



POLICIES

AND

PROCEDURES

MANUAL

2012



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SECTION 1

TRANSACTIONS



ARIZONA DEPARTMENT OF REAL ESTATE

The Arizona Department of Real Estate Rules and Regulations require that each licensed Designated Real Estate Broker keep records of all real estate transactions handled by or through the Broker as well as establish a system to ensure all documents are turned into the Broker in a timely manner. The records shall be open at all reasonable times for inspection by the commissioner or his representatives. The Broker shall keep the records of each transaction for a period of at least five years (withdrawn or rejected—1 year) from the date of termination of the transaction. Access to the Broker's files must be arranged through the Broker's office. Removal of any file from the Broker's office may lead to termination.

Arizona Revised Statute § 32-2151.01 states that the Broker will review and initial all documents within 5 calendar days of the date of execution. It is, therefore, the agent's responsibility to see that My Home Group Real Estate, LLC. is given all executed contracts, listing agreements, counter offers, addenda and lease agreements no later than 5 days of the last signature date, including MLS printouts and any changes. Associates will also be responsible for ensuring all additional required documents are submitted to My Home Group Real Estate, LLC.. Associates who fail to turn in their documents in a timely manner as required by the Arizona Department of Real Estate will be subject to My Home Group Real Estate, LLC.'s Late Paperwork Policy, which includes fines, in addition to the agent's agreed upon fee schedule with My Home Group Real Estate, LLC. fees.

REQUIRED PAPERWORK

It is the policy of My Home Group Real Estate, LLC. and the Broker that, whenever possible, the most current Arizona Association of REALTORS® (AAR) and Multiple Listing Service forms will be used in all transactions. These forms are available through the local Associations, through Zipforms, the MLS and the My Home Group Real Estate, LLC. agent website. Agents must obtain the Broker's approval (prior to use) in the event any non-approved form is used. Contracts and related forms are updated from time-to-time. It is the policy of My Home Group Real Estate, LLC. and the Broker to use only the most current version. The responsibility for the use of any form is the sole obligation of the agent. Clauses that are not specifically approved for use in contracts by the Broker are not permitted. Approved contract clauses are available on the My Home Group Real Estate, LLC. agent website for the agent's use.

It shall be the Policy of My Home Group Real Estate, LLC. to require a substantially complete "Seller Real Property Disclosure Statement" (SPDS) in all transactions. An agent shall not write anything on the SPDS or complete the form for the Seller. Should a



Seller, for any reason, refuse to provide a Buyer the SPDS, the agent shall document that a diligent effort was made in order to obtain the SPDS and have the Seller complete the form titled, Important Notice to Seller regarding SPDS.

As an agent associated with My Home Group Real Estate, LLC., the agent shall disclose all material facts that may adversely affect the consideration to be paid by any party. In addition, the agent shall not promote the interest of one party to the detriment of another in a transaction nor disparage the conduct, reputation or character of another licensee, in or out of this office. Any known fact that agent knows or thinks could be germane to the value of a property must be disclosed in writing to the parties to an agreement. Said disclosure shall be made in writing and shall supplement the agreement between the parties.

LISTINGS-REQUIRED DOCUMENTS:

Exclusive Right to Sell/Rent, Exclusive Agency or Legal Listing Agreement
Real Estate Agency Disclosure and Election (My Home Group Real Estate, LLC. Agent)
MLS Profile Sheet Signed by Seller or MLS Plano / Printout signed by Seller
MLS / Printout
Seller Property Disclosure Statement (SPDS)
Affiliated Business Disclosure
Lead Based Paint Disclosure (LBP) – if built prior to 1978
Short Sale Addendum to Listing Agreement-if listing is a Short Sale
Short Sale Seller Advisory-if listing is a Short Sale

RESIDENTIAL RESALES-REQUIRED DOCUMENTS:

AAR Residential Resale Purchase Contract and all addendums
Real Estate Agency Disclosure and Election (My Home Group Real Estate, LLC. Agent)
Seller Property Disclosure Statement (SPDS)
Buyer's Inspection Notice and Seller's Response (BINSR)
Copy of MLS printout
Copy of Earnest Money Receipt from Title Company (not a copy of the check)
Affiliated Business Disclosure
Lead Based Paint Disclosure (LBP) – if built prior to 1978
Short Sale Addendum to the Purchase Contract-if Short Sale

NEW CONSTRUCTION SALES-REQUIRED DOCUMENTS:

Builder Purchase Contract and all addendums with Authorized Builder signature
Copy of Earnest Money Receipt from Title Company or Builder
Copy of Receipt of the Public Report signed by the Buyer
Real Estate Agency Disclosure and Election (My Home Group Real Estate, LLC. Agent)



Affiliated Business Disclosure

Buyer's Inspection Notice and Seller's Response-if an inspection was completed

VACANT LAND SALES-REQUIRED DOCUMENTS:

AAR Vacant Land/Lot Purchase Contract and all addendums

Real Estate Agency Disclosure and Election (for My Home Group Real Estate, LLC Agent)

Vacant Land/Lot Seller Property Disclosure Statement (SPDS)

Vacant Land Buyer Inspection Notice and Seller Response (BINSR)

Copy of MLS printout

Copy of Earnest Money Receipt from Title Company (not a copy of the check)

Affiliated Business Disclosure

Affidavit of Disclosure (if applicable)

COMMERCIAL SALES-REQUIRED DOCUMENTS:

Commercial Purchase Contract and all addendums

Real Estate Agency Disclosure and Election (My Home Group Real Estate, LLC. Agent)

Commercial Seller Property Disclosure Statement (SPDS)

Copy of MLS printout or Copy of Listing

Affiliated Business Disclosure

Copy of Earnest Money Receipt from Title Company

RESIDENTIAL RENTALS-REQUIRED DOCUMENTS:

