements, buyer agency agreements, purchase agreements, lease agreements, all addenda, options and notices (within two days of client’s signature or receipt from other party).

LISTINGS & PURCHASE & SALES AGREEMENT: It is the policy of this office that the Listing Agreement and Purchase & Sales Agreement must be submitted to the Transaction Center within two (2) business days after signatures are received on listing Agreements and mutual acceptance on Purchase & Sales Agreements. On Purchase & Sales Agreements mutual acceptance is defined as when buyer and seller have signed the initial contract. It is not upon removal of contingencies. This policy also applies to short sale transactions. Do not hold your transaction until the bank has approved it. You already have mutual acceptance when the seller and buyer signed the offer. Our office is required to have all signed documents available to Washington State Auditors upon request.

There will be a fine of \$10 per day charged on the Listing Agreements and Purchase & Sales Agreement that are not received by the office as stated above.

Each listing and buyer controlled sale will be assigned a file number, reviewed and uploaded to DOCSS within 5 business days of receipt. The Transaction Center will e-mail the Transaction Coversheet, the Transaction # and Review Notes to the broker. Review Notes will also be available for the broker to see within each individual file in a divider entitled "Master Sheets" on our DOCSS website

Changes on listings are the responsibility of each Sales Associate. Make the change in the computer or fax the request to NWMLS for input. Send a copy to the Transaction Center within 24 hours after receiving final signatures.

Examples of changes that you must do are:

- Price
- Pending or STI/Contingent
- Terms
- Expiration date
- Sold
- Cancellation of listings must be sent into the office for input into the NWMLS

Prior to making changes in the computer the Seller must sign all status changes (Form 19). Sales Associate is to make a copy of the updated MLS printout and turn into the Transaction Center with Sellers signed Status form. It is imperative that you do this on all changes. Failure to do so may drop your listing off of coldwellbanker.com

It is the Sales Associates responsibility to make sure their listings are current and are accurate on **all** websites including www.coldwellbanker.com

LISTING FILE INFORMATION: Each broker shall input their listings into NWMLS, upload a minimum of 6 photos (minimum required for listing the property on www.coldwellbanker.com), and attach the required documents to the listing.

All paperwork **must** be turned into the transaction center by the sales associate within 2 business days of seller signature on the listing agreement. Paperwork can either be faxed or scanned and emailed. The completed Listing Transaction Guide (located in DOCSS) must accompany the initial paperwork.

Fax numbers for the Transaction Center are:

253-838-0310 (Traditional Fax) or

Email: cbdacontracts@comcast.net or cbdacontracts@gmail.com

PROCESSING A NEW LISTING: WHEN TURNING IN A NEW LISTING, THE SALES ASSOCIATE WILL: Complete the Transaction Guide Form located on NWMLS Express Forms under company specific forms

1. Turn the complete listing packet into the Transaction Center within 2 business days of final signatures.
2. Order a sign for the property.
3. Review all websites for accuracy including NWMLS and ColdwellBanker.com.

NWMLS RULES REQUIRE ALL LISTINGS BE TURNED IN NOT LATER THAN 5 PM ON THE NEXT BUSINESS DAY AFTER BEING SIGNED.

NO SIGN SHOULD BE PLACED ON A PROPERTY UNLESS A COPY OF THE LISTING IS IN THE OFFICE.

PROCESSING A SALE – Listing Sold or Buyer Controlled Sale (Purchase Agreement Written): Submit the following to the Transaction Center within 2 business days after mutual acceptance, unless you are depositing into our trust account. **If so, then the check and P&S needs to be submitted by 3 pm the next banking day (or 11:00 AM at Burien location) after mutual acceptance, unless extended deposit agreement is signed by all parties. The CB300 addendum has such a provision for your use.**

1. Complete the Sales Transaction Guide Form located on NWMLS Express Forms under company specific forms and attach the following:
 - Purchase and Sale Agreement--**LEGIBLE COPIES**
 - All addenda and counteroffers
 - Earnest Money check or promissory note ** See Coldwell Banker Danforth & Associates, Inc. policy under “Earnest Money Deposit Requirements”
 - Copy of the listing printout
 - Copy of the Receipt for Deposit of Earnest Money (**Required on all files regardless of where deposited**)
2. Place a sold sign on the property.
3. Sales Associate is responsible for forwarding Purchase & Sales Agreement and any additional documents to cooperating broker
4. Review Commission Disbursement (CD) sent to escrow before closing to avoid any discrepancies. The CD can be found on DOCSS in each individual file. Contact the Transaction Center via email with any corrections. Allow time prior to closing for corrections.
5. Commission check will be held until all related paperwork, addenda have been submitted to Manager.

