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History

Open House Realty first opened its doors for business on July, 2013, at a prime Northwest Valley location, in Glendale Arizona. The Designated Broker/Owner, Christopher Hanson had been in the real estate industry over 35 years, owning multiple real estate companies, mortgage, and home warranty companies. By 2007, Christopher Hanson had twelve locations with over 750 agents, including five franchised locations. Due to the decline in the economy, and real estate market in 08-09, Christopher remained financially secure by consolidating offices, reducing expenses, automating operations, and embracing new technologies. Open House Realty started as a new company in July of 2013.

In November 2008, Christopher Hanson took the initiative to create a completely paperless organization. Our ZipForms Online Transaction Management System, along with many other online tools, allow agents to view all files submitted, forms, and transaction requirements. Our structure allows agents, customers, and clients to review transaction, and sign documents electronically.

Online technology combined with smaller, more efficient offices changed our business model. Open House Realty Online Virtual Office, benefits agents who can work from home, go paperless, and stay ahead of the competition with technology. Our comprehensive online training program taught by experienced trainers/agents combined with the leadership of our successful, and very experienced Designated Broker has helped hundreds of agents launch their real estate careers.

In January 2022, Chris Hanson retired. Ivy Clay became the Designated Broker/Owner of Open House Realty. This kept Open House agents from having to change systems and costly marketing materials. Chris is someone Ivy admires and respects as an industry professional and is an ongoing mentor to her. Ivy Clay has over 2 decades of property management experience and has managed thousands of rental units throughout greater Seattle and Phoenix metros. She has effectively managed residential, commercial, flips, and condo conversions. Ivy has been a Realtor since 2011 and has always appreciated Chris Hanson's concept of offering cloud-based online technologies versus using dated systems. Ivy's goal is to support Open House Realtors with further access to online training, 24/7 support, marketing resources, and advanced technologies that streamline our business, offering greater value to our agents and service to our clients.

Corporate Office

20325 N. 51st Ave. Bldg. 5 Ste. 134
Glendale, AZ 85308

623-299-4954 OFFICE

623-486-9055 FAX

Note: You will receive an email from “Grasshopper” when you sign up with Open House Realty. This is to add your cell # to our extension at the office, so when someone calls for you, it’s routed directly to you. Upon receipt, simply confirm.

Services Offered

Services Offered by Open House Realty

- Superior commission split at 60% or 80% to agents
 - 100% Program only \$25 per month
 - Office generated leads and fair disbursement
 - Comprehensive online specialized training
 - All MLS listings advertised on the Internet
- Open Houses available for quick start-up of new agents
 - Open House signs available
 - New Home Search & training
 - Full time Broker & Manager support
 - Conference room reservation
 - Awards and Certificate program
 - Free web-site with MLS listings advertised
 - Comprehensive Training Provided
 - Online Transaction Management
 - Online Virtual Agent Office

And Best Of All:

- **NO START-UP FEES**
- **NO MONTHLY FEES ON 60% or 80% PROGRAM**
 - **NO FRANCHISE FEES**
 - **NO TRANSACTION FEES**
 - **NO OFFICE OR DESK FEES**
 - **FREE AGENT WEB SITES**
 - **NO TECHNOLOGY FEES**
- **COMMITMENT TO ETHICS AND PROFESSIONALISM**

Agent Start-Up Costs

Fees Required to Start as a New Agent

State Exam	\$75
Department of Real Estate	\$60 (licensing fees)
Fingerprint Clearance Card	\$129
WeSERV Association of Realtors	\$560 (annual membership fee)
ARMLS	\$349 (annual membership fee)
MLS Supra Key	\$14.50 (monthly fee)

Other Suggested Start Up Costs

Business cards	FREE upon request
Photo for business cards	\$25
Lock-box	\$95
Name Badge	\$15
Magnetic Car Signs–(Tag Team Graphics)	FREE upon request

All figures are approximate and subject to change.

Agent Start-Up Checklist

- Activate License Online
 - Agent Orientation
- Personnel Info Form Turned in to Office
- Independent Contractor Agreement Turned in to Office
 - W-9 Form Turned in to Office
- Copy of Car Insurance Turned in to Office
 - Business Cards Ordered
- Web-Site Profile Sheet & Picture Turned in to Office
 - Ordered Name Badge if desired
 - Ordered Magnetic Car Signs if desired
- Start online training with www.RealEversity.com
- Complete Three Week Fast Start Program

Brief Description of Independent Contractor Job

Independent Contractors as real estate agents, represent Buyers and Sellers in the purchasing and selling of real estate. The agents show homes, hold open houses, hang signs and lock-boxes, negotiate contracts, qualify prospects, advertise and promote properties, and manage escrows. Agents promote themselves and their business to obtain future business. They meet customers and clients at properties, search for properties, and tour and inspect properties. Agents need to be available at all hours to negotiate contracts and show properties, especially nights and weekends. Agents are expected to represent their clients with the utmost professionalism, while keeping their clients' best interest in mind. Real estate requires a lot of driving around town, constant monitoring of files, and regular contact with clients and prospects. Continuing education is not only required, but also recommended to further agent's careers. Agents need to constantly adapt to changes in market trends and keep informed of new technology. Computer knowledge is required to access listings online, and keeping a database of past clients. People skills are a must, as agents work with new customers and clients regularly. A four-door vehicle is also recommended if transporting customers and clients while showing properties. Agents meet with appraisers, inspectors, and other affiliates during the escrow process. New business is developed through prospecting, building a referral database, holding open houses, and many other techniques. Real estate is an exciting career, and very lucrative if agents have the determination to make it work.

Agents Scope of Authority

The agent has no further authority to commit, obligate, speak or act for Open House Realty than provided by the Independent Contractor Agreement and the real estate licensure laws and regulations of the State of Arizona. Open House Realty through its Designated Broker, shall supervise the agent to the extent required by real estate licensure laws and regulations. Open House Realty will not be responsible for any acts or omissions of the agent which violate the rights of others and which are not within the bounds of the law and the scope of the association with Open House Realty.

The agent may negotiate on behalf of Open House Realty only to the extent permitted by real estate licensure law and regulations within these policies, and using only Open House Realty approved forms.

The agent shall not offer real estate services to the public that is outside the agent's expertise. Prior to offering such services, the agent shall seek the guidance of the Broker. At the option of the Broker, another agent may be assigned to work with you or to personally assist you in such transaction. The Broker and agents shall negotiate a reasonable compensation agreement on that transaction.

There are no territorial boundaries, however, agents shall not take listings in market areas that they cannot offer the same level of service as a property in the immediate marketing area, unless approved by the Broker. In addition, no agent shall conduct activity in a state other than where licensed without advance opinion and approval of the Broker that it is lawful. When in doubt, contact your Broker.

In the interest of protecting the Independent Contractor status, all costs incurred by the agent in conducting their independent business shall be at their sole expense without an obligation on the Broker to reimburse, in whole or part, such expenses. All fees for membership in trade associations, designation programs, subscriptions, printing, computers, license and renewal fees, shall be the agent's responsibility.

Referral of Customer/Clients to Contractors

It is the policy of Open House Realty not to provide referrals for related services, however, if you in your discretion elect to make one, **it is strongly recommended that you provide a minimum of 2 or 3 contractors, lenders, title companies, inspectors, etc.** to each customer or client who requests the name(s) of any provider of a service for which we do not ourselves offer. Be sure to note to the customer or client that a referral is not an endorsement, and that they need to make their own decision as to the worthiness and competence and pricing of the person or entity referred. If there is a fee associated with the referral, it must be disclosed to all parties involved, including buyer and seller.

Owner/Agent Disclosure

In every case of buying, selling, or leasing real property on your own account, there must be adequate disclosure made as a part of the agreement, that you are duly licensed as a real estate licensee with Open House Realty in the State of Arizona.

Litigation for Commission

A decision to proceed with legal action, mediation, or arbitration against a party owing a commission to the brokerage, shall remain solely with the Broker. See the Independent Contractor Agreement for the terms thereof.

Referral Fees

The broker reserves the right to decide whether or not procuring cause disputes with other brokerages shall be pursued. When an agent makes a referral to another agent within this company, a referral fee shall be paid based on a written agreement between the agents and submitted to the broker for ratification prior to the closing of the transaction from which the commission arises. Agents are strongly encouraged to refer sellers to a specific real estate company in the location where the seller intends to relocate.

Broker's Page

Broker Decisions

All decisions made by the Broker, both verbal, and in writing, shall be considered part of this policy manual. All material changes to the policies, as set forth herein, shall be added to this manual in a timely fashion. It shall be the responsibility of the agent to review this policy manual at least once each year in order to assure compliance. As the Broker distributes memorandums via email, they will be read as a policy and made a part hereof.

Broker Accountability

Agents are specifically reminded that the Broker is accountable for the actions of the agents to the extent provided by law and regulations. Should the actions of an agent create a monetary obligation to the company, said costs shall be that of the agent and not the Broker. Office equipment and supplies are provided on an as-needed basis. All supplies and equipment shall remain in the office and only upon approval from the Broker, are the supplies or equipment to be taken from the office. All display ads, including flyers, must have the Realtor logo, Equal Housing Opportunity logo, and the company logo. Unless purchased by the agent, yard signs are the property of the Broker; these signs are issued on a loan basis only. All signs will prominently display the company name and logo.

Agents Sale of Primary Personal Residence

Agents on the 60% or 80% split commission plan are allowed a once-a-year sale of their own primary personal residence with a flat fee paid to Open House Realty of just \$500. Any additional sales must have 40% or 20% of 3% of the sales price paid to Open House Realty. Agents may waive 60% to 80% of commissions on personal purchases of real estate, but 40% to 20% must be paid to Open House Realty, plus \$50 for the E&O Insurance. This policy does not apply to agents on the 100% plan. **The Arizona Department of Real Estate requires agents to turn in all paperwork to the Brokerage for all personal sales and rentals.** When you are an actively licensed Realtor, you give up your rights as a civilian, and must always maintain files with your Broker. Agents may also waive up to 60% to 80% of commissions for family and friends, as long as 40% to 20% is paid to Open House Realty, plus the \$50 E&O fee.

Broker Questions: email: ohrealty@yahoo.com

Minimum Commissions Accepted

It is the policy of Open House Realty to not allow any agents on the 60% or 80% plan to accept any commissions less than 5% of the sales price overall, with a minimum of 2% to the company, when taking a listing. This means you have some flexibility when it comes to competition.

Agents can give discounts to the sellers if you sell the property yourself, with no other agent involved, such as 2% or 3%. Agents are encouraged to obtain 6% or 7% and refrain from always giving away your hard-earned commissions. Split Agents are not allowed to obtain listings with a total of 4%, since 3% must be offered through the MLS, this would only leave Open House

Realty with 1% if another agent is involved in the sale. If less than 2% is received by Open House Realty, the split between the Independent Contractor and Open House Realty shall be 50/50, not 60/40 or 80/20. This also applies to any incentives or credit given to sellers upon purchasing another property, since a 2% minimum must be received, if the commission to Open House Realty is 3%, 1% may be refunded, however, if it is 2% there may not be a credit given back to the seller, unless it comes from the Independent Contractors split.

Commission Changes, Credits, Discounts, Refunds

Any changes made to commissions after a sale is made and the file turned into the office, not only must have the Brokers authorization for the change, but any discounts or changes offered shall be the responsibility of the agent, therefore, the discount shall be deducted from the agents split, and not the split to Open House Realty.

Federal Tax ID for Open House Realty

87-3667794

Anti-Trust Compliance

Agents must at all times be aware of, and in compliance with Anti-Trust laws. Agents must take special care to avoid any discussion with employees and sales associates of competing firms regarding the commission policy of the company that could be construed to be agreements or conspiracies to fix, establish prices or otherwise restrain competition in violation of State and Federal Anti-Trust laws.

Transaction Coordinators

The use of Transaction Coordinators outside of this company is strictly prohibited. Arizona Department of Real Estate requires transaction Coordinators to be licensed with the company that they are handling the files for, and only that company if they are performing any duties that require a real estate license. All transactions handled by an in-house transaction coordinator must have a written agreement between the agent and the transaction coordinator. A copy of this agreement should be turned into the Broker.

Licensing Requirements

The Arizona Department of Real Estate requires that your license status must be showing as 'Active' online.

Agents are required by Arizona Department of Real Estate to notify Open House Realty and Arizona Department of Real Estate any personal changes, such as new address or phone number. Notification must be made within ten days or the Arizona Department of Real Estate may suspend your hard-earned license. These changes can be done online.

License Expiration

Two months prior to the expiration date of your license, you will receive a notice that your license will expire soon, and you will need to turn in copies of the class certificates showing the number of hours required. Real Estate licenses are good for four years and require twenty-four hours of continuing education credits every two years to renew.

If your license has expired, you cannot continue to do real estate or receive commissions until renewed. No exceptions will be made; you cannot practice real estate, nor receive any commissions without a valid license. It is your responsibility to renew your license within a timely manner. Your Independent Contractor Agreement with Open House Realty will be immediately terminated and the Department of Real Estate will be notified right away. Agents are encouraged to take classes and seminars throughout the two years and obtain the required hours ahead of time.

Insurance Requirements

General Liability & Errors & Omission Information

General Liability Insurance is coverage if a claim is not made or a suit is brought against you for damages caused by and occurrence (accident) to which this coverage applies as it pertains to your operations or "business" as an Independent Contractor and Realtor. It is not E&O (professional liability) insurance. E&O covers such damages that arise out of an error, omission, or negligent act in the rendering of or failure to render professional services. E&O specifically excludes coverage for bodily injury or property damage caused by an accident. It is also not CPL (comprehensive personal liability) coverage that most of you have provided by your homeowner's policy. That coverage is personal in nature and is intended to cover you and your family's liability exposures usual and incidental to home ownership. It specifically excludes any claims that are associated with your business. You are encouraged to purchase General Liability Insurance.

Automobile Insurance is required on any vehicle you use for business purposes. A copy of your Automobile Policy must be provided to Open House Realty upon completion of the Independent Contractor Agreement. \$100,000/\$300,000 is the minimum limits that you must have for bodily injury plus \$10,000 property damage, and **Open House Realty must be named as additional insured on your policy.**

Errors and Omissions (E&O) Insurance is provided for you already by Open House Realty and a \$50.00 per transaction fee will be charged to you on each and every transaction completed by you. The E&O fee for Condominiums, or Commercial transactions is \$500. If you have a claim, there is a \$5,000.00 deductible due. Open House Realty carries \$1,000,000 E&O Insurance. The deductible for an agent owned property is \$5,000. The E&O Insurance does not cover agent owned **commercial** properties, so another agent in-house must list them. Business Opportunities are also not covered, and are therefore not allowed. The E&O carrier requires four items on all agent owned properties, which are as follows:

- 1) An SPDS (Seller Property Disclosure Statement) is mandatory.
- 2) The buyer must do a professional inspection or sign the waiver.
- 3) The Buyer Advisory must be provided.
- 4) A Home Warranty must be purchased.

