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REAL ESTATE BROKERAGE
POLICIES AND PROCEDURES - 2017

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TERMS OF ASSOCIATION AND INTRA-OFFICE POLICIES

WELCOME

The sole reason for the existence of any company is to create a profit. Honest dealing and aggressive planned work habits guarantee the success of any Associate. It is not enough to want to be a member of the real estate community because an Associate enjoys working with people - if that is the only motivation, then perhaps that Associate would be best advised to become a social worker.

Every gesture must be aimed at professionally providing the service for which we are contracted and maintaining a profit margin consistent with the work accomplished.

The Associate who waits for the phone to ring always has more time than income. Create your own luck and prosper!

INTERNET POLICY

An internet policy statement is essential for every office. If conduct is not defined, any conduct is acceptable.

1. No software that is not licensed to the company is permitted to be installed on any workstation.
2. The downloading or viewing of illegal, pornographic or hateful material is not tolerated. Any violation is basis for immediate termination from the company. In addition, the company may notify appropriate authorities.
3. No content may be posted on any web site without the written approval of the manager prior to posting.

4. Intended new postings or changes to an existing web site must be in writing and approved by the manager prior to posting online.
5. Company files may not be downloaded to an associate's computer without prior written approval of management.
6. A log of all incoming and outgoing e-mail messages, along with a log of all web sites visited on all company computers, may be maintained by management. These logs constitute company records and will be preserved.

Sexual Orientation

Sexual orientation is irrelevant.

Diversity is strength.

Sexual Harassment

Sexual harassment is no longer taken for granted nor tolerated in the marketplace. An awareness of the issues may decrease brokerage vulnerability to a charge of gender bias. A position paper of the FAR presents a workable goal for the real estate brokerage.

The Board of Directors of the Florida Association of Realtors® passed the following policy on sexual harassment.

Florida Association of Realtors™ Volunteer/employee Sexual Harassment Policy

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“The members and employees must work together effectively as a team to accomplish the Association's goals. Such joint efforts are enhanced by an environment of courtesy and mutual respect.

¹ FAR, Board Of Directors Report, Orlando, FL, January 14, 1996.

Offensive behavior not only impedes the effectiveness of the cooperative efforts, but also can create legal liability.

“The Florida Association of Realtors™ fully supports the rights and opportunities of all its directors, committee members and employees to work in an environment free from discrimination and sexual harassment.

“Sexual harassment may be overt or subtle. It includes behavior that is not welcome, that is personally offensive, that fails to respect the rights of others, that lowers morale and that, therefore, interferes with the effectiveness of our work. Sexual harassment may take different forms. One specific form is a demand for sexual favors. Other forms of harassment include:

H Verbal

Sex jokes of a sexual nature, sexual propositions, threats.

H Non-verbal

Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering whistling, obscene gestures.

H Physical

Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault.

“Whatever form it takes - verbal, non-verbal, or physical - sexual harassment is insulting and demeaning. Sexual harassment of any member or employee by any other member or employee will not be tolerated. All employees and members will be expected to behave accordingly and take appropriate measures to ensure that such

conduct does not occur. Appropriate disciplinary action will be taken against anyone who engages in sexual harassment.

“Sexual harassment does not include occasional compliments or voluntary relationships between members and employees.

Sexual harassment can create liability for a real estate brokerage. Discrimination by a brokerage representative can cause a broker to be liable.

The U.S. Supreme Court in the case of *Meritor Savings Bank v. Vincent* established tests in order to determine whether sexual conduct is unwelcome.

- 1 Evaluate evidence.
- 2 Determine if a work environment is sexually hostile.
- 3 Hold employers liable for sexual harassment.
- 4 Evaluate response to claims of sexual harassment.

Brokerage risk management requires steps for preventing sexual harassment from occurring, such as: Affirmatively raising the subject; expressing strong disapproval; developing appropriate sanctions; informing employees of their right to raise the issue; and how to raise the issue; and developing methods to sensitize all concerned.²

The Company will not tolerate any form of sexual harassment.

² Memo to Jerry Matthews from Randy Schwartz dated February 9, 1993. Copyright by the Florida Association of Realtors®.

Associates' Contracts

It is a condition precedent to association with the Company that each Associate enter into a contract defining both status and obligation as an Independent Contractor or Employee. Broker and Associate agree to enter into the agreement on a yearly basis.

Each Associate and Broker shall maintain one copy of this contract.

Minimum Standards

This office maintains minimum standards. If an Associate cannot meet these standards by listing and selling real estate, that Associate's tenure shall be terminated. Your Manager may allow a probationary period.