BROKER FOLLOW-UP: Each broker is expected to have at least one weekly contact with each of their Buyers & Sellers. Consistent and thorough follow-up is the surest way to avoid problems and complaints. Sellers expect us to market their property and they need to be informed on everything that you are doing. Listings are lost because Sellers no longer believe we are genuinely concerned about their needs and believe that we have lost interest in marketing their property. Buyers expect to know what the process is and to be up to date on the progress of their purchase at all times.

ACCESS TO OUR DOCSS SYSTEM: Before trying to access our DOCSS system for the 1st time, you need to review the “DOCSS User Manual” in detail. It uses a specific program for viewing the files and if you do not set up your computer per these instructions, you will not be able to use DOCSS. The “User Manual” can be found on CBWorks, under the learn tab.

COMMISSION CHECKS: All commissions are processed at the corporate office in Federal Way. Commission checks delivered to any other location will result in a delay in payment to the broker. The Transaction Center sends out a CD on all files with the correct address for delivery of the check.

PAYDAY PROCESS: Commission checks are deposited at the end of the day on which they are received. The next day an email is sent to the broker to notify them that the check will be processed by bookkeeping. If all paperwork is in the office file, then payday will be after 3PM. Bookkeeping will notify agent when check is available for pickup in Federal Way. Brokers using the direct deposit program will be notified by email that the process has been completed. Brokers missing paperwork will receive their commission upon providing the missing documents.

PURCHASING OR SELLING YOUR OWN PROPERTY: If you are purchasing property for your personal account or selling your own property, Washington State Law states that you **must submit a copy to the office** for review whether you submit the listing to the NWMLS or not and **state within the contract: *Seller or Buyer understands that (Insert Name) is a licensed Real Estate Salesperson and is acting as a Principal in this Agreement for his/her own account***

Broker as Seller: Indicate on listing agreement that the commission is Zero to the listing office and 2.5 or 3%, etc. to the selling office. The Transaction Center will calculate your costs and submit the CD to escrow. Minimum fees associated with this type of transaction are \$100.00 for E&O Coverage, \$195.00 Processing Fee, Home Warranty Coverage (depends on the Vendor's charge) State B & O tax plus 6% franchise fee (based on the market rate commission listed as SOC on the contract)

Broker as Buyer: You can use **your** portion of the commission to reduce the purchase price, pay closing costs, or take as a normal commission income. If you use Commission to reduce the purchase price, than include into the P&S "No Commission to be paid to Coldwell Banker Danforth". The Transaction Center will create a CD to send to escrow indicating that there is no commission due from the seller but to collect the fees from the buyer due at closing. Minimum fees associated with this type of transaction are \$100.00 for E&O Coverage, \$195.00 Processing Fee, Home Warranty Coverage (depends on the Vendor's charge), State B & O plus 6% franchise fee (based on the market rate commission listed as SOC on the contract)

E & O for SELLING & BUYING PERSONAL PROPERTY: The following 4 items must be part of any purchase agreement that involves a property that you have 10% or more ownership.

1. A seller disclosure form was signed by the seller and acknowledged by the buyer prior to closing
2. A home warranty policy was purchased prior to closing
3. A home inspection was completed and a copy was provided to the buyer prior to closing.
4. NWMLS approved standard sales contract was utilized.

A FINAL NOTE:

ON A WEEKLY BASIS, CONTACT ALL PARTIES INCLUDING THE COOPERATING BROKER, LENDER AND ESCROW AGENT. CONSISTENT, REGULAR FOLLOW-UP IS ESSENTIAL. YOU WILL AVOID MANY PROBLEMS AND PROBABLY SAVE TRANSACTIONS THAT MIGHT OTHERWISE FAIL, IF YOU KEEP IN CONTACT WITH ALL PARTIES ON A WEEKLY BASIS AND LISTEN CAREFULLY TO WHAT THEY HAVE TO SAY. BUYERS AND SELLERS GET NERVOUS WHEN THEY THINK THEY ARE BEING IGNORED.