A sound ethical work discipline, coupled with preparedness, is a great deterrent to litigation. However, we are now the most litigious society on earth, hence the need for errors and omissions (E&O) insurance. This coverage provides varying degrees of protection against claims for professional services. Said coverage does not usually protect us in the areas of commingling, misrepresentation, fraud, personal injury, liable and slander, among other limitations. The agent is to hold and save harmless Open House Realty against all claims that may arise from such action(s). Deductibles and judgments not paid by the E & O carrier are the agent's responsibility. In the event an agent is served with a lawsuit, the agent shall notify the Broker immediately in order to make a timely report to the carrier.

Termination - Voluntary or Involuntary

Upon termination of the agent's employment through the termination of the Independent Contractor Agreement, the agent shall return to Open House Realty any and all signs, lock boxes, forms, and files previously provided. In the event of termination for any reason, all listing inventory is the property of the broker, therefore said listing inventory will be reassigned to another associate in the office without continued compensation to the departing associate. A referral fee for the transfer of the listings to another brokerage may be negotiated with the Broker.

The payment of commissions prior to termination shall be as stated in the Independent Contractors Agreement. Any sales pending after termination shall be subject to an additional 50 percent fee to Open House Realty for the handling and management of the escrow. No commission will be paid on uncompleted files 30 days after close of Escrow. Payment of all commissions must be to actively licensed agents only. After termination, there shall be no solicitation of Open House Realty current customer-client base by the terminated agent.

Whatever the reason for leaving, agents have agreed in the Independent Contractor Agreement to give at least a 30-day notice prior to leaving. Any monies owed to Open House Realty by the agent, will first be deducted from any commissions due, and then must be paid current by the agent as of the date of termination.

Upon termination for any reason, agents must surrender any websites that contain any use of the name "Open House Realty". The name Open House Realty is a registered trademark, and will be defended to the fullest extent of the law. The agents hereby agree to assist in the transfer of all registrations online.

Agents transferring out of the 100% program to the 60 or 80% program will have a three-month waiting period prior to going back on the 100% program. Any agents on the 100% program that terminate from Open House Realty will be billed for any remaining balance owed on the 100% 12-month contract. There will be no refunds of any 100% funds paid in advance.

Severance Policy

Per the Independent Contractor Agreement, agents are required to give a thirty-day written notice of termination. This policy is in place to reduce the potential loss of business generated by Open House Realty. All listings and sales belong to the Broker, and cannot be assigned to another real estate company. Upon termination of the agent, all listings will be re-assigned to another real estate agent. Pending sales that still need service rendered will be charged an additional fee as per the Independent Contractor Agreement. Prior to, or upon agents severing license with Open House Realty, agents are not allowed to cancel their listings in order to re-list them with another company. Open House Realty does not automatically release sellers from their listing contracts. The sellers will be immediately contacted upon agent's severance, and possibly assigned to another agent. Unfortunately, this policy is not negotiable, and no exceptions will be made.

Sexual Harassment & Substance Abuse

This company will not tolerate harassment or discrimination of any kind. Though sexual harassment and unlawful discrimination for any other reasons is not fully defined by law, all agents and office personnel shall respect the feelings of others, including other members of the real estate industry, customers, and clients. The intent of this policy is to prevent offensive language and behavior by all concerned.

Smoking

The office shall be kept as a smoke-free environment, including the restrooms. The smoking area is outside of the office, away from the front door. In addition, it is prudent for agents not to smoke in the presence of customers or clients, and never in any property listed by this or any other company.

Illegal Drugs

Drugs shall not in any way be brought onto any property of the company, including any property listed by this or any other real estate company.

Prescription Drugs

If such a drug is a controlled substance, the agent shall not use such a drug while in the performance of their duties as an agent of this company, unless prescribed by a doctor.

Alcohol

The consumption of alcohol in or around the office is strictly prohibited, unless at a company sponsored party. There is no justifiable reason to subject ourselves or any other person to a dangerous environment through the unwise and unprofessional use of these substances.

Any abuse of any substances legal or illegal will be grounds for immediate termination of the Independent Contractor.

Dress Code & Conduct

Dress For Success

Dress Code

Professional business attire is required at all times in the office and when working with clients. No T-shirts, shorts, jeans, overalls, tennis shoes, sandals, or flip-flops. Your clothing must be clean and in good condition.

For Men: Shirts with collars, such as knit shirts are acceptable. The most appropriate would be a shirt and tie and/or with a suit.

Personal Grooming Standards

You must always be conscious of your personal appearance to be successful. Your first impression upon your customers and clients is your most important. Please adhere to the following guidelines:

Keep hair clean, well groomed, and in an appropriate style.

Men may wear beards or mustaches but they should be neatly trimmed.

Men's hair should be cut to above shirt collar length.

Fingernails should be cleaned and trimmed.

For Women: Excessive make-up or perfume is not appropriate.

Personal cleanliness is very important. Regular bathing and clean teeth will help present a positive personal image.

Smoking or eating is not permitted in the office building. Please remember that you share floor space with other agents on the phone and with clients, so please be courteous around others. It's hard to do business when someone else is being loud.

If you have a problem with another agent, please bring it to the Brokers attention instead of reprimanding them yourself. An office with a professional atmosphere makes for an office with successful agents.

Please don't bring children to the office as they can be disruptive.

Answering Service

Open House Realty utilizes a 24 hour online answering service. Agents should make sure Corporate has your current contact information, including your mobile phone number. The answering service will take the caller's name, number, email address, and message, and then forward the information via text message to each agent.

All calls are very important and every effort will be made to expedite the message to you. If an agent is not in the office, a message will be taken and sent via text messaging to the agent's cell phone, or the call can be transferred to a number of your choice. When on vacation, you must turn in the "Out of Town" notice so your calls can be sent to the agent handling your business. The "Out of Town" notice is mandatory *if you won't be taking calls*.

Text Messaging is Mandatory

Messages received will be sent to agents via text messaging and email.

E-Mail Notification is also Mandatory

All agents are required to have an e-mail address, and check it regularly. Agents shall receive meeting notes from the office, and the office newsletter with notes from the Broker.

In today's industry, real estate agents must have cell phones, e-mail addresses and internet access, and must be computer literate in order to keep up with technology and compete with other agents.

Internet Usage

The computer terminals at Open House Realty have access to the internet, MLS, new home searches, company web-site, and personal e-mail. All internet advertising done by agents must have Broker approval prior to posting on the internet.

When accessing the internet in the office, agents must be careful and mindful of the sites visited. Adult web-site access is strictly prohibited in the office, and any agent accessing them will be immediately terminated. Sites containing any adult only material can be offensive to others and can be considered sexual harassment see page 36, under sexual harassment.

Agents must also be mindful of the time spent on the internet, especially if others are waiting to use a terminal. Agents should not download material onto the company terminals.

Year End Tax Statements

As Independent Contractors you will receive 1099 forms for the previous tax year for any commission paid from Open House Realty to the Independent Contractor. **Open House Realty will not include 1099 for commissions paid directly to Independent Contractor from Title companies.** The IRS also requires you to file and pay estimated tax payments quarterly. You are encouraged to save all of your receipts throughout the year and take as many deductions as legally possible. Please consult with a CPA for further tax information.

Many realtors find themselves in trouble after not preparing themselves for the estimated tax payments or saving receipts for possible deductions. Part of being successful comes from successful tax planning, and tax knowledge. Please take the time to increase your tax awareness and keep more of your hard-earned commissions.

Your tax situation is very important to your continued success in real estate, and you should make every effort to keep up to date on the changing tax laws. If you need to set-up a special account for deposit of funds from commissions for taxes, please consult with the Broker in advance.

A Tax Tips class, which is taught by a licensed CPA, is offered at Open House Realty, and is designed to inform agents of their responsibility to maintain accurate records of expenses and deductions. Agents are encouraged to use accounting software and tax preparation software.

Advertising & Promotion

The regulations and guidelines for advertising as per the Arizona Department of Real Estate are as follows:

Advertising by Licensee

- A. A license acting as an agent shall not advertise property in a manner, which implies that no licensee is taking part in the offer for sale, lease or exchange.
- B. The commissioner may refuse to issue licenses to entities desiring to operate under names he determines to be potentially misleading or detrimental to the public interest.
- C. Advertising of any service for which a license is required shall not be under the name of a salesperson unless the name of the employing broker (Open House Realty) is also set forth.

- D. All advertising by licensees, including but not limited to, newspapers, magazines, circulars, business cards, and the Internet, shall include the name in which the employing broker's license is held (Open House Realty) and the licensees name as it is on their license.
 - E. In all advertisements the lettering used for the name of the employing broker shall appear in a manner, which is conspicuous and reasonably calculated to attract the attention of the public.
 - F. All advertising shall be under the direct supervision of the employing/designated broker.
All advertising must be submitted for the Broker's approval before publishing.
 - G. Prior to placing or erecting any sign giving notice that specific property is being offered sale, lease, rent, or exchange, a licensee must secure the written consent of the property owner, and any such sign shall be promptly removed upon request of the property owner.
 - H. All advertising is subject to the Federal Truth in Lending Law known as Regulation Z. Any reference in an ad regarding extension of credit such as payments or interest rate on a new loan shall follow guidelines of Regulation Z and include the Annual Percentage Rate (APR) term of loan and amount of loan.
 - I. The full name of Open House Realty must be in all advertising with the office number and address. The address can be omitted if the ad is a newspaper classified.
- Teams or Groups etc. must be submitted to the Broker for approval by ADRE. If approved, Team or Group ads must contain the name of each member, with the exception of classified ads.
- J. Co-Advertising with affiliates is not permitted. Complaints to the Arizona Department of Real Estate, regarding this issue are forwarded to the FTC prompting an inquiry and explanation.
 - K. You cannot advertise other Broker's listings without written permission.
 - L. Business cards must include the office address and phone number.
 - M. You need a letter from the builder to advertise properties.
 - N. Commission rates cannot be advertised.
 - O. The Equal Housing logo must be displayed.
 - P. The Open House Realty logo needs to be prominent.
 - Q. Per Reg. Z, if the down payment, term of loan, payment, interest rate, or APR are mentioned, then all must be displayed.
 - R. Per Reg. Z, requires the APR to be displayed in the same size type as the interest rate.
 - S. Per Reg. Z, "adjustable rate mortgage" ads require that "rates subject to increase after settlement" be included.
 - T. Web-sites must have the Company logo "Prominently" displayed at the top of the site and on each page, per the ADRE.
 - U. All business cards, post-cards, and flyers must be submitted to the Broker for approval, prior to issue.

When utilizing "Just Listed" and "Just Sold" postcards, only the listing agent is allowed to advertise a property as "Just Sold". This means only the listing agents can utilize these postcards.

The Equal Housing logo must be displayed on all advertising except business cards.

Floor Time & Sales Meetings

Floor Time is no longer necessary with our virtual office systems and is quickly becoming a dated concept. Agents participating in our leads system will receive leads via text messaging or emails. Leads are distributed on a rotation basis to participating agents.

Sales Meetings are held on an as needed basis and most will be offered online in the future. Sales meetings are not mandatory, but strongly encouraged. Sales meeting will cover what's new in real estate, training, marketing ideas, and touting of new listings. Sales meetings are not the place to complain about other agents or the way things are handled. Any complaints need to be brought to the broker's attention in private. The meetings should be in good spirits and agents should leave with a positive attitude towards making more sales.

Resharing articles posted from your broker's social media page is always allowed. It gives you easy access to applicable content. Consistency in posting relevant content boosts your following.

Lead Disbursement

All leads coming into the office either from online advertising and listings, magazine ad calls, yellow page ad calls, sign calls, referrals, or just walk-ins, shall be distributed on a rotation basis to participating agents on lead system, unless the lead specifically asks for an agent by name or listing address. To be eligible to receive the leads, agents must be on a plan with the broker for these leads.

If an agent is failing to respond to the leads, the agent shall first be placed on a lead suspension and a meeting with the broker will be required to determine further status. If the problems continue, the lead suspension can be permanent, and the agent will not be scheduled for further floor time.

Vacation or Out of Town Requirements

If you are going to be out of town, and cannot continue to do business via cell/internet, first you will need to turn in the "Out of Town" notice to the office, which tells the office where you will be, when you will return, and most important of all, who is handling your business while you are gone. If you are going to be gone more than 24 hours, it is important that you have another agent with Open House Realty cover your business. An agent with another company cannot handle your business, nor answer your phones and give information on your listings and sales. If an agent from another company wants to present an offer on one of your listings and can't get a hold of you for more than 24 hours, they can present the offer directly to the seller with the seller's permission. Open House Realty, does not believe this to be an acceptable way to handle business. There needs to be someone from Open House Realty that you have assigned to take care of your business while you are gone. Normally you can offer to pay a referral fee to any

agent handling your potential sales while taking care of your listings, or you can strike up a deal to handle each other's business for free when each of you go out of town. You must have your agreement in writing and turned into the office. If you fail to assign your business to another agent, and the broker has to handle a sale, an additional 10% on top of the normal Broker commission will be paid to Open House Realty.

Sick Leave

If an agent is sick or taking time off for sick leave, the above requirements will still apply, and the Out of Town notice will need to be turned in. This is only if you have floor time scheduled or are needing assistance. Most of us can still do our job via phone/internet.

Awards & Certificates

Open House Realty has an annual awards program, and a Quarterly Certificate of Achievement program. All awards are based on sales income and earnings.

The top individual producer for the company will receive an engraved plaque for: (year) Top Sales Individual Producer.

The top sales volume producer for the company will receive an engraved plaque for: (year) Top Sales Volume Producer.

Certificates of Awards will be given to agents who have earned over:

\$30,000.00+are Million Dollar Producers

\$60,000.00+are Multi-Million Dollar Producers

\$100,000.00+are "Presidents Circle" Multi-Million Dollar Producers

Quarterly Certificates of Awards shall be given to the Top Listing Agent, to the Top Selling agent, and Top Volume at the end of each month.

Licensed & Unlicensed Assistants Policy

A licensed or unlicensed real estate assistant, whom you have agreed to pay for their services performed, can be paid directly by you, as long as payment for the work performed is not contingent upon the closing of the transaction. The assistant is not an Independent Contractor they are your employee. They must complete an IRS W-9 form for your records, and you must issue them a W-2 by January 31st of the following year.

An unlicensed assistant cannot show properties, answer any real estate related questions, hold open houses, use your lockbox key, complete contracts, or any other license required duties. The unlicensed assistant may only perform administrative duties such as, handling paperwork, filing, scheduling, computer work, etc.

A licensed assistant may show property, write contracts, and hold open houses, answer questions, or any other function that requires a license.

If the licensed assistant is to be paid a portion of a commission, and/or their payment is contingent upon the closing of a transaction, then they are considered a team or group member, and must be registered with the Broker as a team/group member, (see Team/Group Member policy, on page 32). Arizona Department of Real Estate must approve teams. If registered as a team/group member instead of an assistant, an Independent Contractor Agreement is required with Open House Realty, the commission split for Open House Realty agents is 60%, 80% or 100% to the Agents, so if your assistant is to be paid, it will be out of your 60%, 80% or 100%. All agreements between you and your assistant must be in writing and a copy signed by the Broker.