Company minimum standards are posted in this manual and are subject to review and pro-ration at any time after an Associate is with this Company six months.

If it becomes apparent that an Associate is unable to meet the minimum standard a de-hiring will occur. It is better for the Company and the Associate if the Associate resigns before being asked to leave.

Not all people can be effective Associates. If the Associate cannot do the job, it is unfair to the Company and the Associate to continue together. A career adjustment would be beneficial to both. Every courtesy will be extended by the management of this Company.

Independent Contractor Status

In order to maintain our Independent Contractor status, the following items are both understood and followed in day-to-day operations:

1. Associate pays all own dues.
2. Associate pays auto expenses without compensation from Broker.

3. Associate pays own entertainment expenses without reimbursement.
4. Associate has not been required to maintain specific floor day schedules, nor forced to attend meetings.
5. Associate is not required to meet mandatory quotas.
6. Each Associate shall decide individually when to take vacations.
7. Associate pays own income tax and FICA.
8. Associate receives no minimum salary or sick pay.
9. Association with Broker may be terminated by either party at any time upon notice, but the rights of the parties to any fees which accrue prior to said parting shall not be divested by either party.
10. This policy manual is advisory only.

Each Associate is directly subject to sanctions from governmental bodies and the Code of Ethics of the National Association of REALTORS®. An Associate is not required to join training programs or group programs.

Requirements of New Associates

All new Associates of this Company must satisfactorily complete all of the following items prior to accepting any Floor Time. In addition, the Manager will not assign Floor Time until satisfied that all of the following items have been completed.

- 1 Each Associate shall promptly apply for, and maintain membership in, the local Board of REALTORS®. She shall remain a member in good standing throughout association.
- 2 Associate shall be thoroughly familiar with this policy manual and all Company policies.
- 3 This office has obtained a training program. This is a thorough presentation. Each Associate shall be assigned suitable materials for this course. Initial and continuous training is essential for success.
- 4 Each Associate shall execute an Independent Contractor Contract and an Independent Contractor Rider which defines obligations of both Associate and the Company.

- 5 Every Associate shall complete Purchase Agreements, Listing Contracts, Multiple Listing Service profile sheets, referral forms and other commonly used documents. Each of these contracts will be closely scrutinized by the Manager for accuracy. If the Manager is not satisfied with these contracts, she may request they be completed until satisfactory.
- 6 Each Associate shall be fully aware of all INTERPRETATIONS OF THE CODE OF ETHICS as published by the National Association of REALTORS®.
- 7 All current Listing Contracts must be reviewed and vacant Company listings inspected.

Code of Ethics

The Company and each Associate of the Company agrees to strictly adhere to the Code of Ethics of the National Association of REALTORS®.

Commission Splits

Our commission splits are determined by the Company. Please see our attached commission schedule for office breakdowns. It is essential that real estate be properly priced and secured with an Exclusive Right of Sale Listing Contract.

Automobile Insurance

Each Associate shall carry automobile insurance with public liability and property damage insurance with minimum limits of \$300,000.00 / \$500,000.00 bodily injury and \$100,000.00 property damage coverage. Coastal Realty Experts, LLC is to be named as a coinsure in this policy. A copy shall be on file with the Company.

National Association of REALTORS® Membership

Each Associate must be a dues paying member of the National Association of REALTORS®, the State Association of REALTORS® and the local Board of REALTORS®.

There are many benefits to be gained by REALTOR® membership. Such benefits include use of the Realtors' library, outstanding real estate course work, and the opportunity to share experiences with other REALTORS® and REALTOR-Associates®.

Issuance of Policy Manual

This policy manual is the property of the Company. Each Associate shall download and print a copy of the Policy Manual off the company intranet to keep in their possession. The printed copy is to be turned over to the Company immediately upon notice of termination or for updating when requested by the Manager.

Business Apparel

Associates shall wear business apparel. Successful Associates project a successful image.

This company has invested a great deal of money to assist in your success. Business apparel is one of your contributions to this image.

Floor Time Responsibilities

If an Associate accepts Floor Time, that Associate also accepts all responsibilities of its proper use. General responsibilities include the satisfactory handling of all new Company business that is not specifically directed to another Associate. Typical business includes new customer and principal contact by phone, mail or personal visit.

It is the responsibility of the Associate engaging in Floor Time to remain at the appropriate station unless listing, selling or appraising real estate. If an Associate finds it necessary to be unavailable during Floor Time, she is responsible for locating another Associate to assume the responsibility.

