



POLICY AND PROCEDURES MANUAL

I. INTRODUCTION

This Manual establishes basic policies and procedures for the orderly and systematic operation of the offices of Tedcorp Inc. (the “Company”). This Manual addresses the basic policies and procedures of the Company, but undoubtedly in specific situations, this Manual may not provide guidance. In those situations, Associates should always consult with their Office Manager for guidance.

The Management of the Company will make periodic additions and revisions to this Manual. These will become effective upon their issuance by the Management of the Company. This Manual will be updated from time to time with those revisions and additions. This Manual is available at <http://www.tedcorprealty.com> under the Agent Support tab.

Defined terms used in this Manual are the Company, as defined above. The broker associates of the Company are referred to in this Manual as Associates. Associates include licensed sales team members unless otherwise provided herein. All Associates of the Company are independent contractors and no employee-employer relationship is created or is implied from any title, provision or language used in this Manual.

All portions of this Manual are applicable to all the officers and Associates and where applicable, other personnel of the Company. The object of this Manual is to assist the Associates and where applicable, other personnel of the Company in understanding the policies and procedures of the Company. Each Associate must have an active license and keep their license in good standing with the Department of Business and Professional Regulation (DBPR).

II. MANAGEMENT

The Management of the Company is vested in its officers, which consist of those elected as required. These officers are the Management of the Company. Management will delegate authority to other persons from time to time to exercise management functions in the Company, the chief among these persons being the Employing Broker and his/her designees.

The Employing Broker or Employing Broker Designee exercise direct management authority for the Company with all Associates who work out of that Employing Broker or Employing Broker Designee's sales office. The Employing Broker Designee has been delegated authority by the Employing Broker of the Company to exercise management functions of the Employing Broker with regard to Associates who work out of each Employing Broker Designee's sales office.

Employing Broker or Employing Broker Designee are responsible for day-to-day management and supervision of Associates as required of the Employing Broker by the rules and regulations of the Florida Real Estate Commission.

III. ASSOCIATES

All the Associates of the Company are independent contractors to the Company. Each Associate must be licensed by the Florida Real Estate Commission as a real estate broker and is encouraged

to be a member of the Florida Gulf Coast Association of Realtors (FGCAR) or a commercial board. Each Associate, at the time of joining the Company or as soon thereafter as possible, shall execute an Independent Contractor Agreement on the form established by the Company. This Independent Contractor Agreement establishes and memorializes the legal relationship between the Company and each Associate. This Manual does not modify or alter the Independent Contractor Agreement in any way, but rather provides policies and procedures which are applicable to the general operation of the Company and applicable to Associates.

The commission plans and schedules are a part of the Independent Contractor Agreement, signed by each Associate with the Company.

The Company firmly believes in the value of recognizing outstanding performance. Not only do the individuals who achieve recognition deserve it, but such recognition promotes elevated standards for others to strive to achieve. Management does not limit its recognition programs to purely objective business criteria, such as production achievements. The character of the Company is developed to extend beyond strict business activities, and individuals who emulate and build that unique character will be recognized at the same level as top producers. Production successes are tracked by Tedcorp Inc. and compared with other companies and individual Associates to identify award recipients. Management's emphasis will be more on innovative ideas and programs developed within the Company. Management will assist Associates in all reasonable ways possible to package and present worthy ideas and programs for national award consideration. However, if an Associate is no longer an independent contractor to the Company when awards are given, then that Associate is not eligible to receive such awards.

All Associates must complete the Independent Contractor Agreement (ICA). The contents of this ICA may be changed from time to time by the Company in its sole discretion. No Associate shall be associated with the Company nor receive any compensation from the Company until such Associate has completed, to the satisfaction of the Company, the ICA.

It is generally an advantage to the Company when legal counsel represents a party to a transaction, and it is important that all Associates communicate with attorneys representing parties. Under no circumstances is legal representation to be discouraged but rather it is to be encouraged. An Associate must not give legal advice, directly or indirectly. This prohibition includes advice in regard to the legal rights of the parties, the legal effect of notices and instruments and matters affecting the title. When a question is raised by a customer/client and the Associate believes he/she knows the answer but that it might be bordering on legal advice, it must be made clear to the customer/client that only attorneys can give legal advice.

POWER OF ATTORNEY. The Company does not permit any Associate to act on behalf of any party as an attorney-in-fact.

ASSISTANTS TO ASSOCIATES. The Company permits Associates to build the Associate's individual business within the umbrella of the Company by permitting them to have personal assistants and to participate in teams. The personal assistants may be licensed or unlicensed. However, the duties which may be performed by unlicensed assistants are dramatically different from those which may be performed by licensed assistants.

TEAMS AND PARTNERSHIPS. The formation of Real Estate "Teams" and "Partnerships" is a trend that cannot be ignored in the real estate industry. The Company supports its Associates in

creating and operating teams and partnerships under guidelines that insure success for the Associate as well as the Company.

Each team or partnership must be lead by one Associate. That Associate is the Team or Partnership Leader or primary Associate. All other Associates in the Team or Partnership are licensed Team members.

All Team or Partnership members must be recruited by the Team or Partnership Leader from licensed real estate brokers who are not, at the time of recruitment, associated in any way with the Company.

ASSOCIATE PERSONAL TRANSACTION POLICY.

Associates shall consult their Employing Broker or Employing Broker Designee prior to proceeding with any personal transactions.

If an Associate desires to buy or sell real estate in a transaction in which the Company is involved in a brokerage capacity, the Company offers the following two programs to eligible Associates:

Option One: The Associate may list or purchase their own property with Tedcorp Inc. by paying the Company an administrative fee of \$750.

Option Two: The Associate may list or purchase their own property with Tedcorp Inc. and take a commission on the transaction. The Associate will receive the full commission less \$750.

Eligibility: To be eligible, the Associate must own at least a 50% interest in the property purchased or sold. The Associate must be associated as an Independent Contractor for a

minimum of one year. The Associate may buy or sell no more than four properties during the course of the calendar year where the Associate is involved as a real estate broker.

Associate personal transactions are not included as part of Associate's incentive earnings for their commission level.

The Company hereby notifies all Associates that the Internal Revenue Service may impute commission income to an Associate in any transaction in which the Associate reduces a commission or agrees to a reduction of a purchase price in exchange for reducing a commission or charging no commission. This imputation of income may result in a tax liability to Associate to federal and/or state governmental entities. Any tax liability resulting from a reduced commission or reduced price based upon a reduced commission is the responsibility of the Associate and, under no circumstances will such tax liability be the responsibility or liability of the Company.

LICENSED ASSISTANTS. An Associate must have approval from Senior Management of the Company prior to hiring a licensed assistant. The Licensed Selling Assistant (LSA) will be licensed by the Florida Real Estate Commission as a Broker Associate (in good standing) of the Company and will work under the supervision of the Company's Employing Broker and Employing Broker Designee. The LSA will be working under the direct supervision of the Associate hiring the assistant. All compensation for licensed sales activities shall be paid to an LSA by the Company, not the Associate. Associate shall not pay an LSA any commission directly.