BROKER RECRUITING: You will be compensated \$25 per broker that you have referred to our office and the referred broker has stated you as the Sales Associate who referred them to our office. You will only be given this reduction on months that the referred broker is on our 100% home office program and are current on their bill.

EARNEST MONEY DEPOSIT REQUIREMENT

WAC 308-124E-100

All brokers and managing brokers will physically deliver all funds, moneys, negotiable instruments or items of value to the appropriate managing broker, branch manager or their designated broker within the shorter of the following:

(1) Two business days of the client's/customer's signature (business days are not Saturday, Sunday or other legal holidays as defined in RCW [1.16.050](#)); or

(2) Sooner if the terms of the client/customer contract necessitate quicker delivery than two business days.

Earnest Money Policy: Broker will collect earnest money check or promissory note from Buyer(s) at the time of writing Purchase & Sales Agreement. Earnest Money check must be dated the same date as Purchase & Sales Agreement.

Transactions using CBDA trust account: Broker will deliver to Managing Broker the P&S and Earnest Money check by 3 PM the next banking day (or 11:00 AM at Burien office) after mutual acceptance of the contract.

Transactions using outside Escrow trust account: Broker will deliver to escrow the P&S and Earnest money check by the next banking day after mutual acceptance of the contract (or whatever date is agreed to in the PSA). Broker will get a dated receipt from escrow and deliver it with a copy of the check, transaction guide and P&S to the Transaction Center within 2 days of mutual acceptance.

If P&S states that the check is to be held for a specified length of time, Broker must add a statement for a “**no later date**” to the contract. Broker will deliver check to Managing Broker. Managing Broker will hold check until Sales Associate notifies Managing Broker that conditions have been met or the “no later date” has arrived. On all Purchase & Sales Agreement written by Coldwell Banker Danforth & Associates, Inc., broker is required to use CBDA Form #306–Earnest Money Receipt & CBDA Form #305 –Earnest Money Deposit Addendum. A Receipt for Deposit of Earnest Money is required on **all** transactions.

Sales Associate that delivers Earnest Money checks in violation of Washington RCW laws will result in a penalty of \$50 for each business day that it is late. If Purchase & Sales Agreement fails to close the \$50 per day penalty will be due upon rescission of contract.

HOME INSPECTOR REFERRAL POLICY: On January 31, 2009, a new rule related to home inspector referrals became effective, as set out in WAC 308-124C-050, which requires that each licensed designated broker will establish a written office policy that includes a procedure for referring home inspectors to buyers or sellers.

Coldwell Banker Danforth & Associates, Inc has adopted the following policy:

1. The party requesting the referral shall be solely responsible for interviewing and selecting the home inspector, and shall be advised to independently review the qualifications and experience of the inspector. A buyer or seller shall never be required to use an inspector referred by the licensee.
2. Coldwell Banker Danforth & Associates, Inc does not endorse any inspectors, and expressly disclaims any responsibility for the work of the inspector, and does not warrant or guarantee their findings, or lack thereof.
3. Whenever a licensee refers a home inspector to a buyer or seller, at least three (3) names should be provided to the party requesting the referral. Any referred inspector must be compliant

with all licensing laws. Nothing in Broker's referral of home inspectors shall indicate a preference for one inspector over the others.

4. Any time a referral to a home inspector is made, the Home Inspector Referral Disclosure form (NWMLS Form 41) must be completed, and a copy provided to the requesting party and the office file within 2 business days of clients signature. Any previous use of the inspector, as well as any independent business or personal relationship with the inspector, shall be disclosed on this form. Coldwell Banker Danforth & Associates, Inc strongly discourages any licensee referral to an inspector with whom the licensee has a familial or business relationship.

5. No licensee may receive any compensation from any inspector, directly or indirectly, based upon a referral.

Should the licensee have any questions or uncertainty, they should consult their broker prior to the referral.