Rental Agreement and all addendums

Copy of MLS Printout

Real Estate Agency Disclosure and Election (My Home Group Real Estate, LLC. Agent)

Lead Based Paint (rental) Addendum - if built prior to 1978

***ADDITIONAL REQUIRED DOCUMENTS WHEN YOU REPRESENT THE BUYER:**

Copy of Receipt of Buyer Advisory – page 9 of Buyer Advisory or a copy of an email confirming you sent the Buyer Advisory link to the Buyer

***ADDITIONAL REQUIRED DOCUMENTS WHEN YOU REPRESENT BOTH THE BUYER AND SELLER:**

Consent to Limited Dual Representation

***ADDITIONAL REQUIRED DOCUMENT WHEN YOU ARE THE SELLER (OR HAVE OWNERSHIP INTEREST):**



My Home Group Real Estate, LLC. requires the Owner Agent Addendum to the Purchase Contract for all sales where a My Home Group Real Estate, LLC. Agent has an ownership interest in the property.

MY HOME GROUP REAL ESTATE, LLC. PAPERWORK POLICY

Per the Arizona Department of Real Estate, My Home Group Real Estate, LLC. requires that any contracts, listings, and lease agreements be submitted to My Home Group Real Estate, LLC. within 5 days of being executed. This includes all listing agreements, purchase contracts and lease agreements. My Home Group Real Estate, LLC. allows paperwork to be uploaded directly in the My Home Group Real Estate, LLC. Agent website, submitted via fax or email. Each My Home Group Real Estate, LLC. agent is responsible to verify that their paperwork has been received by confirming the transaction on our website. My Home Group Real Estate, LLC. allows for paperwork tracking, with online transaction status.

Please be proactive during your transaction to ensure that you resolve any missing paperwork or broker review items early on in the transaction. We encourage commissions be paid directly from title, as long as all paperwork have been completed and the file has been marked "Complete".

If a transaction has been submitted more than 5 days after being entered into, the following will occur:

- 1) The website will indicate that My Home Group Real Estate, LLC. received your paperwork more than 5 days after acceptance
- 2) You will be required to submit the "Late Paperwork Submission Explanation" form. A note will be made in your personnel record indicating your paperwork was submitted late.
- 3) If an agent repeatedly submits paperwork late, the agent will be subject to fines and/or termination.

If a transaction has been submitted timely, then closes escrow and we are still missing documents that are required at the close of escrow, the following will occur:

- 1) You will receive an email or phone call notifying you that we have received a closing package for a file that is incomplete, and you will be instructed to check the website to determine what documents are missing.



2) If we do not receive any communication from you and you do not submit the missing documents within 5 days of the phone call, you will be notified (via e-mail) that you are in violation of My Home Group Real Estate, LLC. paperwork policy. You will have 48 hours to contact the office regarding the missing paperwork.

3) If we still do not receive any communication from you and we do not receive the missing paperwork within 48 hours of the e-mail, you will be notified by a final e-mail that you are being assessed a fine of \$40.00 (in addition to transaction and risk reduction fees).

4) If within 30 days after the close of escrow you still have not submitted the missing paperwork, your entire commission will be subject to forfeiture.

If paperwork has not been submitted to My Home Group Real Estate, LLC., and we receive a closing package and commission check, or discover a listing has closed through an MLS audit, the following will occur:

1) You will receive an email or phone call notifying you that we have received a closing package, or discovered a closed listing through an MLS audit. You will be assessed a \$225.00 fine for sales and \$40.00 fine for leases (in addition to all other transaction fees). You will have 5 days to submit all required paperwork.

2) If we do not receive any communication from you and you do not submit all paperwork within 5 days of the phone call, you will be notified (via e-mail) that you have been assessed a \$225.00 or \$40.00 fine and that you are in violation of My Home Group Real Estate, LLC. and the Arizona Department of Real Estate policy for submitting paperwork. You have 48 hours to contact the office regarding the missing paperwork.

3) If we still do not receive any communication from you and do not receive all paperwork within 48 hours of the e-mail, you will be notified by a final e-mail that you are being assessed an additional \$225.00 or \$40.00 fine (in addition to the 1st fine and all other transaction fees).

4) If within 15 days after the close of escrow, or discovery of a listing, you still have not contacted the office regarding the missing paperwork or have not submitted all required paperwork, your entire commission will be subject to forfeiture, your listing will be removed from the MLS and you will be subject to termination.



If a listing has been entered in the MLS and no paperwork has been submitted to My Home Group Real Estate, LLC. within 5 days, the following will occur:

- 1) You will receive an email or phone call notifying you that we have discovered a listing through an MLS audit that we do not have any listing paperwork. You will have 48 hours to submit all required listing documents.

- 2) If we do not receive any communication from you and you do not input the listing on the agent website and submit all listing documents within 48 hours of the phone call, you will be notified (via e-mail) that you are in violation of My Home Group Real Estate, LLC. paperwork policy and that you have been assessed a fine \$40.00 for failing to submit listing paperwork to us.

- 3) Your listing will then be placed in a T.O.M. (Temporary Off Market) status in the MLS until the paperwork is submitted to us.

As you can see from the above policy, we are very serious about our policy for submitting paperwork timely and complying with the Arizona Department of Real Estate rules. All fines can be avoided by submitting paperwork within 5 days of acceptance.