Team/Group Member Addendum to 100% Independent Contractor Agreement

1. Team/Group names must be approved by the Broker, and must not sound or seem like a separate entity from Open House Realty, such as using the ending “realty”, or “homes”. The team/group name must not conflict with an existing licensed real estate company.
2. All team/group members must register with the Broker, using the attached “Team/Group Registration Approval Form”.
3. The fee for the main team/group member is the standard \$25 per the 100% Independent Contractor Agreement.
4. The fee for all other team/group members whichever available program that is chosen.
5. Open House Realty has a marriage credit of just the one fee of \$25 for husband and wives on the 100% program. This fee only applies to the main team/group member.
6. The main team/group member is responsible for supervising all registered members, and is responsible for collecting the fees due from all members. The main member shall be invoiced on the first day of every month. The invoice shall include the fees for all members. Members should make checks payable to Open House Realty.
7. All fees due must be paid current. If member fees become more than 30 days late, the Independent Contractor shall be automatically placed on an 80% commission split until fees are brought current. Any transactions conducted during this period shall remain on the 80% split to the agent/member.

Independent Contractor

Date

Team/Group Registration Approval Form

Team/Group names must be approved by the Broker, and must not sound or seem like a separate entity from Open House Realty, such as using the ending “realty”, or “homes”. The team/group name must not conflict with an existing licensed real estate company. To search for an existing licensed real estate name in use, go to www.re.state.az.us. Click on “Directory of Licensees”, click on “Search the database or download files”, click on “ Search – Licensed Entities”.

Name of Team/Group:_____

Main Team/Group Member:_____

List All Additional Team/Group Members

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Broker Approval:_____ Date:_____

Broker Disapproval –

Reason:_____

Closings & Commissions

All commissions shall be paid directly from Title to Independent Contractor as long as all online posted File Requirements have been met. Title Companies should deliver closing packages to the Arrowhead Office. Agents will be called as soon as they are ready for pick up. If packages are delivered to a branch office, they will be mailed by regular mail to the Arrowhead Office.

Agents may pick up their checks at Title, the Arrowhead Office, or mailed to their residence.

Agents must submit a Commission Authorization form to the Broker for approval in order to get paid from Title.

All files and Broker Checklists must be complete in order to get paid, which includes but not limited to earnest money receipts, Settlement Statements, Seller Property Disclosure Statement, Buyers Inspection Notice, and any other forms pertaining to the file. After 90 days from Close of Escrow, no commission shall be paid on incomplete files.

As per the Department of Real Estate, any referral received from one broker to another broker is required to have a referral agreement signed by both brokers. All listing and retainer fees must also have a written agreement explaining the details of your arrangement.

Agents transferring out of the 100% program to the 80% program will have a three-month waiting period prior to going back on the 100% program. Any agents on the 100% program that terminate from Open House Realty will be billed for any remaining balance still owed on the 100% contract for the duration of their time with Open House. There will be no refunds of any 100% funds paid in advance.

Each and every transaction requires an E&O (Errors & Omission) Insurance Fee of \$50. Condominiums, and Commercial transactions require a \$100 E&O fee. The E&O fee is taken out of your 60%, 80% or 100% split prior to issue of your commission check. Any closings without a commission will still be charged the E&O fee. All Referral fees also require an E&O Fee.

Arizona Department of Real Estate requires Brokers signature on all contracts and listings within 48 hours of date of acceptance. The Earnest Money receipt needs to be turned in within 24hrs. All sales turned in are date stamped to accurately record this process. **If the file is turned in, at least ten days late, a \$150 fine will be assessed.** All contracts must have a contract checklist form attached when turned in online. If the checklist is not attached or completed properly, any forms are missing, or any errors found, the File Requirements will be posted, and available online. All "File Requirements" must be completed in order to receive your commission check. **PER DIEM FINE: Any files not complete at the time of Closing will be assessed a \$5 per day fine for the first ten days, and \$10 per day thereafter, up to the first 30 days. After 30 days of incompleteness, the fine is increased to \$25 per diem, up to sixty days late. After 45 days late, the fine shall be an additional 10% of the total commission subtracted from the amount owed to Independent Contractor. After 60 days of file incompleteness, no commission shall be paid to Independent Contractor.**

If you need taxes taken out of your commission checks, please see the broker for arrangements.

Open House Realty will not allow or sign up for any commission advance companies or commission loan programs, such as "Commission Express".

OPEN HOUSE REALTY COMMERCIAL POLICY:

All Open House Realty agents who plan to be either a Buyer's Agent or Seller's Agent for any type of Commercial Real Estate valued at more than \$750,000 MUST be certified or will be required to refer the transaction to the Commercial Department at OHR.

NOTICE: Any multi-family dwelling of 5 or more units in the same transaction is a Commercial transaction. Residential agents are required to have the assistance of a commercially certified agent with ALL Commercial transactions up to \$750,000. A Residential agent who is not commercially certified CANNOT represent the Buyer or Seller in Commercial transactions over \$750,000.

COMMERCIAL CERTIFICATION CLASSES:

Special Pricing is available for CCSS classes for OHR agents. The total cost of CCSS Classes, Testing, and Certification is approximately \$750 (a savings of approximately \$350).

The following Commercial Properties Certification Programs are held at Commercial Real Estate Institute as follows:

Certified Commercial Sales Specialist™ -- *Approximately \$750 (Discounted Fee including Testing & Certification)*

Certified Land Sales Specialist™ -- *Approximately \$480 PLUS Testing & Certification*

Certified Residential Investor Representative™ -- *Approximately \$480 PLUS Testing & Certification*

Certified Commercial Sales Specialist: This basic and intermediate program provides a new agent, a multi-practice agent, or a residential agent with the basic vocabulary, forms, tools, and training to proceed with commercial listing or sales activity with confidence. It includes classes on listings, buyer representation, negotiation, contracts, client service, information sources, and practical tools to succeed through closing, title problems, and follow-up. With completion of all 15 classes and passing a comprehensive final examination, the Institute will provide the student with a certificate of completion, and a license to use the title "CCSS".

Certified Land Sales Specialist: This is an intermediate level 36-hour program that provides the agent with basic and intermediate skills to legitimately represent themselves as knowledgeable in land sales. With completion of all 12 classes and passing a comprehensive final examination, the Institute will provide the student with a certificate of completion, and a license to use the title "CLSS".

Certified Commercial Leasing Specialist: This is an intermediate level 45-hour program that provides the agents with both basic and intermediate level tools and training to legitimately represent themselves as knowledgeable in commercial leasing. With completion of all 15 classes

and passing a comprehensive final examination, the Institute provides the student with a certificate of completion, and a license to use the title "CCLS".

Certified Residential Investor Representative: This is an intermediate level 45-hour program that provides residential agents with tools and techniques useful and necessary to assist investors, rather than owner-occupants, to buy homes, condos, or apartments. It includes various methods to structure the agent-client relationship, financial analysis, and property analysis. With completion of all classes and passing a comprehensive final examination, the Institute provides the student with a certificate of completion, and a license to use the title "CRIR".

For registration call the Commercial Real Estate Institute (602-285-1433)

www.Commercial-Real-Estate-Institute.com

Open House Realty Commercial Properties

Commercial properties:

If the agent is not Commercially Certified:

- A. Commercial Transactions under \$750,000 require Consultation from the Commercial Department, and a 10% referral fee paid for Consultation.
Commission to Independent Contractor shall be at 65%.
- B. Commercial transactions over \$750,000 must be referred to the OHR Commercial Department, and the Independent Contractor will receive a 25% referral fee.
- C. The above mention lines A and B do not apply if the agent is Commercially Certified.
- D. If the agent is Commercially Certified, **Commission to Independent Contractor shall be at 80%** on all Commercial Transactions. All above listed fees still apply.
- E. Residential transactions require an Errors and Omission (E&O) Insurance fee of \$50.
- F. Commercial and Condominium transactions require \$100 E&O Fee.

The Error and Omission fee shall be subtracted from the set % split to Independent Contractor, prior to issue of the commission check to Independent Contractor.

File Requirements

Open House Realty is proud to utilize a completely paperless submission system called ZipFormsTMS. All files are submitted, stored online, and available for viewing online.

All contracts, and files are to be turned in via our online ZipForms TMS Transaction Management System for Broker approval, and review. Once reviewed, a checklist of file requirements is entered online in the company website, and is available for the agents to view at all times. The “File Requirements” are timely posted. **It is the agent’s responsibility to review their File Requirements, and complete the requirements by Close of Escrow.** This is your notification of missing items, missing signatures, and errors that must be corrected prior to the close of escrow. **These “File Requirements” items must be completed in order for you to receive your commission check.** Please allow up to five business days for the file to be reviewed. Agents should check their requirements regularly. Files are reviewed by the Broker three times, once at initial turn-in, during the escrow for updates, and just prior to the scheduled Close of Escrow. As required items are turned in by the agents, they will be removed from the online system. Any faxed items must be legible, to be acceptable. All files can be scanned in at the branch office copiers, and sent online to Corporate. There are different checklists, a Listing File Checklist and a Sales File Checklist for each type of transaction.

Required Signatures

Open House Realty authorizes the use of electronic signatures, and online services such as DocuSign, eSign, and Digisigner. On the Broker Checklist you will be notified of any missing signatures, initials, and/or dates. These are common mistakes that can be reduced by reviewing all forms following signing. Again, commissions can be held up until all signatures and required forms are turned in. Signatures are carefully scrutinized for forgery. No forgery of signatures, initials, or dates will be tolerated. The Department of Real Estate can revoke your license for forgery or dishonesty. You are a professional Realtor and expected to adhere to the Code of Ethics and display the utmost honesty and integrity. Always take the high road.

Agency Policy

It is the policy of Open House Realty to **always have your agency agreement between you and your clients in writing.** When filling out the MLS (Multiple Listing Service) form, the commission split shall be offered to Buyer Brokers only. Never offer any type of sub-agency.

When representing the seller, the listing agreement and agency disclosure forms are used. The agency form must have the boxes checked, which indicates representing the seller as seller’s broker, and permission to show the sellers property to buyer’s represented by broker’s firm.

When representing the buyer, a Buyer Broker form is mandatory. The agency disclosure form will need to be filled out at the time of writing an offer, Buyer Representation box checked.

When representing both buyer and seller, in addition to signing the Agency Form, both buyer and seller must also sign the “Consent to Limited Representation” form and the appropriate boxes checked on the contract. Do not conduct business with the 2nd party before obtaining signature for dual agency consent first. This includes negotiations.

When completing contracts, make sure the correct Agency has been selected, especially when working with a Buyer that is making an offer on a company listing, this is a Dual-Agency.

Listing Procedures

Listing Packages are available online. The listing package contains all of the necessary forms to list a property. Agents are encouraged to include in the package samples of flyers that you will do, and other samples to show the prospective clients what you can do for them to market their property. After making an appointment with the seller, keep the appointment or reschedule. Always be on time. Integrity is everything.

A market analysis and a cost sheet must be done prior to every listing appointment, which will be turned in with your listing forms. All lines on the listing contract need to either be filled out or (N/A) not applicable, written in. On the listing MLS form no sub-agency is allowed, only Buyer Broker offering of commission. If the house was built prior to 1978, a Lead-Based paint disclosure form is required & ensure they receive the booklet. It’s on the Open House Realty website under forms

It is your responsibility to order the installation and removal of all signs and posts. The signpost companies do not work on weekends. It is your responsibility to handle installation and removal of all lock boxes, and report any problems immediately. Agents enter their own listings into the MLS.

If there are any hazards on the property such as dogs, you must put a warning in the MLS. It is also your responsibility to make sure that the property is all locked up, windows closed, and the lights and a/c turned back off. You are also responsible for the people coming through the property, so make sure your sellers do not leave items out like jewelry, cash, and other valuables.

When you turn your listing files in online, always make sure you keep a copy for your records. You should have your files with you at all times to be able to answer questions right away. Typically, this can be done by having electronic records.

If there is anything missing such as signatures or whole pages, you will receive a Brokers Checklist letting you know what you need. All files must be complete in order to get paid. Contact should be maintained with the seller throughout the listing at a minimum of once a week, less than that is not recommended, or allowed.

Forms

The broker hereby directs the agent to use association approved forms, and in the event another form is approved or revised, the agent shall always use the most current version. ZipForms are online forms, and are recommended.

Customer/Client Representation by an Attorney

Under no circumstances shall an agent deny or in any way discourage a customer or client from seeking legal advice through an attorney of their choice. Rather, such activity should be encouraged.

We do not provide legal advice nor do we offer to interpret the meaning of the agreements we use in this company. The burden of reading and understanding the documents we use is that of the customer or client. Should the customer or client have difficulty in reading the forms and agreements or with the English language in general, advise them to retain an attorney of their choice and expense.

Agents shall not provide interpretations of a person's legal right or obligations resulting from a contract.

Seller Property Disclosure Statement

The agent shall make every effort to obtain a substantially completed Seller's Property Disclosure Statement (SPDS) from each seller. The broker shall reserve the right to either refuse or cancel a listing that is not supported by the SPDS. In addition:

- A. The SPDS is to be updated if a discovery or discoveries are made that is in conflict with or modifies previously disclosed information.
- B. Purely as a matter between Open House Realty and the agent and not as a benefit intended or designed for third parties, the agent shall complete a review of the property for those matters contained in the SPDS to determine that it has been completed as accurately as possible and shall report any variances in the final completed SPDS as filed in writing to the company prior to any marketing of the property. The agent shall report to Open House Realty and principals in a transaction any defect or condition affecting the property, title or parties which may substantially and materially affect the consideration for it.
- C. The agent shall not fill in, or complete any portion of the SPDS for the seller. The agent shall however, use whatever resources available in order for **the seller** to complete the SPDS.

Square Footage & Figures

It is not the policy of Open House Realty to use the square footage or other figures as a material fact in representing the property for sale. All references made concerning a specific square footage or other figure should contain a caution that the actual figures may vary, and that the buyer should rely strictly on their own investigation and measurements.

Listing Inventory

All agents with Open House Realty are expected to obtain and maintain a viable inventory of listings, as they are the “lifeblood” of the real estate brokerage business. **Agents shall only take Exclusive Right to Sell listings.** Listings should be taken for a period of not less than four months and preferably six months. If the seller is asking for less than a four-month listing, please consult with the Broker. An agent should, during the listing term, continue to advise the seller of current market conditions and adjust the listed price accordingly. The listing agent shall be responsible to see that the information contained in the listing is correct and representative of the property. All listings are and shall remain the property of Open House Realty. A departing agent shall not be entitled to take a listing with them. The company is not obligated to release such listing and commissions from an agreement effected after the agent has left the company may not be paid to a departing agent.