SUPERVISION OF BROKERS: Any person who supervises or exercises right of control over brokers (including licensed assistants) in the performance of real estate brokerage services must be licensed as a managing broker. Any person not licensed as a managing broker shall not supervise or exercise right of control over any broker (including licensed assistants) in the performance of real estate brokerage services. Brokers may supervise or exercise right of control over other brokers (including licensed assistants), if the other broker is not providing real estate brokerage services.

“Real estate brokerage services” means ANY OF THE FOLLOWING SERVICES offered or rendered directly or indirectly to another, or on behalf of another for compensation or the promise or expectation of compensation, or by a licensee on the licensee's own behalf:

1. Listing, selling, purchasing, exchanging, optioning, leasing, renting of real estate, or any real property interest therein; or any interest in a cooperative;
2. Negotiating or offering to negotiate, either directly or indirectly, the purchase, sale, exchange, lease, or rental of real estate, or any real property interest therein; or any interest in a cooperative;
3. Listing, selling, purchasing, exchanging, optioning, leasing, renting, or negotiating the purchase, sale, lease, or exchange of a manufactured or mobile home in conjunction with the purchase, sale, lease, exchange, or rental of the land upon which the manufactured or mobile home is or will be located;
4. Advertising or holding oneself out to the public by any solicitation or representation that one is engaged in real estate brokerage services;
5. Advising, counseling, or consulting buyers, sellers, landlords, or tenants in connection with a real estate transaction;
6. Issuing a broker's price opinion, meaning an oral or written report of property value;
7. Collecting, holding, or disbursing funds in connection with the negotiating, listing, selling, purchasing, exchanging, optioning, leasing or renting of real estate or any real property interest; and
8. Performing property management services, which includes with no limitation: marketing, leasing, renting, the physical, administrative, or financial maintenance of real property, or the supervision of such actions.

The performance of “real estate brokerage services” DOES NOT INCLUDE:

1. Being a greeter, distributing pre-printed promotional materials and providing security at open houses, without answering questions or interpreting information concerning the property, price or terms
2. Acting as a courier for documents, keys or other similar services as long as there is not discussion or interpretation of the documents
3. Performing clerical duties, answering the telephone, forwarding calls and scheduling appointments for brokers
4. Submitting forms and changes to the MLS, obtaining status reports on loan progress and credit reports.
5. Following up on loan commitments after the contract has been negotiated, pickup up and delivery of loan documents.
6. Obtaining public information from sources like government offices, utility companies, title companies, etc
7. Writing and placing advertising.
8. Making keys, installing lock boxes, placing or removing signs on the property, but not showing the property
9. Gathering information for CMA
10. Transporting clients to properties and/or around areas of interest but not showing or answering questions about the property
11. Performing account and collection functions such as collecting rent, recording and depositing earnest monies, security deposits, rental funds and or computing commission checks
12. Ordering or performing items of repair and/or maintenance
13. Providing information pertaining to the characteristics of real estate and the terms or the conditions of a transaction only if that information is prepared in writing and approved in advance by the broker.

MORTGAGE FRAUD & BUYER CONCESSIONS POLICY: Section 9 of House Bill 2770 states that it is unlawful for any person, in connection with obtaining a residential mortgage loan to directly or indirectly: (1) defraud or materially mislead any lender or borrower; (2) knowingly make any misstatement, misrepresentation, or omission during the mortgage lending process knowing that it may be relied upon by a mortgage lender or borrower; or (3) use or facilitate the use of any misstatement, misrepresentation, or omission during the mortgage lending process with the intent that it be relied upon by a mortgage lender or borrower.

Section 10 of House Bill 2770 provides that any person who knowingly violates section 9 or who knowingly aids and abets in the violation of section 9 is guilty of a class B felony.

Coldwell Banker Danforth & Associates, Inc policy is to disclose all information regarding the property or borrower to the lender. This means that any realtor concessions for the buyer must be in the Purchase and Sale Agreement. Lenders must also receive copies of NWMLS Form 35R and any other related (work order) addendums. This includes the list of repairs that the seller has elected not to complete but in lieu of the repairs will give a credit or reduced sales price.

SEXUAL HARASSMENT POLICY: Sexual harassment of any kind is inappropriate, offensive and illegal and will not be tolerated. Sexual harassment is a form of discriminatory behavior. No employee, client or other broker shall be subject to unwelcome verbal or physical advances or any other on-the-job conduct that could be interpreted as harassment.

