

# Palm Beach Group: Preconstruction Incentive & Rebate Disclosure

## 1. Introduction & Purpose

This document (the "**Policy**") outlines the terms and conditions governing the real estate commission rebate or incentive program offered by **Palm Beach Group** (the "**Broker**"). This Policy is designed to ensure compliance with state regulatory requirements and to clarify the legal obligations of the **Buyer(s)**.

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## 2. Eligibility & Registration Protocol

The real estate market for preconstruction properties is governed by strict developer rules regarding "Procuring Cause." To remain eligible for any incentive, Buyer(s) must adhere to the following:

- **Broker Accompaniment:** Buyer(s) **MUST** be accompanied by a Palm Beach Group agent during their **initial visit** to any developer sales office, community, or model home. Although, sometimes the developer will waive this requirement.
  - **First Contact Rule:** If a Buyer registers their information (online or in person) with a Developer prior to involving the Broker, the Developer may refuse to recognize the Broker, thereby voiding this incentive.
  - **Exclusivity:** This offer is only available to Buyers who are not currently under an active Exclusive Buyer Brokerage Agreement with another real estate firm.
  - Offer is NOT valid if potential buyer is registered/accompanied by any other real estate agent or broker, or if potential buyer has registered with a real estate agent or broker at the community previously or registered themselves without an agent or broker. Unless it expires. Check your registration form.
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## 3. Required Documentation

To formalize the professional relationship and ensure transparency, the following documents must be executed:

Document Name	Purpose
Expressed Disclosure & Terms	Legal acknowledgement of the rebate structure and limitations.

Buyer Initial \_\_\_\_\_ Buyer Initial \_\_\_\_\_

<b>Exclusive Buyer Brokerage Representation Agreement</b>	Required by NAR and state law to establish agency and representation.
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#### 4. Terms of Incentive & Payment

All rebates are subject to the following legal and financial constraints:

1. **Lender Approval:** If the Buyer is financing the purchase, the rebate **MUST** be disclosed to the mortgage lender. Approval is at the sole discretion of the lender. Some loan products (e.g., FHA, VA) may restrict the application of such credits.
2. **Closing Contingency:** No incentive shall be earned or paid unless and until the transaction successfully closes, title passes, and the Broker receives the full earned commission from the Developer.
3. **Form of Credit:** Incentives are typically applied as a credit toward the Buyer's closing costs on the Final Settlement Statement (Closing Disclosure).
4. The Palm Beach Group incentive is up to 2% of the BASE selling price of the home as defined by the builder/developer. BASE selling price excludes options, upgrades and lot premiums. Offer subject to conditions, limitations, exclusions, modifications, and/or discontinuation without notice.
5. Builders/developers must agree to co-brokerage participation greater than 2.9%.
6. Underwriting guidelines require that all parties to the transaction be notified that the incentive is given to the buyer. These parties include but are not limited to, title company, mortgage company, builder, etc). If a buyer is financing a home purchase, it is the home buyer's responsibility to disclose the Palm Beach Group's incentive to their loan officer upon loan application.
7. At closing, the closing agent, typically a title company or an attorney, will add the incentive in your closing statement as a credit towards your closing costs. The Palm Beach Group makes no representations with regards to the tax treatment of the new home purchase incentive.
8. The incentive from The Palm Beach Group is valid only if closing occurs successfully on a qualified preconstruction home or condo purchase, and all terms and conditions of this program have been completed.

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#### 5. Disclaimers & Legal Notices

##### Incentive Limitations & Fair Housing

Due to National Fair Housing laws, your incentive has no effect on the base purchase price as offered by the builder/developer of your new home. This means the builder/developer does not increase the price of the home because you are getting an incentive from us.

Palm Beach Group's up to 2% incentive may be canceled at any time without obligation if any administrative, governmental or quasi-governmental (including but not limited to DRE, FHA, VA,

Buyer Initial \_\_\_\_\_ Buyer Initial \_\_\_\_\_

Fannie Mae, or Freddie Mac) statements, regulations, laws, rulings, or the like, and/or any other circumstance that would prohibit such incentive. Some builders/developers may have a cap on the amount of incentive a buyer may receive. If this is the case this is the amount that can be placed into the contract and the terms of this agreement.

**Tax Liability**

The Broker does not provide tax advice. The receipt of a rebate may have federal or state income tax consequences. Buyer(s) are advised to consult with a qualified tax professional or CPA.

**Developer Representations**

The Broker makes no warranties regarding the construction quality, completion dates, or future investment value of the property. All information provided regarding the project is sourced from the Developer and should be independently verified by the Buyer.

**Regulatory Compliance**

This agreement is intended to comply with all state and federal fair housing and real estate licensing laws. If any provision is found to be unenforceable, the remainder of the Policy shall remain in full force and effect.

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**Buyer 1 Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Buyer 2 Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

For questions or more information please contact Jared Dalto, Licensed Real Estate Broker. [Jared@ThePalmBeachGroup.com](mailto:Jared@ThePalmBeachGroup.com), 561-676-2200.

Buyer Initial \_\_\_\_\_ Buyer Initial \_\_\_\_\_