It is suggested that Associates arrange the listing, showing and appraising of real estate outside of Floor Time. Under no circumstance may an Associate instruct the office clerical staff to locate a substitute Associate to staff the Floor Time desk. Finding a replacement for Floor Time is the sole responsibility of the scheduled Associate.

In addition to the general responsibilities of Floor Time, more specific responsibilities also apply.

If the Associate is the first Floor Time Associate of the day, it is that Associate's responsibility to organize the Floor Desk area in preparation for the day's work. This area includes, but is not limited to, the desk itself, updating of daily records (including the Multiple Listing Service update), general reception area and the conference areas. This means that the office be prepared to reflect an atmosphere conducive to conducting Company business in a professional, organized manner.

In the event that the previous Floor Time Associate has not completed all of the above items, the person next responsible for the Floor Desk shall do so.

Personal Real Estate

Any real estate bought or sold by an Associate of the Company must be run through the Company. Violation is grounds for termination. The Broker must be aware of all transactions.

An Associate has a special responsibility when buying or selling personal real estate. If that Associate is a professional, she is aware of market trends and other information not available to the general public. In order to maintain ethical conduct, it is necessary for the Manager to know of each transaction, and more, to have that transaction run through the Company.

With regard to an Associate's own homesteaded home, the Company may relinquish the right to any brokerage fee ordinarily due, providing that the Associate's own home transaction does not occur more than once in a calendar year. If an Associate wishes to buy a property not listed by any real estate office, that transaction shall be run through the office, with the purchasing Associate paying a brokerage fee. Any other real estate bought or sold by an Associate shall be subject to a commission and run through the office at the discretion of the Manager.

In any event, the Purchase Agreement must state that the Associate is a licensed real estate Associate in the State of _____, and, further, that the property is being purchased for speculation or profit. Other disclosures may also be relevant.

It is essential that each Associate fully divest in order to maintain the high ethical conduct of all those associated with the Company.

Vacations

The importance of vacations cannot be stressed highly enough. Every hard working Associate periodically becomes "tired."

A distant vacation removes the Associate completely from the real estate environment. Being able to maintain a perspective is very important to the Associate's mental and physical health. It is recommended that an Associate take a vacation whenever this need is recognized.

The perspective of being away from the office and in a different environment is most important and enriching and ultimately adds to the Associate's motivation and productivity.

Bonus Programs and Awards

From time to time, this office will participate in Bonus Programs. It must be stressed that these Bonus Programs are designed for self challenge, not direct competition against colleagues.

The dollar amount of the award is bonus commission, and will be added to Internal Revenue Service (IRS) reporting form 1099, which an Associate receives at the end of the taxable year. This amount reflects commission income. The type of Bonus Program established will be in writing and submitted to all Associates during staff meetings.

Illness

In case of illness, it shall be the option of the Associate to return or not return to work, and to set a suitable timetable. Please confer with the Manager as soon as possible so that appropriate scheduling can be done. The Manager agrees to make every effort to return an Associate to an active sales position as soon as that Associate's health warrants.

Complaints by Customers or Principals

The only commodity that this Company has to sell is service. Our Company cannot operate profitably if its representatives are the object of complaints by either principals or customers.

The following procedure shall be adhered to regarding complaints: Upon receiving a complaint from either a customer or principal, the Manager will discuss the issue with the Associate involved and determine whether the complaint is justified or unjustified. If valid, the offending Associate may be placed on probation insofar as the complaining customer or principal is concerned and will be expected to handle this person without further incident. Management does not anticipate having to go beyond this point.

If a second complaint is made by a customer, then the offending Associate shall lose the prospect who will be assigned another Associate. The only way to avoid becoming involved with this sort of problem is to provide the kind of service to every customer or principal that you would like to receive from them. We are paid for service, nothing else.

Termination

It is acknowledged that occasionally an Associate may terminate association with the Company. At that time the Associate no longer represents the Company completely. A loyalty will hopefully remain but the decision to depart will interfere with the day to day operation and rapport with both Manager and other Associates.

In the event of an Associate's termination with the Company, that Associate will be paid 70% of any fees due and owing that are in the process of closing. No fees will be paid on listing contracts not currently under a purchase and sales agreement.

Listing Contracts are the personal property of the Company but will be transferred to the agent's new brokerage if the Company receives written notice from the client stating they wish to have their listing transferred. Listings of a terminated Associate will be assigned by the Company to another Associate.

The renewal or relisting of expired or canceled Listing Contracts by another Associate shall not be a basis of a commission due and owing if the property did not sell during the association of the terminated Associate.