Expired Listings

You will receive a notice one month prior to the expiration date of your listings, just as a reminder. You are encouraged to renew the listing if you can. A review of the listing should be done with the seller, such as a new market analysis to check the price, condition of the property, and new marketing strategies. Please consult with the Broker for suggestions.

Listing Availability

Agents need to provide accurate information on the status of listings, so the proper “Sold/Change” forms need to be turned in with each file. Anytime there is a status change, such as the listing is “Temporarily Off Market”, “Sale Pending”, “Cancelled”, “Available”, or if there are any changes in the price or how to show.

How to Show: On Lockbox or Call Agent, Vacant or Occupied

These changes need to be made in the MLS computer by each individual agent, and in a timely matter. The receptionist and/or other agents cannot do this for you. You are responsible for all entries of your listings. They must be accurate and up to date, and copies of all changes turned into the office.

Transaction Log

Each agent shall maintain a transaction log on all transactions. An entry is to be made with each contact with buyer, seller, escrow, lender, inspectors, and all other parties involved in each transaction. The transaction log shall then become part of the permanent file.

Inputting Listings

Agents are expected to input their own listings into the MLS, which makes each agent responsible for the information entered. Inputting a listing first requires completely filling out all

of the required information, and then logging onto the MLS to enter the info. Agents log onto the MLS using their own agent ID and password. Agents should consult the training manual on how to correctly fill out the listing MLS form. Once entered, agents should save the information and then print out the listing to turn in with the file. A copy should also be made for the agent's file. School codes can be found on the MLS.

All changes made to MLS listings need to be turned into the office. All sales price changes, and listing status changes need the seller's signatures and dates. Information other than the seller's name and number shall not be changed just prior to expiration or cancellation of a listing. All information must be truthful and accurate, and not exaggerated. All information must also be legal and in accordance with Fair Housing Laws, and Department of Real Estate requirements.

Confidential information such as alarm codes and commission information must be placed on the private remarks section, as it does not appear on public printouts. Warning remarks such as beware of dogs or don't let the cat out, also need to be in the remarks section.

Agents should review all information entered to ensure the information is accurate, especially the Sales Price.

Pool Safety Notice

A Pool Safety Notice is required on every transaction, even if there is no pool on the property. This is in case a pool is installed later, and if an incident were to happen, as a professional Realtor you did your job as far as disclosure is required.

Safeguarding Client Information

Client information of all types is confidential forever, with the exception of disclosure regarding defects on a property. Do not ever share information about a client to anyone. This happens most often in friend/family scenarios. For example, don't tell your client sister-in-law's business to her brother, that you're married to. All information regarding bank approval, preferences, decisions regarding the buying or selling process is confidential even after the home is bought or sold. It's forever confidential.

All forms/docs with client information must be safeguarded against any exposure to loss, theft, or ending up in the wrong hands. It is recommended that you upload all files into Zipforms and clean them off of your computer when you're done with them. Saving info. in a secure Dropbox or like-kind file is recommended, particularly for all of the rejected offers agents are required to keep on listings. **Take every measure possible to protect all client and customer information.**



Completed Listing Agreement (ER form) must be turned in to Corporate within 48 HRS

Agent Listing Checklist

Address: _____ City: _____ Zip: _____

Seller(s): _____

Agent: _____ Date: _____

- Forms Required:**
- Agent/Client Checklist initialed by Seller
 - CLUE-Insurance Claims History Receipt
 - Contract Reminder List initialed by Seller
 - Current Market Analysis (CMA)
 - Domestic Water Well Water Use Addendum
 - FSBO Fee Agreement
 - Maricopa County Tax Assessor's printout
 - MLS printout
 - Open House Notice, (if holding an open house)
 - Pool Safety Notice initialed
 - Seller Advisory initialed by Seller

- Forms Required:**
- Sellers Consent to Obtain and Disclose CLUE
 - Seller's Cost Estimate Sheet
 - Surprise Noise Contour Map
 - Tenant Authorization Lockbox Form
 - WQARF MAP - Active Remedial Project Map
 - Add square footage to MLS
 - Add lot # to MLS
 - Add seller's phone # to MLS
 - Add legal description to MLS
 - Change variable commission in MLS to _____.

Line 6b, must be completed with a % or \$ amount.

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:



**Contract (ER form)
must be turned in
within 48hrs.**

Agent Listing Checklist Vacant Land

Address (or cross streets): _____ **City:** _____
Zip: _____
Seller: _____ **Agent:** _____
Date: _____

- Forms Required:**
- Addendum to Vacant Land Purchase Contract Sub & Un-Subdivided
 - Affidavit of Disclosure*
 - Current Market Analysis (CMA)
 - Domestic Water Well Water Use Addendum
 - FSBO Fee Agreement
 - Maricopa County Tax Assessor's printout
 - MLS printout
 - Onsite Wastewater Treatment Addendum

- Forms Required:**
- Pool Safety Notice
 - Sellers Advisory
 - WQARF MAP - Active Remedial Project Map
 - Add lot # to MLS
 - Add seller's phone # to MLS
 - Add legal description to MLS
 - Change variable commission in MLS to _____.

Line 6b, must include % or \$ amount.

*Affidavit of Disclosure (Required on Un-subdivided Land of 5 parcels or less in unincorporated Maricopa County areas) **Must have per Arizona Revised Statutes ARS 11-1134.**

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:

From OHR 20d 1/10/22 IC

**Rental Contract and
Copy of Earnest Money
Check or ER form must
be turned in within
48hrs.**



Agent Rental Checklist

Address: _____ **City:** _____ **Zip:** _____ **Date:** _____

Landlord: _____ **Tenant:** _____

Agent: _____

Forms Required:

- ADRE requires more legible copy of the Contract
- Agency Disclosure
- Tenant Advisory (only last page with signatures/dates)
- Contract Information Sheet
- Earnest Money Check Copy
- Move-In & Move-Out Inspection Form
- Letter to ADRE explaining why file turned late
- Listing Agent's Lease Agreement

Forms Required:

- MLS Printout showing change to Pending/AWC
- Pool Safety Notice
- Residential Disclosure & Release
- Residential Rental Agreement & Receipt for Deposit
- Lease Owner's Property Disclosure Statement
- Surprise-Luke Notification Map
- WQARF MAP - Active Remedial Project Map

- LEAD BASED PAINT DISCLOSURE (Required if built prior to 1978)** _____ Cannot be signed in counter-part
- Line A.1 OR A.2 needs to be checked by Seller _____ Line B.1 OR B.2 needs to be checked by Seller
 - Seller's initials required on lines: _____ Buyer's initials required on lines: _____
 - Buyer to check ONE BOX under line F
 - Initials needed at line G from: Listing Agent _____ Coop/Buyer's Agent _____
 - Signature/Date needed from: Seller _____ Buyer _____ Listing Agent _____ Coop/Buyer's Agent _____

- Need Listing Agent's Lease Agreement signed by Landlord, and Tenant.

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:

From OHR 20c 1/10/22 IC

Open House Realty

Listing File Requirements Broker Checklist

Address: _____ Date: _____

Seller: _____ Agent: _____ File#: _____

Exclusive Right to Sell (ER form) lines 1-29 needs: _____
○ _____

Line 6b, must include % or \$ amount.

Seller needs to initial: _____ Above change

Last page, need seller's: _____

Complete bottom of last page, Listing Agents Signature _____ Date _____

Letter to ADRE if turned in more than 5 days late.

Class 1 Residential Profile Sheet, Page 1 needs: _____
○ _____

Page 2 needs: _____

Page 3 needs: _____

Page 4 needs: _____

Page 5 needs: _____

Agency Disclosure Form needs: _____

Lead Based Paint Disclosure Form needs: _____

Seller Property Disclosure Statement needs: _____

- Agent/Client Checklist initialed by Seller
- CLUE-Insurance Claims History Receipt
- Contract Reminder List initialed by Seller
- Current Market Analysis (CMA)
- Domestic Water Well Water Use Addendum
- FSBO Fee Agreement
- Maricopa County Tax Assessor's printout
- MLS printout
- Open House Notice, (if holding an open house)
- Pool Safety Notice initialed
- Seller Advisory initialed by Seller

- Sellers Consent To Obtain and Disclose CLUE
- Seller's Cost Estimate Sheet
- Surprise Noise Contour Map
- Tenant Authorization Lockbox Form
- WQARF MAP - Active Remedial Project Map
- Add square footage to MLS
- Add lot # to MLS
- Add seller's phone # to MLS
- Add legal description to MLS
- Change variable commission in MLS to _____.

Additional Comments: _____

Open House Realty Vacant Land Listing File Requirements Broker Checklist

Address: _____ Date: _____
 Seller: _____ Agent: _____ File#: _____

- Exclusive Right to Sell (ER form) lines 1-29 needs:** _____
 ○ _____
- Line 6b, must include % or \$ amount
- Seller needs to initial: ____ Above change
- Last page, need seller's: _____
- Complete bottom of last page: _____

- Letter to ADRE if turned in more than 5 days late.**

- Class 3 Land & Lots Profile Sheet, Page 1 needs:** _____
 ○ _____
- Page 2 needs: _____
- Page 3 needs: _____
- Page 4 needs: _____
- Page 5 needs: _____
- Page 6 needs: _____

- Agency Disclosure Form needs: _____
- Need Vacant Land Seller Property Disclosure Statement needs

- Addendum to Vacant Land Purchase Contract Sub & Un-Subdivided
- Affidavit of Disclosure*
- Current Market Analysis (CMA)
- Domestic Water Well Water Use Addendum
- FSBO Fee Agreement
- Maricopa County Tax Assessor's printout
- MLS printout
- Onsite Wastewater Treatment Addendum

- Pool Safety Notice
- Sellers Advisory
- WQARF MAP - Active Remedial Project Map

- Add lot # to MLS
- Add seller's phone # to MLS
- Add legal description to MLS
- Change variable commission in MLS to _____.

* Note: Affidavit of Disclosure (Required on Un-subdivided Land of 5 parcels or less in Unincorporated Maricopa County) **Must have per Arizona Revised Statutes ARS 11-1134.**

Additional Comments: _____

**Open House Realty
Rental Listing File Requirements Broker Checklist**

Address: _____ Date: _____
Landlord: _____ Agent: _____ File#: _____

- Exclusive Right to Sell/Rent (ER form) lines 1-29 needs:** _____
 - _____
- Line 6b, must include % or \$ amount.
- Seller needs to initial: ____ Above change
- Last Page, need seller's: _____
- Complete bottom of last page: _____

- Letter to ADRE if turned in more than 5 days late.**

- Class 2 Residential Rental Profile Sheet, Page 1 needs:** _____
 - _____
- Page 2 needs: _____
- Page 3 needs: _____
- Page 4 needs: _____
- Page 5 needs: _____

- Agency Disclosure Form needs: _____
- Lease Owner's Property Disclosure Statement needs: _____

<p>Additional Forms Required:</p> <ul style="list-style-type: none"><input type="checkbox"/> Lead Base Paint Disclosure<input type="checkbox"/> MLS Printout<input type="checkbox"/> Pool Safety Notice<input type="checkbox"/> Surprise-Luke Notification Map<input type="checkbox"/> Tenant Authorization Lockbox Form<input type="checkbox"/> WQARF MAP - Active Remedial Project Map
--

Additional Comments: _____

Offer Procedures

Contract packages are available online containing all of the necessary forms to complete a sale. **All offers must be presented to the seller in a timely manner.** An explanation of risk and cost should be explained to the seller for each offer so seller understands their position well. If the other agent insists upon presenting the offer directly to your seller instead of delivering it to you, it is up to the seller if that is OK. When applicable, ensure the buyer has been pre-qualified. Prior to accepting an offer, contact the lender for an update on the buyer's position. Keep in mind that certain loan types include seller requirements that can be additional expenses. Ask the lender what is required from the seller for their loan. Always explain closing costs and concessions in a manner that the seller understands that they affect their bottom line.

The seller has three choices with the offer. It can be accepted as-is, and signed on the last page, it can be counter offered, or it can be rejected. I recommend that you practice never to just reject offers, they should at least be countered. If accepted, ensure the seller gets a copy of what is signed. You can hang a Sale Pending or Sold sign. Only the Listing Agent may advertise the listing as sold.

Upload the earnest money receipt into your ZipForms when you receive the receipt from the title company. A contract checklist will need to be completed. Retain copies of everything for your files. The contract checklist along with all forms must be turned into Corporate. You will receive a broker checklist confirming the file turned in and letting you know if there are any missing items. Know your purchase contract timelines well. Follow up on all deadlines, and inspections. **Always review the Settlement Statements prior to closing.** If they aren't sent to you, request them from the title company prior to closing. Ensure they are accurate.

When counter offering with multiple offers, a multiple offer disclosure form should be used. Verbal acceptance is not acceptable, all offers must be in writing. Acceptance is not final until it has been signed, delivered, and received.

Use of Residential Contract

Initialing of Pages

Each page of the contract, together with all addenda, counter offers, amendments and exhibits are to be initialed by the party you are working with, i.e.; if you are representing the seller and an agent with another company does not have the buyer initial the contract, then only the seller need initial each page. We do not obligate other companies to comply with our company policy.

Agency Disclosure

Assure that your agency and that of others is disclosed in writing to the principals in advance of the time any confidences are disclosed by a principle.

Down Payments

The total down payment must be clearly expressed.

Bad Checks

In the event a buyer tenders a check that is dishonored for any reason, suggest to the seller that they consult their attorney for assistance in making a decision. We do not attempt to interpret the consequences of this problem for our seller.

Retention of All Pages in Contract

If you are writing a contract that is “all cash”, retain all pages in the contract, even though some are not applicable. In areas of the contract that are not to be included or not applicable, draw a line across that provision and have your customer or client initial that line.

Retention of All Offers

Listing Agents are required to retain ALL offers for at least 1 year, whether accepted or not. This is usually done in our email folders, but backup recommended, as **this is an ADRE mandate.** If you want to put them into Zip forms, please add a separate file, due to the amount off offers received on every listing currently. A secure Dropbox (or like kind) cloud file is also recommended for your real estate files/folders.

Blank Lines in Contract

Where there are blank lines or boxes and you do not use them, draw a line through that box or blank line. Parties should not be signing contracts with blanks.

Escrow

Unless otherwise approved by Open House Realty, the contract shall be used as escrow instructions. Do not call for separate escrow instructions to be drawn.

Earnest Money

All earnest money shall be made payable to the title company. No broker trust account checks will be accepted. Earnest money receipts must be uploaded into your zipForms file for the next business day as per the Department of Real Estate regulations. You can have the Title company email you the receipt.

SPDS (Seller Property Disclosure Statement)

When acting as the buyer’s agent, it is your responsibility to research to the best of your ability the information contained in the SPDS, and to recommend the buyer also investigate all of the information thoroughly.

Property Inspections

All buyers are to be informed of their right and obligation to have the property inspected. It is important to note that it may be necessary to have more than one inspector complete the different inspections. In each case, provide the inspector with a copy of the SPDS and ask them to verify the information within their expertise. Do not rely on the SPDS to indicate whether the property is connected to the sewer or a septic tank, or a well. This information should always be verified by a separate inspection, or independent testing services.