BROKER REVIEW

Upon receipt of any contract, listing or lease agreement, the Broker shall review and post the results of the review on the My Home Group Real Estate, LLC. Agent website. It is the agent's responsibility to check the website and correct any issues that the broker has noted. The website will also indicate what paperwork was received and what paperwork is still needed to complete the file. Any corrections should be addressed and then submitted to My Home Group Real Estate, LLC. as soon as possible. Please do not wait until the day before close of escrow to address any missing items or necessary corrections as it will delay commission disbursement. Should the Broker request a form or item be corrected in the purchase contract, listing agreement, or lease agreement – and the Agent fails to submit the requested form or correction, the Agent hereby agrees to defend, indemnify and hold harmless, My Home Group Real Estate, LLC., its Brokers, and its Owners from any and all claims that may arise from the contract or lease. It is very important that ALL requested forms and corrections be addressed immediately and prior to the close of escrow.



AGENCY RELATIONSHIPS

My Home Group Real Estate, LLC. allows the following relationships with clients and customers:

- 1) Seller/Lessor's agent
- 2) Buyer/Lessee's agent
- 3) Limited Dual Representation

Agents shall see that the relationship with the party is established in writing on a form acceptable to the Broker (AAR form Real Estate Agency Disclosure and Election). The failure to establish and disclose the type of relationship one has by the time of contract is unacceptable. The contract is to serve ONLY as a confirmation of an election made by the buyer/lessee or seller/lessor in a separate writing prior to the contract.

As a matter of general practice, an agent shall enter into a representation agreement with the party with whom the agent is working. Such an agreement shall be submitted to My Home Group Real Estate, LLC. with the sales or lease documents and become part of the file. Agents are discouraged from entering into limited dual representation agreements. Should an agent enter into a limited dual agency relationship with both parties to a transaction, the agent agrees to have the AAR form titled, "Consent To Limited Dual Representation" signed by both parties prior to entering into the contract or lease. The relationship should then be confirmed on the contract or lease. As an agent with My Home Group Real Estate, LLC., you are expected to adhere to this Policy and to the Independent Contractor Agreement to its fullest extent. Should an agent not adhere to this policy, agent agrees to defend, indemnify and hold harmless, My Home Group Real Estate, LLC., the Broker, management and support staff against all claims that may arise from such a departure. In addition, failure to comply with this Policy is grounds for the immediate termination of the agent.

EMPLOYMENT AGREEMENTS

The Buyer Broker Exclusive Employment agreement inherently credits in escrow any up-front retainer fee charged towards any commissions earned as a result of the buyer's purchase of the property that satisfies the terms of the Buyer Broker agreement. All retainer fees must be made payable to My Home Group Real Estate, LLC. per A.R.S. and Buyer Broker agreements must be immediately turned-in to My Home Group Real Estate, LLC.. All retainer fees must have prior approval from the My Home Group Real Estate, LLC. broker. All personal checks must clear My Home Group Real Estate,



LLC.'s account prior to the release of any funds. Release of retainer funds to the agent are at My Home Group Real Estate, LLC.'s sole discretion prior to the completion and satisfaction of the Buyer Broker agreement and such retainer funds shall never exceed the compensation paid during said transaction.

When taking refundable deposits, the individual My Home Group Real Estate, LLC. agent is responsible to repay My Home Group Real Estate, LLC. for any retainer amount that exceeds the ultimate compensation earned from the transaction if such retainer was released to the agent. This is due to the language of the Buyer Broker agreement that specifically states that the retainer shall be credited towards the commission earned on the transaction.

When taking non-refundable deposits, the My Home Group Real Estate, LLC. agent is still responsible to submit the deposit to My Home Group Real Estate, LLC.. This type of retainer is above and beyond any earned commissions, however, you must use specific language that indicates that your language supersedes any language in the Buyer Broker agreement stating that the retainer shall be credited back to the buyer upon satisfaction of the agreement. In addition, if you are receiving compensation from more than one party, it must be disclosed in writing and acknowledged by both parties.

EARNEST MONEY

1. Upon acceptance of the offer, the earnest money is to be promptly deposited with the Title Company. Since My Home Group Real Estate, LLC. does not have a Broker's Trust account, monies should never be made payable to My Home Group Real Estate, LLC.. The agent shall specifically state in the real estate purchase contract the type of earnest money in the real estate transaction, whether it is cash, a check, a promissory note or any other item of value and where the monies will be deposited.
2. After the earnest money has been delivered to Title or Escrow Company, please obtain a receipt of the money and submit it to My Home Group Real Estate, LLC., with the contract and other required documents.
3. Agents may not accept cash or post-dated checks from Buyers. If the Buyer only has cash, instruct them to go to a bank or other financial institution and obtain a cashier's check or money order, made payable to the Title or Escrow Company.
4. Agents are subject to immediate termination if it has been determined that there has been improper handling of the earnest money.



- a. Failure to deposit at the Title or Escrow Company within the time specified on the contract,
- b. Representation to the Seller that earnest money is on deposit prior to the actual receipt of the deposit.

AREAS OF EXPERTISE

An agent shall not offer real estate services to the public that are outside the agent's area of expertise or offer any services that the agent is not competent in. At the option of the Broker, another agent will be assigned to work with you or to personally assist you in such a transaction. In the event compensation to the agent is affected, the Broker, together with the agent, shall negotiate a reasonable compensation agreement on that transaction. This Policy is intended to be in compliance with Article 11, of the REALTOR® Code of Ethics.

In addition, agents are NOT allowed at any time to practice property management or assist buyers and sellers with business opportunities.

All Broker Price Opinions (BPO's) shall contain a statement disclaiming them as guarantees of the value. All fees for BPO's shall be made payable to My Home Group Real Estate, LLC. and paid through My Home Group Real Estate, LLC.

Agents are not authorized to render legal, appraisal or tax advice to any person on behalf of My Home Group Real Estate, LLC. or the Broker. Under no circumstances is an agent to deny or in any way discourage a customer or client from seeking the advice of an attorney of their choice. Such activity should be encouraged.