UNLICENSED PERSONAL ASSISTANTS. An unlicensed personal assistant (Administrative Assistant) is not an employee of the Company. Administrative Assistants may not perform any acts that require a real estate license.

Except where approved by the Company, the Administrative Assistant is not an employee of the Company and is not treated as such. The Administrative Assistant will be working under the direct supervision of the Associate, and is an employee of the Associate who hires the Administrative Assistant.

The Company requires that all Associates who hire Administrative Assistants must process the payroll for the Administrative Assistant through a payroll company. Payroll companies are utilized by Associates to handle the employment of Administrative Assistants. Use of a payroll company is necessary to comply with federal and state tax law.

The real estate license law prohibits unlicensed persons from negotiating, listing or selling Real Property. Therefore, foremost to the use of Administrative Assistants is careful restriction of their activities so as to avoid accusations of illegal brokerage practice. Administrative Assistants should never prepare legal documents such as listing and sales contracts, nor should they offer opinions, advice or interpretations nor disseminate or distribute information on listed properties other than that prepared by the Employing Broker or Associate. The Florida Real Estate Commission has established these requirements.

Associates shall not share commissions with Administrative Assistants. The temptation for an unlicensed assistant to “cross over” into the area of negotiating and other prohibited practices is greatly increased where compensation is based on the success of the transaction.

FLOOR TIME. Floor time is defined as the opportunity given to Associates to service telephone calls and walk-ins who express interest in listing and buying property. Associates are not required to perform floor duties. However, Associates who contract for floor time and the opportunities this provides will also incur the responsibility to adhere to the policies of the office the Associate works in.

MLS CHARGES/BILLING. The Company requires that, wherever permitted by Board/MLS rule and procedure, all Associates enter into direct billing agreements with the MLS provider for all direct fees and charges incurred by the Associate for MLS services.

CONFLICTS OF INTEREST. The Florida Real Estate Commission requires that an Associate has a continuing duty to disclose any known conflict of interest that may arise. The Company requires such disclosure by all Associates of the Company to the Employing Broker or Employing Broker Designee, in writing. The Company defines the following, without limitation, as a conflict of interest when an Associate also performs services himself or herself or on behalf of (or receives any compensation or thing of value, including, but not limited to, referral fees, mailing expenses, travel, free or reduced admissions to events from) or receives referrals from a spouse or any RESPA settlement service provider related to a person or entity that does the following:

- A. Makes loans secured by Real Property or any interest
- B. Provides title insurance
- C. Performs appraisals
- D. Performs home/building/property inspection

E. Performs any services related to real estate that require a license from the State of Florida or any political subdivision thereof, except Real Estate Broker.

IV. BROKERAGE POLICIES AND PROCEDURES

INTRODUCTION. In order to better serve the public, our customers and clients, the Company has adopted this Brokerage Relationships Policy (“Brokerage Policy”) for our business. Each Associate must be familiar with and follow these procedures. This Brokerage Policy outlines basic brokerage relationship principles and duties and describes Associate’s responsibilities relating to real estate transactions involving the Company and its Associates.

While this Policy should be used and followed by all Associates, it is not intended to be a comprehensive source covering all issues dealing with agency which may arise in the normal course of handling real estate transactions. As such, individual issues and questions should be addressed directly to the Employing Broker Designee. Associates should understand that their duties and responsibilities may extend beyond those which are listed in this Manual.

In the event a member of the public asks to have a copy of this Brokerage Policy, any Associate may, after receiving the permission of the Employing Broker Designee, provide that person with a current copy.

The Company is committed to The Fair Housing Act. Regardless of the capacity in which the Company serves, the Company will always work for “equal access” to all Real Property for all people. See Section VII for more details on Fair Housing.

DEFINITIONS. Unless the context hereof clearly otherwise specifies or requires, the initially capitalized words and phrases, not otherwise defined herein, shall have the following meanings:

A. “Agency Disclosure Form” means the Brokerage Relationships Disclosure (Buyer) as required by the applicable Commission Rule, and which form has been approved by the Commission.

B. “Brokerage Policy” shall have the meaning ascribed to in the Introduction hereof.

C. “Employing Broker Designee” means the licensed real estate broker designated by the Company to aid in actively managing and supervising the Licensees working as independent contractors of the Company.

D. “Buyer” means the purchaser of Real Property.

E. “Buyer’s Associate” shall have the meaning ascribed to in the “Buyer Agency” Section hereof.

F. “Buyer Agency Contract” means the Exclusive Right to Buy, which form has been approved by the Commission.

G. “Commission” means the Florida Real Estate Commission.

H. “Company” means Tedcorp Inc. “Company” is also deemed to include its Associates where applicable.

I. “Designated Broker” means any Associate who is designated in writing by the Company to serve as a single agent or Transaction Broker for a Seller or Buyer in a real estate transaction.

J. “Associate” means any person employed or engaged by or on behalf of the Company to do or deal in any licensed real estate activity for or on behalf of the Company for compensation or otherwise.

K. “Listing Contract” means the Exclusive Right-to-Sell Listing Contract, which form has been approved by the Commission and/or the Florida Association of Realtors.

L. “Manager” means Employing Broker Designee, the licensed real estate broker employed by the Company to aid in actively managing each Company branch office and to aid in supervising the Associates working from such branch office.

M. “Manual” means the Company Policy and Procedures Manual.

N. “MLS” means the real estate Multiple Listing Service.

O. “Purchase Contract” means the Contract to Buy and Sell Real Estate, which form has been approved by the Commission and/or the Florida Association of Realtors.

P. “Real Property” means any residential or commercial real property. This also includes, but is not limited to, vacant land/farm and ranch, second homes, condominiums, rental properties and vacation homes.

Q. “Seller” means the seller of Real Property.

R. “Seller’s Associate” shall have the meaning ascribed to in the “Seller Agency” Section hereof.

S. “Transaction Broker” shall have the meaning ascribed to in the “Transaction Broker” Section hereof.

T. “Transaction Broker Buyer Contract” shall mean the Exclusive Right to Buy Contract, and the Exclusive Right to Sell Listing Contract, either of which denote Transaction Broker, which forms have been approved by the Commission.

GENERAL BROKERAGE POLICY

A. General Policy. When assisting the general public in potential or actual real estate transactions, the Company will authorize, depending on the circumstances, its Associates to act as a Seller's Associate, Buyer's Associate or Transaction Broker only. The Company strongly encourages the showing of all the Company-listed Properties to all interested parties.

B. Disclosure. THE COMPANY'S BROKERAGE POLICY IS BASED ON THE PREMISE THAT ASSOCIATES WILL ALWAYS MAKE A FULL AND COMPLETE DISCLOSURE OF THE BROKERAGE RELATIONSHIP TO ALL PARTIES CONCERNED, AND THAT WRITTEN CONSENT TO THE REPRESENTATION ELECTION IS MADE BY ALL PARTIES IN ACCORDANCE WITH FLORIDA REAL ESTATE COMMISSION RULES AND APPLICABLE FLORIDA STATE STATUTES.

