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Independent Contractor vs. Employee

- Every Sales Associate must sign an Independent Contractor Agreement when hired. Said Agreement is placed in agent’s hiring file and agent receives a copy for their personal records.
- Sales Associates are considered Independent Contractors for tax purposes, however the ADRE recognizes Salespersons to be employees of the broker (Employing Broker).

IRS 1099 MISC. Forms

- IRS 1099 Misc. forms will be provided for all the independent contractors with gross commission income during a calendar year. These are mailed to agents no later than January 31st of the following year.

Change of Address

- Brokers and Sales Associates must notify the Department of Real Estate, Gentry Real Estate Group and your Realtor Association Board within 10 days of a change of personal mailing address.

Vacation/Out of Town

- Agents must notify Gentry Real Estate Group as to who will be handling their business and transactions in their absence in the situation that the Agent will be out of town for a prolonged period of time.
- If an agent fails to assign their business and transactions to another agent prior to leaving for vacation, Gentry Real Estate Group holds the right to assign the business to the Broker or another Gentry Real Estate Group agent.
- Gentry Real Estate Group holds the right to a split of any commission due. The split is to be discussed upon Sales Associate’s return.

Severing From the Company

- Any active listings of severing Sales Associate will be transferred by GENTRY REAL ESTATE GROUP, with seller’s approval, and Sales Associate may re-list the property through their new employing Broker.

- Upon severance/termination, all company property, including office keys, training materials, and any other proprietary company property must be returned to Gentry Real Estate Group Management at the time of severance.

- Severance is not effective under licensing laws until the department receives the notice of severance and the Sales Associate’s license.

- Independent Contractor shall not, after severance from Gentry Real Estate Group, use to his or her own advantage, or the advantage of any other persons or corporation, any information gained for or from the files or business of Broker. INDEPENDENT CONTRACTOR AGREES THAT FOR A PERIOD OF (1) YEAR FOLLOWING SEVERANCE, INDEPENDENT CONTRACTOR WILL NOT DIRECTLY OR INDIRECTLY SOLICIT OR OTHERWISE ATTEMPT IN ANY MANNER TO INDUCE ANY SALES ASSOCIATE OR EMPLOYEE OF BROKER TO TERMINATE HIS OR HER AFFILIATION OR EMPLOYMENT.
• Independent Contractor, upon severance from Gentry Real Estate Group, shall deliver to or advise Broker in writing of any offer received, requested to be submitted or otherwise communicated to Independent Contractor with respect to any real estate or property listed with Broker or another broker, which had not prior to such termination been delivered, submitted or otherwise communicated in writing to Broker. It is understood and agreed that upon severance from Gentry Real Estate Group, Broker retains as its separate property all financial interest to which it, as Broker or co-broker, is entitled pursuant to any such offer.

• Severed agents will not get paid directly from the Title Company. The commission check will be written and delivered to Gentry Real Estate Group and after all paper work is handed in to complete the file a commission check will given to severed agent minus any fees due to Gentry Real Estate Group.

Equal Opportunity Employer

• GENTRY REAL ESTATE GROUP is an equal opportunity employer

Real Estate License

• A Sales Associate is to keep his or her license current and on active status to sell real estate in Arizona and the Sales Associate is responsible for license and related costs.

• Agent must provide a receipt of renewal by the 25th day of their expiration month or agent’s license will be severed with GENTRY REAL ESTATE GROUP. We cannot practice real estate without a license, therefore, your full compliance with all Rules and Laws are required.

Professional Association Affiliations/Membership

• Agents may choose which Board they wish to affiliate with, but must join one of the AAR approved boards.

• Agents are encouraged to earn professional designations such as GRI, CRS, CRB, CCIM, ABR or any other approved National Association of Realtors designations.

Competency and On-going Training:

• Agents are required to be competent in their practice of real estate and comply with all rules and regulations of ADRE and Arizona law. GENTRY REAL ESTATE GROUP provides on-going training for agents at all levels of experience.

Training:

• Rules, Regulations, and Real Estate Laws are always changing and ADRE holds licensees accountable to stay abreast of these changes. A current Arizona Law Book is in the office or may be accessed from one of the in office computers for your reference. They are also available for purchase directly from ADRE or on their website www.re.state.az.us.com

• GENTRY REAL ESTATE GROUP holds agents to higher standards than required by Arizona Law.
• NAR requires all agents to attend a Code of Ethics class every four years to maintain their membership with their local Board of Realtors.

Meetings

• Gentry Real Estate Group holds a mandatory Orientation meeting for agents and may from time to time hold other mandatory training meetings. Agents wanting to meet with the Broker or Office Manager at other times are asked to make an appointment ahead of time.
• Agents wanting training or advanced training must also call the Broker or Office Manager to schedule an appointment.

