

Hawaii Addendum to the Real Broker, LLC Independent Contractor Agreement

Real Broker, LLC (“Company”) makes this addendum a part of the Independent Contractor’s Agreement to set forth state-specific policies and procedures for an agent (“Agent”) affiliating with the Company in the State of Hawaii. This Addendum supersedes all previous Hawaii addenda. The Company reserves the right to modify, suspend, or discontinue any of the terms, policies, procedures and/or benefits described in this Addendum with proper notice.

1. Contact Information

Legal Name. Unless a dba is officially filed with the Hawaii Department of Commerce and Consumer Affairs (DCCA), Agents MUST use their legal name as it appears on their real estate license in all advertising, on contracts and on all real estate correspondence. For example: If Christopher Smith or Christina Smith wanted to use the name “Chris Smith,” they would need to file as “Chris Smith” with DCCA and pay the required fee.

Business Address. Your business address is the main office of the Company in Hawaii which is: 2176 Lauwiliwili Street, #1, Kapolei, HI 96707. By law, you must use this address in all your real estate activities.

Registered Branch Office. You may use the address of a registered Branch Office as well as its corresponding Broker License number. Should you have a commercial office space that is not an approved Branch Office, you may use that address so long as the Business Address above is listed also listed as the “Main” address.

Mail. No mail should be sent to the Business Address if it can be sent elsewhere (i.e., have all Board/MLS mail sent to your personal address). Checks from Split-Check Distribution Authorizations (Das) should be picked up or sent to the agent directly. No personal mail should come to the office. Any mail received at the Business Address will be considered official Company business and is subject to being opened by the Principal Broker (“PB”) or administrative team.

Transaction communications. Escrow companies should be instructed to send all communication pertaining to a transaction to Agent’s email or the reZen email for that particular transaction.

Change in Agent Information. Immediately notify Company of any changes in your address, phone numbers and email address by updating your Real Agent App profile account. Also notify the PB.

2. Dual Agency ([HAR 16-99-3.1g](#))

Dual agency shall be discussed with all buyers and sellers at least once prior to entering any written contract, and the Hawaii Association of REALTORS® (“HIAR”) Dual Agency Consent Addendum must be signed by buyer and/or seller before signing a written contract. At the time a listing is taken, the seller must approve or disapprove dual agency in the listing agreement. Before showing your listing to your buyer client, you must first disclose you are the listing agent and have them sign the HIAR Dual Agency Consent Addendum.

When an Agent first meets with a buyer and conducts the “Buyer Presentation,” agency must be explained, including Dual Agency. Please have the buyer sign the HIAR Dual Agency Consent Addendum before showing property that may include Company listings.

3. Property Management of Personally-Owned Real Estate ([HAR 16-99-3](#))

All real estate activities performed by Agents must fall under the supervision of the PB. As licensed agents, there is no such thing as “for lease by owner.” All real estate transactions of those holding a real estate license in Hawaii must go through a licensed real estate brokerage.

Currently Company does not have a property management division and therefore does not allow Agents to perform property management. If you own Hawaii property and would like to rent it out, you must hire a property management company to assist you. If you elect to do so, you must provide PB with a copy of the property management contract to be kept on file with Company. Additionally, you must adhere to all state licensed laws regarding management of personally-owned real estate and adhere to all Fair Housing and Civil Rights laws and all local building and zoning codes.

[HAR 16-99-3](#) forbids a real estate licensee from managing their own property and collecting and holding funds from their tenants. All funds collected from tenants, including security deposits, must be deposited in a broker’s escrow account.

4. Types of Listings

Exclusive Right to Sell- This type of listing provides the full right to represent the owner in the sale of the property. This is the type of listing permitted by the Company. There is a standard listing agreement form that is to be signed by the seller (an owner of record must sign). Be sure to check with the escrow company to ensure that all titleholders have signed the listing agreement. The absence of an owner could invalidate the listing agreement. We strongly recommend a minimum term of 180 days.

Exclusive Agency Listing- This type of listing is not recommended as the Seller has the right to sell the property with no commission paid. This type of listing cannot be taken without the written consent of PB/BIC.

5. Sale of Personally-Owned Real Estate ([HAR 16-99-3g](#))

Any Agent wishing to sell properties which the Agent owns will list those properties with Company. Pursuant to State law (HAR 16-99-11) they cannot be listed as “For Sale by Owner” and must disclose on all advertisements, including MLS remarks, that “Listing Agent is owner”).

Hawaii Association of REALTORS® requires all Agents to advise Principal Broker of personal transactions prior to any purchase or listing.

All agents must hire a professional home inspector and provide a copy of their findings to the Buyer. The only exception to this requirement is if the Buyer hires their own home inspector.

Agent must purchase a one-year home warranty for the Buyer.

6. Physical Office Space

Company operates virtually and as such does not invest in physical brick and mortar infrastructure, except where required by state licensing laws. In Hawaii, the Company's main office is located at 2176 Lauwiliwili Street, #1, Kapolei, HI 96707.