Final Walk-Through

Make both the buyer and seller aware of the buyer’s right to conduct a final “walk-through” just prior to close of escrow. Do not conduct a walk-through on behalf of the buyer. The seller is responsible for the utilities during any inspections, and the final walk-through. The final walk-through is to make sure that the property is still in the same condition as when the contract was written, and that any agreed upon repairs were completed, it is not the time to start the buyers inspection.

Rejections

If the seller disapproves of an offer, be sure to mark it as “Rejected by Seller” in bold letters across the front page, or rejection check box and immediately email back to the Buyer’s Agent.

Pool Safety

In every residential transaction, regardless of a pool being on the property or not, the appropriate pool safety notice will be provided to the buyer with their acknowledgement of the notice on the contract.

Compensation

The appropriate compensation document is the listing agreement. Agent's compensation shall not be written in the contract between the buyer and seller. The Title companies can be provided with a copy of the listing contract, as it provides the authority to disburse commissions. They require commission authorization forms from the Broker. Open House Realty uses our own form. Any changes shall have the Brokers signed approval prior to submission to the title company.

Legal, Appraisal, & Tax Advice

No agent is authorized to render legal; appraisal or tax advice to any person. No charges shall be made for opinions of value or drafting of documents, and all opinions of value shall contain a statement disclaiming them as guarantees of value.

Presenting the Offer

Never make a decision for a principal. The Real Estate Commissioner's Rules and the Realtor Code of Ethics are strict about this practice.

Returning Deposits

Should a buyer's offer be rejected by a seller, the earnest money is to be returned to the buyer, substantiated by a receipt from the buyer to Open House Realty showing the return, when applicable. When both parties have signed a contract and it is necessary to return a deposit, it may be done so only by having Mutual Cancellation of Escrow form signed by both parties involved in addition to all other requirements placed on such cancellation by the title company.

Electronic Signatures

The use of Electronic Signatures is approved by the Department of Real Estate for use on our contracts and forms. Such signatures can be accessed by using online sites such as DocuSign, Esign, and Digisigner.



Signed Contract & Earnest Money Receipt must be turned in to Corporate within 48 Hrs.

Agent Sales Contract Checklist

Address: _____ City: _____ Zip: _____

Seller: _____

Buyer: _____ Agent: _____

Date: _____

- Forms Required:**
- ADRE requires more legible copy of the Contract
 - Agency Disclosure
 - Buyer's Advisory (only last page with signatures/dates)
 - Buyers Inspection Notice & Sellers Response
 - CLUE-Insurance Claims History Receipt
 - Contract Information Sheet
 - Earnest Money Receipt
 - FHA For Your Protection Get a Home Inspection
 - Final Walk-Through (signed just prior to closing)

- Forms Required:**
- Letter to ADRE explaining why file turned late
 - Loan Status Report
 - MLS Printout showing change to Pending/AWC
 - Pool Safety Notice
 - Residential Disclosure & Release
 - Seller's Property Disclosure Statement
 - Surprise-Luke Notification Map
 - WQARF MAP - Active Remedial Project Map

- LEAD BASED PAINT DISCLOSURE (Required if built prior to 1978)** _____ Cannot be signed in counter-part
- Line A.1 OR A.2 needs to be checked by Seller _____ Line B.1 OR B.2 needs to be checked by Seller
 - Seller's initials required on lines: _____ Buyer's initials required on lines: _____
 - Buyer to check ONE BOX under line F
 - Initials needed at line G from: Listing Agent _____ Coop/Buyer's Agent _____
 - Signature/Date needed from: Seller _____ Buyer _____ Listing Agent _____ Coop/Buyer's Agent _____

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:



Agent Sales Contract Checklist Vacant Land

Contract & Earnest Money Receipt must be turned in within 48hrs.

Address (or cross streets): _____ **City:** _____
Zip: _____
Seller: _____ **Agent:** _____
Date: _____

- Forms Required:**
- Addendum to Vacant Land Purchase Contract Sub & Un-Subdivided
 - ADRE requires more legible copy of the Contract
 - Affidavit of Disclosure*
 - Agency Disclosure
 - Buyer’s Advisory (only last page with signatures/dates)
 - Buyers Due Diligence Notice
 - Contract Information Sheet
 - Earnest Money Receipt

- Forms Required:**
- Final Walk-Through (signed just prior to closing)
 - Letter to ADRE explaining why file turned late
 - Pre-Qualification Letter
 - MLS Printout showing change to Pending/AWC
 - Pool Safety Notice
 - Residential Disclosure & Release
 - Vacant Land Seller’s Property Disclosure Statement
 - Surprise-Luke Notification Map
 - WQARF MAP - Active Remedial Project Map

* Note: Affidavit of Disclosure (Required on Un-subdivided Land of 5 parcels or less in Unincorporated Maricopa County) **Must have per Arizona Revised Statutes ARS 11-1134.**

- If subdivided land (less than 36 acres) or un-subdivided land (36-160 acres) is being sold by a subdivider, i.e., a person who owns six or more lots, a Public Report will generally be required, and an Addendum regarding subdivided, or un-subdivided land must be executed by the Seller, and Buyer.

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:

From OHR 20e 1/10/22 IC



Contract and Earnest Money
must be turned in to
Corporate within 48 HRS

New Home Agent Sales Contract Checklist

Address: _____ **City:** _____ **Zip:** _____

Date: _____

Builder/Seller: _____ **Buyer:** _____

Agent: _____

Forms Required:

- ADRE requires more legible copy of the Contract
- Agency Disclosure
- Builder Registration Form
- Buyer's Advisory (only last page with signatures/dates)
- Contract Information Sheet
- Earnest Money Receipt,
(not required, if deposited with Builder)
- FHA For Your Protection Get a Home Inspection
- Final Walk-Through (signed just prior to closing)

Forms Required:

- Letter to ADRE explaining why file turned in late
- Loan Status Report
- New Home Builder-Seller Disclosure
- New Home Buyer's Inspection Notice
- Pool Safety Notice
- Residential Disclosure & Release
- Surprise-Luke Notification Map
- WQARF MAP - Active Remedial Project Map

Need Builder's New Home Purchase Contract signed by Builder, and Buyer.

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:



Signed Contract & Earnest Money Receipt must be turned in to Corporate within 48 Hrs

Agent HUD/VA Sales Contract Checklist

Address: _____ City: _____ Zip: _____
Seller: _____ HUD ___ VA ___

Buyer: _____ Agent: _____
Date: _____

- HUD or VA PURCHASE CONTRACT** (Any Changes Need Both Party's Initials)
- Letter to ADRE explaining the delay** (file turned in more than 5 days after contract acceptance)
- Agency Disclosure
- LEAD BASED PAINT DISCLOSURE** (Required if built **prior** to 1978) _____ Cannot be signed in counter-part
- Line A.1 OR A.2 needs to be checked by Seller _____ Line B.1 OR B.2 needs to be checked by Seller
 - Seller's initials required on lines: _____ Buyer's initials required on lines: _____
 - Buyer to check ONE BOX under line F
 - Initials needed at line G from: Listing Agent _____ Coop/Buyer's Agent _____
 - Signature/Date needed from: Seller ___ Buyer ___ Listing Agent _____ Coop/Buyer's Agent _____
- Buyer's Advisory needs Signature/Date (Agents only need to turn in the last page with signatures/dates)
- Request copy of Buyer's Advisory from Buyer's Agent (If they won't provide, document date requested)
- Legible copy of the Contract _____ & Counter Offer _____, Preferably the originals, even if not signed.

- Forms Required:**
- Buyers Advisory
 - Buyers Inspection Notice & Sellers Response
 - Contract Information Sheet
 - Earnest Money Receipt
 - FHA For Your Protection Get a Home Inspection
 - Final Walk-through(signed prior to closing)
 - Investor Sales Package (mcb)

- Additional Forms Required:**
- Loan Status Report
 - Owner/Occupant Sales package (mcb)
 - Pool Safety Notice
 - Residential Disclosure & Release
 - Surprise-Luke Notification Map
 - VA FORM - Dep of Vet Aff (Offer to Purchase & Contract of Sale)
 - WQARF MAP - Active Remedial Project Map

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Notes to Broker:



Signed Contract & Earnest Money Receipt, or ER Form must be turned in to Corporate within 48 Hrs.

Agent Commercial Checklist

Please check one: ___ Listing ___ Sale or ___ Lease

Address: _____ City: _____ Zip: _____

Seller: _____

Buyer: _____ Agent: _____

Date: _____

Forms Required:

- 1031 Exchange Documents including Deadlines
1031 Property Identification (Signed)
Americans with Disabilities Act Disclosure
Assignment & Assumption of Tenant Leases
Assignment & Assumption of Contracts and Permits
Attorney Services Proposal/Contract
Buyers Advisory
Commercial Contract Checklist
Commercial Properties Dept Final
Commercial Real Estate Purchase Contract
Contract Information Sheet
Corporate Documents showing Seller's authority to transact sale
Earnest Money Receipt
Environmental Inspection Proposal/Contract
Environmental Inspection Report
Estoppel Certificates
Final Walk Through
Financial Statements showing NOI for 2 Years or more Current
Lease Agreements
Letter of Intent

Additional Forms Required:

- Lender's Letter of Interest
Lender's Letter of Commitment (Approval)
Loan Status Report
Mechanical Inspection Report
MLS Printout - Pending/AWC
Pending Lease Agreements
Personal Financial Statement(s) from each borrower Appraisal
Real Estate Agency Disclosure and Election
Rent Rolls
Structural Inspection Proposal/Contract
Structural Inspection Report
Surprise-Luke Notification Map
Survey Report
Tenant Improvement Documents
Tenant Interview Forms (Completed)
Tenant Notices
Zoning & Certificate of Occupancy Disclosure
Zoning Change Application (if required)
Zoning Confirmation or Letter of Interpretation

Completed Copy of Commercial Contract signed by both Buyer, and Seller

Notes to Broker:

Three horizontal lines for notes to broker.

Forms are required to be turned into Corporate if they are used in the transaction, or are applicable to the transaction.

Residential Purchase Contract File Requirements
Broker Checklist

Address: _____ File#: _____
Seller: _____ Buyer: _____ Agent: _____

The following checked items must be completed prior to COE.
When completed submit Commission Authorization form to Broker for signature

Forms Required:

- ADRE requires more legible copy of the Contract
- Agency Disclosure
- Buyer's Advisory (only last page w/signature/date)
- Buyers Inspection Notice & Sellers Response
- CLUE-Insurance Claims History Receipt
- Contract Information Sheet
- Earnest Money Receipt
- FHA For Your Protection Get a Home Inspection
- Final Walk-Through (signed just prior to closing)

Forms Required:

- Letter to ADRE explaining why file turned late
- Pre-Qualification Form
- MLS Printout showing change to Pending/AWC
- Pool Safety Notice
- Residential Disclosure & Release
- Seller's Property Disclosure Statement
- Surprise-Luke Notification Map
- WQARF MAP - Active Remedial Project Map

- RESIDENTIAL PURCHASE CONTRACT**
- (Any Changes Need Both Party's Initials)
- No lines to be left blank, if non-applicable,
- Write n/a in box or on line. Fix Line: _____
- Line 1 (Buyer) needs: _____
- Line 2 (Seller) needs: _____
- Lines 5-7 (Prop. Description) must be completed.
- Lot # missing,
- Have Title Co. draw an addendum clarifying legal desc.
- Lines 8-14 (\$) needs: _____
- Lines 18 (COE) must have date.
- Line 24 (Possession) needs: _____
- Lines 27-29 (Addenda) must be checked.
- Lines 45-52 (Add. Property) needs: _____
- Line 54 (Pre-Qualification Form) must be checked
- Line 74 (Financing) must be checked.
- Lines 77-78 (Seller Concessions) must be completed.
- Lines 74-79 (VA Loan Costs) must be completed.
- Line 89-90 (Appraisal Fee) must be checked.
- Line 91 (Escrow/Title Co.) must be completed.
- Line 126 Proration need: _____
- Line 128 (Assessment Liens) must be checked Seller.

- Lines 148-157 (Lead Paint) must be checked & initialed.
- Line 183-184 (Verbal Rep) Needs: _____
- Line 185 (Inspection Period) needs: _____
- Lines 214 - 218 (Sewer/Septic) must be checked & initialed
- Line 223 (Pool Barrier Regulations) must be initialed.
- Line 231 (Buyer Acknowledgement) must be initialed.
- Lines 240-245 (Buyer Disapproval) needs: _____
- Lines 261 or 264 (Home Warr) must be checked/completed
- Lines 305-334 (Add. Terms) needs: _____
- Lines 372-374 (EM) must be completed & checked Escrow
- Line 383 (Release of Broker) must be initialed.
- Line 386 (Terms of Acceptance) must be completed.
- Lines 392-394 (Broker on behalf of Buyer) must complete
- Line 396 (Agency) must be checked: _____
- Lines 399-401 (Buyer's Signature/Date) must be completed
- Lines 403-405 (Broker on behalf of Seller) must complete
- Line 407 (Agency) must be checked: _____
- Lines 410-411 (Counter Offer) box must be checked
- Lines 412-413 (Seller's Signature/Date) must be completed
- Line 416 (Offer Rejected) needs: _____
- Buyer____ Seller____ initials required on page(s)_____

- LEAD BASED PAINT DISCLOSURE (Required if built prior to 1978)** _____ Cannot be signed in counter-part
- Line A.1 OR A.2 needs to be checked by Seller _____ Line B.1 OR B.2 needs to be checked by Seller
- Seller's initials required on lines: _____ Buyer's initials required on lines: _____
- Buyer to check ONE BOX under line F
- Initials needed at line G from: Listing Agent _____ Coop/Buyer's Agent _____
- Signature/Date needed from: Seller _____ Buyer _____ Listing Agent _____ Coop/Buyer's Agent _____

Open House Realty Broker Checklist Vacant Land Sales Contract File Requirements

Address: _____ File#: _____
 Seller: _____ Buyer: _____ Agent: _____

Initial Review Date: _____ Closing Package Received: _____ Final Review Date: _____

- VACANT LAND SALES CONTRACT**
- (Any Changes Need Both Party's Initials)**
- No lines to be left blank, if non-applicable,
- write n/a in box or on line. Fix Line: _____
- Line 1 (Buyer) needs: _____
- Line 3 (Agency) needs to be checked: _____
- Lines 10-11 (Earnest Money) needs to be checked
- Lines 12-13 (Received By) Needs: _____
- Lines 16-17 (Address/Zoning) needs: _____
- Lines 18-21 (Assessors#/Legal Description) needs
- Line 24 (Additional Personal Property) needs: _____
- Line 28 (Purchase Price) needs: _____
- Line 31 (Earnest Money) needs: _____
- Lines 32-35 (\$) needs: _____
- Line 36 (Closing Date) needs: _____
- Lines 41-42 (Possession) needs: _____
- Lines 46-75 (Seller Carryback) to be checked
- Lines 88-100 (Assumption) to be checked
- Lines 106-109 (Financing) needs: _____
- Line 113 (Cond. Loan Approval, or LSR) __days
- Lines 125-128 (Loan Costs) needs: _____
- Line 148 (Escrow Company) needs: _____