Conference Room Use

• Conference room is available on a first come first serve basis. Agents are recommended to call ahead to be sure the conference room is not in use before bringing a client into the office.

Assistants

• Gentry Real Estate Group Agents MUST adhere with the following policy set forth by the Arizona Department of Real Estate in regards to what licensed and unlicensed assistants can do.

Substantive Policy Statements
No. 2005.04 Unlicensed Assistants

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under ARS 41-1033 for a review of the statement.

Description of Practice/Procedure: In looking at the issue of unlicensed assistants, various aspects must be considered, including what activities the individual will perform and how the individual is paid.

An unlicensed assistant in the employ of a licensed real estate broker may:

• Perform telephone duties, to include calls to:

  1) Collect demographic information

  2) Solicit interest in engaging the services of a licensee or brokerage

  3) Set or confirm appointments (with no other discussion) for:

    • A licensee to list or show property

    • A buyer with a loan officer

    • A property inspector to inspect a home

    • A repair/maintenance person to perform repairs/maintenance
• An appraiser to appraise property

4) Mortgage and/or title companies to track the status of a file, check daily interest rates and points, whether buyer has been qualified, confirm closing appointment for licensee, and so forth

• Assist a licensee at an open house

• Unlock a home for a licensee so that licensee can show a buyer the property or preview the property (no discussion about the property).

• Deliver documents (as a mail or delivery service only)

• An unlicensed assistant shall not perform the following activities:

• Hold/host an open house without an agent being present

• Perform a walk-through inspection

• Answer questions relating to a transactional document

• Give instructions to inspectors, appraisers or maintenance/repair people. Because these instructions are part of the licensee’s regular duties and there is a direct relationship to the (potential) transaction, a license is required in order to give instructions to inspector’s appraisers or repair/maintenance people

**Authority:** A.R.S. § 32-2101(46) defines the activities of a real estate broker, for which licensure is required pursuant to A.R.S. § 32-2122. See also A.R.S. § 32-2121.

**Policy Program:** Enforcement **Effective Date:** Revised April 3, 2000; Revised & Renumbered 5/28/04; Renumbered 4/01/05.

**Teams:**

• See Broker for Team Registration & Guidelines. Reminder slogans and team names need to be registered with the Arizona Secretary of States office.

**Broker Authorization of Real Estate Forms**

• The Designated Broker is required to sign and authorize the following documents:

  o Assignment of Commissions – Title Commission Instructions

  o Commission Changes

  o Escrow & Contract Changes

  o License Renewal

  o Listing Releases

  o Mutual Cancellations
Fair Housing is Your Right!

_Discrimination is when someone treats you differently based upon your…_

- Race
- Color
- Sex
- Religion
- Handicap
- Familial Status
- National Origin

The Law protects your right to have a home.

Members of the Joint Committee on Fair Housing:

- Arizona Office of the Attorney General
- Arizona Department of Commerce
- Arizona Department of Insurance
- Arizona Department of Real Estate
- Arizona State Banking Department
- Governor’s Council on Developmental Disabilities
- Arizona Association of REALTORS®
- Arizona Mortgage Bankers Association
- Arizona Multi-housing Association
- Home Builders Association of Central Arizona

In cooperation with the Phoenix Office of the United States Department of Housing and Urban Development

What is Fair Housing?

The following actions by non-exempt owners and housing providers are prohibited when based on race, color, sex, religion, handicap, familial status (having one or more children under the age of 18), or national origin; when selling or leasing a house, residential lot, or apartment:
• Refusing to show, lease, or sell  
• Refusing to negotiate  
• Charging more to buy or lease or asking more for a security deposit.

• Falsely describing the property as off the market  
• Advertising to a specific group or declaring in advertising that a certain group is ineligible.  
• Denying services that are available to others.  
• Designating certain properties as family housing.  
• Denying access to or use of a facility or service that is normally available to other tenants.  
• Telling owners or lessees to move because the neighborhood is being integrated.  
• Suggesting that someone move to an area they in which they don’t wish to move.  
• Allowing unlawful bias to affect the appraisal of a property.  
• Denying credit.  
• Refusing to allow handicap accommodations for an assisted aide, assisted animal, parking, or physical modification

How can a Housing Professional Help?

The Equal Housing Opportunity logo is displayed by Housing Professionals who have committed themselves to protecting the rights of everyone. Look for companies that display this logo:

![Equal Housing Opportunity Logo]

Housing Professional Include:

- Real Estate Firms
- Leasing Agents
- Lenders and Bankers
- Home Builders
- Apartment Owners
- Mobile Home Dealers
- Title Companies
- Appraisers
- Insurance Providers

Don’t be afraid to discuss your needs and desires with these professionals. Inform them of any of your concerns.
How do I recognize and report housing discrimination?

