



## **POLICIES AND PROCEDURES FOR COOPERATING BROKERS**

LAKE NONA REALTY, LLC ("Listing Broker") is the exclusive sales agent for lots offered for sale by the developer of Lake Nona Estates I, LLC ("Developer") and also serves as a listing agent for lots and residences located within the Lake Nona Subdivision. The Listing Broker recognizes the importance of services provided by a cooperating broker ("Cooperating Broker") and is committed to fully cooperate with all properly licensed real estate brokers in the marketing and sales of lots and residences listed for sale or lease by the Listing Broker from time to time. In order to clarify the situations when the Listing Broker will pay a commission to Cooperating Broker, the Listing Broker has adopted the following policies and procedures which shall apply to all listings of the Listing Broker:

1. **REGISTRATION.** All Cooperating Brokers must register each prospective purchaser of any lot or residence listed for sale or lease with the Listing Broker on a prospect registration form provided by the Listing Broker or through online registration at [www.LakeNona.com](http://www.LakeNona.com). To be effective, the registration (either the prospect registration form or online registration) must be fully completed and contain the information required by the Listing Broker, including the name, address and telephone number of the Cooperating Broker, and the name, address and telephone number of the prospective purchaser. The prospect registration form shall be executed and dated by the prospective purchaser and the Cooperating Broker, or his/her authorized representative. If the registration is completed online, such registration shall not be valid until written or e-mail confirmation is received from the prospective purchaser confirming the Cooperating Broker is the prospective purchaser's agent. Verbal or telephone registrations will not be valid. Until a properly completed registration form or written or e-mail confirmation from the prospective purchaser of an online registration, as applicable, is received by the Listing Broker, any information provided by an outside broker regarding a prospective purchaser shall be subject to the terms and conditions of Paragraph 5 below. Any Cooperating Broker may request confirmation of such registration during the protection period, as set forth in Paragraph 2 below, at any time by delivering a request to the Listing Broker on the Cooperating Broker's company letterhead.
2. **REGISTRATION PROTECTION.** A registration will be valid for a period of six months following the dated registration. No commission shall be paid to a Cooperating Broker unless the prospective purchaser is then currently registered by the Cooperating Broker with the Listing Broker. If prior to the expiration of the registration period, the Cooperating Broker determines in his or her professional judgment that a prospective purchaser continues to be interested in a lot or residence listed by the Listing Broker, then the Cooperating Broker may re-register the prospective purchaser by completing and executing a new prospect registration form no earlier than fifteen (15) days prior to the termination of the registration period. If a prospective purchaser purchases or leases a lot or residence after the expiration of a registration, then no commission shall be paid to the Cooperating Broker. In the event a prospective purchaser is subsequently registered by a different Cooperating Broker after the expiration of the initial registration, then only the most recent registration will be honored. The Listing Broker will have no obligation to notify a Cooperating Broker of a subsequent registration. It is the responsibility of the Cooperating Broker to be fully aware of the prospective purchaser's actions, needs and desires with respect to any contemplated offer or purchase.
3. **COMMISSION.**

