ADDENDUM - TERMS & EXPLANATIONS

FLAT FEE LISTING ONLY

Realmart Realty LLC (herein known as Listing Broker) is a licensed real estate brokerage in the State of New York that provides a **flat fee** limited service option to sellers. We do not provide the Fiduciary Duty to the sellers as a "traditional" brokerage. The only commission to be paid, **if any**, is to the cooperating broker that sells your property. OWNER acknowledges that the **Listing Broker** will market your property in the MLS and affiliated internet sites in an attempt to connect you and a buyer.

Brokers Obligations: BROKER'S sole obligations under this Agreement, is in connection with the marketing of the Listed Property, shall be limited to listing same on the MLS along with affiliated internet sites, and maintaining it until home is sold and closed out in the MLS, or until listing has expired or has been cancelled. BROKER does this in an attempt to connect Sellers and Buyers in the hopes that a sale will come to fruition. BROKER shall provide NYS required forms. BROKER is not obligated to, and will not, suggest a listing price for the Listed Property, or negotiate a potential transaction with a prospective buyer or a Cooperating Broker.

MLS: Once your home is listed in the MLS it is an invitation for Cooperating Broker (Buyers Agents--MLS members) to bring their potential buyers to see your home. Once listed in the MLS database your listing will download to Realtor.com and several other sites. It typically takes 1-5 days for the download to be completed. The data downloads directly from the MLS and it is done on the MLS's time frame, NOT ours. This is the same scenario each time you make a change to your MLS listing.

Broker Fee: Owner has paid BROKER $_____, an upfront fee for the above mentioned services. If owner paid his/her fee to another company, (ie: fsbo, flatfeemls, etc) for the above mentioned services, then please post $0 in the above field and initial here: _____. Therefore, on the MID HUDSON Listing Agreement, you will place a 0% in commission paid to Listing Broker and place the commission you are willing to pay the Cooperating Broker in the blanks below that sentence.

Commission: You, the Owner/Seller, decide the total commission to be paid when/if your property is SOLD by a Buyer's Agent. That commission rate is agreed to on the Listing Agreement by you and then published on the MLS. There will be ONE commission paid to ONE Cooperating Broker, and there is NO commission to us beyond the flat fee paid to list the property. Cooperating Broker will submit a commission sheet to you prior to closing. Give this to your attorney so there will be no delays. **Listing Broker** authorizes the OWNER/Seller to have the closing attorney pay the commission directly to the Cooperating Brokerage. Minimum commission allowed is 2%, however 2.5%-3% is more the norm.

Cooperating Broker MUST be paid a commission when they are the procuring cause of the sale of your home. All of our MLS-listed OWNER/sellers understand that they are required to pay the cooperating broker a commission at closing. **Cooperating Broker** operates using different titles (depending on how they represent their buyer, they must select ONE title): **Sub Agent or Buyers Agent or Brokers Agent.** See the Agency Disclosure for more information.

Buyers Agents: Are guaranteed a commission even if their client finds/sees' your property on their own. Therefore, it is REQUIRED that you insist that the potential buyers put in writing that they are or are NOT working with an agent when you are working with a buyer directly. Buyer Agent's have contracts with their clients that state they receive a commission regardless of who finds the home. The OWNER/Seller is obligated to pay that commission when the property is listed on the MLS.

How to avoid Procuring Cause disputes? Keep accurate records about how and when you told/showed the Buyer info about your property. Have a sign-in form for all buyers to sign upon seeing your home with a clear indication whether they are working with a Realtor. Make sure you date every visit by every person. We have a sample form for you to use. If you are working with buyers directly, you must have the buyers sign a statement that they are not working with a Realtor. Such a statement must be included as a contract addendum for both attorneys to review and agree.