Discrimination can be obvious and easily recognized, but at times it is subtle, or apologetic. If you are concerned that housing discrimination is happening to you or someone you know, or you are aware of a housing professional that is discriminating against home owners or tenants, or people looking to buy or lease you need to report to the Arizona Attorney General’s Office as soon as possible.

To report housing discrimination:

First contact your Broker at Gentry Real Estate Group

Arizona Attorney General

Phoenix:  602-542-5263
          (TDD 602-542-6872)
Tucson:   520-628-6500
          (TDD 520-628-6872)

Fair Housing/Equal Opportunity

- Fair Housing laws and rules can be found in the real estate law book links from the Department of Real Estate website, www.re.state.az.us (links available to agents on each in-office computer).

Advertising Guidelines

According to: R4-28-502 Arizona Department of Real Estate Law Book

A. A salesperson or broker acting as an agent shall not advertise property in a manner which implies that no salesperson or broker is taking part in the offer for sale, lease, or exchange.
B. Any salesperson or broker advertising the salesperson’s or broker’s own property for sale, lease or exchange shall disclose the salesperson’s or broker’s status as a salesperson or broker, and as the property owner in the advertisement.
Signs

- Sales Associates purchase all signs, including FOR SALE signs and OPEN HOUSE signs. Commercial Signs or any other specialty signs must have broker approval before placement. Agents bear the cost of sign placement and removal.

Advertising and Marketing

- Gentry Real Estate Group complies with all Federal Fair Housing laws.
- Use of Gentry Real Estate Group Company Logo, name, and phone numbers on advertising is required.
- Gentry Real Estate Group complies with Regulation Z and Truth in Lending Laws.
- Broker and/or Broker’s designee are to review any advertising by the agent before placement regardless of who pays for it. Advertising includes but is not limited to: Web pages, fliers, signs, business cards and classifieds.
- Broker and/or Broker’s designee to review Sales Associate’s web sites for pre-approval before website is operational. Web site must be in compliance with Regulation Z Advertising, Federal Fair Housing Law and the Arizona Department of Real Estate.

Agency and Dual Agency

- The Company represents the seller/landlord exclusively when we are the listing agent but not the selling agent
- The Company represents the buyer/tenant exclusively when we are the selling/leasing agent and not the listing agent
- The Company represents both the seller/landlord and the buyer/tenant as the limited dual agent (Limited Representation Disclosure Form required) when there is only one Sales Associate or two Sales Associates from the company. Agency is established with the Broker, NOT the Sales Associate.
- The Company will cooperate and co-broke with a selling/leasing agent from any other brokerage that represents the seller/landlord exclusively or represents the buyer/tenant exclusively.
- If you have a buyer for a property that is listed with an outside Board, of which you are not a member of, you MUST get permission from the listing agent to show and sell that property. Your commission agreement must be in writing, prior to showing the property, as not belonging to the listing agents board (outside Maricopa county) may not entitle you to a commission.
- Exclusive Office Listings are those listings wherein the seller has agreed to pay the listing agent exclusively and these listings are not submitted to MLS. If you have a prospect for a property that is an Exclusive Office Listing, you must notify the listing agent, ask permission to show the property, and get a commission agreement in writing from the Listing Agent and Seller.
• If you take an Exclusive Office Listing, you must specify across the top of the listing form that it is an Exclusive Office Listing and obtain sellers signature and date acknowledging that the property will not be submitted to MLS. If you agree to give up a portion of your commission to another agent who brings a buyer, you must have a written commission agreement, signed by both agents. This is a separate addendum between agents and is not to be written into the purchase contract. Submit a copy of the commission addendum to the title company so commissions paid will be included in the HUD-1 statement at close of escrow.

Authorized and Unauthorized Real Estate Activities

Authorized Real Estate Activities:

• Residential Sales and Residential Leases, Mobile or Modular Homes that are sold or leased with the land.

• New Construction wherein Builder’s agent writes the contract (Referral Status to GENTRY REAL ESTATE GROUP).

Unauthorized Real Estate Activities – MUST HAVE BROKER APPROVAL:

• Business opportunities, 1031 Exchanges, Commercial Sales or Leasing, Industrial Sales or Leasing, Agricultural Sales or Leasing, Un-Subdivided Land, or Builder Representation of a Subdivision.

• Act as builders, developers, or subdivide properties.

• Act as Attorney-in-fact on behalf of buyer or seller.

• Conducting any form of Property Management.

Unauthorized Real Estate Activities – UNDER ANY CIRCUMSTANCE:

• Sales Associates cannot conduct a Final Walk Through for Buyers. (Suggest to Buyers that they have the Home Inspector conduct their Walk Through and/or a trusted advisor such as a family member or a friend)

• Sales Associates can NEVER partially or fully complete a Seller Property Disclosure Statement on behalf of a seller.