- Line 150 Complete Buyer's Marital Status
- Line 151 Always Check: Determined Before COE
- Line 178 (Assessments) to be checked paid by Seller
- Line 184 MUST be checked. Line 185 not allowed.**
- Lines 198-212 (HOA) must be checked: _____
- Line 236 Buyer's Initials Required
- Line 266 (Transfer of Ownership fee) to be checked.
- Lines 276-280 (Site Soil) to be checked, and completed
- Lines 289-305 (Surveys) to be checked, and completed.
- Line 306 Buyer's Initials Required
- Line 321 (Well Transfer Fee) must be checked.
- Lines 405-437 Additional terms needs: _____
- _____
- Line 438 (Addenda) must be checked: _____
- Line 449 (Time for Acceptance) must be completed
- Line 455 must have Buyer's __Signature(s), __Date
- Line 460 (Listing Broker) must be completed.
- Line 461 (Agency) must be checked.
- Line 464-466 (Counter Offer Box) must be checked.
- Line 468 must have Seller's __Signature(s), __Date
- Buyer____ Seller____ initials required on page(s)____

- Forms Required:**
- Addendum to Vacant Land Purchase Contract Sub &
 - Un-Subdivided
 - ADRE requires more legible copy of the Contract
 - Affidavit of Disclosure*
 - Agency Disclosure
 - Buyer's Advisory (only last page w/signature/date)
 - Buyers Due Diligence Notice
 - Contract Information Sheet
 - Earnest Money Receipt

- Forms Required:**
- Final Walk-Through (signed just prior to closing)
 - Letter to ADRE explaining why file turned late
 - Loan Status Report
 - MLS Printout showing change to Pending/AWC
 - Pool Safety Notice
 - Residential Disclosure & Release
 - Vacant Land Seller's Property Disclosure Statement
 - Surprise-Luke Notification Map
 - WQARF MAP - Active Remedial Project Map

* Note: Affidavit of Disclosure (Required on Un-subdivided Land of 5 parcels or less in Unincorporated Maricopa County) **Must have per Arizona Revised Statutes ARS 11-1134.**

- If subdivided land (less than 36 acres) or un-subdivided land (36-160 acres) is being sold by a subdivider, i.e., a person who owns six or more lots, a Public Report will generally be required, and an Addendum regarding subdivided, or un-subdivided land must be executed by the Seller, and Buyer.

Contract and Earnest Money Receipt must be turned in within 48 Hours after Contract Acceptance.

Open House Realty

Broker Checklist

New Home Sales Contract File Requirements

Address: _____

File#: _____

Seller: _____

Buyer: _____ Agent: _____

Initial Review Date: _____ Closing Package Received: _____ Final Review Date: _____

- New Home Sales Contract w/lot (AAR form)
- (Any Changes Need Both Party's Initials)
- No lines to be left blank, if non-applicable,
- write n/a in box or on line. Fix Line: _____
- Line 1 (Buyer) needs: _____
- Line 3 (Agency) needs to be checked: _____
- Lines 10-11 (Earnest Money) needs to be checked: _____
- Line 17 Buyer's Initials Required
- Line 18 (Received By) needs: _____
- Line 19 needs: _____
- Line 22 (Address/Assessors #) needs: _____
- Line 23 _____City _____County _____Zip
- Line 24 (Legal Description) needs: _____
- Line 25 (Add. Personal Property) needs: _____
- Line 29 (Purchase Price) needs: _____
- Line 32 (Earnest Money) needs: _____
- Lines 33-34 (\$) needs: _____
- Line 34 must be checked
- Line 35 Buyer's Initials Required
- Line 36 (Balance Due) needs: _____
- Lines 37-42 (Balance Due Paid By) needs to be checked
- Line 45 (Close of Escrow) needs: _____
- Line 51 (Occupancy) needs to be checked: _____
- Lines 54-59 (Draws) needs: _____
- Lines 60-62 needs to be checked: _____

- Line 63 LSR is not attached, must be within ___ days.
- Line 94 (FHA Buyer's Initials Required)
- Line 112 (Escrow Company) needs: _____
- Line 114 Complete Buyer's Marital Status
- Line 115 Always Check: Determined Before COE
- Line 142 (Assessments) should be checked (Seller)
- Lines 153-167 (HOA) must be checked: _____
- Lines 169-171 (Insulation) needs to be checked: _____
- Line 182 (Pool Barrier Laws) Must be initial by Buyer.
- Line 207 Buyer's Initials Required.
- Lines 264, 269 (Liquidated Damages) must be completed.
- Line 298 Buyer's Initials Required
- Line ___334 or ___349 needs number of days set.
- Lines 358-385 Additional terms needs: _____
- _____
- Line 386-387 (Addenda) must be checked: _____
- Line 393 (Water Supply) must be checked, and disclosed
- Line 403 (Time for Acceptance) must be completed
- Line 409 Buyer's ___Signature(s), and ___Date
- Line 413 (Listing Broker) must be completed.
- Line 414 (Agency) must be checked.
- Line 417-419 (Counter Offer Box) must be checked.
- Line 421 Seller's ___Signature(s), and ___Date
- Buyer_____ Seller_____ initials required on page(s)_____

Forms Required:

- ADRE requires more legible copy of the Contract
- Agency Disclosure
- Builder Registration Form
- Buyer's Advisory (only last page w/signature/date)
- Contract Information Sheet
- Earnest Money Receipt,
- (not required, if deposited with Builder)
- FHA For Your Protection Get a Home Inspection
- Final Walk-Through (signed just prior to closing)

Forms Required:

- Letter to ADRE explaining why file turned in late
- Loan Status Report
- New Home Builder-Seller Disclosure
- New Home Buyer's Inspection Notice
- Pool Safety Notice
- Residential Disclosure & Release
- Surprise-Luke Notification Map
- WQARF MAP - Active Remedial Project Map

Need Builder's New Home Purchase Contract signed by Builder, and Buyer.

Contract and Earnest Money Receipt must be turned in within 48 Hours after Contract Acceptance.

Open House Realty

HUD / VA Contract File Requirements Broker Checklist

Address: _____ Date: _____ File#: _____

Seller: _____ HUD or _____ VA _____

Buyer: _____ Agent: _____

- HUD or VA PURCHASE CONTRACT (Any Changes Need Both Party's Initials)**
- Letter to ADRE explaining the delay (file turned in more than 5 days after contract acceptance)**
- Agency Disclosure needs: _____
- LEAD BASED PAINT DISCLOSURE (Required if built prior to 1978)** _____ Cannot be signed in counter-part
- Line A.1 OR A.2 needs to be checked by Seller _____ Line B.1 OR B.2 needs to be checked by Seller
- Seller's initials required on lines: _____ Buyer's initials required on lines: _____
- Buyer to check ONE BOX under line F
- Initials needed at line G from: Listing Agent _____ Coop/Buyer's Agent _____
- Signature/Date needed from: Seller _____ Buyer _____ Listing Agent _____ Coop/Buyer's Agent _____
- Buyer's Advisory needs Signature/Date (Agents only need to turn in the last page with signatures/dates)
- Request copy of Buyer's Advisory from Buyer's Agent (**If they won't provide, document date requested**)
- Must have a more legible copy of the Contract _____ & Counter Offer _____**, Preferably the originals, even if not signed.

- Forms Required:**
- Buyers Advisory
 - Buyers Inspection Notice & Sellers Response
 - Contract Information Sheet
 - Earnest Money Receipt
 - FHA For Your Protection Get a Home Inspection
 - Final Walk-through (signed prior to closing)
 - Investor Sales Package (mcb)

- Additional Forms Required:**
- Pre-Qualification Letter
 - Owner/Occupant Sales package (mcb)
 - Pool Safety Notice
 - Residential Disclosure & Release
 - Surprise-Luke Notification Map
 - VA FORM - Dep of Vet Aff (Offer to Purchase & Contract of Sale)
 - WQARF MAP - Active Remedial Project Map

Additional comments: _____

Contract and Earnest Money Receipt must be turned in within 48 Hours after Contract Acceptance.

Revised 1/22 IC

Open Houses

Open houses can be a new agent's key to quick success. Holding open houses can produce many good leads, buyers that need to buy, and sellers that need to sell before they buy. Faster sales can be made from open houses as opposed to taking a listing and waiting for it to sell, since instant sales can be made.

Agents are responsible for opening and closing the property that they are holding open. The lights and A/C need to be turned back off when closing. Care needs to be taken with the owner's valuables. There is a disclaimer form in your online toolbox to have sellers sign so they agree in writing that you're not responsible if anything is misplaced. You can hold open houses with homes that are either occupied or vacant, but the electricity does need to be on, especially during the summer months. Agents are also responsible for the placement of the open house signs. Most city ordinances prevent signs in the public right of way, such as sidewalks. Some homeowner associations also prevent placement of signs, and you need property owner's permission if it's in someone's yard. Most of the time, it's OK to place them on the corners on the sidewalks. Any fines assessed for misplaced signs are the agent's responsibility, along with replacing any lost signs.

A guest register and flyers should be utilized when holding an open house.

Safety should be your number one concern when holding an open house and when showing homes. Someone should know where you are holding the house open and when you will be there. If you must be alone, don't let anyone get between you and the exit doorway out of any area. Let them look on their own. Have a cell phone handy for emergencies. A good business practice is to have a loan officer hold the house open with you. The loan officer can pre-qualify the buyers on the spot, and you have more security in having a second person there with you.

Open houses can be done anytime, especially on the weekends, and usually from 12-4pm. MLS offers ad spots for open houses that syndicate with other sites like Zillow for public announcement.

Screening Prospects

Agents shall make every effort to determine the qualifications of the prospects that they are working with, and in a timely manner. Certain questions should be asked, such as:

- A. Are you currently working with another agent?
- B. Have you been pre-qualified yet? Who is your lender?
- C. Do you have another house to sell first?

The time frames of the contract need to be monitored closely, and forms, like the Pre-Qualification Letter must be used whenever possible. The other party must be made aware immediately, if it is determined, that a buyer, or seller cannot perform.

Signs & Placement

Agents must have the written permission from the property owner to place any sign or directional marker on the property. It's the agent's responsibility to look up city ordinances and homeowners' associations to ensure they allow your particular signage types. Agents are responsible for any fines levied for illegal placement or confiscation of signs.

Unless purchased by the agent, yard signs are the property of the broker. These signs are on a loan basis only. Signs such as Open House signs, directional markers, or any riders will be at the associate's sole expense. All signs except riders, shall display the company's name, logo, office phone number, and Fair Housing logo. The Broker, prior to usage, must approve all signs.

Signs may be placed in the front yard, back yard, or in the front window if the home-owners association doesn't allow sign posts. All Open House signs **must be picked up after the open house and not left out overnight.**

Prior to usage, the Broker must approve any automobile signage.

It is highly recommended that agents have their name, and phone number on their listing signage. ADRE requires the office phone number visible on all listing signs. The office number can be smaller than the agent's main number.

All websites must have the company logo prominently displayed at the top of each page, per ADRE requirements.

Title & Escrow

All sales shall be completed through a Title and Escrow Company. Title insurance shall be required with all sales. All commissions shall be paid to Open House Realty and the agent as per the Commission Authorization form. The choice of Title Company shall be that of the client and not of the agent. If the client requests a suggestion of a Title Company, the agent shall offer at least two different Title Companies. Referral fees shall be paid from the title company and reflected on the settlement statement.

All counter offers, changes to the contract, and mutual agreements shall be in writing, and submitted to the title companies, copies of which must be submitted to Open House Realty. All earnest money receipts shall be uploaded into ZipForms by the next business day after an accepted offer. **When an offer is received, agents shall not recommend countering on a different Title Company.**

Agents shall not list a recommended Title Company in the Multiple Listing Service (MLS) printouts. We see it all the time, but it is an MLS violation. Open House Realty will open all deliveries received from Title Companies for agents in search of commission checks. We want you to get paid as soon as possible, so that is why we make sure you don't have a check sitting unnoticed.

Property Keys

Property keys are given to the listing agents by the owners of properties that we list for sale. In every case, great care must be maintained to make sure the keys are placed in the lock-boxes when not in use. Under no circumstances may an agent issue a key to an unlicensed party. It is recommended that you consider doubling up with a construction lockbox with a manual code in case an agent calls you that's trying to show your listing and cannot get into your ARMLS lockbox, if you're not nearby or available. Prior to giving your code, ensure you've looked up the agent in ADRE website to ensure you're working with a licensed professional.

Keys to a sold property are not to be issued to the buyer until such time as the sale is recorded and in compliance with the contract by and between the buyer and seller. If early possession is to be provided, a pre-possession agreement must be completed prior to giving possession. All lockboxes are to be removed immediately following the close of escrow. Agents should obtain all gate keys, mailbox keys, and any garage door openers, to give to the buyer at closing.

Agents must never loan their lockbox key to anyone or allow anyone else to utilize their lockbox key. All lockbox key codes must be kept separate from their keys.

Agents may face suspension of their real estate license and possible fines for violating the above rules. Agents shall not allow any other person or agent to use their lockbox key, and shall be immediately terminated, and face loss of license if found doing so.

Realtor Code of Ethics

Open House Realty strictly adheres to the Realtor Code of Ethics. The following pages of the Realtor Code of Ethics are attached to this Policy Manual and made a part hereof.

Where the word REALTORS® is used in this Code and Preamble, it shall be deemed to include REALTOR-ASSOCIATE®s.

While the Code of Ethics establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethics and the law conflict, the obligations of the law must take precedence.

Preamble

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. REALTORS® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which REALTORS® should dedicate themselves, and for which they should be diligent in preparing themselves. REALTORS®, therefore, are zealous to maintain and improve the standards of their calling and share with their fellow REALTORS® a common responsibility for its integrity and honor.

In recognition and appreciation of their obligations to clients, customers, the public, and each other, REALTORS® continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession.

REALTORS® having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial

economic harm, bring such matters to the attention of the appropriate Board or Association of REALTORS®. *(Amended 1/00)*

Realizing that cooperation with other real estate professionals promotes the best interests of those who utilize their services, REALTORS® urge exclusive representation of clients; do not attempt to gain any unfair advantage over their competitors; and they refrain from making unsolicited comments about other practitioners. In instances where their opinion is sought, or where REALTORS® believe that comment is necessary, their opinion is offered in an objective, professional manner, uninfluenced by any personal motivation or potential advantage or gain.

The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.

In the interpretation of this obligation, REALTORS® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, “Whatsoever ye would that others should do to you, do ye even so to them.”