A. Upon the consummation of a sale or lease and subject to the terms and provisions contained herein, a real estate brokerage commission shall be paid to the Cooperating Broker within seven (7) days of closing. The commission check shall be made payable to the Cooperating Broker and shall be either disbursed by the closing agent or by the Listing Broker within the period provided herein. The real estate brokerage commission shall be calculated as an amount equal to three percent (3%) of the purchase price paid for property listed and sold by Listing Broker; provided, however, that in the event the Listing Broker agrees to receive less than the standard real estate brokerage commission in connection with a listed property, then the real estate brokerage commission due to the Cooperating Broker shall be reduced proportionately. The purchaser of a lot sold by the Developer (or such person's approved builder) may also be obligated to pay an Improvement Commission based on the single-family residential dwelling unit constructed on such Lot. The Improvement Commission is calculated by multiplying a base rate established by the Developer by the total square feet or interior living space, excluding garages and patios. In addition to the real estate brokerage commission calculated above, the Cooperating Broker shall be entitled to a three percent (3%) Improvement Commission paid by the prospective purchaser (or such person's approved builder) in connection with the purchase of an unimproved lot. In the event Listing Broker receives a reduced Improvement Commission (i.e., an Improvement Commission less than the Improvement Commission customarily received by Listing Broker), the percentage to which the Cooperating Broker shall be entitled will be proportionately reduced pursuant to the formula set forth above. (The Improvement Commission shall be paid either (i) on the date of closing of a construction loan obtained by a prospective purchaser to provide funds to construct a residence on a lot, or (ii) if no construction loan is obtained, within ten (10) days of execution of a construction contract between a Lake Nona approved builder and the prospective purchaser or owner of a lot for the purpose of constructing a residence.) The Cooperating Broker shall inquire with the Listing Broker as to the terms and amount of the real estate brokerage commission and Improvement Commission applicable to each lot or residence listed with the Listing Broker.

B. Notwithstanding anything to the contrary hereinabove set forth in these Policies and Procedures, the aforesaid real estate brokerage commission shall be due and payable by the Listing Broker to a Cooperating Broker only as, if and when the sale and purchase or lease transaction is actually closed and consummated and the purchase price is fully paid by the prospective purchaser to the seller at the time of closing. Accordingly, no real estate brokerage commission shall be deemed to be earned or be due and payable by the Listing Broker to a Cooperating Broker if the sale and purchase transaction is not actually closed and consummated for any reason whatsoever, including, without limitation, a default by a prospective purchaser, a default by the seller or a mutual termination of the contract for sale and purchase by both prospective purchaser and seller. Further, no portion of the real estate brokerage commission shall be deemed to be earned or to be due and payable to the Cooperating Broker unless and until the full amount of the real estate brokerage commission, including the Improvement Commission, if any, is due and payable and paid by the seller to the Listing Broker upon the closing and consummation of the purchase and sale transaction.

4. ACTS OF COOPERATING BROKER. In addition to registering a prospective purchaser with the Listing Broker, a Cooperating Broker must provide substantive services or activities in order to obtain a commission, including but not limited to the following:

A. Accompany the prospective purchaser while viewing the lots and/or residences listed by the Listing Broker.

B. Prepare, negotiate and/or review the terms and provisions of written offer to purchase and contract for sale and purchase. Only written offers or contracts for sale and purchase executed by the prospective purchaser shall be presented to the seller; no verbal offers will be accepted or presented. All written offers or contracts for sale and purchase for any lot by the Developer of Lake Nona shall be on a form provided by the Developer or its counsel. All written offers or contracts for sale and purchase on any residence or any lot not owned by the Developer of Lake Nona ("Resale Property") listed for sale by the Listing Broker shall be on the most current form of Contract for Sale and Purchase approved by the Florida Association of Realtors and the Florida Bar Association ("FAR/BAR" Contract). All offers or contracts for sale and purchase for Resale Property, shall have attached, all standard Lake Nona addenda required by Listing Broker and shall be accompanied by the earnest money deposit, which shall be held in accordance with the terms of Section 7 below. Additional addenda may be attached to offers or contracts for sale and purchase for Resale Property, at the request of either the Listing Broker or Cooperating Broker, provided the terms of any such addendum do not materially modify or alter the terms of the standard Lake Nona addenda, unless the terms of any such modification or alteration make specific reference to the standard provision of the standard Lake Nona addenda and delineate the changes made thereto.

C. Coordinate and assist in scheduling inspections, surveys, loan applications, association applications and all other matters related to the closing of the transaction.