• Cannot conduct Real Estate outside of the state of Arizona other than receiving approved broker to broker referrals, unless agent has an active real estate license in that state.

• Sales Associates cannot represent either party in the sale of a timeshare. Gentry Real Estate Group does not have any specialized experience in the transaction of timeshare sales and will not take on the liability associated with such transactions.
Business Relationships and Vendor Referral Policy (RESPA)

Gentry Real Estate Group Sales Associates may NOT earn fees offered by any affiliate for services performed on behalf of an affiliate at the point of sale UNLESS prior approval is given by Broker. This is required in order to ensure that there are no RESPA violations. Any fee approved must be disclosed in writing to all parties to a transaction in which the fee is being paid. The appropriate place for this disclosure is in the Additional Terms and Conditions on page 7 of the Real Estate Purchase Contract.

RESPA

Real Estate Settlement Procedures Act

The Real Estate Settlement and Procedures Act of 1974 (“RESPA”) was enacted to insure that consumers are provided with sufficient information on the nature and costs of the settlement process and are protected from unnecessarily high settlement charges. Section 8 and Section 9 of RESPA have the greatest impact on real estate agents.

Section 8
Anti-kickback, referral fees and unearned fees provision.

Section 8 states in part:

No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.

No person shall give and no person shall accept any portion, split, or percentage, of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

Thus, Section 8 prohibits a person from giving or accepting any thing of value for referrals of settlement service business. A “settlement service” includes any service provided in connection with a real estate transaction, including: title insurance, attorney services, surveys, credit reports, appraisals, pest and fungus inspections, loan origination (the taking of loan applications, processing, underwriting, and funding). A “thing of value” includes any payment, advance, funds, loan, service, or other consideration. Section 8 also prohibits a person from giving or accepting any part of a charge for services that are not performed.

Section 9

Section 9 states in part:

No seller of property that will be purchased with the assistance of a federally related mortgage loan shall require directly or indirectly, as a condition to selling the property, that title insurance covering the property, be purchased by the buyer from any particular title company.

A federally related mortgage loan covers virtually all financing secured by a lien on residential property. A federally related mortgage loan includes home purchase loans, refinances, lender approved assumptions, property improvement loans, equity lines of credit, and reverse mortgages.
“Required use” means:

A situation in which a person must use a particular provider of a settlement service in order to have access to some distinct service or property, and the person will pay a charge attributable, in whole or in part, to the settlement service.

Credit Reports

- GENTRY REAL ESTATE GROUP Agents are not authorized to run credit reports for buyers, sellers or prospects.

Commissions and Fees

- GENTRY REAL ESTATE GROUP has no set policy on the rate of commission agents may charge buyers or sellers. Agents are encouraged to make good business decisions. Any concessions to close will be paid by the agent up to the Transaction Fee and Errors and Omissions of Sales Associate’s individual contract agreement with Gentry Real Estate Group.

Commission Disbursement

- Commissions earned through an Exclusive Right to Sell, Exclusive Agency, Buyer Broker Agreement, MLS offer and/or FSBO commission agreement may only be collected after the proper commission disbursement forms have been filed by the broker. Any fees owed by the Sales Associate to Gentry Real Estate Group will be subtracted from commission before check can be picked up by Sales Associate.

Payment of Commissions

- Only licensed Sales Associates can be paid a commission.

- A licensed real estate Sales Associate can only be paid by the Sales Associate’s Broker.

- Commissions are paid to the Sales Associate in accordance with the Associate’s commission agreement with GENTRY REAL ESTATE GROUP.

- Commissions are authorized by the company to be paid directly to the Sales Associate, by the Title Company on the day escrow closes. Gentry Real Estate Group must be notified by Sales Associate of closing to ensure commission disbursement notification is given to Title.

- Commission for transaction where no commission is being paid will have a $750.00 hold back. After all paper work is turned in by Sales Associate and audited. Broker will issue agent a check for the $750.00 hold back amount minus any transaction fees that may apply for Sales Associates commission program, dues or other fees. This is to insure Broker that all transaction paperwork will be turned in for a complete file.

- Fees that are deducted from an Sales Associates commissions are Company transaction fees/splits, and any unpaid accounts receivable owed by the Sales Associate.
Commission Splits Between or Among two or more Sales Associates

- Sales Associate must have a written agreement, signed by all Sales Associates sharing in commissions. This agreement will specify compensation and duties of each participating Sales Associate. Gentry Real Estate Group will need a copy of this signed agreement no later than the close of escrow. **Under no circumstances** will monies be paid from one licensee to another. Gentry Real Estate Group will issue compensation checks to the appropriate licensees.

- See In House Referral Agreement.