Accepting this standard as their own, REALTORS® pledge to observe its spirit in all of their activities whether conducted personally, through associates or others, or via technological means, and to conduct their business in accordance with the tenets set forth below. *(Amended 1/07)*

Duties to Clients and Customers

Article 1

When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly. *(Amended 1/01)*

Standard of Practice 1-1

REALTORS®, when acting as principals in a real estate transaction, remain obligated by the duties imposed by the Code of Ethics. *(Amended 1/93)*

Standard of Practice 1-2

The duties imposed by the Code of Ethics encompass all real estate-related activities and transactions whether conducted in person, electronically, or through any other means.

The duties the Code of Ethics imposes are applicable whether REALTORS® are acting as agents or in legally recognized non-agency capacities except that any duty imposed exclusively on agents by law or regulation shall not be imposed by this Code of Ethics on REALTORS® acting in non-agency capacities.

As used in this Code of Ethics, “client” means the person(s) or entity(ies) with whom a REALTOR® or a REALTOR®’s firm has an agency or legally recognized non-agency relationship; “customer” means a party to a real estate transaction who receives information, services, or benefits but has no contractual relationship with the REALTOR® or the REALTOR®’s firm; “prospect” means a purchaser, seller, tenant, or landlord who is not subject to a representation relationship with the REALTOR® or REALTOR®’s firm; “agent” means a real estate licensee (including brokers and sales associates) acting in an agency relationship as defined by state law or regulation; and “broker” means a real estate licensee (including brokers and sales associates) acting as an agent or in a legally recognized non-agency capacity. *(Adopted 1/95, Amended 1/07)*

Standard of Practice 1-3

REALTORS®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

Standard of Practice 1-4

REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®’s services. *(Amended 1/93)*

Standard of Practice 1-5

REALTORS® may represent the seller/landlord and buyer/tenant in the same transaction only after full disclosure to and with informed consent of both parties. *(Adopted 1/93)*

Standard of Practice 1-6

REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. *(Adopted 1/93, Amended 1/95)*

Standard of Practice 1-7

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide, as soon as practical, a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. *(Amended 1/20)*

Standard of Practice 1-8

REALTORS®, acting as agents or brokers of buyers/tenants, shall submit to buyers/tenants all offers and counter-offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. Upon the written request of the listing broker who submits a counter-offer to the buyer's/tenant's broker, the buyer's/tenant's broker shall provide, as soon as practical, a written affirmation to the listing broker stating that the counter-offer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counter-offer presented. REALTORS®, acting as agents or brokers of buyers/tenants, shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. *(Adopted 1/93, Amended 1/22)*

Standard of Practice 1-9

The obligation of REALTORS® to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS® shall not knowingly, during or following the termination of professional relationships with their clients:

- 1) reveal confidential information of clients; or
- 2) use confidential information of clients to the disadvantage of clients; or
- 3) use confidential information of clients for the REALTOR®'s advantage or the advantage of third parties unless:
 - a) clients consent after full disclosure; or
 - b) REALTORS® are required by court order; or
 - c) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
 - d) it is necessary to defend a REALTOR® or the REALTOR®'s employees or associates against an accusation of wrongful conduct.

Information concerning latent material defects is not considered confidential information under this Code of Ethics. *(Adopted 1/93, Amended 1/01)*

Standard of Practice 1-10

REALTORS® shall, consistent with the terms and conditions of their real estate licensure and their property management agreement, competently manage the property of clients with due regard for the rights, safety and health of tenants and others lawfully on the premises. *(Adopted 1/95, Amended 1/00)*

Standard of Practice 1-11

REALTORS® who are employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect it against reasonably foreseeable contingencies and losses. (Adopted 1/95)

Standard of Practice 1-12

When entering into listing contracts, REALTORS® must advise sellers/landlords of:

- 1) the REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities;
- 2) the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interests of buyers/tenants; and
- 3) any potential for listing brokers to act as disclosed dual agents, e.g., buyer/tenant agents. (*Adopted 1/93, Renumbered 1/98, Amended 1/03*)

Standard of Practice 1-13

When entering into buyer/tenant agreements, REALTORS® must advise potential clients of:

- 1) the REALTOR®'s company policies regarding cooperation;
- 2) the amount of compensation to be paid by the client;
- 3) the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;
- 4) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g., listing broker, subagent, landlord's agent, etc.; and
- 5) the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. (*Adopted 1/93, Renumbered 1/98, Amended 1/06*)

Standard of Practice 1-14

Fees for preparing appraisals or other valuations shall not be contingent upon the amount of the appraisal or valuation. *(Adopted 1/02)*

Standard of Practice 1-15

REALTORS®, in response to inquiries from buyers or cooperating brokers shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. *(Adopted 1/03, Amended 1/09)*

Standard of Practice 1-16

REALTORS® shall not access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller. *(Adopted 1/12)*

Article 2

REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. *(Amended 1/00)*

Standard of Practice 2-1

REALTORS® shall only be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in those areas required by their real estate licensing authority. Article 2 does not impose upon the REALTOR® the obligation of expertise in other professional or technical disciplines. *(Amended 1/96)*

Standard of Practice 2-2

(Renumbered as Standard of Practice 1-12 1/98)

Standard of Practice 2-3

(Renumbered as Standard of Practice 1-13 1/98)

Standard of Practice 2-4

REALTORS® shall not be parties to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.

Standard of Practice 2-5

Factors defined as “non-material” by law or regulation or which are expressly referenced in law or regulation as not being subject to disclosure are considered not “pertinent” for purposes of Article 2. *(Adopted 1/93)*

Article 3

REALTORS® shall cooperate with other brokers except when cooperation is not in the client’s best interest. The obligation to cooperate does not include the obligation to share commissions, fees, or to otherwise compensate another broker. *(Amended 1/95)*

Standard of Practice 3-1

REALTORS®, acting as exclusive agents or brokers of sellers/ landlords, establish the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation. Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation. *(Amended 1/99)*

Standard of Practice 3-2

Any change in compensation offered for cooperative services must be communicated to the other REALTOR® prior to the time that REALTOR® submits an offer to purchase/lease the property. After a REALTOR® has submitted an offer to purchase or lease property, the listing broker may not attempt to unilaterally modify the offered compensation with respect to that cooperative transaction. *(Amended 1/14)*

Standard of Practice 3-3

Standard of Practice 3-2 does not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation. *(Adopted 1/94)*

Standard of Practice 3-4

REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. *(Amended 1/02)*

Standard of Practice 3-5

It is the obligation of subagents to promptly disclose all pertinent facts to the principal's agent prior to as well as after a purchase or lease agreement is executed. *(Amended 1/93)*

Standard of Practice 3-6

REALTORS® shall disclose the existence of accepted offers, including offers with unresolved contingencies, to any broker seeking cooperation. *(Adopted 5/86, Amended 1/04)*

Standard of Practice 3-7

When seeking information from another REALTOR® concerning property under a management or listing agreement, REALTORS® shall disclose their REALTOR® status and whether their interest is personal or on behalf of a client and, if on behalf of a client, their relationship with the client. *(Amended 1/11)*

Standard of Practice 3-8

REALTORS® shall not misrepresent the availability of access to show or inspect a listed property. *(Amended 11/87)*

Standard of Practice 3-9

REALTORS® shall not provide access to listed property on terms other than those established by the owner or the listing broker. *(Adopted 1/10)*

Standard of Practice 3-10

The duty to cooperate established in Article 3 relates to the obligation to share information on listed property, and to make property available to other brokers for showing to prospective purchasers/tenants when it is in the best interests of sellers/landlords. *(Adopted 1/11)*

Standard of Practice 3-11

REALTORS® may not refuse to cooperate on the basis of a broker's race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted 1/20)*

Article 4

REALTORS® shall not acquire an interest in or buy or present offers from themselves, any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest, any real property without making their true position known to the owner or the owner's agent or broker. In selling property they own, or in which they have any interest, REALTORS® shall reveal their ownership or interest in writing to the purchaser or the purchaser's representative. *(Amended 1/00)*

Standard of Practice 4-1

For the protection of all parties, the disclosures required by Article 4 shall be in writing and provided by REALTORS® prior to the signing of any contract. *(Adopted 2/86)*

Article 5

REALTORS® shall not undertake to provide professional services concerning a property or its value where they have a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

Article 6

REALTORS® shall not accept any commission, rebate, or profit on expenditures made for their client, without the client's knowledge and consent.

When recommending real estate products or services (e.g., homeowner's insurance, warranty programs, mortgage financing, title insurance, etc.), REALTORS® shall disclose to the client or customer to whom the recommendation is made any financial benefits or fees, other than real estate referral fees, the REALTOR® or REALTOR®'s firm may receive as a direct result of such recommendation. *(Amended 1/99)*

Standard of Practice 6-1

REALTORS® shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion. *(Amended 5/88)*

Article 7

In a transaction, REALTORS® shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of the REALTOR®'s client or clients. *(Amended 1/93)*

Article 8

REALTORS® shall keep in a special account in an appropriate financial institution, separated from their own funds, monies coming into their possession in trust for other persons, such as escrows, trust funds, clients' monies, and other like items.

Article 9

REALTORS®, for the protection of all parties, shall assure whenever possible that all agreements related to real estate transactions including, but not limited to, listing and representation agreements, purchase contracts, and leases

are in writing in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party to such agreements upon their signing or initialing. *(Amended 1/04)*

Standard of Practice 9-1

For the protection of all parties, REALTORS® shall use reasonable care to ensure that documents pertaining to the purchase, sale, or lease of real estate are kept current through the use of written extensions or amendments. *(Amended 1/93)*

Standard of Practice 9-2

When assisting or enabling a client or customer in establishing a contractual relationship (e.g., listing and representation agreements, purchase agreements, leases, etc.) electronically, REALTORS® shall make reasonable efforts to explain the nature and disclose the specific terms of the contractual relationship being established prior to it being agreed to by a contracting party. *(Adopted 1/07)*

Duties to the Public

Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

Standard of Practice 10-1

When involved in the sale or lease of a residence, REALTORS® shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which

may result in panic selling, however, REALTORS® may provide other demographic information. *(Adopted 1/94, Amended 1/06)*

Standard of Practice 10-2

When not involved in the sale or lease of a residence, REALTORS® may provide demographic information related to a property, transaction or professional assignment to a party if such demographic information is (a) deemed by the REALTOR® to be needed to assist with or complete, in a manner consistent with Article 10, a real estate transaction or professional assignment and (b) is obtained or derived from a recognized, reliable, independent, and impartial source. The source of such information and any additions, deletions, modifications, interpretations, or other changes shall be disclosed in reasonable detail. *(Adopted 1/05, Renumbered 1/06)*

Standard of Practice 10-3

REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted 1/94, Renumbered 1/05 and 1/06, Amended 1/14)*

Standard of Practice 10-4

As used in Article 10 “real estate employment practices” relates to employees and independent contractors providing real estate-related services and the administrative and clerical staff directly supporting those individuals. *(Adopted 1/00, Renumbered 1/05 and 1/06)*

Standard of Practice 10-5

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted and effective November 13, 2020)*

Article 11

The services which REALTORS® provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, land brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth. *(Amended 1/10)*

Standard of Practice 11-1

When REALTORS® prepare opinions of real property value or price they must:

- 1) be knowledgeable about the type of property being valued,
- 2) have access to the information and resources necessary to formulate an accurate opinion, and
- 3) be familiar with the area where the subject property is located

unless lack of any of these is disclosed to the party requesting the opinion in advance.

When an opinion of value or price is prepared other than in pursuit of a listing or to assist a potential purchaser in formulating a purchase offer, the opinion shall include the following unless the party requesting the opinion requires a specific type of report or different data set:

- 1) identification of the subject property
- 2) date prepared
- 3) defined value or price

- 4) limiting conditions, including statements of purpose(s) and intended user(s)
- 5) any present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants
- 6) basis for the opinion, including applicable market data
- 7) if the opinion is not an appraisal, a statement to that effect
- 8) disclosure of whether and when a physical inspection of the property's exterior was conducted
- 9) disclosure of whether and when a physical inspection of the property's interior was conducted
- 10) disclosure of whether the REALTOR® has any conflicts of interest (*Amended 1/14*)

Standard of Practice 11-2

The obligations of the Code of Ethics in respect of real estate disciplines other than appraisal shall be interpreted and applied in accordance with the standards of competence and practice which clients and the public reasonably require to protect their rights and interests considering the complexity of the transaction, the availability of expert assistance, and, where the REALTOR® is an agent or subagent, the obligations of a fiduciary. (*Adopted 1/95*)

Standard of Practice 11-3

When REALTORS® provide consultive services to clients which involve advice or counsel for a fee (not a commission), such advice shall be rendered in an objective manner and the fee shall not be contingent on the substance of the advice or counsel given. If brokerage or transaction services are to be provided in addition to consultive services, a separate compensation may be paid with prior agreement between the client and REALTOR®. (*Adopted 1/96*)

Standard of Practice 11-4

The competency required by Article 11 relates to services contracted for between REALTORS® and their clients or customers; the duties expressly imposed by the Code of Ethics; and the duties imposed by law or regulation. *(Adopted 1/02)*

Article 12

REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional. *(Amended 1/08)*

Standard of Practice 12-1

REALTORS® must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless REALTOR® will receive no financial compensation from any source for those services. *(Amended 1/22)*

Standard of Practice 12-2

(Deleted 1/20)

Standard of Practice 12-3

The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, selling, purchasing, or leasing through the REALTOR® making the offer. However, REALTORS® must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the REALTOR®'s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by any applicable Standard of Practice. *(Amended 1/95)*

Standard of Practice 12-4

REALTORS® shall not offer for sale/lease or advertise property without authority. When acting as listing brokers or as subagents, REALTORS® shall not quote a price different from that agreed upon with the seller/landlord. *(Amended 1/93)*

Standard of Practice 12-5

REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise real estate services or listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that REALTOR®'s firm in a reasonable and readily apparent manner either in the advertisement or in electronic advertising via a link to a display with all required disclosures. *(Adopted 11/86, Amended 1/16)*

Standard of Practice 12-6

REALTORS®, when advertising unlisted real property for sale/lease in which they have an ownership interest, shall disclose their status as both owners/landlords and as REALTORS® or real estate licensees. *(Amended 1/93)*

Standard of Practice 12-7

Only REALTORS® who participated in the transaction as the listing broker or cooperating broker (selling broker) may claim to have “sold” the property. Prior to closing, a cooperating broker may post a “sold” sign only with the consent of the listing broker. *(Amended 1/96)*

Standard of Practice 12-8

The obligation to present a true picture in representations to the public includes information presented, provided, or displayed on REALTORS®' websites. REALTORS® shall use reasonable efforts to ensure that information on their websites is current. When it becomes apparent that information on a REALTOR®'s website is no longer current or accurate, REALTORS® shall promptly take corrective action. *(Adopted 1/07)*

Standard of Practice 12-9

REALTOR® firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner.