5. REFERRAL FEE. An outside broker may provide the Listing Broker with information regarding a prospective purchaser and direct such prospective purchaser to contact the Listing Broker to view lots or residences at Lake Nona. In such instance, the outside broker will not have provided the substantive services or activities as provided in Paragraph 4 above or otherwise be considered the procuring cause of the sale of the lot or residence to such prospective purchaser but may, in the Listing Broker's sole discretion, be paid a referral fee computed as a percentage of the real estate commission paid on such sale (the "Referral Fee") to the Listing Broker. The Referral Fee shall be determined at the sole discretion of the Listing Broker based upon the typical referral fee which is then paid in similar transactions in Central Florida (the Referral Fee is typically twenty-percent (20%) of the real estate commission). The Listing Broker may determine to pay the Referral Fee in its sole discretion, after considering the facts and circumstances surrounding such sale. Accordingly, no Referral Fee shall be due and payable by the Listing Broker to any outside broker unless and until Listing Broker determines that a Referral Fee shall be paid, subject further to the provisions of Paragraph 3(B) above. Any outside broker may send a written request to the Listing Broker, prior to closing, requesting a determination whether a Referral Fee shall be paid and the Listing Broker will confirm to such outside broker in writing within seven (7) days of receipt of such request, whether such Referral Fee will be paid. The Listing Broker's determination shall be final and binding on the outside broker and the outside broker shall not be entitled to appeal or otherwise contest such determination.

6. AGENCY DISCLOSURE. The Cooperating Brokers shall provide the Listing Broker copies of all written agency disclosures, as required by Florida Law, provided to the prospective purchaser at the time of registration.

7. DEPOSITS. All earnest money deposits shall be held by Miller, South & Milhausen, P.A., in its trust account, unless otherwise directed in writing by the seller and the prospective purchaser of a lot or a residence.
8. LICENSURE. No Cooperating Broker may register a prospective purchaser unless the Cooperating Broker holds a current and valid license issued by the State of Florida Department of Professional Regulation Division of Real Estate.
9. PROPERTY VIEWING. All prospective purchasers and Cooperating Brokers must be accompanied by a salesperson of the Listing Broker while viewing or touring Lake Nona.
10. MODIFICATION. These Policies and Procedures contain all the terms, conditions and provisions relating to the payment of a real estate brokerage commission to a Cooperating Broker and may only be modified by the Listing Broker in writing. No verbal representations of any agent, employee or officer of the Listing Broker shall be deemed to be a modification of these Policies and Procedures.
11. ARBITRATION; INDEMNIFICATION.
  - A. In the event there is a dispute concerning a commission to be paid to a Cooperating Broker or as to the identity of the Cooperating Broker, both the Cooperating Broker and prospective purchaser hereby acknowledge and agree that the Listing Broker shall hold the commission owed to the Cooperating Broker in escrow until the parties involved resolve the dispute pursuant to a written agreement or the dispute is arbitrated and a final decision is rendered according to the arbitration procedures established by the Mid-Florida Regional Multiple Listing Service Rules and Regulations. In the event of such a dispute, both the Cooperating Broker and prospective purchaser hereby agree to reimburse Listing Broker for all costs and expenses (including reasonable attorneys' fees) associated with such dispute.
  - B. Both the Cooperating Broker and prospective purchaser hereby represent and warrant to the Listing Broker that the prospective purchaser has not been represented by or consulted, dealt or negotiated in any manner with any real estate broker, salesman or agent concerning the purchase or lease of a lot or residence listed for sale or lease by the Listing Broker other than the Cooperating Broker. Both Cooperating Broker and prospective purchaser hereby agree to indemnify, defend and save and hold the Listing Broker harmless from and against the payment of any further commissions or fees to or claims for commissions or fees by any other real estate broker, salesman, agent or finder resulting from or arising out of any actions taken or agreements made by the prospective purchaser concerning the purchase or lease of a lot or residence listed for sale or lease by the Listing Broker.
12. EXECUTION. This instrument may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one instrument and be binding upon the above referenced parties.