

REAL ESTATE BROKERAGE AGREEMENT TO REPRESENT SELLER
(Agreement)

This form has been created by CAARE to be a consumer friendly agreement. CAARE has not investigated the legal requirements for any particular state. CAARE disclaims any liability arising out of the use or misuse of this form. **YOU SHOULD HAVE AN ATTORNEY REVIEW THIS CONTRACT BEFORE SIGNING IT.**

This is a legal document and you should consider hiring an attorney for advice regarding its use in your state.

Homeowner (I or me): Homeowner #2:

Brokerage Firm (YOU):

Licensee/Salesperson (YOU):

Property Address (PROPERTY):

Legally Described as:

Agreement starting date:

Agreement ending date: (expiration)

Initial Marketing Price for Sale of Home: \$ (cash)
{change in price or terms shall be reflected in writing signed by me and you}

Early Termination

Either you or I may terminate this agreement prior to its expiration date by giving 14 days written notice to the other party, expressing the new termination date. If the Licensee/Salesperson leaves the Brokerage Firm, I have the option of immediately terminating this contract. If terminated, then neither you nor I will be liable for any obligations under this contract except that an early termination shall not affect my obligations as seller under a valid purchase agreement and shall not affect any compensation that might be payable to you upon successful closing of such purchase agreement.

Obligations of Broker/Salesperson.

You will represent my best interests at all times and use your best efforts to advertise, market and sell my Property at the best price and terms. You will give Me your undivided loyalty and owe to Me all the fiduciary duties that an agent owes his principal under state law (many of these duties will survive this contract). You will comply in all respects with the laws of this state regarding disclosures required for purchase agreements and timely notifications required by state law or by any purchase agreement to be signed and requirements for timely delivery of documents. You will promptly respond to any buyer inquiries. You will promptly notify me of any possible buyer interest in my property, offers and of any developments or information or closing matters. You will be present at all showings, especially those where buyers are not represented by their own broker.

Obligations of Seller.

I agree to reasonably cooperate with You in selling my property. I license you to enter my data regarding my Property in the MLS and other advertising and internet outlets.

Compensation

REAL ESTATE COMMISSIONS ARE DESIGNED TO BE DIVIDED SO THAT A PORTION IS OFFERED TO EITHER BUYERS OR THEIR BROKERS AND A PORTION IS PAID TO YOUR LISTING BROKER. IF YOU MAKE THE COMPENSATION PAYABLE ONLY TO BUYER BROKERS, YOU MAY DETER BUYERS WHO WANT TO REPRESENT THEMSELVES.

Compensation will be payable upon the full performance of your duties and after a successful closing of the transaction and sale of the property.

PAYMENT 1: Traditionally the Listing Broker shares their compensation with buyer brokers. This shared amount should be determined by the Seller, not the Listing Broker and should be disclosed to the buyer. You will pay the buyer or his broker (buyer's choice) % of the purchase price or \$ as a flat fee (strike payment method not used). If this

43 money is paid to the buyer, then this money must be disclosed to the buyer’s lender and the money may be used by the buyer to
44 pay for compensation to Buyer’s Broker, closing costs or to reduce the purchase price of the house. **This compensation will be**
45 **advertised as an offer of compensation to the Buyer Broker in the MLS and to the public in the Public Remarks section of the MLS**
46 **and all other advertisements in which you exhibit My property (You will use the below disclosure).**

47 **The Following Disclosure Will Be Used in the Public Remarks section of the MLS and all other advertisements in which You exhibit**
48 **My property:** “Disclosure: The Listing Broker has offered the following compensation to buyer brokers or buyers upon a successful
49 closing of the transaction. \$ _____%.” (Fill in the amount)

50 **PAYMENT 2:** I will pay You, the broker (it is illegal to pay the salesperson directly) (Pick One) % of the
51 purchase price OR \$ as a flat fee (strike payment method not used).

52 **The total of Payment 1 and Payment 2 is the ONLY compensation payable to real estate brokers by me in this transaction.**

53 I do NOT agree to pay any Administrative Fee or other extra fees or commissions to You other than stated above. No compensation
54 is owed in the event of dual agency except that a referral fee of \$ % may be paid to You if You withdraw from this
55 transaction because of a dual agency situation has arisen. You are prohibited from using this agency relationship to profit from any
56 ancillary services or referrals to ancillary services.

57 **Optional Override Clause and Protective List**

58 Check One:

59 **No Override Clause. IF I CHECK THIS BROKER WILL NOT BE ENTITLED TO COLLECT COMPENSATION FROM ME AFTER**
60 **THE EXPIRATION OF THIS AGREEMENT.** I will not owe You any compensation for any sale that occurs after the expiration of this
61 Agreement. (There will be no Protective List).

62 OR

63 **Override Clause. IF I CHECK THIS THE BROKER MAY BE ENTITLED TO COLLECT COMPENSATION FROM ME AFTER THE**
64 **EXPIRATION OF THIS AGREEMENT.** If after the expiration of this Agreement, I sell and close on the sale of my property within 2
65 months to a person who during the period of this Agreement showed a substantial interest in my property and whose name appears
66 on your Protective List (subject to conditions below) I will pay You the compensation you would have earned had the sale occurred
67 during the period of this Agreement.