The agent shall make certain that all clients and customers read and understand the documents to a transaction. 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 or interpreter of their choice.

COOPERATION AND COMPENSATION

My Home Group Real Estate, LLC. will not offer cooperation or compensation to sub-agents through any MLS. My Home Group Real Estate, LLC. will, however, offer cooperation and compensation to Buyer Brokers through MLS.

Respect the agency relationship of the listing office. When representing a Buyer only, under no circumstances should you, as a Buyer's agent, contact a Seller directly, without the express consent of the listing Broker.



When showing a listing of another office, every effort shall be made to contact the other office and announce our agency relationship to the buyer. When contacting the listing office, the agent is advised to verify the co-brokerage fee and document that verification in their file. Be sure to make a note of whom you spoke with and the co-brokerage fee that was agreed to.

As a listing agent, all offers will be presented to seller, unless the seller instructs the Broker in writing to do otherwise. The Agent shall obtain seller's written rejection of any offers and provide the rejected offers to My Home Group Real Estate, LLC. and the Buyer Broker.



SECTION 2

ADVERTISEMENTS & MARKETING



ADVERTISEMENT GUIDELINES

All agents agree to comply with, R4-28-502 Advertising Guidelines. My Home Group Real Estate, LLC. encourages originality and creativity in advertising. Advertising for this section shall include all print advertising (flyers, classified ads, home magazines, mass mailings, internet/web sites, signs, business cards, stationery/letterhead, etc...), and mass communication, intended to promote a property or solicit Buyers or Sellers. Unless specifically agreed to, the Broker is NOT obligated to pay in whole or in-part, the advertising for an agent's listing inventory or any other form of advertising including personal promotion. Prior to submitting the advertising, the Broker must approve in writing all advertising placed in any publication, mailed by any agent, or placed on the Internet. The following guidelines should be followed at all times:

1. Agents are encouraged to promote themselves as specialists. The creation of My Home Group Real Estate, LLC. "Division" or "Department" or a position such as a "Director" or "Manager" is prohibited.
2. Agents are encouraged to promote their accomplishments. Agent should make announcements as an individual, not on behalf of the company.
3. When advertising or publicizing any commission arrangements, it must clearly state that this is the agent's program and not the company's program.
4. Advertising will include the name "My Home Group Real Estate, LLC." prominently so as to leave no question it is a My Home Group Real Estate, LLC. ad. The phone number listed for My Home Group Real Estate, LLC. in all ads must be answered "My Home Group Real Estate, LLC." at all times. Office number and/or home number are acceptable. Trademark names or fictitious names are prohibited.
5. Agents may advertise by using the term "team" and/or "group" as long as the team/group is comprised of My Home Group Real Estate, LLC. licensees. No unlicensed person may be a member of the team/group.
6. All advertising for listed properties in which the My Home Group Real Estate, LLC. agent has ownership interest must include the disclosure "owner/agent".
7. When advertising a service or product as "Free" or "Complimentary", the agent must state the approximate value of the service or product, what exactly the client or customer must do to receive the service or product and an expiration date for the offering.



8. Agents are discouraged from using brand names when advertising features of a property.

SIGNAGE

Yard signs must be purchased by the agent and are the personal property of the agent. We have several companies that provide signs for My Home Group Real Estate, LLC.. All signs must include "My Home Group Real Estate, LLC." and a phone number that is answered "My Home Group Real Estate, LLC.".

PRINT ADVERTISING

All print advertising must include the My Home Group Real Estate, LLC. logo and/or name. Logos are available at the My Home Group Real Estate, LLC. Agent website. The ads must contain a phone number answered "My Home Group Real Estate, LLC.". In addition, the ad must have the brokerage name, My Home Group Real Estate, LLC., conspicuously displayed.

TELEMARKETING

No telemarketing calls are to be made to residential homes before 8:00am or after 9:00 pm. Callers must provide their name and state they are with My Home Group Real Estate, LLC.. Any person requesting that My Home Group Real Estate, LLC. not call their residence again must be submitted to the Broker so their name can be added to our "Do not call list". Before telemarketing, you must first review the "Do not call list" to be certain you do not call persons wishing to not be called. No calls can be made to residences using automatic telephone dialing systems, artificial devices or prerecorded voices.

FEDERAL FAIR HOUSING ACT

My Home Group Real Estate, LLC. agents shall fully support all federal, state, and local fair housing laws. The Fair Housing Act prohibits discrimination in housing because of color, national origin, religion, sex, familial status, and handicap (disability). All display ads, including flyers, must have the REALTOR® logo, Equal Housing Opportunity logo, and The Company logo. Business cards must be ordered at the agent's expense and through a Broker-approved vendor.

REGULATION Z

All agents shall comply with Regulation Z when advertising specific financing options. When advertising down payment, interest rate, loan term, or monthly payment, the ad must contain the total down payment, annual percentage rate,



number of years in the loan, and what the monthly payment includes (PITI, PIT, PI). Regulation Z also requires that the APR must be displayed in at least the same size type as the interest rate whenever an interest rate is included in an advertisement. If the charges of violating Regulation Z are brought by a federal agency against an Arizona real estate agent, the ADRE may also take administrative action against the agent.

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)

All agents shall comply with RESPA guidelines. Violators of RESPA may receive harsh penalties, including triple damages, fines, and even imprisonment. While the enforcement of RESPA by the US Department of Housing and Urban Development, or HUD, has been dormant in the past, HUD has stepped up its efforts to ensure agents are complying with RESPA. When doing joint advertising with an affiliate, the agent and the affiliate shall have a written agreement between themselves stating that payment of all advertising will be proportionate with the advertising space taken by each party..