Commission Disputes

- In the event there is no written agreement between Sales Associates, inside or outside of the company, as to sharing of commissions, agents may first discuss with Gentry Real Estate Group Broker and if necessary may go to a recognized mediator at their expense.

- If commission disputes arise from procuring cause between GENTRY REAL ESTATE GROUP Sales Associates those will be mediated within GENTRY REAL ESTATE GROUP. A mediation council comprised of the Broker and (3) unbiased Sales Associates will preside and their decision will be binding. Procuring cause with Sales Associates outside of GENTRY REAL ESTATE GROUP will follow NAR policies for arbitration.

Agent Compensation

- Any real estate related fees, including referrals or consulting fees are considered commission by ADRE and will be paid per the commission agreement signed by the Sales Associate and GENTRY REAL ESTATE GROUP.

- Sales Associates are in violation of Arizona Revised Statutes if they charge fees for preparing any real estate related transaction documents absent a valid Listing Agreement and/or a Valid Buyer Broker Agreement.

- Sales Associate understands that all payments for Broker Price Opinions for a Bank for a fee must be paid through Broker per ADRE. Sales Associate also understand that they are only able to complete Broker Price Opinions in conjunction with trying to obtain the listing from the Bank.

Referral and Finders’ Fee

- Outgoing referral fees must be paid only to a licensed broker and a W9 from broker and Tax ID# must be included in the transaction file. No fees may be paid to unlicensed people or entities UNDER ANY CIRCUMSTANCES.

- Brokers enter into a written agreement specifying the referral fee to be paid and name of party being referred. Name and address of referring brokerage along with W9 and copy of Real Estate license of referring brokerage.

- Incoming referral fees are paid only to the company; and Sales Associate will receive their portion of the commission per their commission agreement.
• An Sales Associate’s violation of the above named policies renders Sales Associate subject to suspension and/or revocation of their real estate license as well as monetary fines as determined by the Arizona Department of Real Estate.

Anti-Trust Regulations

• Sales Associates and employees must take special care to avoid discussion with employees and Sales Associates of competing firms regarding the commissions paid or received by Gentry Real Estate Group that could be construed to be agreements or conspiracy to fix, establish prices or otherwise restrain competition in violation of state and federal anti-trust laws. We may only discuss rates of commission within Gentry Real Estate Group and those who will be charged for services rendered.

Agent and Client Relationships

Representing Clients

• Sales Associates are responsible for understanding and disclosing in writing Agency Relationships

• Sales Associates may not list or sell in geographic areas in which they have no level of expertise without prior consent and assistance from management. Commission splits may apply.

• Sales Associates may not list or sell properties in which they have no level of expertise without prior consent and assistance from Broker. Commission splits may apply. For example if your primary business is residential sales and you are asked by a client to assist in the sell or purchase of a commercial property.

Client Contact and Appointments

• Agents are expected to return calls promptly.
• Be on time for appointments.
• Dress professionally.
• Exceed the client’s expectations.
•

Fiduciary Duties to the Client

• The Broker and the Sales Associates owe duties of confidentiality, accountability, reasonable skill and care, loyalty, obedience (lawful), accounting, and disclosure.

Obligation to the Non-Client, Client (everyone involved in the transaction)

• The Broker’s/Sales Associate’s obligation to disclose in writing to all other parties includes:
  o Any information that materially and/or adversely affects the consideration to be paid by any party in the transaction.
  o That the seller/lessor is, or may be, unable to perform.
  o That the buyer/lessee is, or may be unable to perform.
  o Any material defect existing in the property being transferred.
  o The possible existence of a lien or encumbrance on the property being transferred.
That the broker/sales associate is the principal or has a financial interest or benefit in the property.

That the broker/sales associate has a conflict of interest.

**Agency and Dual Agency Disclosure Forms**

- An Agency form and Consent to Limited Representation (Dual Agency) form shall be used on every transaction. The agency form used is dependent upon the representation agreed to by the sales associate and client. Written consent from client for Limited Representation needs to be obtained before sales associate shows a home listed by Gentry Real Estate Group.

- Agency must be established as soon as a client to agent relationship is evident and prior to any real estate agreements.

- GENTRY REAL ESTATE GROUP does not practice sub-agency.

**Forms Usage**

- Only AAR forms are approved. **ANY** deviation MUST be approved by the broker.

- Any forms to be used by the agent that are not approved by the broker will result in loss of E & O coverage and Sales Associate will be solely responsible for any consequences.

**Legal and Complaint Procedures**

- You must notify your Designated Broker immediately of any buyer or seller complaints or potential legal issues. Our Errors & Omissions Insurance carrier requires that they be notified within 24 hours of any potential claim.