7. **Branch Office** ([HAR 16-99-2](#))

“Branch Office” means a place of business other than the principal place of business from which real estate business is conducted. Branch offices located on an island different from the principal place of business shall be registered by the commission. Branch office registration shall not be required for places of business located on the same island as the principal place of business and registration shall not be required for any additional place of business from which real estate broker activities are engaged in exclusively relative to a condominium project, real estate subdivision, larger community development developed by a single developer, time share project, new or existing shopping center, or other commercial building.

All branch offices must be approved by the Company, registered with DCCA, and comply with all state requirements. There are several steps required to have a Branch Office approved for use by Company. Read these instructions thoroughly and carefully. Important: Do not sign any leases until the Principal Broker and Company Leadership Team have approved your Branch Office request. Your lease cannot name Company. DCCA forms should not be signed and mailed out until all the required steps are completed and you have received Company approval of the Branch Office.

RESIDENTIAL ADDRESSES ARE NOT APPROVED FOR BRANCH OFFICES. ONLY COMMERCIAL BUILDINGS WILL BE APPROVED FOR USE AS BRANCH OFFICES. DCCA requires a BIC to be assigned to a Branch Office. Contact your Principal Broker if you desire to open a Branch Office and provide the following information with your request:

- Team/Agent Name
- Affiliating other agents not on the team to this office?
- Lease back from BIC
- Cost
- Conditions
- Team/Agent length of time in real estate
- Team/Agent sales volume prior 2 years
- History of Team/Agent with DCCA, legal, professional standards
- Team/Agent registered Sale Team?
- Agent/Entity name of tenant
- Verification of Sales History
- Copy of proposed lease or proof of ownership
- Documentation of history with DCCA, MLS, lawsuits, Professional Standards, Arbitrations, Bankruptcies
- Rental payment history or statement from prior landlord

Once Principal Broker and Company have verified information provided, a Branch Office Agreement will be prepared. Agent shall schedule an appointment with Principal Broker to review the agreement and go over expectations, DCCA regulation, etc. Please email hibroker@therealbrokerage.com to schedule this appointment.

If approved, Agent will need to provide Principal Broker with a copy of the commercial general liability policy for the Branch Office. Policy must name Company and its affiliates

and subsidiaries as an additional insured with policy limits on an occurrence basis in a minimum amount of \$1M per occurrence. Proofs for any signage to be used at the Branch Office must be submitted for compliance review and approval to hibroker@therealbrokerage.com. Agent and Principal Broker will execute Branch Office Agreement.

The establishment of a Branch Office is at the sole expense of the Agent. The Branch Office address may not be used until it is active under the Company license on the DCCA website.

8. Advertisement & Compliance ([HAR 16-99-11](#))

§16-99-11 Advertisement. (a) All real estate advertising and promotional materials shall include the legal name of the brokerage firm or a trade name previously registered by the brokerage firm with the business registration division and with the commission.

For advertising and promotional purposes only, a brokerage firm may:

- (1) Abbreviate "Incorporated," "Corporation," "Limited," "General Partnership," "Limited Partnership," "Limited Liability Company", or "Limited Liability Partnership" from the licensed name; and
 - (2) Use "dba" in conjunction with the licensed name and a trade name.
- (b) No licensee shall advertise "For Sale by Owner," "For Rent by Owner," "For Lease by Owner," or "For Exchange by Owner."
- (c) Current individual real estate licensees, whether active or inactive, shall disclose the licensee's status as a real estate licensee in all advertising and promotional material.
- (d) A leasehold property advertised for sale in any medium shall be identified by the word "leasehold."
- (e) All advertising and promotional materials that refer to the individual licensee's name, including but not limited to business cards, shall:
- (1) Include the licensee's legal name, name as licensed by the commission, or sole proprietor's trade name as licensed by the commission;
 - (2) Identify the licensee with the licensee's associating or employing brokerage firm; and
 - (3) Specify that the licensee is a broker (B), or salesperson (S), or if a current member of the Hawaii Association of Realtors, Realtor (R) or Realtor-Associate (RA).
- (f) If the address of any unregistered place of business is included in advertising materials, then the street address of the principal place of business or the branch office, as the case may be, shall be included and respectively identified as such.

A copy of all advertising must be emailed to Marketing@therealbrokerage.com and hibroker@therealbrokerage.com for approval.

9. Broker-in-Charge ("BIC")

Although not Company staff, BICs are considered management in the state of Hawaii. They have authority to review and sign listing and purchase contracts, sign DCCA change forms, and manage agents. In changing to BIC status, a DCCA change form must be completed with Agent's signature and Principal Broker's signature. BICs can only be signed on and off by the Principal Broker and are appointed at the discretion of and under the supervision of the Principal Broker.