Assignment of Listing Contracts

When an Associate leaves this Company, the Manager will reassign all listings. The departing Associate may not assign or promise these listings to another Associate - it is the prerogative of the Manager.

Recruiting Other Associates

Due to the potential influx of sales personnel, it is recommended that Associates keep alert for potential Associates who may fit into our organization. It is important that any new Associate be able to work with those in this office. Suggestions to the Manager by Associates are appreciated.

Assisting New Personnel

Please recall how you were treated when you first became associated with the Company. Every effort was made to answer any question, to orient you, and to provide enough assistance to become successful in this business.

Please extend every consideration to any new Associate. If you see that novice doing something they should not, please indicate it directly to the

Associate, or to the Manager, as the situation warrants. It is a difficult experience to become associated with a new organization, and small acts of kindness and assistance go far in encouraging that a new Associate will be successful.

Office Hours

Our office hours are posted in the reception area. When the office remains open after the Secretary has left, it is the attending Associate's responsibility to satisfactorily secure it.

Please be thorough in locking the office and securing the premises. Be sure that the answering service or call diverter is engaged.

Staff Meetings

Staff meetings will be held from time to time. At these meetings we bring up new business, discuss listings and showings, policies and procedure, and discuss any problems that may arise.

It is strongly recommended that all Associates attend staff meetings whenever possible, as they are for the benefit of the entire staff. If an Associate is having a problem or would like to discuss any matter, that Associate is encouraged to do so at the staff meeting or privately with the Manager.

Manager Out of Town (Procedures)

In the event of the Manager's absence, another Broker will attend this office. Please give this person complete cooperation.

In the event a legal question is raised, or some occasion necessitates calling an attorney, please contact the Florida Realtors Legal Hotline @ 1-407-438-1409.

Office Conduct

It is recognized by your Manager that positive, comfortable working conditions will directly influence the productivity of each Associate. Therefore, it has been the policy to maintain a most comfortable, well equipped real estate brokerage. Please use these resources wisely.

While it is the intent of your Manager to maintain a comfortable working environment, it must be stressed that the office is not a place to regularly socialize. Friendly bantering and discussion will take place in any well balanced office; however, our purpose in being together is to list and sell real estate. General socializing is best left for another environment. If an Associate is in the office, that Associate is in the office to list or sell real estate, not to socialize.

Politics

Each Associate has the sole discretion to believe or not to believe in any political system, so long as it does not interfere with the day to day professional conduct of the real estate business as it relates to this office.

It is inappropriate to discuss politics in the presence of customers or principals.

Alcoholic Beverages

Alcoholic beverages will neither be stored nor consumed on the premises. Violation shall result in immediate termination.

Confidentiality

The confidential nature of our business cannot be stressed strongly enough. It is most important that what each Associate hears in this office and in the course of doing business be kept within the confines of our walls.

A sure way to ruin is to find that the staff members cannot hold trade secrets that are entrusted to them. This includes never discussing names of customers or principals with anyone. When in doubt, seek the council of your Manager.

It is highly inappropriate to discuss such matters with the post person, neighbors, friends, or anyone else who does not qualify for this knowledge. Any violation shall result in automatic termination and possible prosecution.

Office Records

Office records are the sole property of the Company. Under no circumstance is it acceptable for Associates to peruse the accounting files or other administrative records without prior consent of the Manager.

Office Property

Any property furnished for the purpose of obtaining and selling real estate are the sole property of the Company, and are to be returned upon termination. Office property includes signs, prospect cards, copies of all agreements, this policy manual, and whatever personal property purchased by the office now in the possession of the Associate. Listing and Purchase Contract copies shall also remain with the office. Any failure to promptly return Company property shall be dealt with as breach of trust or larceny. Taking the original of any document is larceny. Photocopying materials and removing them from the office is evidence of bad faith. Either occasion may warrant prosecution by the Company.

Messages

It is important that every Associate log any message to other Associates. Please be accurate with the name and phone number in addition to the time and date called. A duplicate of every message taken will be maintained by the Company for reference.

Calculator

Proper tools are necessary to do a thorough job. The Company suggests each Associate own a Hewlett-Packard HP-12C or HP-19 financial calculators.

This machine is specifically designed for real estate uses. In addition to a thorough manual which comes with the machine, training programs are offered throughout the state on the proper use of the machine.

Farms

Develop a more consistent income by effectively farming one or more neighborhoods. A successful Associate has between 175 and 300 homes in each farm. Each property owner should be contacted at least monthly.