DESIGNATED BROKERAGE

A. Concept of Designated Brokerage. Designated Brokerage means that a Seller or Buyer relationship stops at the level of the Associate with whom the Seller or Buyer is working. A Designated Broker would be the Agent or Transaction Broker of a Seller or Buyer. Sellers and Buyers will no longer have an agency relationship with the Company. The concepts of sub-agency and dual agent have been eliminated leaving only two types of relationships: Single Agency and Transaction Brokerage.

Designated Brokerage allows two Associates in the Company to work one for the Seller and the other for the Buyer without reverting to Dual Agency or Transaction Broker on an in-Company sale. A Designated Broker may work with a Seller in one transaction and work with a Buyer in another transaction.

The new law also abolishes vicarious liability (the legal concept that a Buyer or Seller can be held responsible for the unauthorized acts of their agent). The Company remains responsible for the supervision of its Associates and for its own actions. There is no imputation of knowledge creating a chain of agency from a Designated Broker to the Employing Broker Designee or other Associates of the Company.

B. Designation of Brokerage Relationship. Commission Rules require the Company to identify the procedures for the designation of Associates who are to work with a Seller, Landlord, Buyer or Tenant. (For the purposes of this Section, the term Seller shall also include Landlord, and the term Buyer shall also include Tenant.)

An Associate must be designated in writing by the Company to serve as a single agent or Transaction Broker for a Seller or Buyer. Pursuant to Commission Rules, this written designation requirement shall be satisfied by the Company for the following types of transactions in the following manner:

1. Listing Contracts by Single Individual: the Associate entering into the Listing Contract is the Seller's Designated Agent or Designated Transaction-Broker.
2. Right to Buy Contracts by Individual: the Associate entering into the Right to Buy Contract is the Buyer's Designated Agent or Transaction-Broker.
3. Individuals Working with Both Buyer and Seller: the Associate is a Transaction-Broker for both Buyer and Seller.
4. Substitute or Additional Brokers: the Company reserves the right to substitute or add other Designated Brokers, as appropriate, which shall be disclosed to the Buyer or Seller.

5. Transaction-Broker – Written Disclosure: an Associate working with a Buyer or Seller as a Transaction-Broker, as the result of a written disclosure, is the Designated Broker for that Buyer or Seller.

6. Listing Contracts by Teams: the individual Team member(s) entering into the Listing Contract is the Seller’s Designated Broker, in which case that designation and brokerage relationship shall apply to all members of the Team.

7. Right to Buy Contracts by Teams: the individual Team member(s) entering into the Right to Buy Contract is the Buyer’s Broker, in which case that designation and brokerage relationship shall apply to all members of the Team.

SELLERS

A. General Seller Brokerage Policy. When assisting the general public in potential or actual real estate transactions, the Company will authorize its Associates to act as Seller’s agent when a Seller desires to have such representation.

“Seller’s Associate” means that the Company and its Associates act solely on behalf of the Seller. An Associate engaged as a Seller’s Associate must promote the interests of the Seller with the utmost good faith, loyalty, and fidelity and must strictly adhere to and abide by the duties and obligations set forth in Florida Statute 475.278. In dealings with a Buyer, a Seller’s Associate must treat the Buyer honestly and must strictly adhere to and abide by the duties and obligations set forth in Florida Statute 475.278.

Except for exceptional circumstances which have been pre-approved by the Employing Broker Designee, Associates may only act as a Seller's Associate by entering into a written Listing Contract which appoints the Associate as the Seller's exclusive Associate.

The Associate shall provide full disclosure to the Seller that while the Associate is acting as Associate for the Seller, another Associate of the Company may also be acting as an Associate for a Buyer of Real Property under an Exclusive Buyer's Agency Contract.

In the event a Seller desires to have the Company provide exclusive assistance in marketing and selling real property without agency obligation and without agency responsibility, the Company will authorize its Associates, with prior approval of the Employing Broker Designee, to act as exclusive Transaction Brokers by entering into a Transaction Broker Listing Contract which provides the Company with the exclusive right to sell the Seller's property.

B. Seller Listing Procedures. In order to properly list a Seller's Real Property with the Company, the Associate should adhere to the following procedures:

1. As early as practical, Associate should fully explain the Company's Brokerage Policy and have Seller sign a Listing Contract.
2. Oral listings are prohibited.
3. Unless otherwise approved by the Employing Broker Designee, the Associate shall fully explain and have the Seller complete and sign the Seller's Property Disclosure, which form has been approved by the Commission.
4. After execution, the Associate must submit Listing Contract(s) to the office to be placed in the Company's property file and for final approval by the Employing Broker Designee.

5. A copy of the Listing Contract and Seller's Property Disclosure shall be given to the Seller and originals shall be maintained in the Company's property file.

6. Each Real Property listed by the Company shall have a separate file maintained by the Associate's assigned branch office. Access to the property file is restricted to the Seller, that Associate, the Employing Broker Designee and designated Company representatives. No one else shall have access to or view that file without the approval of the Employing Broker Designee.

7. Listing Contracts must be extended in writing signed by both the Seller and the Company.

C. Determining Sellers for Listings. It is the policy of the Company that no Associate shall accept a listing nor sign a listing contract until the Associate has determined the owner or owners of the property to be listed. Furthermore, it is the policy of the Company that a listing contract shall not be executed by an Associate on behalf of the Company unless the listing contract is signed by all owners of the property

D. Working with Other Brokers – Cooperating Brokers. The Company strongly encourages its Associates to work with cooperating brokers in the purchase and sale of Company-listed Property. The Company will compensate all cooperating brokers who are Buyer's Associates or Transaction Brokers and who are duly licensed brokers in the State of Florida or any other state if applicable laws so provide. The exact portion, amount or percentage paid to a cooperating broker shall be that which is indicated in the Listing Contract, offered by the Company in the MLS or otherwise agreed upon by the parties.

BUYERS

A. General Policy. When assisting the general public in potential or actual real estate transactions, the Company has elected to authorize its Associates to act as Buyer's Associates when a Buyer desires to have such representation.

“Buyer's Associate” means that the Company and its Associates act solely on behalf of the Buyer. An Associate engaged as a Buyer's Associate must promote the interests of the Buyer with the utmost good faith, loyalty, and fidelity and must strictly adhere to and abide by the duties and obligations set forth in Florida Statute 475.278. In dealings with a Seller, a Buyer's Associate must treat the Seller honestly and must strictly adhere to and abide by the duties and obligations set forth in Florida Statute 475.278.

Associates can only act as a Buyer's Associate by entering into a written Buyer Agency Contract. This contract appoints the Associate as the Buyer's exclusive broker and provides that the Associate will use his/her best efforts to assist Buyer in the purchase of a Property. The Associate should always provide full disclosure to the Buyer that the Company is acting as Associate for the Buyer as well as for the Sellers of all properties listed by the Company.