SOCIAL MEDIA

As used in this policy REALTOR® shall refer to the principal broker or a broker standing in the shoes of the principal broker. Agent shall mean a licensed real estate agent employed by or affiliated with the REALTOR®. Users shall mean individuals visiting the social media sites of Agents. Social Media as used in this policy shall apply to both activities at the agent's web sites (e.g., blogging) and use of third party social media tools (e.g., Facebook, Twitter, LinkedIn, etc.). Because there already exist hundreds of different Social Media tools which may be utilized by agents and more are constantly being created, the provisions of this policy are to be interpreted generally to apply to the types of interaction the agent has with the social media service rather than to specific web sites and providers. Notwithstanding anything in this policy, it remains the responsibility of the Agent to comply with the requirements of local, state and federal law and the Code of Ethics of the National Association of REALTORS®.

The scope of this policy shall extend to all uses of social media in connection with the real estate business (use in connection with the real estate business would include any use in which the agent seeks to promote or capture real estate business from consumers or other agents). This policy is not intended to cover the activities of Agents falling completely outside the real estate business; however any conduct which reflects adversely upon broker or the brokerage may be reviewed under the terms of this policy.



SECTION 3

INSURANCE AND FINANCIAL



E&O INSURANCE

My Home Group Real Estate, LLC. carries comprehensive Errors and Omissions insurance coverage. This coverage provides varying degrees of protection against claims for professional services. Agents agree to defend, indemnify and hold harmless My Home Group Real Estate, LLC., its owners, and its Brokers, against all claims that may arise from an agent practicing real estate. In the event an agent is served with a lawsuit, threat of a lawsuit, or a complaint before the Department of Real Estate or Professional Standards, the agent shall notify the Broker immediately. All deductibles and judgments not paid by the E & O carrier shall be the sole responsibility of the agent. The deductible is due and payable by the agent at the time a claim is received. If two or more My Home Group Real Estate, LLC. agents were involved in the transaction (not necessarily named in the lawsuit), the deductible is to be divided proportionately between the agents. Agents hereby acknowledge that there is NOT E & O insurance coverage for certain types of transactions including, but not limited to, Business Opportunities, Property Management, and Auctions. Terms and conditions of the coverage are subject to change. In addition, agents hereby acknowledge that there is no E & O insurance coverage when an agent sells undeveloped land (vacant land) , or a commercial property in which they have an ownership interest.

An E & O insurance fee, or risk reduction fee, is due and payable by the agent on each transaction SIDE, even if there is no commission involved. In the event there is no commission paid at close of escrow, the agent will be responsible to pay the risk reduction fee to My Home Group Real Estate, LLC.. Should the agent fail to pay the fee, their account with My Home Group Real Estate, LLC. will be charged the appropriate fees.

If My Home Group Real Estate, LLC. is notified that there may be pending litigation or arbitration regarding a transaction, My Home Group Real Estate, LLC. has the right to hold all of the commissions due the agent until such time as the litigation or arbitration is settled or dismissed. Each agent further understands that the agent is liable for all expenses and any settlements assessed against My Home Group Real Estate, LLC. or its owners or broker due to the agent's actions.

Where agents file suits for commissions, it is not uncommon for a counter suit to be filed against the Company and the agent involved. The Agent agrees to defend, indemnify, and hold harmless My Home Group Real Estate, LLC., its owners and its Broker, from any costs or liabilities precipitated by the filing of the commission claim. The company reserves the right to demand a \$5000.00 deposit prior to allowing a commission suit to be filed.



Should the agent fail to correct any requested items noted on the My Home Group Real Estate, LLC. agent portal, the agent will need to complete a Missing Paperwork Acknowledge that states the agent understands that My Home Group Real Estate, LLC. reserves the right to NOT submit any claim to the E&O insurance company and that their deductible may be twice the current deductible amount, should a claim be received. My Home Group Real Estate, LLC. is very strict about agents completing all files and submitting all requested documents prior to the close of escrow.

SALE OF AGENT- OWNED PROPERTIES

My Home Group Real Estate, LLC. does allow our agents to list and a sell 1-4 unit residential property in which the agent has an ownership interest and title is held in the agent's name (TITLE CAN BE HELD IN A CORPORATION, PARTNERSHIP, OR OTHER ENTITY). However, My Home Group Real Estate, LLC Errors and Omissions policy does NOT have coverage for these properties held in the name or a Corporation, Partnership or other entity. It is the licensee's sole responsibility on any property listed or held as a Corporation, Partnership or other entity. Licensee will hold My Home Group Real Estate, LLC harmless for any transaction owned by the licensee in the name of a Corporation, Partnership or other entity. As long as the following requirements are met, in addition to all other documents required by My Home Group Real Estate, LLC. E & O Insurance does have coverage for these properties:

- 1) Seller Property Disclosure Statement signed by Seller and acknowledged by Buyer, prior to the close of escrow
- 2) AAR Residential Resale Purchase Contract is used
- 3) Home Warranty is placed on the property at the close of escrow or the Buyer has checked the box on the contract declining the home warranty and initialed that page of the contract
- 4) Home Inspection performed by a Licensed Home Inspector or the Buyer must waive the home inspection, in writing
- 5) My Home Group Real Estate, LLC. form titled, "Owner Agent Addendum to the Purchase Contract"
- 6) Property is held in the name of the Agent/Owner.

Please note that if the above requirements are met, our E&O insurance policy provides for coverage, with limitations set forth in the insurance policy, for the agent, acting as an agent in the transaction. There is no insurance coverage for the agent acting as a "principle" in the transaction. You may not enter into limited dual agency relationships on owner/agent sales, but rather represent yourself only, and use the My Home Group Real Estate, LLC. form titled, "Declination of Representation".



