

Dear Broker,

To clarify our position on cooperating with fellow Realtors, or brokers and their associates, and to avoid misunderstandings and disputes, we are sending this letter to advise you of our policies for cooperating brokers who choose to become a subagent by showing and selling ERA Arthur Real Estate listings. Policy is also established for brokers acting as a buyer's agent.

Unless advised in writing of any change, our policy is:

1. ERA Arthur Real Estate will pay the broker (either subagent, buyer agent, or principal) selling one of our listings, the amount or percent of commission as indicated in the MLS, with the following exceptions.
  - a. In the event of a typographical error in the amount offered in MLS, the amount will not exceed 50% of the amount collected by ERA Arthur Real Estate at closing.
  - b. ERA Arthur Real Estate will not recognize a cooperating broker simply on the basis of a license; but in the opinion of ERA Arthur Real Estate, the broker or firm must be actively engaged in the business of selling real estate. ERA Arthur Real Estate may elect to use Realtor/ MLS membership as the determining factor
  - c. In the event ERA Arthur Real Estate's management deems it necessary to incur some expense to anyone other than ERA Arthur Real Estate or finds it necessary to negotiate a commission adjustment to facilitate the closing of the sale, this expenditure of adjustment shall be deducted from the gross commission, and the cooperating broker will receive his/her prorated share of the remainder. If time permits, the cooperating broker will be notified of any expenditure of adjustment prior to the closing.
  - d. Commission splits will be made on a reciprocal basis; under no circumstances will ERA Arthur Real Estate pay a cooperating broker a higher percentage than that broker offers in return.
2. ERA Arthur Real Estate will recognize the office writing or bringing in the offer as the one that receives the commission, with the following exceptions.
  - a. ERA Arthur Real Estate will attempt to resolve any and all disputes or claims to a commission on the basis of "procuring cause". Disputes unable to be resolved will be forwarded to the Arbitration Committee of the governing Realtor Association.
  - b. The cooperating broker, for ERA Arthur Real Estate's offer of cooperation herein contained, agrees to arbitrate any and all disputes that we are

unable to resolve, before the Arbitration Committee of the appropriate governing Realtor Association.

3. If it is necessary to take a note or other item of value as part of the commission to close the transaction, cooperating broker will own that portion of any note and interest payable, or item taken, as his/her percentage of commission is to the total commission paid.
4. If more than one cooperating broker shall make a claim to the selling commission on the sale of one of our listings, and that claim is not satisfactory worked out between those parties prior to closing, ERA Arthur Real Estate will distribute the selling commission as directed by Arbitration Committee of the governing Realtor Association.
5. Agency: ERA Arthur Real Estate will cooperate with brokers who are acting as a buyer's agent or as a principal, but only under the following provisions:
  - a. Broker acting as a buyer's agent as a principal must notify ERA Arthur Real Estate prior to showing the subject property that they are the buyer's agent, or that they are a principal. If such notification is not made, broker will be presumed to be a subagent of the seller.
  - b. ERA Arthur Real Estate will offer compensation to both a broker acting as a buyer's agent or as a principal, the percentage indicated in paragraph # 1 of this notice, provided all other terms of this notice are met and agreed to by the broker acting as buyer's agent or principal.
  - c. The offer to purchase must indicate that the broker acting as a buyer's agent or principal is not a subagent of the seller.
  - d. The broker, acting as buyer's agent, will be responsible for and must accompany the buyer on all showings and inspections of ERA Arthur Real Estate listed properties, and communicate all information regarding the transaction to the seller's agent.
  - e. ERA Arthur Real Estate's offer of cooperation to brokers acting as buyer's agent is subject to the buyer's agent being procuring cause in the transaction. Any disputes that we are unable to resolve will be forwarded to the Arbitration Committee of the appropriate Realtor Association.
  - f. If any offers written by buyer's agent or principal has the buyer requesting the seller to pay the buyer agency fee, buyer's agent or principal understands and agrees that he/she is then waiving any right to compensation from ERA Arthur Real Estate.
  - g. If ERA Arthur Real Estate receives an offer on one of its listings that requests the seller to pay buyer broker fees and/or transaction fees, ERA

Arthur Real Estate will attempt to facilitate the offer by not eliminating or reducing the fees but by taking them into consideration in the overall price acceptable to the seller. This is being done to respect the agency relationship between buyer and buyer's agent.

6. The property inspection: ERA Arthur Real Estate requires that the selling agent be present for all inspections agreed to in an offer to purchase. The terms of the offer to purchase allow the inspectors entry but not the buyers without being accompanied by the selling agent.

Please notify all brokers and sales associates in your firm of our policy and keep this letter on file.

We will expect reciprocal treatment from your company unless notified in writing after receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "J Blabaum", written in a cursive style.

Jim Blabaum, Broker/Owner  
ERA Arthur Real Estate