The Buyer may elect to have the Company provide exclusive assistance in purchasing Real Property without agency obligation and responsibility. In that case, the Company will authorize its Associates to act as exclusive Transaction Brokers by entering into a Transaction Broker Buyer Contract.

B. Buyer Procedures. In order to properly represent a Buyer as a Buyer's Associate, the Associate must adhere to the following procedures:

1. As early as practical, Associate should fully explain the Company's Brokerage Policy and have Buyer sign a Buyer Agency Contract.
2. Oral buyer agency agreements are prohibited. Absent a signed Buyer Agency Contract, the Associate may assist Buyer as a Transaction Broker with or without executing a Transaction Broker Buyer Contract. However, if a Buyer does not sign a Buyer Agency Contract or Transaction Broker Buyer Contract, the Associate shall deliver the Company's Commission Disclosure-Buyer and the Brokerage Disclosure to Buyer forms to the Buyer and have the Buyer acknowledge its receipt.
3. Once Buyer has signed the Buyer Agency Contract, the Associate shall submit said documents to the office to be placed in the Company's property file and for final approval by the Employing Broker Designee.
4. A copy of the Buyer Agency Contract shall be given to the Buyer and the original shall be maintained in the Company's property file.
5. Each Buyer shall have a separate file maintained by the Associate responsible for the Buyer. Access to the Buyer file is restricted to the Buyer, that Associate, the Employing Broker Designee, and designated Company representatives. No one else shall have access to or view that file without the approval of the Employing Broker Designee.
6. Associates are encouraged to solicit Buyer Agency for any term that is at least thirty (30) days in length. Exclusive Buyer Agency Contracts may be extended if such extension is in both writing and signed by the Buyer and the Buyer Associate.

C. Sources of Compensation. The Company's policy provides that for any given transaction, the party responsible for payment of a commission (e.g., Buyer or Seller) shall be required to pay only one commission. In cases with cooperating brokers, a portion of the total commission will be paid to the Seller's broker and a portion of the total commission may be paid to the Buyer's broker or the Transaction Broker, depending on the particular circumstances of the transaction.

The commission shall be sought from the following sources, as provided in the Listing Contract, in the following order of priority:

1. Listing broker's office for payment of the cooperating broker commission. A portion of the total commission payable by Seller to the listing broker, through the MLS or by separate agreement between brokers; and/or, the
2. Seller pursuant to the terms specified in the Purchase Contract; and/or, any
3. Third party indicated by Buyer, such as a referral company, relative, employer; and/or, others; and/or, the
4. Buyer paid directly to the Company.

D. Sources of Real Property to be Presented to the Buyer. The following represents various sources of Real Property which should be presented to the Buyer:

1. All Real Property in the MLS system; and
2. All Real Property personally known to the Associate assisting the Buyer; and
3. All Real Property located by the Buyer.

TRANSACTION BROKER

A. General Policy. The Company allows Buyers to view and buy Real Property without entering into a Buyer Agency Contract.

“Transaction Broker” means that the Company and its Associates are not representing either Buyer or Seller in a fiduciary capacity as Associate, but rather are merely assisting both Buyer and Seller in the transaction. As a Transaction Broker, all Associates must strictly adhere to and abide by the obligations and responsibilities set forth in Florida Statute 475.278 (2) or any rules promulgated as a result thereof. Associates are strongly encouraged, but not required, to act as an Agent for a Seller or Buyer and not act as a Transaction Broker.

The Associate should always disclose the Transaction Broker relationship to both Buyer and Seller.

B. Procedures. In order to properly assist a Buyer as a Transaction Broker, the Associate must adhere to the following procedures:

1. As early as practical, Associates should provide Buyer with the Brokerage Disclosure to Buyer, and fully explain the Company’s Brokerage Policy.
2. The Associate shall request that the Buyer sign one copy of the Brokerage Disclosure to Buyer for the Company’s records. The Buyer’s signature shall not be required for the Company to provide assistance. The Associate shall always make a note of the date and time of delivery of the Brokerage Disclosure to the Buyer on a copy of the form and submit it to the office to be placed in the Company’s property file.

3. Each Buyer shall have a separate file maintained by the Associate responsible for the Buyer. Access to the Buyer file is restricted to that Associate, the Employing Broker Designee, and designated Company representatives. No one else shall have access to or view that file without the prior approval of the Employing Broker Designee.

C. Sources of Compensation. The Company's policy provides that for any given transaction, the party responsible for payment of a commission (e.g., Buyer or Seller) shall be required to pay only one commission. In cases with cooperating brokers, a portion of the total commission will be paid to the Seller's broker and a portion of the total commission will be paid to the Buyer's broker or the Transaction Broker.

D. Sources of Real Property to be Presented to the Buyer:

1. All Real Property indicated in the MLS system; and
2. All Real Property personally known to the Associate assisting the Buyer; and
3. All Real Property located by the Buyer in which the Seller has agreed to compensate the Company for services rendered as a Transaction Broker.

RELATED ISSUES.

A. Associate Listing His or Her Own Property. The Company may impose such conditions on the Associate to list the Associate's property for sale through the Company as the Employing Broker or Employing Broker Designee deems appropriate in each individual situation.

Associates are strongly encouraged to review the Policy on Personal Transactions set forth herein in detail and discuss its contents with their Employing Broker or Employing Broker Designee before deciding on whether or not to engage in any personal transactions.

B. E&O Insurance. In addition, a copy of the Florida Real Estate Licensee Professional Liability Insurance Policy may be reviewed at the central offices of the Company. Associates are strongly encouraged to review said Policy exclusions in detail and discuss its contents with their Employing Broker or Employing Broker Designee before deciding on whether or not to engage in any personal transactions, as there are coverage limitations for Associates selling properties in which the Associate, or spouse, has an ownership interest.

C. Additional Agency or Brokerage Duties. If an Associate agrees to perform more duties for a Seller than are set forth in the Exclusive Right to Sell Listing Contract form promulgated by the Commission or if an Associate agrees to perform more duties for a Buyer than are described in the Exclusive Right to Buy Contract form promulgated by the Commission then, in all such situations, the Associate shall be responsible for all damages, claims or other liability incurred by the Company as a result of the Associate taking on such additional duties.

D. Associate Measuring Property. It is the policy of the Company that Associates shall not, themselves, measure the square footage of Real Property or the improvements located thereon as part of their duties as a Seller Associate, Buyer Associate or Transaction Broker. It is the policy of the Company that all Associates shall inform all Buyers and Sellers that Buyers and Sellers must retain the services of their own professionals to measure the square footage of all Real Property or any improvements located thereon.

E. Referral Fees to Non-Licensed Persons or Entities. It is the policy of the Company that neither Associate, nor the Company, shall enter into any agreement to, nor pay any, referral fees to persons or entities who are not licensed as a real estate broker. This is to comply with the Real

Estate Settlement and Procedures Act (RESPA) and accompanying HUD Regulations/enforcement.

