

AVE MARIA REAL ESTATE POLICY AND PROCEDURES MANUAL

Dear Sales Agents,

Thank you for joining Ave Maria Real Estate. As an Independent Contractor, you are required to comply with Florida Real Estate Law and Florida Association of Realtor Ethics. The Policies and Procedures Manual is a handbook designed to help you perform your functions more effectively in an organization.

For the purpose of this manual, Agent, Associate, Broker Associate, Sales Associate, Sales Agent, Independent Contractor and Salesperson all refer to Salesperson.

I. INDEPENDENT CONTRACTOR

Ave Maria Real Estate does not withhold Federal, State, or Local taxes from the commission checks. All Associates are responsible for paying their own taxes.

Ave Maria Real Estate does not set work hours for Independent Contractors. Ave Maria Real Estate also does not set vacation times or number of days that Independent Contractors can take leave. The Associate is responsible to ensure in the event that he or she takes a vacation or has leave that their duties are followed up by a "substitute" Salesperson, customers are referred, and mail and phone messages forwarded.

II. MONTHLY DUES

Independent Contractors are required to pay monthly dues as follows:

\$150.00 per month plus \$17.50 for Naples Area Board of Realtor dues. The total monthly payment is \$167.50 unless a discount applies (see below).

Monthly Invoices are sent by email to each Salesperson. Payment is due on the 1st of each month. If payment is not made by the 15th of a given month then a \$5 per day late charge is added. If payment is not made by the last day of a given month then Salesperson may be removed from company registration and may not perform real estate services unless reinstated.

Discounts to monthly dues are as follows:

-\$25.00 per month for a Salesperson who has been actively licensed in Florida for 1 ½ years and has successfully transacted at least 10 sales.

-\$25.00 per month for a Salesperson who has been actively licensed in Florida for 1 ½ years, has successfully transacted at least 10 sales and agrees to be assigned to and act as a mentor for one or two other Salespersons. The Broker initiates and authorizes the mentor relationships and can cancel them at any time for any reason. Two Salespersons is the maximum Broker will assign to a mentoring Salesperson.

-\$25.00 per month for 6 months for a Salesperson who initiates a new Salesperson. The 6 month discount period begins from date that new agent signs Independent Broker's Contract with Broker. This

discount is void and amount discounted must be returned if new agent does not remain with company for more than 1 ½ months.

III. TRANSACTION FEES

Independent Contractors are required to pay transaction fees as follows: \$100.00 per side of transaction when total commission is above \$2000.00 for any type of transaction; \$50.00 per side of transaction if total commission is \$2000.00 or less for any type of transaction.

IV. HOURS OF OPERATION

The hours of operation are Monday through Saturday 8:30 am- 6:00 pm. You may call the Broker after hours when there is a matter requiring urgency.

V. AGENT RESPONSIBILITIES CONCERNING CONTRACTS AND LISTINGS

The Associate is responsible for preparing an accurate contracts and listing agreements.

A Sales Associate may not enter a listing into active status on the MLS or advertise a property unless the listing contract is completed and signed by all parties (Seller, Salesperson, and Broker).

Salesperson's failure to follow the above rules may result in a \$15 per day penalty. If Salesperson fails to comply with these rules within 15 days then their contract may be terminated.

VI. AGENT RESPONSIBILITIES REGARDING ESCROW DEPOSITS

Salesperson must abide by the new rule regarding escrow deposits, 61J2-14.008, effective March, 2008. When Salesperson makes up a sales contract to purchase for a client he or she must make written request to the escrow agent within 3 business days for verification of receipt of the deposit and ensure that within 10 business days the Seller's agent receives a copy of the receipt. A copy of this receipt must also be given to the Broker and placed in the file within the same timeframe. Salesperson's failure to follow the above timeframe may result in a \$15 per day penalty. If Salesperson fails to comply with this rule within 15 days then their contract may be terminated.

VII. COOPERATING BROKERS AND REFERRALS

It is the policy of Ave Maria Real Estate to cooperate with and compensate transaction brokers, single agents and no brokerage relationship.

Associates are NEVER permitted to pay another agent or a referral agent directly, any deviation from this procedure is a violation of Florida Real Estate Licensing Law.

When you establish a referral, either outgoing or incoming, be sure to clarify the referral commission in writing. Also follow up with the sources of the referral. All referral checks must be issued by the company to the company of the source, for example Ave Maria Real Estate to ABC Realty.

Sales Agents and Broker may offer referrals in office amongst one another for a fee or commission percentage split. When doing so it is required that such exchanged be accompanied by a referral agreement in writing. Commonly a referral commission split will be 15% for referrals that have not yet come under contract and 50% for referrals under contract and pending closing or occupancy. If a Salesperson leaves the company for any reason while having files pending closing or occupancy, then it will be the Salesperson's choice to refer the files unless due to possible liability the Broker must complete or transfer the files to another Salesperson.

VIII. DOCUMENTS AND FORMS REQUIRED TO COMPLETE A FILE

Forms and documents required to complete transaction files are as follows:

1. Client File Information Sheet
2. Agency relationship disclosure: Transaction Broker, Single agent, or no broker disclosure as required by DBPR regulation. (disclosure not necessary if commercial or rental lease)
3. Sales Contract, Listing Contract or Lease (whichever is applicable to the type of service performed)
4. Any addenda to the Sales, Listing or Lease contract.
5. Copy of Escrow Deposit receipt from escrow agent in accordance with 61J2-14.008 (if a purchase).