Owner/Seller Agrees to require all visitors who see the interior of the Listed Property without the assistance of a Cooperating Broker to sign a visitor's log. This log shall be created and retained by OWNER until six months after the transfer of title or expiration of this Agreement, whichever occurs later. If the prospective purchaser answers "yes" to working with an Agent (on the sign-in log), it is further understood by OWNER that a

Cooperating Broker is entitled to a commission if home is sold to that buyer. If the prospective purchaser answers "no," that purchaser could still choose to be represented by a Cooperating Broker in a number of different circumstances, including, but not limited to, returning to the property with a Cooperating Broker and/or having an offer presented on his/her behalf by a Cooperating Broker. In such cases, a commission would be due and payable by OWNER. If OWNER agrees to sell the Listed Property to a buyer who is not represented by a real Cooperating Broker, OWNER shall require such buyer to sign a statement before transfer of title stating: "For good and valuable consideration, the sufficiency of which is hereby acknowledged, I (We) represent and warrant to OWNER and the Listing Broker that I (We) have not been represented by a Cooperating Broker in connection with the Listed Property, have not been introduced to the Listed Property by a Cooperating Broker, have not been shown the Listed Property by a Cooperating Broker, and have not had communication with a Cooperating Broker pertaining to the Listed Property. If a licensed real estate broker presents proof that he has performed any of the above, OWNER would then pay the Cooperating Broker as defined in this Agreement). OWNER agrees that OWNER is ultimately responsible for payment of the commission provided for herein. If a Cooperating Broker is not paid a commission that he is due, the Cooperating Broker may choose to take legal action. The Buyer's statement provided for in this paragraph is merely a precautionary action to help the OWNER collect the Commission due to the Cooperating Broker if the Buyer has circumvented a Cooperating Broker who is due a commission in connection with the sale of the Listed Property. **A COPY OF THIS STATEMENT SHALL BE FAXED TO BROKER ALONG WITH CLOSING DOCUMENTS! NO EXCEPTIONS!**

Changes to the Listing: Commission and Status changes are **only** accepted when submitted on the required MLS form. These changes will be made to the MLS listing in 24-48hrs. **OWNER/seller is REQUIRED to submit the Status Change Form to us within 24hrs of an ACCEPTED OFFER/ CONTRACTS BEING SIGNED (along with a faxed copy of the contracts), and again the day of the closing (this time along with the HUD or Settlement Statement** which is given to you by the closing attorney). Non-compliance of these requirements can result in a **penalty assessed by the MLS of up to $500 which you are responsible for**. Changes other than Commission and Status changes must be in writing and sent via email. There is NO fee for these changes.

Photos: Pics must be submitted in .jpg format and named and numbered properly ie; 1-front, 2-living room, 3-kitchen, etc. Once pics are submitted to the MLS there is an additional charge to CHANGE them, unless they are seasonal pics. Landscape is the preferred format, the MLS does not take panoramic photos. There is NO charge for seasonal pic changes.

Lock Boxes: If the OWNER/seller chooses to use a lock box on their home it is with the full understanding that **Listing Broker** is not responsible for any loss that might occur while in use. It is the owner's obligation to give out the combination number (if using a combo lock box) and to track the people going in and out of your home.

Listing Content: All listing content must be accurate. If not, this could create liability upon the owner/seller and the Listing Broker. Location, zip code, sqft, schools, taxes are important concerns to buyers. The information supplied to us must be accurate. Once we have completed your new MLS listing a copy will be sent to you via email. **It is your responsibility to proof read it for any corrections and mistakes**. Once you email us with any changes we will make them asap so that your new MLS will be 100% accurate. Please note that mistakes do happen and can be easily fixed once you bring them to our attention. There will be no liability on our part for any mistakes that you might find. Every mistake is correctable. All owners of listed property must sign documents.

Advertising: All advertising done by OWNER/Seller **should NOT use the words "for sale <u>by owner</u>".** It can say HOME FOR SALE. All advertising must have the same price as is posted on the MLS. It must also comply with Federal Fair Housing Laws (no use of words like; family, church, genders, no photos with people, etc). **Additional Advertising Sites**: Important: our website shows several different sites that your listing will most likely download to, but NOT guaranteed. This list is always subject to change and cannot be guaranteed to be up to date. Websites and their relationship to MLS's, brokers, and MLS listings can always change at any time.