To be considered for a BIC position, an Agent must be active with the Company a minimum of three months, hold a current broker license, attend weekly sales meetings, be willing and capable of managing agents, have practical knowledge of listing and purchase contracts, DCCA change forms, reZen and Workplace, have a proven track record of adhering to Company policy and procedures as well as those of the DCCA, Board and MLS. BICs must attend monthly BIC meetings. BIC candidates must reside full-time in the state of Hawaii.

10. DCCA Change Forms

The Principal Broker and Broker-In-Charge (jointly "PB/BIC") are the only two individuals legally allowed to sign a change form. When signing and processing DCCA change forms for onboarding agents, the PB/BIC must first verify the agent has completed the online Join App. Once verified, the PB/BIC will review the change form for accuracy and completeness ensuring the releasing broker has signed the change form prior to PB/BIC signing. PB/BIC then sends a copy of the change form to the Broker Team to complete the joining process and emails a copy to the Board and MLS notifying the agent is joining the Company. The original is to be mailed to the DCCA or hand delivered.

When signing off an agent, the PB/BIC must first verify the agent does not owe any money to the Company. When cleared, the PB/BIC will review the change form for accuracy and completeness before signing. PB/BIC then sends a copy of the change form to the Broker Team to complete the offboarding process and emails a copy to the Board and MLS. The original goes with the agent if they are changing to another broker, if not, the original is mailed to the DCCA.

11. Unlicensed & Licensed Assistants

Unlicensed assistants may not perform any duties which require a real estate license. An unlicensed assistant may not show properties to potential clients or tenants, may not engage in any real estate negotiations with clients, may not answer any questions or provide information beyond what may be written in fact sheets approved by the Principal Broker regarding specific properties, and may not sign any real estate transaction documents. A licensed Assistant may perform the same duties as licensed real estate salespersons.

12. Out of Town or Unavailable Agent

Agents who are off island for more than a day must complete and submit an OUT OF OFFICE FORM and deliver it to the Principal Broker, including their travel itinerary, disclose their active Listings and Escrows, and identify the person responsible for their transactions during their absence.

13. Teams

All Agents operating within a team context must abide by the current laws and rules in place in Hawaii Revised Statutes ("HRS"), Chapter 467, and Hawaii Administrative Rules ("HAR"), Chapter 99, "Real Estate Brokers and Salespersons."

All team names should be registered with the DCCA and all team advertisements shall comply with HAR 16-99-11, including but not limited to social media, websites, print ads and business cards.

An advertisement that includes a team name, i.e., "Team ABC," must, at a minimum, include the name of the brokerage in the same advertisement. Names of real estate licensee team members must be the names of these individuals as registered with the DCCA. Each individual licensee must specify if they are a broker or salesperson. Specifically, HAR §16-99-11- Advertisement, states: "(a) All real estate advertising and promotional materials shall include the legal name of the brokerage firm or a trade name previously registered by the brokerage firm with the business registration division and with the commission." This means that the brokerage name and logo must accompany the Team name with no ambiguity as to which is the brokerage.

A team is defined as: (i) one lead agent or team leader and (ii) one or more licensed agent(s) working as a team member under a team agreement. Team agreements are mutually agreed upon terms between the team leader and team member(s). Team agreements must be in writing and carefully considered to ensure compliance with all federal, state, and local laws as well as company policy. Company will not intervene in any disputes between team members and team leaders. **A copy of all team agreements must be provided to the Principal Broker.**

14. REALTOR® Association/Board and MLS Membership

All Agents must be a member of a REALTOR® Association/Board and MLS in their area. Agents may join other area Associations/Boards and MLS by applying directly. Agents are to comply with all Association/Board and MLS Rules and regulations and remain in good standing with all fees paid in full.

- a. Honolulu Board of REALTORS®/HI Central
1136 12th Avenue, Suite 200
Honolulu, HI 96816
Phone: 808-732-3000
- b. REALTORS® Association of Maui
441 Ala Makani St.
Kahului, HI 96732
Phone: 808-873-8585
- c. Kauai Board of REALTORS®/Hawaii Information Service MLS
4359 Kukui Grove St. #103
Lihue, HI 96732
Phone: 808-245-4049
- d. Hawaii Island REALTORS®/Hawaii Information Service MLS
1321 Kinoole St.
Hilo, HI 96720
Phone: 808-935-0827
- e. West Hawaii Association of REALTORS®
75-5995 Kuakini Hwy. #221
Kailua-Kona, HI 96740
Phone: 808-329-4874
- f. Hawaii Information Service MLS
680 Iwilei St.

Honolulu, HI 96717
Phone: 808-628-3121

15. State Meeting Attendance

Agents are strongly encouraged to attend the weekly State Meetings and Training, currently scheduled every Wednesday at 8:30 am (via Google meet or Zoom).

16. State Broker Contact Information

Principal Broker- Daniel Sepulveda
hibroker@therealbrokerage.com
Cell Phone- 808-852-9782