But remember any and all paperwork pertaining to a listing or sale should always be in the file.

These forms must be filled out properly and all paperwork turned in before payment will be made.

Salesperson's failure to comply with the Agency relationship disclosure regulation before showing property and before writing a contract, or Salesperson's failure to produce any of the above required documents in the file within the proper legal timeframe may result in a \$15 per day penalty. If Salesperson fails to comply with this rule within 15 days their contract may be terminated.

If the Broker has sufficient reason to believe that the company is at risk of liability due to a Salesperson's negligence and is thus forced to complete any file in order to comply with applicable law then no commission will be paid to the Salesperson for the specific transaction or transactions in question and the Salesperson's contract may be terminated.

IX. LICENSE RENEWALS

Each year when it is time to renew sales licenses, each Associate is responsible for seeing that the license renewal fee is paid on time and that he or she has completed the education requirements. The office must always have a current copy of the Associate's Real Estate License and Continuing Education Certifications. Failure to comply with these rules may result in automatic termination of membership due to license law requirements. If membership is terminated due to non-compliance with license law requirements, Salesperson's membership can be re-instated upon re-compliance.

X. ANNUAL NABOR FEES

All Agents receive a bill from the Board of Realtors for Annual Dues. Board fees are a personal expense. It is the Agent's responsibility to pay this bill on time. When an Agent is behind on payment the Broker of record is notified by the Board. If the Associate does not bring the account current by the Board's deadline, the Broker is forced to return the Agent's license to the Florida Real Estate Commission. If membership is terminated due to non-compliance with Nabor fee requirements, Salesperson's membership can be re-instated upon re-compliance.

XI. ADVERTISING AND ADVERTISING AND LISTING EXPENSES

Advertising is the responsibility and personal expense of the individual salesperson.

Any advertising must be approved by the broker before publication.

The firm's logo must have the proper trademark specifications and color. The Broker provides templates for Real Estate Business cards, signs, fax letterheads, letterheads, logos, etc. for use.

Salesperson is responsible to see that signs are placed properly on the property, are of the correct size and are not in violation of any city/county ordinances. In some of the suburban areas, the police will pick up the signs and Salesperson will have to pay a fine to retrieve the sign. It is the Salesperson's responsibility to pay any and all fines incurred.

It is also the responsibility of the Salesperson to purchase his or her own Supra Keys and Key boxes, these can be obtained at the Naples Board of Realtors bookstore.

The Salesperson must comply strictly with national and state Do-Not-Call registry laws. If Salesperson has plans to include calls to potential clients as part of their marketing strategy, such strategy must be approved by the Broker before making any calls. Salesperson should also take caution in approaching residences of potential clients.

Salesperson's failure to comply with the above advertising rules may result in a \$15 per day penalty. If Salesperson fails to comply with these rules within 15 days their contract may be terminated. If the Broker has sufficient reason to believe that the company is at risk of liability due to a Salesperson's failure to comply with the above advertising rules or due to an advertisement that violates any law, code or rule then the Salesperson's contract may be terminated without notice.

If any advertisement that a Salesperson produces or action marketing real estate services results in a lawsuit or complaint against Ave Maria Real Estate or a fellow member of Ave Maria Real Estate and such non-compliance results in any legal fees paid for an attorney to defend Ave Maria Real Estate or demanded by the plaintiff for attorney fees or court costs, or damages result, then such fees, costs or damages must be paid by the Salesperson.

XII. BROKER'S DISCRETION AND ABILITY TO WITHOLD COMMISSIONS TO PAY PENALTIES, FEES AND MONETARY LIABILITY DUE TO SALESPERSON'S NON-COMPLIANCE ONLY WHEN SUCH FEES OR LIABILITY EXISTS

Broker has discretion to retract or hold due and payable any fee, penalty or expense due to Salesperson's non-compliance under this contract or any actions that result in legal fees or damages requiring payment by Ave Maria Real Estate or a member of Ave Maria Real Estate on a case by case basis.

Broker may use Salesperson's commissions to pay any outstanding membership fees, transaction fees, penalty fees or expense due to Salesperson's non-compliance under this contract or any actions by Salesperson that result in attorney fees, court costs or damages requiring payment by Ave Maria Real Estate or a member of Ave Maria Real Estate. If a complaint or lawsuit is pending due to a Salesperson's actions then Salesperson's commissions may be held by the Broker until such complaint or lawsuit is settled.

If no outstanding membership fees, transaction fees, penalty fees or expense due to Salesperson's non-compliance under this contract nor any actions by Salesperson resulting in outstanding attorney fees or damages requiring payment by Ave Maria Real Estate or a member of Ave Maria Real Estate nor pending complaint or lawsuit exist then Broker must pay Salesperson any commission that is due to Salesperson upon receipt and clearance by applicable financial institution.

XIII. CHANGES TO POLICY AND PROCEDURES MANUAL

This Policy and procedures Manual is subject to change when conditions and procedures require such change. This manual will be published on the company web site and any changes that occur will be in force one month after they are published. It is the agents' responsibility to review the published Policy and Procedures Manual on a regular basis to keep informed of any changes.

If a proposed change to membership dues and/or transaction fees occurs, then along with being published each Salesperson will also be notified by email one month in advance of the change's effective date.

Ave Maria Real Estate

3835 41st Ave. NE Naples, Florida 34120

239-353-2173 phone/fax

239-451-0434 Broker cell

www.AveMariaBlvd.com