F. Family Members as Buyer or Seller. In all situations where a spouse or family member of an Associate is the Buyer or Seller, an Associate may not enter into a Buyer Agency Contract or a Listing Contract for the sale or purchase of such property unless the Associate has received the written permission of the Company. In any situation where an Associate is required to obtain such permission, such Associate may not act as a Transaction Broker. Any Associate who fails or refuses to comply with the requirements set forth herein shall be liable to the Company for any losses, costs or damages incurred by the Company arising from or out of any such transaction.

G. Referral Fees. In all situations where a referral fee is to be paid to an outside source (e.g., anyone who is not an Associate of the Company), the Associate must obtain the written approval of the Company prior to the date that any Contract is signed by the Associate. In the event that the referral fee is approved, the Company will pay out the referral fee before the Company's Commission split with the Associate. In the event that a referral fee is owed which was not approved by the Company, the referral fee, if paid, will be paid out of the Associate's share of the commission split with the Company.

BROKERAGE RELATIONSHIPS DISCLOSURE

A. GENERAL: Florida Statute 475.278 states, in part, that Real Estate Brokers shall adopt a written office policy which identifies the relationships in which such Broker may engage with any Seller, Landlord, Buyer or Tenant as part of any real estate brokerage activity. It further states that written disclosures and written agreements shall contain a statement to the Seller,

Landlord, Buyer or Tenant that different brokerage relationships are available which include Buyer Agency, Seller Agency or Transaction Broker. Should the Seller, Landlord, Buyer or Tenant request information or ask questions concerning a brokerage relationship not offered by the Company pursuant to the Company's written office policy, the Company shall provide to the party a written definition of that brokerage relationship which has been promulgated by the Florida Real Estate Commission. The Company has adopted a written Company Brokerage Relationships Policy in compliance with this law. (For the purposes of this Section, the term Seller shall also include Landlord, and the term Buyer shall also include Tenant).

B. DEFINITIONS OF REAL ESTATE BROKERAGE RELATIONSHIPS.

The Company, as a matter of standard practice, will make available to the Associates the various definitions of Real Estate Brokerage Relationships as promulgated by the Commission.

C. WRITTEN DISCLOSURE INCORPORATED IN CERTAIN CONTRACTS.

The Exclusive Right to Sell Listing Contract and Exclusive Right to Buy Contract adopted by the Commission incorporate the disclosure that Different Brokerage Relationships Are Available Which Include Buyer Agency, Seller Agency or Transaction Broker and other required disclosures. Whenever the Company deals with a party as a customer, Associate shall provide the Brokerage Disclosure (Seller) or (Buyer) form, as appropriate, to each customer.

D. DISCLOSURE TO BUYERS WITHOUT BUYER AGENCY.

When working with Buyers, absent a written agency agreement (Exclusive Right to Buy Contract), the Company and its Associates will act as a Transaction Broker. In so doing, it is

mandatory to provide the Buyer with the Brokerage Disclosure to Buyer form as approved by the Commission.

Associates, when representing or assisting a Buyer as either a Buyer Associate or Transaction Broker, where dealing with for sale by owner situations, should provide the Brokerage Relationships Disclosure (For Sale by Owner) to the Seller, as soon as possible where dealing with such potential Sellers. The use of these disclosures assists Associates in carrying out the Company policy of full disclosure of agency relationships.

V. LEGAL POLICIES AND PROCEDURES

This chapter is designed to provide important guidelines for routine real estate activities and to clarify certain legal aspects of each Associate's relationship with the Company, as well as all other persons affiliated or associated with the Company, either directly or indirectly. Associates and employees of the Company may, from time to time, have questions arise about legal matters involving their duties for or on behalf of the Company. Also, Associates or employees of the Company may, from time to time, receive notice from third parties that those third parties have, or intend to make, claims against the Company and its Associates or employees. All Associates of the Company should address questions about legal matters to their Employing Broker or Employing Broker Designee and should bring all claims made by third parties to the immediate attention of their Employing Broker or Employing Broker Designee.

Employees of the Company should address questions about legal matters to the Employing Broker or Employing Broker Designee of the office in which they are located, or if there is not an Employing Broker or Employing Broker Designee, then to the attention of their direct supervisor and should bring all notices or claims made by third parties to the immediate attention

of the Employing Broker or Employing Broker Designee of the office in which they are located, or if there is not an Employing Broker or Employing Broker Designee, then to the attention of their direct supervisor. If Associates or employees are unable, for whatever reason, to bring these matters to the attention of their Employing Broker or Employing Broker Designee or direct supervisor immediately, then the Associate or employee should notify the President of the Company.

OUTSIDE LEGAL COUNSEL.

The Company employs outside legal counsel to act as attorneys for the Company, and under certain circumstances which are determined by the Company in its sole discretion, to act on behalf of Associates and employees of the Company. No Associate or employee of the Company is empowered to contact legal counsel for the Company directly, unless authorized to do so by the Company. The Company will, where appropriate, assign outside legal counsel to handle matters on behalf of the Company.

ERRORS AND OMISSIONS INSURANCE.

The Company requires that all Associates and the Company be insured for errors and omissions by an insurance policy that complies with Florida law and the regulations of the Florida Real Estate Commission and the policies of the Company. Each Associate is assessed the premium for the errors and omissions policy paid to the insurer, as part of the Company's Agent Value Package ("AVP"). Legal counsel to represent the Associates and employees of the Company shall be selected by the Company. Under no circumstances may any Associate retain legal counsel to represent the Company, nor to represent the Associate, for a matter insured by the errors and omissions insurance policy referenced herein.

The errors and omissions insurance policy has exclusions to coverage. The Associate should contact the insurance company who issued their E&O coverage or review the policy provided to them for such exclusions.

VI. SEXUAL HARASSMENT POLICY

The Company's sexual discrimination/harassment policies, and accompanying reporting, investigation, and resolution processes, are designed to protect every person associated or affiliated with the Company, be that person the possible victim or suspected offender. It is critical that these policies be adhered to. They are intended to preserve each individual's rights under law.

Sexual Harassment Policy for Associates. The Company's policy is to provide and maintain a working environment free from all forms of harassment. Therefore, the Company prohibits and will not tolerate sexual harassment. The Company considers unwelcome sexual advances, unwelcome requests for sexual favors, and other like verbal or physical conduct of a sexual nature as sexual harassment when:

1. An Associate must submit to such conduct to become affiliated with the Company; or
2. A retention decision is made based on an Associate's submitting to or rejecting such conduct; or
3. Such conduct unreasonably interferes with an Associate's work performance; or
4. Such conduct creates an intimidating, hostile, or offensive work environment.

Sexual harassment may also include offering benefits in exchange for sexual favors; leering, stalking; repeated unwelcome flirting; displaying sexually suggestive pictures, cartoons,

literature, faxes, or objects; making sexually oriented comments or gestures; giving unwanted touches, hugs, or kisses; and taking reprisals against persons complaining about sexual harassment.