Associate name must appear exactly as licensed on all advertising, including sign riders, note pads, pens, & c. & c. In addition, license status must also be indicated or the agent will be assumed to be a broker. That is a requirement of the office and not of the Division of Real Estate. We want the public to know who you are and with whom you are associated.

The Company computer and copier can make many thousands of dollars for you if you use them wisely. Computer literacy is necessary to conduct business.

Proper follow up is essential so be sure to contact each home owner by phone within one week after sending a mailing. This is most important. If you promise to call and you do not, you effectively wipe out your credibility.

Mobile Homes

It is the policy of the Company not to list mobile homes unless they are situated on real estate to be conveyed with the mobile. The Company does not sell personal property. Mobile homes not attached to real property should not be listed.

Empty Houses

The Company does not assume any responsibility, except through its own negligence, for the security of vacant houses.

If an agent lists property that is vacant, please ask the owner to issue a neighbor, friend or relative the key to that property so that the air

conditioning, heating, plumbing and electrical systems may be periodically inspected. We can accept no liability for the premises.

Under no circumstance will an Associate bind the Company to any such verbal or written agreement.

Listing Presentation Book

It is recommended that each Associate prepare a listing presentation book for use in obtaining listings. This book should include photographs of our yard sign, examples of marketing media, Associate information, copies of contracts and additional information necessary to inform the public of the Company services.

Material is available from the Manager and Secretary, and other Associates will be glad to share their knowledge and allow examination of their Listing Presentation Books for details and ideas.

Office Contact

It is necessary that each Associate be accessible during all business hours.

Cell Phones

Associates may obtain a cell phone, to facilitate constant contact with the office. This serves the principal, customer, Company and the Associate by allowing immediate availability.

Each Associate pays for Communicator rental or purchase, at her option.

This is full time profession, and if a principal or prospect cannot get in touch with the Associate, they will find someone else who is more accessible. Associates are urged to keep their Communicators on during all office hours, and on their person when away from home after office hours. No

other Associate will bother an Associate after hours unless the situation is important enough to warrant it.

Answering Service and Call Forwarding

This office owns automatic answering or call forwarding equipment. It is imperative that this equipment be operated properly. We advertise that we are always available; therefore, it is important to properly use the equipment we have.

Key Board

The office may maintain a coded key system. The Secretary and Manager maintain a copy of this list. It is necessary that the key cabinet remain locked at all times. When you require a key, please request it from the Secretary. The Associate will sign the key log listing the key number, name of Associate and the time the key was removed.

When the key is returned an appropriate notation will be posted in the key log and the key will be left with the Secretary. The Secretary will return the key to the key cabinet.

Repeat Business

When a potential principal/customer indicates previous contact with the Company the floor person should ask whether or not they wish to deal with that original contact. If yes, they should be turned over to that Associate.

If not, they are considered legitimate new business. It is the principal/customer prerogative. Please remember to treat each Associate with courtesy. Remember to practice the Golden Rule!

Follow Up

The importance of follow up calls cannot be stressed strongly enough. There is always a regular listing and selling income for the Associate who diligently follows up each potential principal or customer. Attention to detail produces income. The message book is an excellent source for call back.

Follow up calls are also an excellent source of new business. Ask the following questions of every contact and you will significantly increase your income:

1. "Do you have any real estate needs?"
2. "Do you know of anyone who has real estate to sell?"
3. "Do you know of anyone who is looking for real estate?"

The ability to follow up on all customer and principal inquiries, in addition to the consistent asking of the above questions makes the difference between a mediocre and superior Associate.

Obligations of Listing Associate

The listing Associate has ultimate responsibility for servicing her listings. This includes keeping in regular contact with the principal and setting up any showing appointments for Associates of this or any other office.

Servicing the Transaction

It is necessary for both the listing and the selling Associate to cooperate in servicing a transaction. The listing Associate will service as much of the transaction as possible as it relates to the seller's needs. The selling Associate shall satisfy the purchaser's demands.

In the event of a problem, please contact the Manager so that these problems may be mutually and satisfactorily resolved.

The listing Associate should call the seller weekly and fully inform her of any progress in the transaction. This avoids confusion that may occur at the time of closing when both parties are not fully aware of all aspects of the transaction.

Escrow Monies

Any deposit on real estate must be immediately deposited according to the Real Estate Commission. This has generally been interpreted to mean 72 hours or the third banking day.

Coastal Realty Experts, LLC does NOT have an escrow account and therefore all monies must be immediately delivered to the agreed upon Title company that's listed in the associates sales contract.

The office suggests a 10% deposit on any sale. If the Purchase Agreement is subject to any government assisted financing (such as Federal Housing Administration, or Veteran's Administration financing), then a lesser amount may be satisfactory. We must accept any deposit presented.