Legal Definition: Sexual harassment is a form of sex discrimination and is an “unlawful employment practice” under Title VII of the 1964 Civil Rights Act. Unwelcome sexual advances, request for sexual favors and other verbal or physical conduct constitute sexual harassment when:

- They are part of a manager’s decision to hire or fire
- They are used to make other employment decisions such as pay, promotion or job assignment.
- They interfere with the licensee’s or employees work performance.
- They create an intimidating, hostile, or offensive work environment.

Behavior That Can Constitute Sexual Harassment: Sexual harassment is defined as deliberate or repeated behavior of a sexual nature that is unwelcome. It can include verbal behavior such as unwanted sexual comments, suggestions, jokes, or pressure for sexual favors; nonverbal behavior such as suggestive looks or leering; and physical behavior such as pats or squeezes, or repeatedly brushing against someone’s body.

Procedure: The Designated Broker is responsible for managing all complaints of sexual harassment and for insuring that all complaints are investigated fully and fairly, regardless of the manner in which they are made or the individuals involved.

Should an instance of inappropriate behavior occur, it is the licensee or employee’s responsibility to bring it to the attention of management. This includes licensees and employees who think they are the recipients of sexual harassment and also those who believe that they have witnessed another licensee or employee’s harassment.

If a licensee or employee believes her or she is being sexually harassed, action should be taken immediately by:

- Identifying the offensive behavior to the harasser and requesting it stop.
- Discussing the issue with the Manager Licensees involved in the accusation, complaints should be taken directly to the Designated Broker.

REALTORS CODE OF ETHICS: All sales associates must know and abide by the Realtor’s Code of Ethics.

FAIR HOUSING ACT: Each Sales Associate should at all times know and abide by the Fair Housing Act. The Fair Housing Act prohibits discrimination in housing because of:

- 1) Race or color
- 2) National origin
- 3) Religion
- 4) Sex
- 5) Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18)
- 6) Handicap

CB Danforth in the Community: We encourage you to contribute in tandem with our office to this fund. You have the voluntary option to give \$5.00 per transaction or per month to this fund. Our office matches all agent gifts. Contact management if you want to hear more about this program or to find out where we have donated in past years.

SOCIAL MEDIA: Social Media as used in this policy shall apply to both activities at the broker's web sites (e.g., blogging) and use of third party social media tools (e.g., Facebook, Twitter, LinkedIn, etc.). Because there already exist hundreds of different Social Media tools which may be utilized by brokers and more are constantly being created, the provisions of this policy are to be interpreted generally to apply to the types of interaction the broker has with the social media service rather than to specific web sites and providers. Notwithstanding anything in this policy, it remains the responsibility of the broker to comply with the requirements of local, state and federal law and the Code of Ethics of the National Association of REALTORS®.

There are hundreds of providers of social media services in which real estate brokers may participate. The purpose of this policy is to provide guidelines intended to provide both brokers and the brokerage with legal liability risk management and to protect the brokerage's reputation and good will in the community. Like with blogging, the scope of this policy is intended to relate to use of social media in connection with the real estate business, but regardless of the social media service being used, when related to the real estate business the Broker should observe these guidelines.

Brokers are required to read and be familiar with the policies and requirements of any site on which they participate and to comply with the requirements of that site. In particular, Brokers should know the privacy practices and policies of the sites.

Brokers should remain aware that items posted on social media sites may be forwarded or used for purposes other than originally intended. Brokers should be aware of this when making decisions as to what to include on their social media sites.

Be thoughtful about how you present yourself in online social networks. The lines between public and private, personal and professional are blurred in online social networks. By virtue of identifying yourself as a Coldwell Banker Danforth Broker within a social network, you are now connected to your colleagues, managers and even other Coldwell Banker's clients. If you have joined Coldwell Banker Danforth recently, be sure to update your social profiles to reflect Coldwell Banker guidelines.

The scope of this policy shall extend to all uses of social media in connection with the real estate business (use in connection with the real estate business would include any use in which the broker seeks to promote or capture real estate business from consumers or other brokers).