Properties that do not meet the above criteria there is no E&O insurance coverage. For agents when you are a principle in a transaction where the agent is purchasing property there is no E&O insurance coverage.

Should a claim be made or a lawsuit filed on an Owner Agent transaction, the E&O insurance deductible for the agent will be \$5,500. 00.

COVENANT TO COOPERATE

In the event of any claim concerning a transaction involving an agent either directly or indirectly, the agent agrees to cooperate fully in providing documents, testimony and other items that may be needed to defend a complaint, as may be deemed appropriate by our legal advisor or Broker. This covenant shall survive termination, whether voluntary and or involuntary, and is without time limitations. Remedies for the failure to comply with this provision could include the Broker seeking full restitution as a result of the non-compliance in a tribunal of the Broker's choice. In addition, the claims will have risen from a breach of contract and therefore the Broker will be entitled to recover reasonable attorney fees.

AUTOMOBILE INSURANCE COVERAGE

Agent agrees to maintain automobile insurance with My Home Group Real Estate, LLC. listed as an additional insured. Should an agent be involved in an automobile accident with a client or customer in their vehicle, the agent agrees to immediately notify the Broker and their insurance carrier. Due to the potential for increased liability to an agent because of the use of cell phones while driving, agents are urged and encouraged to stop driving while talking on their cell phone.

INSURANCE REQUIREMENT WHEN LISTING REO PROPERTIES

Should an agent elect to list REO, or bank owned properties, agent must provide additional coverage and sign the Addendum to the ICA titled, "Addendum to the Independent Contractor Agreement, REO/Bank Owed Sale".

MY HOME GROUP REAL ESTATE, LLC. BILLING

My Home Group Real Estate, LLC. Billing takes place monthly through automatic debiting from your bank account using debit card or charging to your credit card. There is no fee for the service and all bills will be debited on the statement due date (1st day of the month) An agent who's debit card or credit card expires or is declined is subject to either withholding of commissions, payment through commissions until card is reinstated. You must provide My Home Group Real Estate, LLC with new credit card or



debit card in a timely manner. Any delay of provided the new card information will further delay any payments of commission and or can result in termination.

INDEPENDENT CONTRACTOR STATUS

Agents acknowledge that their status with My Home Group Real Estate, LLC. is that of an "Independent Contractor". In addition, agents agree to the following:

1. They have not been required by broker to maintain any specific schedule nor to attend any mandatory sales or training meetings.
2. They have not been required by the broker to maintain any specific schedule or set hours nor to attend any mandatory sales or training meetings.
3. They do not have to have permission of the broker to schedule my vacations.
4. They have received no minimum salary or sick pay.
5. They have paid and will pay all future income and FICA taxes owed.
6. Their association with the broker may be terminated by either party upon notice given to the other; but the rights of the parties to any fees which accrued prior to said notice shall not be divested deemed satisfied by the termination of this arrangement.
7. They shall not be treated as an employee with respect to the services performed hereunder for state or federal tax purposes.

All costs incurred by the agent in conducting their independent business shall be at their sole discretion and expense without reimbursement from Broker at any point in time. All fees for membership in trade associations, designation programs, subscriptions, printing, computers, license renewal fees, personal phones, pagers, and assistants shall be covered by the agent. My Home Group Real Estate, LLC. has been and is fully committed to equal employment opportunity, both in principle and as a matter of policy. My Home Group Real Estate, LLC. employment 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 origin and in full accordance with state and national polices pertaining to age.

COMMISSIONS

Agents shall have the sole right to charge and accept whatever commission amounts they choose. Commissions will be paid at the close of escrow, through the title company, if the file is "Complete" with My Home Group Real Estate, LLC.. It is the agent's responsibility to check the website and determine the status of their transaction, prior to the close of escrow. In addition, any changes to the transactions (i.e. close of escrow, sales, price, parties) needs to be communicated to My Home



Group Real Estate, LLC. as soon as possible. Any delay in getting these changes to My Home Group Real Estate, LLC. may result in a delay in commissions being paid.

A decision to proceed with legal action, mediation or arbitration against a party owing a commission to My Home Group Real Estate, LLC. shall remain solely with the Broker. The Broker shall not have any monetary obligations to the agent or any other party, resulting from brokerage fees that are uncollected. Should the Broker allow the agent to file for arbitration, Broker may require an additional \$1,200.00 deposit to be placed with My Home Group Real Estate, LLC.. Should the agent be named in arbitration as the Respondent, My Home Group Real Estate, LLC. reserves the right to require the total amount of the disputed commission be held by My Home Group Real Estate, LLC. until the arbitration results are received. Should My Home Group Real Estate, LLC. and the agent not prevail, agent agrees to pay all commission amounts immediately to My Home Group Real Estate, LLC.

Any agreement to share commissions between agents within My Home Group Real Estate, LLC. shall be done so in writing and may not be shared directly, only through the Broker. In the absence of a written agreement between the agents, the Broker shall pay the entire agent share of the commission to the agent(s) whose names appear on the transactional document between the principals (to be divided equally between those agents if more than one and not otherwise specified.) The Broker will make the final determination regarding commission disputes between agents licensed with My Home Group Real Estate, LLC.

The agent shall treat this Commission Policy as confidential information when dealing with or communicating with other brokers and their agents. An agent does not have the authority to reduce, defer or replace any portion of My Home Group Real Estate, LLC.'s fees without the written consent of the Broker.