Associates who believe they or another Associate have been victims of sexual harassment should report the matter immediately to the Employing Broker. Associates with concerns about reporting the matter to the Employing Broker may instead report the matter directly to the Company's Human Resources office. If Associates remain concerned about making such a report either to their Employing Broker or Employing Broker Designee or the Company's Human Resources office, they instead may contact and make the report to the President of the Company. The Company has arranged for this third source to receive reports from the Company's Associates to remove concerns that a report will not be fairly investigated, that the matter will not be resolved without bias, or that there will be lingering bias toward the Associate.

Since the Company's goal is to prevent and forever stop any sexual harassment, all reports of sexual harassment will be investigated promptly and thoroughly, and all Associates involved will be treated courteously throughout the investigation. If the investigation shows that sexual harassment has occurred, offenders will be subject to internal disciplinary action, up to and including termination of the Independent Contractor Agreement.

The nature and content of the report will be kept as confidential as possible during and after the investigation. Every effort will be made to limit discussion about the investigation, and information will be conveyed only to those who have a need to know. Any person affiliated with the Company engaging in unauthorized disclosure or discussion of the report, or passing on

rumors or expressing opinions about the report, may be subject to disciplinary action, up to and including termination of the Independent Contractor Agreement of an Associate.

The Company will take no disciplinary action against Associates or otherwise change the terms and conditions of their association in retaliation for making a report of sexual harassment.

Associates may compromise their rights to pursue legal remedies if they fail to use the Company's internal reporting procedures.

Applicants and Employees. The Company's policy relating to employees is published elsewhere. Clients, Customers, and Support Personnel. The Company will not tolerate sexual harassment, as defined in the previous Sections, against any client, customer, or individual supporting the Company, such as a vendor, lender, or title representative.

Any person affiliated with the Company who suspects such sexual harassment should take immediate action as outlined in the previous Sections. The Company will respond in a like manner. If the investigation shows that sexual harassment has occurred, the offender will be subject to internal disciplinary action, up to and including termination of the Independent Contractor Agreement.

VII. FORM DOCUMENTS

The Company, in association with its legal counsel, has prepared various form documents for use by Associates and employees of the Company. This manual divides those documents into two categories.

FILE FORMS.

The Company has prepared various forms for use as checklists, file checklists and documents to be utilized by Associates and employees when compiling a file. Those documents are available to all Associates and staff.

CONTRACT CLAUSES AND ADDENDA.

The Company has prepared contract clauses which may be utilized by Associates in preparing contracts. These clauses are located in the Company supported software system. These clauses address numerous specific topics which may be encountered by Associates in drafting Listing Contracts, Buyer Agency Contracts, Contracts to Buy and Sell Real Estate and other documents. The Associates of the Company shall use the clause language relevant to a specific topic, rather than creating language on their own.

The Company has also prepared form Addenda to be attached to Listing Contracts, Buyer Agency Contracts and Contracts to Buy and Sell Real Estate. Copies of these form Addenda are available at each sales office of the Company. Associates shall use the Addenda where appropriate, rather than drafting Addenda of their own.

VIII. REVIEW OF CONTRACTS

It is prohibited by law for Associates to draft original contracts for clients and customers of the Company. However, Associates are authorized to complete the Florida Real Estate Commission approved forms or company-approved Addenda. The Addenda which have been approved for use by Associates of the Company are described in Section VII of this Manual.

If an Associate of the Company completes Florida Real Estate Commission approved forms or company-approved Addenda, these documents, once signed by the parties to the transaction,

must be presented to the Employing Broker of the Company or his designee for review as soon as possible. The Employing Broker of the Company may delegate to others the authority to review such documents. If a sales contract has been prepared by an attorney at law and signed by the parties, a copy of such document shall be provided by the Associate to the Employing Broker as soon as possible after having been signed by the parties.

IX. HANDLING OF EARNEST MONEY DEPOSITS.

Earnest money deposits constitute the “consideration” required for a contract to be valid.

It is inappropriate for Associates who are working with Buyers to dictate an acceptable earnest money deposit. Associates should, however, advise Buyers as to the importance of the earnest money deposits. Associates should also carefully explain to each Buyer what actions on the part of the Buyer might put the earnest money deposit in jeopardy.

Earnest money deposits can take several forms, but the most prevalent are personal checks or Promissory Notes. An earnest money deposit in the form of a Promissory Note must be acceptable to the Seller. Promissory Notes are often foreign to Sellers, and Associates may have to explain why this form of earnest money deposit is being used. Acceptance by the Seller can generally be facilitated if the terms of the Promissory Note call for it “to be redeemed for U.S. monies within [a few] days following acceptance of offer.” All Promissory Notes are negotiable instruments; therefore, each copy of the Promissory Note, except the original, should be clearly marked with the word “Copy.”

All forms of earnest money deposits will be payable to the title company, unless the listing Broker has stipulated another payee; however, under no circumstances does the Company ever itself accept earnest money into its own accounts. The Company will not accept or process cash

under any circumstances. Associates should always have the Buyer convert cash to good funds prior to submitting an offer.

When an offer is accepted by a Seller, the listing Associates will submit the “Under Contract” package, including the earnest money deposit, to the Office Administrator at the earliest possible opportunity. The Company’s policy, which is strictly enforced, is that all earnest monies must be delivered to the payee no later than the first business day after the receipt of notice of acceptance.

Should an earnest money personal check fail to clear the source of funds, there is no longer consideration and, at the option of the Seller, the transaction may be immediately terminated or the Buyer may be given the opportunity to make good on the earnest money deposit. The listing Associate will prepare an Amend/Extend to document the Seller’s choice.

If a Buyer fails to abide by the terms of a Promissory Note, up to and until the date and time of closing, “consideration” still exists. However, the Buyer becomes subject to any interest and/or penalties specified in the Promissory Note. The Promissory Note must be fulfilled by the Buyer at closing for the transaction to close.

In the event of any problem with the fulfillment of the “Earnest Money” provisions of the purchase contract, the participating Associate(s) will:

- A. Notify the Employing Broker Designee and the cooperating agent.
- B. Take actions to insure that the provisions of the previous two paragraphs are satisfied.
- C. Continue to use diligence in efforts to collect the delinquent monies, if in fact the contract remains in force.

D. Keep the Employing Broker Designee and any cooperating agent informed regarding the status of the delinquent monies.

X. BUSINESS OPPORTUNITIES

The Company does not permit any Associate of the Company to act as a real estate broker in a transaction in which no real estate is being sold or leased. In the case of the sale of a business opportunity, no Associate may act as a real estate broker in a transaction in which only a business opportunity and not an interest in real property is being sold or leased.

In any transaction in which the sale or purchase of a business opportunity is involved, the Associate shall not participate as a real estate broker in such transaction without the written approval of the Employing Broker of the Company. The Associate must bring to the attention of the Employing Broker of the Company any transactions in which the Associate plans to become involved which may involve, in any way, the purchase or sale of a business opportunity.