Whenever identification is required by this policy it shall include the following:

- a. Name/Logo of brokerage
- b. Name of broker
- c. Phone/Fax/E-mail of the brokerage office
- d. State of licensure
- e. Brokers affiliated with a team may also include the name of that team
- f. Phone/Fax/E-mail of broker or team responsible for the web site
- g. Any other requirements mandated by state law/regulation

Any social media profile is considered online advertising. This means that your content is subject to many regulations, and should be carefully considered before being made public.

You are solely responsible for the information and other content that you make available anywhere on the Web. This includes all your social media profiles and your own business Web Sites.

Make sure you comply with the following:

- Your social media profiles must use Coldwell Banker Marks and slogans correctly and consistently at all times
- Make sure you have permission to reproduce and display content, as well as artwork and graphics, in accordance with applicable Trademark, copyright, patent and other laws
- Follow all regulations governing the accuracy and presentation of advertising and the promotion of your business on the Web

Coldwell Banker Danforth reserves the right to disapprove and deny access to any Broker whose profile on social media sites contains content which violates the Coldwell Banker identity standards, Trademarks or service marks, or otherwise threatens to damage CBDA's reputation.

1. Coldwell Banker Danforth Brokers are personally responsible for the content they publish on blogs, wikis or any other form of user-generated media. Be mindful that what you publish will be public for a long time—protect your privacy.
2. Respect copyright, fair use and financial disclosure laws.
3. Don't provide Coldwell Banker Danforth's or another's confidential or other proprietary information. Ask permission to publish or report on conversations that are meant to be private or internal to Coldwell Banker Danforth.
4. Don't cite or reference clients, partners or suppliers without their approval. When you do make a reference, where possible link back to the source.
5. Respect your audience. Don't use ethnic slurs, personal insults, obscenity, or engage in any conduct that would not be acceptable in a typical workplace. You should also show proper consideration for others' privacy and for topics that may be considered objectionable or inflammatory—such as politics and religion.
6. Try to add value. Provide worthwhile information and perspective. The Coldwell Banker brand is best represented by its people and what you publish may reflect on Coldwell Banker Danforth.
7. Broker is responsible for assuring that the content and operation of all forms of social media conforms to the standards established in the Code of Ethics of the National Association of REALTORS®.

Use a disclaimer. Whether you publish to a blog or some other form of social media, make it clear that what you say there is representative of your views and opinions and not necessarily the views and opinions of Coldwell Banker. At a minimum in your own blog, you should include the following standard disclaimer: "The postings on this site are my own and don't necessarily represent Coldwell Banker Danforth's positions, strategies or opinions."

For Coldwell Banker Danforth's protection as well as your own, it is critical that you show proper respect for the laws governing copyright and fair use of copyrighted material owned by others, including Coldwell Banker's own copyrights and brands. You should never quote more than short excerpts of someone else's work. And it is good general blogging practice to link to others' work.

Protecting confidential and proprietary information. Social computing blurs many of the traditional boundaries between internal and external communications. Be thoughtful about what you publish—particularly on external platforms. You must make sure you do not disclose or use Coldwell Banker confidential or proprietary information or that of any other person or company in any online social computing platform. For example, ask permission before posting someone's picture in a social network or publishing in a blog a conversation that was meant to be private.

Protect Coldwell Banker Danforth's clients, business partners and vendors. Clients, partners or suppliers should not be cited or obviously referenced without their approval. Externally, never identify a client, partner or supplier by name without permission and never discuss confidential details of a client engagement.

Don't pick fights. When you see misrepresentations made about Coldwell Banker Danforth by media, analysts or by other bloggers, bring it to the attention of the Firm's Management team so that they can assess how it should be handled. Also, if you speak about a competitor, you must make sure that what you say is factual and that it does not disparage the competitor. Avoid unnecessary or unproductive arguments. Don't try to settle scores or goad competitors or others into inflammatory debates. Here and in other areas of public discussion, make sure that what you are saying is factually correct.

Be the first to respond to your own mistakes. If you make an error, be up front about your mistake and correct it quickly. In a blog, if you choose to modify an earlier post, make it clear that you have done so.