REFERRAL FEES

All agents may place outgoing referrals and accept incoming referrals. Referral fees may only be paid to licensed real estate agents. The amount of the referral fee being paid or received is at the agent's sole discretion. My Home Group Real Estate, LLC. will charge all agents 10% of the incoming referral fee (see the Schedule A of your Independent Contractor Agreement for more details). The agent must submit a referral agreement when submitting the check to My Home Group Real Estate, LLC. to be disbursed to the agent. Should an agent be asked by a customer or client to provide a referral for an outside vendor, the agent shall provide a minimum of 2 vendors (i.e. contractors, lenders, title companies, inspectors, home warranty companies, termite inspectors) to each customer or client. If you refer a customer or client to a



provider, agent agrees to hold and save harmless My Home Group Real Estate, LLC. from any claim(s) arising from that referral. Be sure to note to the customers or clients that a referral is not an endorsement and that they need to make their own decisions as to the worthiness, competence and pricing of the person or vendor referred. If there is a fee associated with the referral, please consult the Broker as to whether such a fee may be received and how to handle it.



SECTION 4

OFFICE FACILITIES



COMPUTER USAGE

My Home Group Real Estate, LLC. provides and maintains an extensive array of computer equipment for agents to use for real estate business purposes only. In addition, only licensed My Home Group Real Estate, LLC. agents may use the computers in the My Home Group Real Estate, LLC. offices. Family members, clients or customers may not use the computers. The following are strictly prohibited while using My Home Group Real Estate, LLC. computers:

TELEPHONES

My Home Group Real Estate, LLC. provides and maintains telephones for agents to use for real estate business purposes only. In addition, only licensed My Home Group Real Estate, LLC. agents may use the telephones in the My Home Group Real Estate, LLC. offices.

Accepting of collect calls is strictly prohibited.



SECTION 5

ASSOCIATIONS



LOCAL, STATE, NATIONAL

My Home Group Real Estate, LLC. is a proud member of the REALTOR® Community. Each agent, at their sole expense, is required to join a local real estate board under the guidelines of the Board of Choice. My Home Group Real Estate, LLC. is a member of several real estate boards throughout the State of Arizona.

As a member of a local REALTOR® association, all agents agree to maintain their membership in good standing at all times. All agents are encouraged to become an active member and attend the organization's orientation and/or ethics classes. Agents agree to adhere to the REALTOR® Code of Ethics at all times. Should the agent fail to keep their membership in good standing at a local board, agent authorizes My Home Group Real Estate, LLC. to transfer their real estate license to My Home Group Real Estate, LLC.'s affiliated company, Smart Referral Network, LLC., until the agent restores their license to good standing with a Board of REALTORS®. The Agent shall be responsible for all fees related to the transfer.

ARIZONA MULTIPLE LISTING SERVICE

My Home Group Real Estate, LLC. agents that are a member of the Arizona Regional Multiple Listing Service (ARMLS), or any other MLS in the state of Arizona, agree to adhere to the rules and regulations set forth by the MLS. The agent shall be held accountable for the accuracy of all information inserted into a the MLS and distribution off all information supplied by the MLS. As a member, agents agree to attend training sessions offered by the MLS and understand they are solely liable for any fines or penalties issued by the MLS. In addition, agents understand and agree that their access ID and password should never be given out to another person.

ARBITRATION AND ETHICS HEARINGS

All My Home Group Real Estate, LLC. agents agree to participate in any ethics or arbitration hearing at the state or local board that is filed against the agent, My Home Group Real Estate, LLC., and /or its Broker. Agents shall report any pending ethics or arbitration matters to the Broker as soon as they become aware of the situation. All agents acknowledge that they will be liable for any arbitration fee and/or settlement, even after their termination with My Home Group Real Estate, LLC.. In addition, My Home Group Real Estate, LLC. reserves the right to hold all future commissions due the agent, should an arbitration be filed against the agent and/or Broker in reference to a transaction they were associated with. Should an agent elect to file an arbitration or ethics complaint against another brokerage or licensee, it will be with the Broker's approval.



LICENSE RENEWAL

All My Home Group Real Estate, LLC. agents agree to maintain an active Arizona real estate license with the Department of Real Estate. It is the agent's sole responsibility to fulfill all continuing education requirements and file their renewal with ADRE in a timely manner. Should an agent elect not to renew their license prior to the expiration date, agent agrees to notify My Home Group Real Estate, LLC., in writing or via email, of their intent to sever their license from My Home Group Real Estate, LLC.. Agent acknowledges that My Home Group Real Estate, LLC. will continue to charge the agent My Home Group Real Estate, LLC. fees until such written notification is received. My Home Group Real Estate, LLC. may, at its sole option, sever the agent's license with My Home Group Real Estate, LLC. if the agent's license is not renewed on time. In addition, agents agree to adhere to all ADRE rules and regulations. It shall be the agent's responsibility to be knowledgeable on the rules set forth by ADRE. Should a complaint be filed against an agent at ADRE, agent agrees to immediately notify the broker, respond promptly to the complaint, and cooperate fully with ADRE.



SECTION 6

POLICIES



SEXUAL HARASSMENT POLICY

Sexual harassment is a form of unlawful sex discrimination and in violation of both state and federal employment discrimination laws. It is also a violation of My Home Group Real Estate, LLC. policy with respect to equal employment opportunity. Sexual harassment is defined as follows:

1. Unwelcome advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that interferes with work performance or creates a hostile work environment.
2. Deliberate or repeated unsolicited verbal comments, gestures, or physical contact of a sexual nature, which are unwelcome and offensive to a reasonably sensitive employee. This may include innuendos, jokes, or sexually oriented comments.
3. Any repeated or unwanted sexual comments, suggestions or physical contacts which are objectionable or cause any employee discomfort on the job.

My Home Group Real Estate, LLC. will not tolerate sexual harassment of its employees and any persons found responsible for sexual harassment are subject to disciplinary action up to and including immediate discharge. If you feel you have been sexually harassed, please report any and all incidents to your supervisor. This company takes such complaints very seriously and will conduct a prompt, thorough, and confidential investigation.