**Transaction Maintenance**

- You are required to turn in all documents that require broker approval within 72 HOURS of execution. This includes: Purchase Contracts, (complete with all counter offers and addendums) Listing Agreements, Buyer Broker agreements, and Rejected Offers (write “REJECTED” on page one, initial and date it, or turn in the rejected contract with “Rejected” box checked and seller’s initials on page nine).

- Gentry Real Estate Group uses the ADRE approved electronic paperless Transaction Management software called “SureClose”. Gentry Real Estate Group offers training for this in the required “Orientation Class”. There are also classes available the Arizona Association of Realtor at their office located at 255 E. Osborn Road, training room #2, in Phoenix. Their phone number for SureClose support or to schedule a training class is 480-304-8930 and email is: support@aaronline.com. Pre-recorded classes and instructions may also be viewed at AARoLine.com follow the “Transaction Management” link. To ensure that you have documented your compliance with the ADRE, you may: Turn in all paperwork into the SureClose server after you have sent the office manager Denise Cummings a “New Transaction Request Form”. Keep in
mind if some form of technology is not working paperwork is still required to be delivered to broker by some other means including hand delivery with the 72 hours.

- **Sales Associates are required by law to give clients copies of everything they sign, at the time of signature, or be subject to license suspension or revocation as well as a monetary fine. In addition, if Gentry Real Estate Group clients feel they have been damaged by not receiving copies of documents, the company could be subject to a lawsuit and what that entire lawsuit entails. If found guilty by the court of negligent misrepresentation, a suspension (or revocation) of both the Sales Associate's license and the Broker's license is automatic.**

- Paperwork Transaction Coordinator is available, see office manager.

- Sales Associates are expected to verify listing information prior to submitting to MLS.

- A signed written cancellation is required for all cancelled transactions, and needs to be turned in to the broker.

- Sales Associate must disclose “owner agent” status in a listing and must disclose they are a licensee in a purchase contract, if they are selling or buying their own property.

- Sales Associates must disclose if a principal to a listing or sale is related to Sales Associate.

### Late Contract Turn-in Fines

- Sales Associates not handing in contracts/paper work with in the allotted 48 hours after acceptance will have fines due as follows:
  - After 72 hours there will be a $50.00 fine plus $10.00 a day.
  - Note: Fines may be increased at Broker discretion if late paperwork persists.
  - Additional training on handing in paper work is always available and may be required.
Paper Work Turn in Policy and Instructions

It’s as Easy as 1-2-3

1. First fill out a “New Transaction Notification” form. You can find a fillable form in SureClose company forms and publications, as well as Zip Forms. This needs to be printed/uploaded to GentryContracts in the “Basic” tab using your SureClose printer. You will be notified by email when the file is set up and ready for you to upload documents.

2. Once the file is set up you may begin uploading your documents. Upload any NEW CONTRACTS, with any counter offers and addendums, including a new “Exclusive Right to Sell” or “Exclusive Agency” to Gentry Real Estate Group within 72 hours of contract acceptance along with any other forms as they pertain to your transaction. **IMPORTANT – If you are not set up or trained on SureClose you need to get these documents into the Broker by some other means. Contact Broker for any questions.

3. Before closing log in to your SureClose file and review the documents to verify Broker approval, and upload any missing documents as needed. Within 3 to 7 days prior to COE email or fax in the “TRANSACTION CLOSING NOTIFICATION” form filled out completely so that Gentry Real Estate Group can process the file and send out a commission disbursement to Title. (This form is in SureClose under “company forms and publications”).

4. Get Paid (only when Gentry Real Estate Group has all necessary documentation for your file)
Cancelled Contracts

- All cancelled transactions must have a written cancellation signed by all parties to the transaction and include disposition of earnest money. Copy of cancellations must be turned in immediately.

Documentation/Notations of Transaction

- Sales Associates are required to document all communication with the clients in writing. Said documentation may also be done electronically. All notes to a transaction are to be saved by the Sales Associate and/or turned in for the Broker file.

Earnest Money and Receipt

- When representing the buyer in a transaction and the purchase contract has been fully executed by all parties, you are required to deposit earnest money directly to the Title Company NO LATER THAN close of the following business day. GENTRY REAL ESTATE GROUP does not maintain a Trust Account. Note: Buyer’s agent is generally responsible for opening escrow with the Title Company agreed upon in the purchase contract.
  - The amount and type of earnest money deposit must be clearly identified in the offer to purchase and shall be made payable to a specific Arizona escrow company.
  - Sales Associate acknowledges receipt of the earnest money described in the contract, and must receive the earnest money check at that time. Do not accept cash.
  - A Sales Associate is NOT to give a receipt if funds are not given to him/her.
  - Sales Associate cannot take cash as a deposit. Personal checks, money orders, cashier checks are acceptable. Wire transfers are acceptable so long as it is specified on the purchase contract with date for funds to be received and by whom.
  - The receipt for earnest money deposited with a title company must be turned in to Broker immediately and logged into the transaction file.
  - Once an offer has been accepted a Sales Associate is not to hold the check in his/her possession beyond the close of the following business day, under any circumstances.
  - A post-dated check is not acceptable unless specifically authorized by the Broker and the client and is disclosed in the buyer’s offer.
  - All earnest money must be handled in accordance with the terms of the contract and according to the Rules of ADRE.
  - Improper handling of earnest money may be grounds for immediate dismissal of Sales Associate. Improper handling could include failing to deposit earnest money by the specified time or falsely representing that earnest money has been deposited.
Insurance