Brokers Authority to Remove MLS Listing: Listing Broker retains the right to remove a listing from the MLS per brokers discretion. Typically for owner/Seller's non-compliance of contracts.

Who shows your home? Cooperating Broker is instructed and authorized to make appointments directly with the OWNER/Seller as indicated in the MLS under showing instructions. Consumers will contact us via Realtor.com and other internet sites (MLS rules and regs do not allow seller info to be displayed on any public or realty based websites) We instruct buyers and buyer's agents to contact you direct for ALL information, appointments and negotiations. OWNER/seller is required to return all calls and emails within 24hrs.

Consumers that inquire about your home: When we receive emails in reference to your listing we forward them to the OWNER/Seller. If they leave us a message, we will forward that message to the OWNER/Seller. Our call center is answering calls 12hrs day x 7days a week, and all buyers and/or buyers agents are directed to contact you via our website or via the MLS showing instructions. NO voicemail or email is left unaddressed.

Offers of Purchase: Cooperating Broker/Buyer's Agent is instructed and authorized to send "Offers to Purchase" directly to the OWNER/Seller with Listing Broker carbon copied on the offer. OWNER/Sellers are required to respond to all offers within 24-48 hrs (or the date/time stipulated on the offer). If OWNER/Sellers are not confident on the negation process it is highly recommended to seek help from Listing Broker for a professional consultation. The cost for such service will be 0.5%, where seller and Listing Broker will sign an additional agreement. OWNER/Sellers are instructed to seek advice from their attorney *if needed*. Buyers Agents are not obligated to explain the process. Once the offer is accepted Owners/Sellers **must notify us within 24 hours of an accepted offer.** (See Section above on "changes to listing".) **Non-compliance** of on reporting accepted offers will result in **a penalty assessed by the MLS of up to $500, which you are responsible for.**

Escrows: OWNER/Seller acknowledges that Listing Broker will not act as an escrowee and will not direct anyone verbally or in writing to have Listing broker hold escrows or earnest money.

Signage: OWNER/Seller agrees to comply with all laws, ordinances, rules and restrictions that affect the property. Some areas require permits to place signs on the property. OWNER/seller is responsible for these permits. **Listing Broker** will ship you a realty sign at NO charge. Agents expect to see a realtor sign as opposed to a FSBO sign. **Agents will skip a showing when they see a FSBO sign since they are afraid of losing their commission to the FSBO Seller.**
PLEASE do yourself a favor and remove any FSBO signs and use our Realtor sign. You do not want to alienate the agents. You need them to bring you buyers. If you are NOT allowed to post signs by your township or community, then please do not post them. Any fines from the town due to non-compliance will be charged to the OWNER/Seller.

Property Condition Disclosure Report and Lead Paint Disclosure: Please discuss the Property Condition Disclosure Report with your attorney for any direction. **If you want either of these forms uploaded in the MLS, let us know and we can do that**. They both should be given to your prospective buyer before an offer is made. Please make sure you use OUR Lead Paint Disclosure form as the Broker signature is required and it is already on our form.

Withdrawal/Cancellations: You can cancel with us at any time. There is NO penalty to do this. Our goal is to help you sell your property by marketing your home in the MLS and various internet sites and thereby allowing you to save thousands of dollars in commission on the Listing side. The status change form is required to withdraw the listing. This change takes 24-48hrs. **If you are in the process of negotiating or are about to go into contract you can NOT cancel/withdraw, you would submit the status change form and request your listing to be changed to "Under Contract".** If you want a 100% refund, then you can use our **Referral Service/Money Back Guarantee**. Whereby, if you cancel with us and WE refer you to another Broker to list your home with and you list and sell your home while listed with the referred broker we will refund all monies you paid us for the Flat Fee Listing. This will be paid after the closing on your home. <u>If you did not pay us directly for your listing, then no money can be refunded</u>. (Note: This is not a guaranteed service- if we cannot find an agent for you, or you do not choose any agent referred, then the Money Back offer is void.)