It is unacceptable to take a postdated check unless noted on the Purchase Agreement and/or to assure a prospect that a check will not be immediately deposited. We comply to the spirit and letter with license law.

Please remind the customer that no refund may be made until her check clears it's host bank. We may not follow instructions to not deposit a check until a purchaser has a chance to get back home. Checks must be deposited immediately.

Release of Escorted Funds

No funds shall be released from escrow unless they have cleared their host banks.

No funds shall be released after a Purchase Agreement has been accepted without the signatures of both the buyer and seller.

If there is not agreement regarding the release of Escrowed monies, the broker is to be immediately notified as the Real Estate Commission must be notified, in writing.

Trust money is sacred, out of the hands of interested parties, and will be treated as such. In the event of an escrow dispute, implied or actual, the Manager is to be immediately notified so that she can notify the Real Estate Commission, and assist in the satisfactory resolution of that dispute.

Costs After Closing

The Company does everything possible to see that no costs are incurred after a transaction has closed. If a cost is incurred after closing and the Associate is at fault, that Associate is responsible for 100% of the after closing costs.

If the fault cannot be accurately determined, then the costs are divided into a ratio commensurate with benefits received.

Complaints

If an Associate has a complaint, directly approach the Manager so that it may be resolved. If complaints are bantered among Associates without the Manager's knowledge, the natural tendency will be for morale to suffer.

Every reasonable alternative will be considered, and an amicable solution will be striven for, whatever the complaint and whenever possible.

Prospect Disputes

It is the policy of this office to avoid prospect disputes. If a dispute arises over which Associate should deal with a certain prospect, those Associates should attempt to work out an amicable agreement. If an acceptable

settlement cannot be reached, the matter shall be turned over to the Manager who will make the final decision.

Commission Disputes

In the event of a dispute over commissions, it is the obligation of those Associates involved to amicably resolve the problem. Only upon the request of one or both parties will the Manager enter and make the final decision. We work on a team basis. Full trust is necessary among all Associates. Violation of this trust will not be tolerated.

Under no circumstance is it acceptable to involve a customer or principal, past or present, in an internal commission dispute.

Simultaneous Offers

It is inevitable that simultaneous offers and deposits be received for the same parcel of real estate. In that event, all offers tendered (oral or written) will be immediately submitted to the seller.

No Associate involved shall take unfair advantage of the situation by informing their purchaser of the amount of their offer.

In the event of a simultaneous offer, no Associate shall take any step without first consulting with both the Manager and the other Associate, in that order. Do not divulge the prices to prospective purchasers. Seek the advice of the Manager or Company attorney. Tread carefully.

If a simultaneous offer is to occur, please let the Manager know early enough so that she may be informed of all stages of the transaction from the time offers are anticipated or received.

It is inevitable that one party will get the property. With this in mind, a sense of fair play is absolutely necessary and the Code of Ethics must be strictly enforced. It is not difficult to be honest when the outcome of the situation will be in your favor - a test of honesty will occur when an Associate must

make a decision knowing that his purchaser may not get the house. Honesty is essential in all phases of the real estate business.

Liquidated Damages

It is the policy of this office to avoid liquidated damages whenever possible. We must rely on our income from the successful closing of real estate transactions, not liquidated damages.

Consistency with our Purchase Agreement indicates that the Company has the right to retain all deposit monies (not to exceed the amount of the commission) in case of a contract breached by a purchaser. If this situation should arise, the liquidated damages will be distributed according to each Associate's interest in the transaction.

The Broker will make the final decision regarding liquidated damages after consultation with any Associates involved.

Litigation

It is this Company's policy to avoid litigation whenever possible. The Broker will make the final decision whether litigation will be commenced.

(a) If any transaction in which the salesperson is involved results in dispute, arbitration, ethical allegations or complaints, litigation or legal expense, the salesperson shall cooperate fully with the Broker. The salesperson shall pay all expenses therewith. The Broker reserves the right to determine whether or not any litigation or dispute shall be prosecuted, defended or settled, or whether or not legal expenses shall be incurred.

(b) Salesperson is responsible for any and all expenses or liabilities that are a result of his/her actions including any errors or omissions, warranties, representations, misrepresentations, or fraud. In addition to liabilities, the Salesperson will pay the entire deductible of the errors or omissions insurance in the event of any claim, legal fees and other expenses incurred

by Coastal Realty Experts, LLC as a result of Salesperson actions, even if salesperson is no longer with the company.