XI. CLOSINGS

If an Associate with whom a brokerage relationship has been established is unable to attend the closing or review closing documents for the property associated with that relationship, then he or she is responsible for identifying another Associate of the Company to complete these requirements. The substitute Associate assumes joint responsibility with the primary Associate for the accuracy, completeness, and delivery of appropriate documents. An Associate, with the written permission of the Employing Broker, may receive commission payments due to the Associate from the Company directly from the closing agent. Such written permission may be granted, denied or revoked in the sole discretion of the Company.

XII. NONQUALIFYING ASSUMPTIONS AND OWNER FINANCING

Associates of the Company shall not participate in transactions where there are non-qualifying assumptions by a Buyer or where there is owner financing offered by a Seller, unless such transactions have been reviewed and approved in writing by the Employing Broker or his designee.

XIII. GUARANTEED BUY-OUTS

The Company does not have a Guaranteed Buy-Out Program available. Thus, no Associate of the Company shall participate in any Guaranteed Buy-Out Program without the written permission of the Employing Broker of the Company.

XIV. MONITORING OF LICENSE RENEWALS AND TRANSFERS

To effectuate a renewal or transfer of his or her license, an Associate must follow all requirements of the Company and the Florida Real Estate Commission. It is the responsibility of the Associate to assure that his/her license is in full force and effect at all times. Should an Associate allow their license to lapse into inactive status, they may be disassociated from the Company at the option of the Company.

XV. PROPERTY MANAGEMENT

The Company does not allow its Associates to manage properties or to enter into any type of property management agreement involving the Company. However, an Associate may manage properties in which Associate is the sole, 100% owner, but not as an Associate of the Company and not where the Company or any of its form documents or the name of the Company are used.

XVI. PROPERTY LISTING PROCEDURES, INCLUDING RELEASE OF

LISTINGS

TYPE OF CONTRACTS. The Company will only enter into listings that are either Agency or Transaction Broker.

CANCELLATIONS. No listing can be withdrawn or canceled without the consent of the Employing Broker Designee, unless the listing contract stipulates certain cancellation terms. If there are no such terms and a Seller who has listed property for sale desires to cancel the listing, the Employing Broker Designee may agree to do so if the circumstances justify the action.

If any brokerage fee is paid by the listing party for such cancellation, then the listing Associate will receive a commission according to their current commission schedule.

If a listing with no cancellation terms is withdrawn or canceled at no charge to the listing party, the Associate will have the Seller sign an Amend/Extend stipulating that the property will not be listed with another Company until the expiration of the original listing period.

COMMISSION RATES. Associates may determine an appropriate commission rate for each listing, to include the co-op fee, but not less than the minimum commission on the list side set by the Company.

MULTIPLE LISTING SERVICE (MLS). Associates will provide the office all Company required documents, all documents required by the Florida Real Estate Commission and the appropriate MLS listing documents. It is essential that all forms be filled out completely (entries in all required/applicable spaces provided) and accurately. Any fines imposed by the MLS for incomplete or inaccurate data will be charged to the listing Associate.

All complete listing packages must be turned in to the office according to the policies of the Company such that the property goes on the MLS system that day. The listing Associate should carefully and expeditiously review the MLS printout after it is published and immediately contact the office with any corrections or modifications.

Changes in price, terms, or other information of a listing will be reported to the person designated by the office on the proper form by the listing Associate. Costs incurred due to the Associate's negligence will be charged to the Associate by the Company. No changes are to be requested by Associates without written evidence that the Seller has approved such changes.

LISTING FILES. Under no circumstances are listing files to be removed from the possession of the Company. Should information be removed and not returned, the office record would be rendered incomplete. It is essential that any desired information be duplicated so that complete listing files remain in the possession of the Company.

LOCK BOXES. Lock boxes are required on residential listings, if so authorized by the Seller. Associates are responsible to acquire and maintain their own lock boxes.

SIGNS. No signs are to be placed on any property until the listing contract, required documents and any other documents which must be signed by the Seller are in fact signed. Additionally, no signs shall be placed on any property until a description of the property is provided by an Associate to the Company at the appropriate Sales Office. At a minimum, this description will include the name of the listing Associate, the property address, the price, a basic summary of the property's features (number of bedrooms and baths, square footage, etc.), and the projected date that it will be listed in the MLS. Associates are encouraged to have new listings on the MLS and listed with the front desk within 24 hours of the execution of the listing.

It is the responsibility of the Associate to comply with all sign requirements contained herein and all requirements of the Florida Real Estate Commission, federal law, state law, local law, and recorded covenants regarding signs.

ADVERTISING. All media advertising must, at an absolute minimum, contain the Company name. Display advertising must include the Fair Housing logo. The Associate submitting the advertising is strongly encouraged to include his or her name and is responsible for complying with all federal, state and local laws governing such advertising, including, but not limited to the requirements of Regulation Z.

REASSIGNMENTS. Employing Broker or Employing Broker Designee reserves the right to reassign a listing to another Associate of the Company, if deemed necessary, due to the originating Associate's improper management of the listing.

REASSIGNMENT UPON TERMINATION. All listings are taken in the name of the Company and remain the property of the Company. Any unsold listing of an Associate who is terminating his or her association with the Company will be assigned to another Associate at the discretion of the Employing Broker Designee.

RESPONSIBILITIES OF LISTING ASSOCIATES. Associates taking listings will be responsible for:

- A. Getting all required signatures on all documents required by the Company, and submitting all necessary documents to the person designated by the office.
- B. Having the Seller complete and sign a Sellers Property Disclosure on the form promulgated by the Florida Real Estate Commission. A Sellers Property Disclosure is recommended for

every listing, except for properties for which the Disclosure cannot be reliably completed (such as bank-owned properties). The completed Disclosure should be displayed at the property for Buyers to access. Associate shall provide no advice to any Seller as to any information to be placed by the Seller on the Sellers Property Disclosure form, except the Associate shall instruct a Seller to disclose all adverse material facts actually known by Associate or Seller.

C. Having the Seller of residential properties where building permit was issued prior to 1978 complete and sign a Lead-Based Paint Disclosure (Sales), and displaying the disclosure at the property for Buyers to access.

D. Scheduling the new listing for Tour, Open Houses, and other appropriate marketing resources.

E. Installing a lock box, sign, and brochure box, when appropriate and allowed.

F. Maintaining regular contact with the Seller.

G. Presenting all purchase contracts promptly. Florida Real Estate Commission rules will always apply.

H. The next business day after mutual execution of a contract, the Associate shall turn in the Contract, as well as any earnest money check payable to a title company and any other original documents executed relating to the transaction described in the Contract to the office.

SHARING FEES. When two Associates secure a listing together, they will enter both of their names on the Listing Agreement and will share in the commission. If they propose to share the commission in other than a 50:50 ratio, they will prepare and sign a separate written agreement between themselves clearly establishing the split ratio.

SUBMITTING LISTINGS. The Company requires that every listing be submitted to the appropriate service within the prescribed time limit. The only exceptions are those cases in which the Seller directs in writing that the listing will not be entered in the MLS, or that such submission will be delayed. The Associate should emphasize to the Seller that the MLS is decidedly the strongest source of Buyers, making the Seller fully aware of how marketing will be compromised if the MLS is not used optimally.