Closing Instructions: According to RESPA (Real Estate Settlement and Procedures Act) all fees must be reported on the HUD (closing document) form that is given to you by your attorney. (For a "Cash closing" you

will probably receive a Settlement Statement instead of a HUD). OWNER/seller agrees to advise attorney of all fees related to this transaction. **Seller further to fax or email a copy of the HUD/Settlement Statement (provided by your attorney at closing) to us upon closing. OWNER/Seller agrees to submit a status change form to Listing Broker no later than 24 hours of closing via fax or email.**

Non-compliance of on reporting closing of your property will result in a penalty assessed by the MLS of up to $500 and is your responsibility to pay.

Realmart Realty shall under no circumstances have any liability greater than the amount it received from you for the Listing services. We collect a flat fee up front for our services which is nonrefundable once your listing has been submitted to the MLS. You agree to hold **Listing Broker** harmless from any and all claims, causes of action, or damages arising out of or relating to your MLS listing. Owner understands that sale information, including price will be updated on MLS database.

Dispute Resolution: OWNER understands that should the Cooperating Broker take the Listing Broker to arbitration or court, OWNER will appear to testify if requested by the BROKER regardless of whether the venue has a legal right or jurisdiction to subpoena the OWNER. OWNER consents to all service and/or notifications by Certified Mail. OWNER agrees to permit the BROKER to assign his/her rights for damages from the Owner for breach of the contract to the Cooperating Broker.
Should the Cooperating Broker prevail against the BROKER for a failure to pay commission and said unpaid commission was never paid by the OWNER to the BROKER, OWNER indemnifies and holds harmless BROKER and agrees to pay all damages awarded by an Arbitrator or a Court of Law to the Cooperating Broker. OWNER aggress to be responsible for all legal fees incurred by BROKER to defend any claims arising out of OWNERS breach of this contract or fees incurred by the BROKER to collect fees provided by this agreement.

All claims, disputes, or other matters in question arising out of or relating to this Agreement, the Listed Property and/or the commission set forth herein shall be determined by arbitration before an arbitrator in the County of Westchester, State of New York, pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The award rendered by the arbitrator shall be final, and judgment may be rendered upon it in accordance with applicable law in a court of competent jurisdiction. In any proceeding to enforce any provision of this Agreement, or for damages caused by breach thereof or default there under, the prevailing party shall be entitled to reasonable attorney's fees, costs, and related expenses, such as expert witness fees, and fees paid to investigators. In the event the BROKER hires an attorney or collection agent to enforce the collection of any brokerage commission due hereunder and is successful in collecting all or any portion thereof with or without commencing an action, proceeding, or arbitration, OWNER agrees to pay such attorney's fees, costs, and expenses relating to the collection thereof.

Non-compliance of on reporting closing of your property will result in a penalty assessed by the MLS of up to $500 and is your responsibility to pay.

Indemnification: OWNER shall defend, indemnify and hold BROKER, its shareholders, directors, officers, employees, agents and representatives harmless from, any and all losses, claims, damages, liabilities and costs, including without limitation commission claims, court costs, reasonable attorney's fees and MLS penalties and fines, which arise from, are related to, or are in connection with (i) OWNER'S breach of this Agreement or violation of any federal, state or local law; (ii) OWNER'S provision of false, misleading, inaccurate or incomplete information, representations or warranties to BROKER, prospective buyer or buyers; or (iii) claims of third parties relating to the Listed Property, the sale thereof, and/or any compensation to be paid in connection with such sale (including, without limitation, a claim by the Cooperating Broker against BROKER for a commission).

OWNERS SIGNATURE_____ DATED_____

OWNERS SIGNATURE_____ DATED_____

- Typing your name above is your acceptance of this contract in its entirety