

# FLORIDA BARTER POLICIES AND PROCEDURES

## 1. TRADE PROCEDURES

Buyer must be a client in good standing to make a purchase except as provided in paragraph 15 of these Trading Rules. CLIENT is solely responsible for all charges made on CLIENT's account. FB is not responsible for use of account by unauthorized persons. FB identification cards will be issued or cancelled only by written authorization from the CLIENT who signed the original agreement or other authorized corporate officer. FB identification cards issued to CLIENT shall remain the property of FB and must be returned upon demand.

*Beware: Partnerships, businesses and marriages sometimes break up. All persons authorized to spend have the ability to spend any or all of the trade dollars in the business account unless and until FB receives written revocation of authorization. CLIENT agrees that FB assumes no liability and will be held harmless for business partners or other authorized persons who spend trade dollars in the CLIENT's account.*

Barter transactions are to be conducted in the same manner as cash transactions. Buyer should obtain a written estimate or description of product and price before giving permission for work to begin or shipment of product to be made. Before starting, if appropriate, seller should obtain a deposit or down payment in trade dollars in the same manner in which a cash transaction would be conducted. This deposit is secured with a FB authorization number. Seller should include in the contract that if buyer does not have sufficient trade dollars in his or her account when an authorization is requested, the difference must be paid in cash to seller. Seller should obtain necessary information to be able to collect in cash, if necessary. FB will only issue an authorization for the amount in buyer's account or up to the amount of buyer's credit line, and only for clients in good standing.

Trading procedures are governed by commercial rules of the state in which the buyer is located, and by the Uniform Commercial Code. CLIENT shall abide by applicable federal, state or local laws, or regulations appropriate to any trade, and FB shall not be responsible for any failure on the part of CLIENT to comply. CLIENT agrees to hold FB harmless for any action FB takes to comply with applicable laws or regulations.

### a). Seller's duties in a transaction:

- i. Furnish all materials and labor at a price that does not exceed his or her normal, prevailing cash prices. State sales taxes and gratuities are collected in cash.
- ii. Obtain an authorization number from FB prior to any sale. Direct trades between clients for the purpose of avoiding transaction fees are prohibited and if consummated, are subject to a 7½% or 12% cash commission. FB reserves the right to refuse to authorize a transaction under any of the following conditions: a. If buyer does not have sufficient trade dollars or line of credit to make the purchase, b. If either party is not a client in good standing, c. If the trade is prohibited by law.
- iii. Obtain proof of delivery of goods/services (such documents include but are not limited to a signed FB transaction voucher or a bill of lading). Sellers are to maintain their own records for all sales and must be able to produce proof of the sale if requested. Failure of the seller to obtain proof of sale from the buyer will place responsibility for collecting on seller and not on FB.

### b). Buyer's duties in a transaction:

- i. Identify himself or herself to the seller as a FB client prior to making purchase arrangements.
- ii. Be on record as an authorized spender.
- iii. Buyer's account will be debited for the amount of the purchase at the time an authorization number is issued by the FB office.

If there is an error on a transaction, buyer shall notify both FB office and seller by the last day of the month following the authorization date recorded on the statement of account. Upon notice, FB shall contact seller to request proof of delivery of goods/service. If seller cannot provide this proof, the trade dollars will be refunded to the buyer. Failure of buyer to notify FB of errors by the last day of the month following date the transaction is recorded on the statement of account causes funds to be retained by the seller. Buyer may file Demand for Arbitration with the American Arbitration Association by following procedure described in paragraph 6 of these Trading Rules.

Purchases must be limited to the amount of FB trade dollars in the buyer's account. Clients wishing to apply for a credit line may submit an application for approval. Clients will be required to compensate FB in cash on demand for any deficit amount in their trade dollar account resulting from purchases made without sufficient trade dollar balance or without prior credit line arrangements.

## 2. SPECIAL TRADE PROCEDURES

The following procedures apply to transactions involving special orders, construction jobs, service work, or long-term leases and other work-in-progress transactions.

Seller may request that the balance of trade dollars less any nonrefundable deposit owed for a long-term contract, lease or project be debited from buyer's account at time of execution of contract and be placed into an "escrow" account for seller. This is done by requesting a special "escrow" authorization from the FB office that assures seller that trade dollars are reserved to pay the balance due upon completing the project to buyer's satisfaction. Funds held in escrow are not available for spending by either buyer or seller.

When the work is completed, seller must provide to the FB office proof of delivery of goods/services. The trade dollars will be released from escrow and credited to seller's account once proof of delivery of goods/services has been received or with buyer's approval, and may be refunded to buyer with seller's approval.

If a dispute arises between buyer and seller over the disposition of trade dollars held in escrow, buyer or seller shall notify other party to the transaction and FB office. Seller shall have 14 days from notification of the dispute to obtain a settlement with buyer or file a Demand for Arbitration as described in paragraph 6 to hold trade dollars in escrow account awaiting outcome of arbitration. If 14 days pass without either of these actions, the trade dollars will be refunded to the buyer.

## 3. RECORDKEEPING AND ERRORS

CLIENT's monthly statement will be considered accurate as printed unless the FB office is notified of any discrepancy by the last day of the month in which the transaction appeared on the statement of account.

## 4. CONSIGNMENT AND SHOWROOM MERCHANDISE

All merchandise accepted into FB Merchandise Showroom is subject to return to the seller if it is: a). Damaged; b) Defective; c). Not traded within 90 days; or, d. Found by FB to be overpriced or of poor quality (in FB's sole discretion).

All merchandise purchased or accepted by FB on a consignment basis shall be discounted to FB by a minimum of 10% of the gross value of the item sold in the exchange for TE's handling and merchandising of the product. On all products owned and sold by FB, the sole and exclusive warranty made by FB is that it has title to such products, free and clear from any lien or encumbrance. Other than set forth above, products are sold "As Is". With respect to any products or services purchased by CLIENT from FB, CLIENT recognizes that such items are produced and provided by clients of FB, not by FB or its affiliates. FB makes no warranty, either expressed or implied by operation of law or otherwise as to the merchantability or fitness for a particular purpose of such products or services, and CLIENT shall look solely to the manufacturer of such merchandise for any warranty.

## 5. STANDBY

Client may request its account to be placed on "standby" (not selling) status under the following conditions:

- a. CLIENT's account must not be in a deficit position
- b. CLIENT must give notice to FB trade floor.

## 6. TRADE DOLLAR LOANS

CLIENT grants to FB the exclusive right and power to manage trade dollar loans from the association's Bad Debt Reserve Account on behalf of clients on terms and conditions consistent with borrowing client's creditworthiness and ability to repay, and to charge a reasonable fee for this service. Clients wishing to apply for a loan may be required to submit a loan application and fee, financial statement, credit agreement, promissory note or equivalent collateral prior to approval. FB is under no obligation to extend credit at any time. FB will use its best efforts to ensure timely repayment of principal and interest, appropriate collateral and perfection of security interest. CLIENT in arrears over one hundred twenty (120) days in fees due shall have any credit line immediately revoked, and the entire amount of the negative account balance shall become due and payable in an amount equal to one U.S. Dollar per trade dollar owed.

CLIENT acknowledges that FB manages a Bad Debt Reserve Account. Trade dollar fees from trade loans, trade dollars collected from charged-off accounts, and any positive balances abandoned or surrendered by former clients in accordance with the Trading Rules offset expenses to the account for bad debts and the costs of administering loan operations. CLIENT grants to FB the right and power to assess a reasonable service fee for its administration of loan operations, which assessment, if made, shall be paid from the Bad Debt Reserve Account on a schedule determined by FB.