Automobile

- Sales Associates are responsible for their own automobile insurance with the minimum limit is $300,000/$100,000. GENTRY REAL ESTATE GROUP must be named as an “additional insured” under the Sales Associate’s insurance policy any fees associated with the “additional insured” are to be paid by the Sales Associate.

- If your insurance company will not add Gentry Real Estate Group as an “additional insured” then you must have in writing, a form that releases Gentry Real Estate Group from any liability in the case of a law suit.

Errors & Omissions

- Sales Associates should be aware that there may be circumstances where E & O does not provide coverage, i.e., commercial, environmental issues, and transactions where Sales Associate acts as principal. Fraud is never covered under E & O insurance. Sales Associate’s maximum deductible is $2500 per each transaction litigated and/or settled out of court. The cost of Sales Associate’s Errors & Omissions insurance is subject to change based on GENTRY REAL ESTATE GROUP policy renewal date and future price increases.

Expenses

- Broker/Company is responsible for various expenses and/or carrying coverage, such as:
  - Errors & Omissions Insurance and Liability Insurance for each office.
  - Office Space, furniture, equipment, computers, software, phones, fax machines, copiers and general office supplies.
  - Clerical/secretarial support.
  - Advertising special events.
  - All required payroll taxes for Employees (as designated employees for tax purposes).
  - Health Insurance for Sales Associates is available through the NATIONAL ASSOCIATION OF REALTORS®, the Arizona Association of REALTORS®, or the local Association of REALTORS® at the expense of the agent. Health Insurance is not provided by Gentry Real Estate Group.

- Sales Licensees are Responsible for the Following Expenses:
  - Auto Insurance.
  - Payment of local and state taxes, FICA, Medicare etc.,
  - Business cards.
  - For sale signs, post, post rental and post installation.
  - Any other miscellaneous expense incurred by agent.
  - Real Estate Licensing, board and MLS fees.
Disclosures

Seller Property Disclosure Statement

- The AAR Seller Property Disclosure Statement is the only approved form and must be used with every transaction.

Wrap-around, Carry-back, or Subordinating Financing

- Wrap-around Agreements are not allowed. All Carry-back financing and or Subordination Agreements must be pre-approved by the Broker.

Lead Base Paint

- The requirement by the U.S. Department of Housing and Urban Development (HUD) requires that every seller of residential property built prior to 1978 disclose to the potential buyer/tenant the possibility for or the existence of lead based paint on the property.

- Every buyer/tenant is to receive a copy of the pamphlet “protect your family from lead in your home” and the Lead Based Paint Disclosure Addendum, available from the Departments website (www.re.state.az.us/leadfacts.html).

- Buyer initials or signatures are required to acknowledge receipt of notice.

- Sales Associates are required to initial and sign the receipt.

Military Airports

- The Sales Associate is required to inform the buyer/tenant that a property is within the area of a military or other airport.

- Information provided through (www.re.state.az.us).

Pool

- By initialing section 6g of the Residential Real Estate Purchase Contract, buyers are acknowledging that they have received a copy of the AZ Department of Health’s Pool Safety Notice.

- This is to be given to a buyer regardless of whether or not the property being purchased has a pool. This is under the assumption that the home, if it does not already, could have a pool installed, and in the situation that a pool is installed at a later date the buyer would need to be informed of the pool barrier laws and regulations in Arizona.

- The pool safety notice can be found on the AAR website. (http://www.azdhs.gov/diro/admin_rules/pool_rules.htm)

- Sellers must comply with provisions of A.R.S. § 36-1681 (E) by providing the buyer/lessee or renter with a notice, approved by the Department of Health Services explaining safety education and responsibilities of pool ownership.
Superfund and WQARF

- Information can be obtained from the Department of Environmental Quality website, www.adeq.state.az.us.com

Listings:

- All listings must be turned into Broker for review and approval within (48) hours of execution.

- Paperwork/documentation required of all Gentry Real Estate Group Listings:
  1. Original Exclusive Right to Sell “ER”.
  2. Original Exclusive Agency Agreement “EA” (if not listing on MLS).
  3. Agency disclosure and Election.
  4. Original 5 page information input sheet (not needed if not listed on MLS).
  5. MLS print out (not needed if not listed on MLS).