(c) Legal actions requested by (or for the benefit of) the Salesperson, whether for fees or otherwise, against clients, customers and/or others in the real estate business, will be initiated ONLY with Coastal Realty Experts, LLC written approval (after consultation with counsel). The Salesperson is responsible for all expenses incurred, will pay those expenses when due and will receive all monies collected and/or damages received after any deduction for fees owed Coastal Realty Experts, LLC. Should salesperson fail to maintain their expenses current; Broker may terminate salespersons rights in the litigation.

(d) If salesperson leaves the company prior to final disposition of the case, salesperson agrees to continue to pay monthly fees until final disposition.

If an Associate is sued, immediately notify the Manager. In all cases the Company attorney shall have access to all facts.

Rental Referral Services

The Company does not actively engage in rental management.

INTER-OFFICE RELATIONS

Real Estate Listed by Other Offices

If a prospect wants to see property listed with another office, it is the Associate's obligation to contact the other company and allow that office to set up the showing. Only if the listing company gives specific permission to an Associate to set up an appointment should that Associate contact the owner. It is important for all Associates to follow this procedure, as we expect other offices to make their showing appointments through us. Be familiar with all rules of your Multiple Listing Service.

We are Multiple Listing Service members. Your thorough understanding of the MLS computer will earn you many thousands of dollars. Be sure to attend all MLS classes. They are regularly offered in this area.

Joint Ventures

When selling a property listed by another brokerage, use a Florida Association of Realtors approved Purchase Agreement. It is up to the listing brokerage to submit any Purchase Agreement.

If a Company Associate wishes to be present when that Purchase Agreement is presented, please indicate this as early as possible so that arrangements may be made. It is also acceptable for an Associate of another office to be present when his offer is submitted by a Company Associate. Turnabout, and all of that.

Keys - Other Offices

The more support we have from other offices the more potential we have for putting transactions together and maintaining a desirable working relationship.

When you sign out a key from another office, please return it as soon as possible. This gives us more ammunition to back up our request that other companies promptly return our keys, especially when we show them our good record of doing the same.

CONTRACTS

Oral Offers

Oral offers must be submitted. License law is explicit regarding this issue. Although the seller may request a written offer (which is more likely to prevail) any oral offer must be promptly submitted. Only the principal has the right to demand a written offer even though the oral offer is probably not enforceable.

Forms and Clauses

Please be familiar with all office contracts and forms.

Sunday Contracts

Sunday contracts are legal in the State of Florida. Property may be listed or sold on any Sunday or other holiday.

New Listing Contracts

A new Listing Contract shall not be considered active until all of the following are submitted to the company intranet for inspection and approval:

1. MLS copy and profile sheet.
2. Key to the property, if applicable.
3. Executed Listing Agreement.

Listing Contracts

In order for the Company to remain profitable, it is necessary that the Listing Contract, which is our Employment Contract, be completely and accurately completed. A true and identical copy must be delivered to the principal signed. Try to obtain at minimum a six month listing whenever possible. The Associate is asked to use discretion.

When completing the legal description, please include the lot, block and subdivision in addition to the livre and page of the recorded document. Do not use the legal description from the tax office. Obtain and use the full legal description and names of the owners from a previous deed or title policy. A title company will copy this information for you - use their services.

Our brokerage fees are based on our costs to conduct business. There is no going rate. If asked by anyone about fees of competitors, advise that person to contact those firms directly.

At no time do we ever discuss fees with competitors nor will anyone in the company be party to any agreement in restraint of trade. Any violation is in direct conflict with Federal law and Company policy. Stay legal. Stay safe.

Cancellation of Listing Contracts

It is the policy of this Company not to cancel Listing Contracts. Extenuating circumstances may dictate that a listing be suspended from showings. This should be discussed with the Manager to determine proper procedure. Under extreme situations, it may be necessary to prematurely terminate a Listing Contract. Any cancellation fee will be distributed proportionately as in the case of liquidated damages.

If a problem is anticipated notify the Manager.

Unlisted Property

Any real estate not secured by a valid Listing Contract should not be shown. There is no obligation for a seller to pay a fee unless the Company is secured by a valid listing contract. Consult with your Manager if there are questions.

Purchase Agreements

The Purchase Agreement is a vital document, setting forth all terms under which the Company will close a sale. It must be completely filled out. It is also necessary to specify any items of personal property that are to be conveyed with the sale.

If the amount of personal property is not significant, it is not necessary to incur the expense of a Bill of Sale. Inform the closing agent or attorney if personal property is included in the sale.

If it is not necessary for the purchaser to obtain financing, the terms are CASH. If financing is questionable, please use a Financing Contingency.