SMOKING/DRUGS/ALCOHOL

In the interest of promoting a professional image both in and out of the office, coupled with the health, safety and welfare of others, the following policies must be strictly adhered to: All of our offices are “non-smoking” offices. Smoking is permitted outside of the office or on the grounds, but not at the front entrance. Smokers are asked to dispose of smoking materials properly. In addition, it is prudent for an agent not to smoke in the presence of customers or clients.

Illegal drugs shall not in any way be brought onto any property of My Home Group Real Estate, LLC. Said property shall include, but not be limited to, any property owned or leased by My Home Group Real Estate, LLC., any property that is listed for sale or rent by My Home Group Real Estate, LLC., and any property under management by My Home Group Real Estate, LLC.. If a prescription drug is a “controlled substance,” the agent shall not use such a drug while in the performance of their duties as an agent of My Home Group Real Estate, LLC.. During that period, arrangements are to be made for someone to “cover” your business activities. All other prescribed drugs shall be used



in strict compliance with the directives of the prescribing physician. There is no justifiable reason to subject us or any other person to a dangerous environment through the unwise and unprofessional uses of these substances.

EQUAL OPPORTUNITY

My Home Group Real Estate, LLC. is unequivocally and firmly committed to the principle of Equal Opportunity in housing and the provision of professional services without discrimination based on race, color, religion, sex, handicap, familial status, or national origin. The Broker and ownership of My Home Group Real Estate, LLC. have a legal, ethical, and moral responsibility to do everything in its power to prevent any agent from committing any act or making any statement that could be perceived in any way as discriminatory based on race, color, religion, handicap, familial status, or national origin. This policy is not a recommendation and all agents must follow it.

ANTI-TRUST

The Sherman Antitrust Act is the foundation of antitrust laws and the statute upon which it is based. My Home Group Real Estate, LLC. is committed to complying with all antitrust principles and staying in compliance at all times. Agents agree to be aware of antitrust compliance issues and must agree to comply at all times. Agents agree not to collectively set the price of real estate services they are providing. In addition, agents agree to take care to present pricing policies to prospective clients and customers in a manner that is consistent with the fact that the fees or prices are independently established. This means that agents should never respond to a question about fees by suggesting that all competitors in the market follow the same pricing practices. Agents agree not to price-fix, not form group boycotts, and be very cautious about taking any collective actions with licensed agents, inside of My Home Group Real Estate, LLC. or licensed with another brokerage.

VACATION

As an Independent Contractor with My Home Group Real Estate, LLC., we do not restrict, offer or define an agent's sick days or vacation days. However, agents leaving town or who are going to be unavailable for more than 24 hours need to notify My Home Group Real Estate, LLC. Please indicate who will be taking your calls while you are unavailable and when you will be returning, so that your calls can be handled professionally. It is always a good idea to leave an emergency number with My Home Group Real Estate, LLC. and the Support Staff.

There also may be some important questions regarding a pending transaction, client or customer and so an immediate response is often important to avoid legal problems. An



agent who does not receive or react to a message in a timely manner is a negative reflection on My Home Group Real Estate, LLC. If you are going to be unavailable for an extended period of time, arrangements should be made to cover your absence. Should an agent be unavailable, and unreachable, the Broker may elect to have another agent take care of the client or customer, and a fee paid to the agent that is assigned to the work.

TEAMS AND ASSISTANTS

My Home Group Real Estate, LLC. recognizes and encourages the use of personal assistants, both licensed and unlicensed to assist in agent's real estate career. Such personnel are often times employees of the sales agent and are subject to withholding, insurance and minimum wage benefits of the employer-employee relationship. All licensed agents – assistants or team members - will be required to sign an Independent Contractor Agreement with My Home Group Real Estate, LLC.. In addition, all licensed assistant and team members must have a separate written agreement with the Team Leader outlining the terms and conditions of the work relationship. This agreement must be submitted to My Home Group Real Estate, LLC. and will be placed in each of the agent's files with My Home Group Real Estate, LLC.

The payment of My Home Group Real Estate, LLC. fees, board dues and other fees resulting from their relationship shall be substantiated by the agreement between the Team Leader and team members. All commissions due to a team will be paid through the Broker. If this policy is violated, agents may be immediately terminated. If the assistant is unlicensed, the assistant shall not be permitted to unlawfully engage in any professional real estate activity for which a license would be required. No commissions will be shared with said unlicensed assistant as this is in violation of state law. An unlicensed assistant shall not, directly or indirectly, solicit or attempt to solicit real estate business of any type.

The Team Leader is responsible for the conduct and fees of any personal assistant or team member and shall indemnify My Home Group Real Estate, LLC. and the Broker for any errors or omissions of or damages caused by any personal assistant or team member.

UNLICENSED ASSISTANTS

Agents may hire unlicensed assistants to aid them with their day-to-day administrative duties. Unlicensed assistants may NOT perform any duties that require a license (i.e. quoting prices, showing homes, writing contracts, etc...) The unlicensed assistant's duties must be strictly "administrative" in nature. The compensation received by the assistant may not be connected in any way to the successful closing of any transaction.



UPDATING PERSONAL INFORMATION

Agents must notify My Home Group Real Estate, LLC. with any change of address, phone numbers, email addresses or emergency contact information, should it change after joining My Home Group Real Estate, LLC.. My Home Group Real Estate, LLC. communicates frequently with the agents via e-mail, and having an e-mail address that is working is crucial to the agent's success at My Home Group Real Estate, LLC.. In addition, agents must notify the Arizona Department of Real Estate and their local association and/or board of any changes.