- At time sale of listing closes, Sales Associate must turn in all remaining documents in order to receive payment on such transaction.

Lock Boxes

- Sales Associates purchase lock boxes.
  You must have permission to place a lock box on there property.
  SEE LISTING AGREEMENT.

Pre-Possession and Post-Possession

- All Pre-possession and Post-possession agreements between Sellers and Buyers shall be in writing and approved by the broker prior to submission.

- Sales Associates must recommend to their clients to seek appropriate counsel (including tax, legal, insurance, etc.) concerning the risks associated with pre-possession or post-possession.

Offers

Presenting Offers

- All offers and counter offers must be presented in a timely manner. If you represent the buyer, do not present the offer until you have all signatures of the principals and their earnest money check.

- If you have presented an offer and have received no response from the listing agent within 24 hours, you may call the seller directly to determine the status of your buyer’s offer. You MAY NOT negotiate directly with the seller or interfere with the agency relationship of the listing agent to the seller. We also recommend a call to the salesperson's broker notifying him/her of the lack of salesperson's response prior to a call directly to seller.
• If you’re unable to reach the seller, call the listing agent’s Broker and ask for assistance. If you have no response from the listing Broker, notify your Operations Manager or Designated Broker immediately.

Multiple Offers

• The approved AAR Multiple Offer form is to be used exclusively.

Rejected Offers

• Rejected offers should be initialed and dated by the seller on page 9 or must include the notation “REJECTED” or “VOID” across the face of page one, and must be turned in to the Broker immediately. Rejected offers must be kept by the Broker for one year.

Licensee Purchase of “New Home” on Builder Contract

• Licensee, if purchasing a “New Home” with a Builder’s purchase contract needs to make sure it is disclosed on the contract in writing that buyer is a real estate licensee in the State of Arizona.

Sales Transactions

• All purchase contracts must be turned in to the Broker for review and approval no later than (72) hours after acceptance.
• Paperwork/documentation required of all Gentry Real Estate Group Sales:
  1. Original Contract (If Buyer’s Agent).
  2. Signed/Accepted Contract.
  3. Counter Offers, if any, numbered in order, along with any Multiple Counter. Offer Disclosure Forms if applicable.
  4. Addendums if any, numbered in order.
  5. Agency Disclosure and Election or Dual Agency/Brokerage Disclosure.
  6. SPDS and any other written disclosures (i.e. lead-based paint, mold/radon gas, pool notice, etc.).
  7. Buyer’s Advisory (If Buyer’s Agent).
  8. Supplement to Real Estate Purchase Contract (If Land Contract).
  9. LSR (Loan Status Report).
  10. CLUE report or letter form insurance provider.
  11. HOA Condominium/Planned Community Addendum.
  12. Buyer’s Inspection Notice and Seller’s Response (If Buyer’s Agent).
  13. Final Walk-through Form or Waiver of Final Walk-through (If Buyer’s Agent).
  14. Settlement Statement (From Title).
  15. Copy of Commission Check.

• At time of sale or listing closes, Sales Associate must turn in all remaining documents in order to receive payment on such transaction.
Leases

- The following documents are required to be turned into the Broker:
  A fully executed lease, the lease listing when we are the listing company, a copy of the lease deposit check, made payable to the landlord, is required whether we represent the landlord or the tenant, a Real Estate Agency and Disclosure, and Election Form and a receipt for Landlord/Tenant Act.

Personal Safety and Conduct

- Gentry Real Estate Group promises, by name, to provide first class service, first class agents, and first class results at all times.
- Gentry Real Estate Group Sales Associates are required to conduct themselves in a professional manner during business hours.
- Gentry Real Estate Group strongly advises against driving under the influence of alcohol and is not responsible for any consequences resulting from such action.
- If Gentry Real Estate Group ever receives a complaint regarding the conduct of a Gentry Real Estate Group Sales Associate under the influence of alcohol or other prescription or non prescription chemicals which can effect behavior and/or judgment it will be grounds for immediate termination from Gentry Real Estate Group.
- Gentry Real Estate Group agents are expected to treat themselves and other Sales Associates with respect at all times. Avoid heated discussions, yelling, shouting, or cursing while working with clients, customers, other real estate associates, or brokers.
Unified Agreement

This agreement may be updated from time to time to meet the growing needs or concerns of the industry and company. Salesperson hereby accepts these updates as part of this agreement. These changes will be emailed and or posted on SureClose under Company Forms and Publications. It is salespersons responsibility to check the website for the most current agreement.

Signature and Receipt

As a salesperson for Gentry Real Estate Group I do here by recognize that I have received a copy of the companies Policies and Procedures Manual and do agree by the terms therein.

Salesperson ___________________________ Date ________________