If the Seller desires to delay the entry into the MLS (for example, to complete work to make the property show better), the Associate will aggressively pursue getting the contract signed with the written provision that marketing will not begin until the Seller notifies the Listing Associate or until a specified date.

ASSUMPTION OF SELLER'S LOAN. If the Seller is contemplating allowing the Buyer to assume the Seller's existing loan, the listing Associate should advise the Seller to review his or her loan documents very carefully to assure that the Seller's liability for the loan debt will be removed in the course of the assumption. The Associate should advise the Seller to seek legal counsel, if necessary, and should clearly document the Associate's cautions to the Seller.

XVII. RESIDENTIAL TRANSACTIONS

If an Associate shall act as a real estate broker in a residential real estate transaction, the Associate shall do all of the following:

A. Unless the Associate has closed at least ten residential real estate transactions while licensed as a real estate broker in Florida, the Associate shall be supervised throughout the residential real estate transaction by the Employing Broker of the Company, or his designee.

B. The Associate shall familiarize himself/herself with the terms and conditions of all laws and regulations governing residential real estate, including, but not limited to RESPA, Fair Housing laws, rules and regulations of the Florida Real Estate Commission relative to residential real estate, and the policies and procedures of the Company regarding same.

C. The Associate be a member of a local board of REALTORS™ and shall pay such fees and take such other actions as are necessary to be a member of the local board and to participate in the multiple listing service of that local board.

D. The Associate shall use forms promulgated by the Florida Real Estate Commission for use in residential real estate transactions only and the Associate shall prepare no documents for a residential real estate transaction that have not been promulgated by the Florida Real Estate Commission or prepared by legal counsel for the Company.

FAIR HOUSING

During the conduct of business, no Associate shall make any statement (either directly or otherwise) or perform any act which could have the effect of:

A. Implying that the presence or anticipated presence in a neighborhood of any persons will or may have results such as:

- Lowering of property values
- Changing the composition of the block or neighborhood
- Making the area less safe
- Contributing to a decline in the quality of the schools

B. Implying that any persons will be less able to obtain financing on a property.

C. Implying that the Company adheres to stereotypes that might result in different treatment in dealing with any persons in the sale or purchase of property including:

- Telling racial/ethnic jokes
- Making derogatory remarks to anyone or about anyone

Fair housing laws should be discussed with a Seller at the time of listing. The Seller's unequivocal commitment to abide by the law should be obtained. Any Seller who refuses to abide by the law and whose listing was therefore refused by the salesperson, or any Seller who makes a home unavailable for showing to any individual should be reported immediately to the Associate's Employing Broker or Employing Broker Designee. Discriminatory acts or statements on the part of any Seller in rejecting or countering an offer should be reported immediately to the Employing Broker. Proper guidance in what to relay back to the Buyer should be obtained prior to delivery of the rejection or counter-offer from the Employing Broker.

All Associates shall provide equal service and equally cooperative showings without regard to a Buyer's/Seller's race, color, religion, sex, handicap, familial status, national origin, ancestry, creed, sexual orientation, disability or marital status.

All Associates shall offer to show all properties available in a market area within a Buyer's price range and objective criteria. Any harassment of Associates, employees, Buyers or Sellers by anyone in carrying out obligations under the law should be reported immediately to the Employing Broker.

**ACTS OF DISCRIMINATION ARE GROUNDS FOR TERMINATION OF THE
INDEPENDENT CONTRACTOR AGREEMENT**

The Fair Housing Officer for the Company is the Employing Broker, who deals with fair housing issues and concerns. Cooperation with the Fair Housing Officer is required during investigations of alleged discrimination or in review of equal service records. All information reported to an Employing Broker Designee, as described above, shall be immediately reported by the Employing Broker Designee to the Fair Housing Officer. The Fair Housing Officer shall:

A. Be certain that all Employing Broker Designees and Associates and employees know the name and phone number of the person in the Company responsible for implementing fair housing policies.

B. Keep informed on current changes in the law that affect Company policy.

C. Provide fair housing materials as needed.

D. Investigate possible instances of discrimination.

E. Review record-keeping/reporting throughout the Company on a spot-check basis, as needed.

F. Maintain written records on action taken to deal with questionable acts and/or statements.

ASSOCIATES WORKING WITH CLIENTS.

While making any listing presentation or listing any property, the following procedures shall be followed:

A. Fair housing law shall be discussed with a Seller at the time of listing with unequivocal commitment to abide by the law. The Company will refuse any listing where the Seller is not willing to follow the fair housing laws.

B. Any Seller who refuses to abide by the law and whose listing was therefore refused by the Associate must be reported immediately to the Employing Broker.

C. Any Seller who makes a home unavailable for showing in violation of the law shall be reported to the Employing Broker.

D. Any apparent or suspected discriminatory act or statement on the part of a Seller in rejecting or countering an offer must be reported immediately. Proper guidance in what to relay back to the Buyer must be obtained prior to delivery of the rejection or counteroffer by checking with the Employing Broker.

E. Associates working with Buyers shall qualify prospects in a uniform, consistent way. Consistent interviewing and qualifying techniques must be used with all Buyers and adequate records must be maintained by Associates to demonstrate that all Buyers are given equal treatment.

F. Affirmative marketing means providing a housing choice free of practices and influences that would limit the freedom of that choice. Simply put, this means that individuals with similar financial resources and interests in the same market area must have a like range of property choices available to them regardless of their race, color, religion, sex, national origin, handicap (physical and mental), familial status, creed, ancestry, sexual orientation, disability and marital status.

TRAINING.

All Associates are required to attend fair housing training. It is the responsibility of the Associate to meet this requirement.

XVIII. TRAINING/DISSEMINATION OF INFORMATION MEETINGS

GENERAL. The Company has a long-standing commitment to education and training and has dedicated extensive resources to this purpose. The range of education and training services and opportunities extends from formal classes to individualized mentoring and/or coaching. No Company in the marketplace puts more value and emphasis on these vital functions.

Beyond those education and training opportunities offered by the Company, all Associates are strongly encouraged to pursue continuing education, advanced designations, such as CCIM, to improve their knowledge, awareness, and ability to serve clients and customers knowledgeably and professionally. Management believes that knowledge is exceeded only by integrity as an attribute for an Associate.

Each Employing Broker Designee conducts regular meetings for that branch office. These meetings are also valuable opportunities for Associates to receive training and better understand the policies and procedures of the Company. It is the responsibility of each Associate who does not attend a sales meeting to contact the Employing Broker Designee so that such Associate is acquainted with the information presented at the sales meeting.

NEW AGENT ORIENTATION. Each new Associate who affiliates with the Company will attend an office orientation to be introduced to the facilities, equipment operations, local policies and procedures, and ideas as to how to manage the transition to the real estate profession. Each Employing Broker Designee will develop his or her own plans and schedule for this orientation.