68 **Protective List (Only Applicable if Override Clause is Selected)** - You may not enforce any optional override clause unless;
69 (1) you provide me within 48 hours of expiration of this agreement a listing of the names and addresses of prospective buyers and
70 their buyer brokers with whom you have negotiated the sale or rental of the property – “protective list” ; And (2) I have sold the
71 property to one of those persons on your “protective list;” And (3) the Property is sold within two months following the expiration of
72 this Agreement; And (4) You may not enforce any optional override clause and I will not be obligated to pay you any compensation if
73 I have executed a valid listing agreement pursuant to which I am obligated to pay compensation to another licensee for broker
74 services; And (5) You may not enforce an optional override clause if you have made a material breach of this Agreement; And (6) You
75 may not include anyone on your “protective list,” who would create a dual agency situation or who appears on my Exclusion List or
76 whose only contact was the visitation of an open house without substantive negotiation for the purchase of my property.

77 **Exclusion List**

78 If the Buyer is on my Exclusion List then Your compensation shall be reduced to (Zero is Recommended). The following
79 people are on my Exclusion List (**strike those who don’t apply**): My parents, children, siblings, grandparents, grandchildren, first
80 cousins, aunts, uncles, nephews, nieces, neighbors on my block, employees of My Employer, Anyone who responds to My marketing
81 efforts, others:

82 **Non-Exclusivity Option –I May Hire More Than One Real Estate Broker to Sell My House. Only Valid if Initialed by You and Me.**

83 I may hire more than one broker to represent me in the marketing and sale of my house. I will only pay compensation to the broker
84 who procures a successful closing of my property under the terms of this agreement.

85 **WARNING – IF YOU HIRE MORE THAN ONE LISTING BROKER AND YOU DON’T WANT TO PAY MORE THAN ONE COMMISSION YOU**
86 **MUST USE THIS FORM WITH EACH BROKER AND MAKE SURE THAT THIS SECTION IS NOT STRICKEN.**

87 Seller’s Initials / Broker’s Initials - I Agree to Non-Exclusivity

Advertising and Marketing

You will place a professional picture advertisement in the MLS within [] hours (not to exceed 24 hours) of signing this Agreement and in other websites as follows: zillow.com, trulia.com, craigslist.com, and others: [] You will conduct aggressive advertising and marketing as described in the attached **Marketing Addendum** that you will create and attach to this Agreement prior to signing.

As open houses are known to be ineffective marketing and designed to provide You with additional clients, they are prohibited.

I own My data and information regarding the Property. You are authorized to use the data in Your marketing efforts only.

Prohibited Practices

You shall NOT engage in dual agency or designated agency – both are conflictive relationships that are harmful to the client and obstruct the purpose of this contract. You WILL NOT ask me to sign any dual agency consent forms. Any written dual agency consent forms that you have gotten me to sign WILL NOT be used as evidence against me to show that I gave my informed consent to dual agency. If a dual agency situation arises, you will refer the buyer to another broker and withdraw from this Agreement. This Agreement will take precedence over all dual agency consent forms including those executed subsequent to this Agreement.

You shall NOT limit the exposure of my property to buyers by delaying entry of my data into the MLS (“pocket listing”).

You will not offer for sale any ancillary or affiliated services or products. Instead, if you feel such services or products are of benefit to me, you will research third party providers and make a recommendation to me of a provider who is unaffiliated with your firm.

You will not attempt to place a lien on my title or my proceeds in order to collect your compensation. You will not have nor seek an assignment of the sales proceeds to secure payment of your compensation.

You are NOT authorized to collect or pay any referral fees in my transaction or receive any other compensation offered to you (Broker or Agent) by anyone else related to this transaction unless such fees are immediately disclosed, collected and paid to Me.

You will NOT hold open houses. Open Houses are a proven ineffective seller marketing tool that only benefits brokers by allowing them to use my home to help them meet new buyer clients.

You will NOT ask me to sign an Arbitration Agreement with the Seller. You will NOT provide me legal advice on this topic.

Dual Agency

XX I do not agree to dual agency representation but will consider offers made by buyers represented by You. In this situation You agree to withdraw from this Agreement and and Your entitlement to a fee (with the exception of a referral fee as discussed above) and allow Me to obtain my own representation. Your fiduciary duties to Me however do not end and You will be a dual agent for purposes of non-disclosure of confidential information. These fiduciary responsibilities will survive the cancelation or expiration of this Agreement.

You will use your best efforts to show my property to all buyers, including buyers whom you represent. In the event that a dual agency representation arises it is recommended that the Seller hire a real estate attorney or a consulting real estate broker to assist in the negotiations of the purchase agreement and any further services required.

CAARE recommends using a highly qualified Licensee/Salesperson at the smallest firm possible in order to avoid dual agency.

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Homeowner Signature Date

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Homeowner Signature Date

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Broker’s Signature Date

[]
Agent’s Signature Date

Attach Addendum for Your State’s Disclosures After This Page.