Websites of REALTORS® and non-member licensees affiliated with a REALTOR® firm shall disclose the firm's name and that REALTOR®'s or non-member licensee's state(s) of licensure in a reasonable and readily apparent manner. *(Adopted 1/07)*

Standard of Practice 12-10

REALTORS®' obligation to present a true picture in their advertising and representations to the public includes Internet content, images, and the URLs and domain names they use, and prohibits REALTORS® from:

- 1) engaging in deceptive or unauthorized framing of real estate brokerage websites;
- 2) manipulating (e.g., presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result;
- 3) deceptively using metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic;
or
- 4) presenting content developed by others without either attribution or without permission; or
- 5) otherwise misleading consumers, including use of misleading images. *(Adopted 1/07, Amended 1/18)*

Standard of Practice 12-11

REALTORS® intending to share or sell consumer information gathered via the Internet shall disclose that possibility in a reasonable and readily apparent manner. *(Adopted 1/07)*

Standard of Practice 12-12

REALTORS® shall not:

- 1) use URLs or domain names that present less than a true picture, or
- 2) register URLs or domain names which, if used, would present less than a true picture. *(Adopted 1/08)*

Standard of Practice 12-13

The obligation to present a true picture in advertising, marketing, and representations allows REALTORS® to use and display only professional designations, certifications, and other credentials to which they are legitimately entitled. *(Adopted 1/08)*

Article 13

REALTORS® shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

Article 14

If charged with unethical practice or asked to present evidence or to cooperate in any other way, in any professional standards proceeding or investigation, REALTORS® shall place all pertinent facts before the proper tribunals of the Member Board or affiliated institute, society, or council in which membership is held and shall take no action to disrupt or obstruct such processes. *(Amended 1/99)*

Standard of Practice 14-1

REALTORS® shall not be subject to disciplinary proceedings in more than one Board of REALTORS® or affiliated institute, society, or council in which they hold membership with respect to alleged violations of the Code of Ethics relating to the same transaction or event. *(Amended 1/95)*

Standard of Practice 14-2

REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review. *(Amended 1/92)*

Standard of Practice 14-3

REALTORS® shall not obstruct the Board's investigative or professional standards proceedings by instituting or threatening to institute actions for libel, slander, or defamation against any party to a

professional standards proceeding or their witnesses based on the filing of an arbitration request, an ethics complaint, or testimony given before any tribunal. *(Adopted 11/87, Amended 1/99)*

Standard of Practice 14-4

REALTORS® shall not intentionally impede the Board’s investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. *(Adopted 11/88)*

Duties to REALTORS®

Article 15

REALTORS® shall not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses, or their business practices. *(Amended 1/12)*

Standard of Practice 15-1

REALTORS® shall not knowingly or recklessly file false or unfounded ethics complaints. *(Adopted 1/00)*

Standard of Practice 15-2

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to not knowingly or recklessly publish, repeat, retransmit, or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means (e.g., the Internet), or by any other means. *(Adopted 1/07, Amended 1/12)*

Standard of Practice 15-3

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to publish a clarification about or to remove statements made by others on electronic media the REALTOR® controls once the REALTOR® knows the statement is false or misleading. *(Adopted 1/10, Amended 1/12)*

Article 16

REALTORS® shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with clients. *(Amended 1/04)*

Standard of Practice 16-1

Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other REALTORS® involving commission, fees, compensation or other forms of payment or expenses. *(Adopted 1/93, Amended 1/95)*

Standard of Practice 16-2

Article 16 does not preclude REALTORS® from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed “general” for purposes of this standard. *(Amended 1/04)*

Article 16 is intended to recognize as unethical two basic types of solicitations:

First, telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another REALTOR® and

Second, mail or other forms of written solicitations of prospects whose properties are exclusively listed with another REALTOR® when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, “for sale” or “for rent” signs, or other sources of information required by Article 3 and Multiple Listing Service rules to be made available to other REALTORS® under offers of subagency or cooperation. *(Amended 1/04)*

Standard of Practice 16-3

Article 16 does not preclude REALTORS® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other REALTORS® to whom such offers to provide services may be made. *(Amended 1/04)*

Standard of Practice 16-4

REALTORS® shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the REALTOR®, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. *(Amended 1/94)*

Standard of Practice 16-5

REALTORS® shall not solicit buyer/tenant agreements from buyers/ tenants who are subject to exclusive buyer/tenant agreements. However, if asked by a REALTOR®, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the REALTOR® may contact the buyer/tenant to secure such information and may discuss the terms upon which the REALTOR® might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. *(Adopted 1/94, Amended 1/98)*

Standard of Practice 16-6

When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an exclusive relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement. *(Amended 1/98)*

Standard of Practice 16-7

The fact that a prospect has retained a REALTOR® as an exclusive representative or exclusive broker in one or more past transactions does not preclude other REALTORS® from seeking such prospect's future business. *(Amended 1/04)*

Standard of Practice 16-8

The fact that an exclusive agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from entering into a similar agreement after the expiration of the prior agreement. *(Amended 1/98)*

Standard of Practice 16-9

REALTORS®, prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service. *(Amended 1/04)*

Standard of Practice 16-10

REALTORS®, acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease. *(Amended 1/04)*

Standard of Practice 16-11

On unlisted property, REALTORS® acting as buyer/tenant representatives or brokers shall disclose that relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement. *(Amended 1/04)*

REALTORS® shall make any request for anticipated compensation from the seller/landlord at first contact. *(Amended 1/98)*

Standard of Practice 16-12

REALTORS®, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement. *(Amended 1/04)*

Standard of Practice 16-13

All dealings concerning property exclusively listed, or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, REALTORS® shall ask prospects whether they are a party to any exclusive representation agreement. REALTORS® shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects. *(Adopted 1/93, Amended 1/04)*

Standard of Practice 16-14

REALTORS® are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent. *(Amended 1/98)*

Standard of Practice 16-15

In cooperative transactions REALTORS® shall compensate cooperating REALTORS® (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other REALTORS® without the prior express knowledge and consent of the cooperating broker.

Standard of Practice 16-16

REALTORS®, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representatives or brokers nor make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation. *(Amended 1/04)*

Standard of Practice 16-17

REALTORS®, acting as subagents or as buyer/tenant representatives or brokers, shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker. *(Amended 1/04)*

Standard of Practice 16-18

REALTORS® shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers. *(Amended 1/02)*

Standard of Practice 16-19

Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord. *(Amended 1/93)*

Standard of Practice 16-20

REALTORS®, prior to or after their relationship with their current firm is terminated, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude REALTORS® (principals) from establishing agreements with their associated licensees governing assignability of exclusive agreements. *(Adopted 1/98, Amended 1/10)*

Article 17

In the event of contractual disputes or specific non-contractual disputes as defined in Standard of Practice 17-4 between REALTORS® (principals) associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall mediate the dispute if the Board requires its members to mediate. If the

dispute is not resolved through mediation, or if mediation is not required, REALTORS® shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter.

In the event clients of REALTORS® wish to mediate or arbitrate contractual disputes arising out of real estate transactions, REALTORS® shall mediate or arbitrate those disputes in accordance with the policies of the Board, provided the clients agree to be bound by any resulting agreement or award.

The obligation to participate in mediation and arbitration contemplated by this Article includes the obligation of REALTORS® (principals) to cause their firms to mediate and arbitrate and be bound by any resulting agreement or award. *(Amended 1/12)*

Standard of Practice 17-1

The filing of litigation and refusal to withdraw from it by REALTORS® in an arbitrable matter constitutes a refusal to arbitrate. *(Adopted 2/86)*

Standard of Practice 17-2

Article 17 does not require REALTORS® to mediate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to mediate through the Board's facilities. The fact that all parties decline to participate in mediation does not relieve REALTORS® of the duty to arbitrate.

Article 17 does not require REALTORS® to arbitrate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to arbitrate before the Board. *(Amended 1/12)*

Standard of Practice 17-3

REALTORS®, when acting solely as principals in a real estate transaction, are not obligated to arbitrate disputes with other REALTORS® absent a specific written agreement to the contrary. *(Adopted 1/96)*

Standard of Practice 17-4

Specific non-contractual disputes that are subject to arbitration pursuant to Article 17 are:

1) Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97, Amended 1/07)*

2) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the seller or landlord and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97, Amended 1/07)*

3) Where a buyer or tenant representative is compensated by the buyer or tenant and, as a result, the listing broker reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97)*

4) Where two or more listing brokers claim entitlement to compensation pursuant to open listings with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers. *(Adopted 1/97)*

5) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases arbitration shall be between the listing broker and the buyer or tenant representative and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed. *(Adopted 1/05)*

Standard of Practice 17-5

The obligation to arbitrate established in Article 17 includes disputes between REALTORS® (principals) in different states in instances where, absent an established inter-association arbitration agreement, the REALTOR® (principal) requesting arbitration agrees to submit to the jurisdiction of, travel to, participate in, and be bound by any resulting award rendered in arbitration conducted by the respondent(s) REALTOR®'s association, in instances where the respondent(s) REALTOR®'s association determines that an arbitrable issue exists. *(Adopted 1/07)*

Explanatory Notes

The reader should be aware of the following policies which have been approved by the Board of Directors of the National Association: In filing a charge of an alleged violation of the Code of Ethics by a REALTOR®, the charge must read as an alleged violation of one or more Articles of the Code. Standards of Practice may be cited in support of the charge. The Standards of Practice serve to clarify the ethical obligations imposed by the various Articles and supplement, and do not substitute for, the Case Interpretations in Interpretations of the Code of Ethics.

Modifications to existing Standards of Practice and additional new Standards of Practice are approved from time to time. Readers are cautioned to ensure that the most recent publications are utilized.

Fair Housing Laws

Open House Realty also strictly adheres to the Federal Fair Housing Laws, and will not tolerate any discrimination against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin.

Fair Housing Laws are designed to provide equal access to the housing market by all. Simply put, Equal Opportunity Laws establish a doctrine wherein if a person has the ability to buy, sell, rent, lease, or exchange property, they shall have the right to do so.

Should there be a question concerning compliance with the Fair Housing Laws, all such questions are to be directed to the Broker for clarification. In addition, the agents shall at all times remain in full compliance with the Title VIII of the Civil Right Act of 1968, 1974, and 1988, together with all other Fair Housing Laws, to include but not limited to: Federal, State, and local Equal Opportunity Laws as they may be amended from time to time, and all persons shall be treated equally.

Agents should attend at least one Fair Housing/Equal Opportunity class each renewal period. Violations of the current Fair Housing Laws shall be construed as being in direct violation of this policy and all fine, judgments, and other damages assessed for said violation shall be the agent's responsibility, exclusive of the Broker. Should the Broker be enjoined as a co-defendant in a claim arising from Fair Housing/Equal Opportunity claim, the Broker shall have the right to seek restitution from the agent for all attorney's fees, court costs, and awards that result from the independent actions of the agent.

The Fair Housing logo must be on all advertising done by the agent.

Equal Employment Opportunities

Open House Realty has been and is fully committed to equal employment, both in principle and as a matter of policy. Our policies and practices require that we provide equal opportunity to all applicants, independent contractors and employees, without regard to race, color, religion, sex, or national policies pertaining to age.

Open House Realty - Independent Contractor Agreement

Date of this Agreement: _____, by and between Open House Realty, (hereinafter

referred to as OHR), and _____ (hereinafter referred to as Independent Contractor).

OHR/Independent Contractor Relationship: This Agreement does not constitute a hiring by either party. The Independent Contractor shall be considered independent and free to devote to his/her real estate business such portion of his/her entire time, energy, efforts, and skill as the Independent Contractor sees fit.

OHR Responsibilities: OHR agrees that in consideration of the commission split as outlined below, OHR shall perform as Designated Broker, all required Broker duties.

Independent Contractor's Responsibilities: Independent Contractor agrees to act as an independent real estate salesperson in obtaining listings for all types of interest in and to real estate, and soliciting purchasers for said real estate and in connection with the purchase or sale of real estate therein shall be taken in the name of OHR, as required by the rules and regulations of the Arizona Department of Real Estate. Said listings and contracts shall become the exclusive property of OHR. Independent Contractor shall adhere to and abide by OHR's online Policy Manual, and rulings of the designated broker. All files and Broker checklists must be complete in order for Independent Contractor to get paid, which includes but not limited to earnest money receipt, completed contract, settlement statements, and any other forms pertaining to the file as designated by Broker & OHR, and posted online for Independent Contractor.

Professional and Equal Service: Independent Contractor shall not deny equal professional service nor be party to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, age, familial status, or national origin.

Ethics and Trade Organization: Independent Contractor and OHR are members of local Association of Realtors, the National Association of Realtors, and the Arizona Association of Realtors. Independent Contractor agrees to be governed by the rules and regulations.

Authority to Contract: All agreements, referrals, or commission splits between Independent Contractors must be in writing and approved by OHR to be considered binding.

Listing, Contracts, Correspondence, and Records: All listings and contracts shall remain the property of OHR during the term of this Agreement and thereafter.

Litigation and Controversies: In the event any transaction in which Independent Contractor is involved results in a dispute, litigation, legal expense, or settlement, Independent Contractor shall pay all expenses connected therewith, and that all fines, fees, or settlements will be borne solely by the Independent Contractor.

Termination by OHR: In the event Independent Contractor violates this Agreement or otherwise fails to conduct business in accordance with the terms of this Agreement, OHR may terminate this Agreement immediately and without notice.

Termination by either party without cause: Either party, without cause, may terminate this Agreement at any time upon the giving of thirty days advance written notice to the other. 100% fees due OHR shall immediately be paid, and brought current. Any closings of real estate transactions after termination shall be handled by OHR.

Term of this Agreement: This Agreement shall be for a period of one year from the effective date written on the first page, and automatically renews for additional one-year period, utilizing the then current Independent Contractor's Agreement unless cancelled.

Arbitration Agreement Procedure: In the event of disagreement or dispute between Independent Contractor and OHR, or Independent Contractor under contract with OHR, arising out of or in connection with this Agreement, which cannot be adjusted by and between the parties involved under the terms and conditions of this Agreement, the parties hereby agree to submit such disagreement or dispute to arbitration.

Error and Omission Insurance: E & O insurance shall be purchased by OHR and the Independent Contractor will be charged \$245 fee from each transaction as their contribution to our administrative expenses and E & O policy. The E & O is renegotiated annually and may result in increases in the deductible or premium. Any increases shall be passed on to the Independent Contractor. The deductible is currently \$5,000 and Independent Contractor is responsible to pay said deductible in the event of claim.

The commission split between OHR and Independent Contractor shall be as follows (check one program):

- 60% to Independent Contractor and 40% to OHR (No Monthly or Transaction Fees).**
- 80% to Independent Contractor and 20% to OHR (No Monthly or Transaction Fees).**
- 100% to Independent Contractor & \$25/month (billed monthly) plus \$245 per Transaction to OHR.**

Independent Contractor hereby agrees to abide by all rules as set forth in OHR's online Policy Manual.

Open House Realty

Date

Independent Contractor

Date