If the purchaser makes a cash offer and a bona fide unsuccessful attempt to obtain financing, it regrettably becomes necessary to retain the deposit as liquidated damages. The Company would rather sell that prospective purchaser another home, perhaps at a later date. Therefore, if there is any doubt about a purchaser being able to obtain financing, use the appropriate contingency.

If the transaction includes a Purchase Money Mortgage, indicate full terms of transaction, stating payments, date of payments, interest rate, to whom payments be made, that the purchaser pay any collection and credit report fee and the location of the Satisfaction of Mortgage along with the proof of title, if applicable.

Our standard closing time is thirty days. If the Purchase Agreement covers property to be guaranteed or insured by the government, allow ninety days.

The Company suggests that 10% be the minimum deposit on any conventional purchase. If the Purchase Agreement represents a non-conventional sale, a lesser deposit may be necessary.

As purchasers it is suggested that both husband and wife sign a Purchase Agreement exactly as they choose to take title. All titleholders must sign the Purchase Agreement. Whichever party signs either a Listing or Purchase Agreement is individually responsible to uphold the terms of the agreement personally (unless acting under corporate powers).

Presentation of Purchase Agreements

All offers will be transmitted to a principal. Oral offers are included, whether or not accompanied by a deposit. This is a requirement of the Real Estate

Commission. The final decision to accept or reject any offer must be made by the principal with no pressure by the Associate.

In presenting an offer, it is strongly suggested that an Associate know all costs in advance, and be able to leave the principal with a net sheet. It is important to fully explain the transaction without assuming the posture of attorney. Do not practice law.

Remember, we are working for the principal and that principal's best interests but that does not relieve us of the obligation to treat fairly all parties to the transaction.

It is the obligation of the listing Associate to present the offer. If the selling Associate wishes to be present when an offer is submitted, that will be construed to be a reasonable request.

MARKETING

Business Cards

It is the responsibility of each Associate to order and pay for business cards. Associates are given the freedom to design their cards as they choose but please do not modify the approved logos that are provided for use.

Direct Mail Campaigns

The Company will give its support whenever possible in conducting a direct mail campaign. Please contact the Manager with an outline of the type of direct mail campaign you anticipate so that it may be organized for maximum efficiency.

The Company computer, data base and word processing software is capable of assisting any Associate in the production of income. A computer literate Associate has access to more resources.

All Associates are encouraged to make extensive use of Company resources.

Word Processing Equipment

This office owns sophisticated word processing equipment. An identical letter can be automatically typed and merged with your mailing list. Each of these letters is an original and requires your original signature.

Suggested uses for this equipment include listing forms, prospect contact, notices to offices and many other public relation functions. Any use to generate new business is justified.

EDUCATION

Continuing Education

Continuing education is recommended for all Associates. Excellent courses are available on the local, state and national levels. Locally, courses are available through the Board of REALTORS®.

Associates who recognize the importance of continuing real estate education make more money. Associates with a closed mind ultimately fail. Stay flexible. You are in an ever changing business. The only way you can keep up is to continually further your education.

The Graduate Realtors Institute® provides a certificate upon successful completion of a number of courses offered through or in conjunction with the Association of REALTORS®, as approved by the Real Estate Commission. Specifics on these courses may be obtained by your local Board of REALTORS®. The National Association of REALTORS® conducts excellent courses dealing with advanced list and selling practices.

These courses earn credit toward the Certificate Residential Specialist (CRS). Each Associate pays for all educational expenses.

Goal Setting

There is a direct correlation between goal setting and success.

If you do not know where you are going, any road will get you there. Goal setting can be arranged between the Broker and Associate. It is important that realistic goals be set and striven for. Please remember that goals are minimum standards. A goal setting form is included in the company contracts, forms and clauses manual.

The Manager will make available the average selling price and average listing and selling commissions so that each Associate can personally determine the number of transactions to be obtained. It is suggested that each Associate take an active interest in goal setting and do everything possible to obtain those goals.

Self-Fulfilling Prophecies

The Self-Fulfilling prophecy is a very powerful force. The best way to be assured of a bad day is to predict one. An open and optimistic attitude, combined with hard work, assures success.

There is nothing your mind can perceive that it cannot achieve. Succeed because you choose to succeed.

Library

Many books or cassettes not presently owned by the Company may be available through the library of the National Association of REALTORS® or from your local Board of REALTORS®. Associates have direct access to the library of the National Association of REALTORS®, 430 North Michigan Avenue, Chicago, Illinois 60611. Log into realtor.org for a full bibliography.