General Terms of Use Agreements for Blogs: You must have Terms of Use for each blog. Below are suggested Terms of Use:

- a. CBDA broker is responsible for establishing the process for governance of the blog by posting terms of use for the blog.
- b. The terms of use shall include:
 - i. Users shall abide by any legal requirements related to the use of the blog and the site's terms of use for the blog including specifically its privacy policy. Users shall be responsible for their conduct on site
 - ii. Obtain clear authority from Users to utilize anything the User includes on the site
 - iii. Prohibit the unauthorized use of third party content or the posting of any unlawful or objectionable materials
 - iv. Prohibit the use of the site to harass or stalk anyone
 - v. Prohibiting the posting of content which infringes on the rights of any third party
 - vi. Prohibit the posting of content which expresses a preference based upon an individual's membership in a protected class
 - vii. Provide a take-down policy in the event any such materials are posted to the site
 - viii. Disclaim responsibility for any third party sites linked to through the site
 - ix. Generally disclaim and limit any liability arising from the content of the site whether provided by Broker or a User
 - x. Provide a privacy policy

Responsibility for Maintenance

- a. All blogging must be monitored by broker for false / defamatory / demeaning / degrading comments at least once per week.
- b. Broker is responsible for removing or clarifying any comment if the broker knows that it is false or misleading

Posting of Professional Contacts/Qualifications

1. Broker is responsible for assuring that any listing of qualifications, credentials or training contained on the site is current, accurate and not misleading. Any changes to the foregoing shall be promptly revised on the site.

2. Broker shall not falsely claim association with any person or group

Posting of text

1. All text shall be the Broker's own and not plagiarized or copied from another party without that party's permission. This shall not prohibit the use of reasonable quotations from the writings of others or writing for which the Broker has received permission to use or using writings consistent with the practices of the site (e.g., retweeting). No content which infringes the rights of any third party may be used.

2. Broker may write regarding the listings of other licensees within the brokerage

3. Broker may (with written permission) write regarding the listings of other brokerages

Posting of comments to social media pages owned by others

1. Any statement regarding the brokerage shall clearly disclose the Broker's relationship to the brokerage

2. The Broker shall disclose his/her status as a real estate professional as a part of any real estate related statement

3. Broker may not accept compensation for placing a comment on a site

Posting of photos and videos

1. Broker is responsible for assuring that that Broker is authorized to use any photo audio/video posted to any site (to avoid copyright issues)

2. Broker shall secure permission to post for marketing purposes the image of another person on all sites.

3. If an image has been materially altered in any way by Broker, the fact that the image is altered shall be disclosed

MAP RULE MORTGAGE ACTS AND PRACTICES—ADVERTISING

The Federal Trade Commission ("FTC") has recently issued its Mortgage Acts and Practices - Advertising, or "MAP", rule ("Rule"). The Rule imposes requirements on those that provide information about mortgage credit products to consumers by prohibiting misrepresentations during these communications and also imposing recordkeeping requirements. The Rule will impact real estate professionals that provide this information to consumers, such as giving a consumer a lender's rate sheet. The Rule took effect on August 19, 2011.

If you provide Lender Rate Sheets or an application or other documentation required for the consumer to apply for Preapproval from a Lender; then this new law applies to you.

All written documents must be turned into the Transaction Center within 2 business days of delivery to the consumer and must include the following required disclaimer:

Required Disclaimer

This communication is provided to you for informational purposes only and should not be relied upon by you. Coldwell Banker Danforth is not a mortgage lender and

so you should contact [entity providing mortgage product(s) identified] directly to learn more about its mortgage products and your eligibility for such products.

The disclaimer will need to be prominent, as the FTC notes in its comments that disclaimers in small type placed at the bottom of a document will not protect against misrepresentation claims. The disclaimer text should be separated from the other text in the covered statement, as language buried within the text may not be effective to protect against misrepresentation claims.

The Recordkeeping portion of the law requires these documents to be retained for 2 years from the date that the communication was made to the consumer.

**End of Policy and Procedure Manual
Sign and Return the Next Page**



**DANFORTH &
ASSOCIATES, INC.**

I acknowledge that I have received a copy of the Policy & Procedure Manual and agree to abide by all items therein. I also acknowledge that the most current version of the CBDA's Policy and Procedure Manual is located both on DOCSS and CBWorks and agree to periodically read this manual and be up to date with the company's current Policy and Procedures.

Accepted by:

Sales Associate

Date

Return this page to Management

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