



Contracts Update

June 17, 2024

Contracts Update



Stacey Sanders
2024 President-Elect

Antitrust Statement

Please be aware that all present are in the real estate brokerage business and are located in the same market area. As a result, antitrust laws require no discussion at this presentation concerning certain competitive business practices, such as the amount of fees, commissions, splits, or broker compensation. The presenter or staff liaison will stop the presentation or discussion if the conversation moves into these areas.

Upcoming Opportunities

Contract Updates

- June 25 (1 – 2:30 p.m.) – Webinar
- July 9 (1 – 2:30 p.m.) – Webinar
- July 24 (1 – 2:30 p.m.) – Webinar
- July 31 (10 – 11:30 a.m.) – Webinar

Other

- July 8 (1-3 p.m.) – Lynn Madison – Navigating the Post Settlement World

Settlement Agreement Resources

- <https://www.stlrealtors.com/pages/settlement/>
- <https://facts.realtor>
- <https://competition.realtor>

Contract Changes *(Revised)*

Form #2043 (Special Sale Contract)

Form #2047 (Listing Contract) *(amended 6/4/24)*

Form #2047a (Listing Broker Transaction Contract Addendum)

Form #2085 (Tenant KeyBox Authorization and Tenant Privacy Release)

Form #2089 (Amendment to Sale Contract)

Form #2090 (Residential Purchase Agreement)

Form #2107 (Commission Agreement)

Form #2125 (Buyer's Exclusive Agency Contract)

Form #2125a 212(4)(5)(7)(8)a (Buyer Agreement Amendment) *(amended 6/4/24)*

Authorization to Show Contract

i. #2142 – Buyer Agent

ii. #2142tb – Transaction Broker

Contract Changes *(New)*

Form #2047 (Listing Contract Settlement Disclosure)

Form #2048 (Residential Rental Listing Contract)

Form #2108 (Cooperative Compensation Disclosure) *(amended 6/4/24)*

Form #2124 (Buyer Non-Exclusive Agency Contract)

Form #2127 (Transaction Brokerage Buyers Exclusive Contract)

Form #2128 (Transaction Brokerage Buyers Non-Exclusive Contract)

Form #2169 (Transaction Brokerage Listing Contract – Exclusive Right to Sell)

Contract Changes Timeline

New & Revised Contracts Effective -- July 1, 2024

Note: Not to be used before July 1, 2024

All old versions to be pulled – July 1, 2024

Note: Not to be used after July 1, 2024



STLREALTORS.COM

Contract Changes

Listing Contracts

(amended 6/4/24)

Listing Contracts

Form #2047 – Listing Contract – Limited Agency (Exclusive Right to Sell)

Form #2169 – Transaction Brokerage Listing Contract (Exclusive Right to Sell)

Form #2048 – Residential Rental Listing Contract (Exclusive Right to Lease)

Listing Contract

LEASE PROPERTIES EXCLUDED

Leased properties have been removed from Form #2047.

A new Contract has been drafted specifically for lease properties (Form #2048).

Listing Contracts

TERM

This Contract begins on the Effective Date and ends at 11:59 p.m. on _____, together with any written extension thereof (“Expiration Date”). The “Effective Date” shall be the date of final acceptance thereof, as indicated by the date adjacent to the signature of the last party to sign this Contract or (specify if otherwise)

_____.

Listing Contract

COMPENSATION FOR SERVICES

Note: The amount of compensation is not set by law. Compensation is set by each broker and is negotiable, subject to individual broker policy.

Listing Contract

Broker Compensation: _____ (%) of the purchase price **OR** \$ _____ as a flat fee, **OR** Other: (describe) _____
(N/A if blank(s) are not filled in).

Cooperating Broker. Owner acknowledges that Broker is authorized to cooperate with and, if authorized by Owner, compensate other brokers and any affiliated licensees in Broker's firm acting pursuant to any other brokerage relationship as defined by 339.710 to 339.860 RSMo, including but not limited to buyer's agents, subagents, and/or transaction brokers ("Cooperating Broker"), **and may pay a part of the above Broker Compensation to a Cooperating Broker**, subject to Owner's approval up to and including the amount listed below, Owner authorizes Broker to offer to pay the Cooperating Broker, who brings the buyer as follows *(insert compensation amounts below [0 if none stated] to indicate that such cooperation is authorized by Owner.):*

- _____ % of purchase price **OR** \$ _____ to buyer's agents (limited agents representing prospective buyers)
- _____ % of purchase price **OR** \$ _____ to transaction brokers (neutral licensees representing neither party)
- _____ % of purchase price **OR** \$ _____ to subagents (limited agents representing Owner)

If compensation agreed upon between Broker and Cooperating Broker is less than the amount stated herein, the difference *(check one)* **Will** **OR** **Will Not** be reduced from Broker Compensation. If the Cooperating Broker compensation agreed upon between buyer and Owner is more than the amount stated herein, Owner agrees that the terms authorized in the Cooperating Compensation Disclosure (Form #2108), will prevail.

Listing Contract

(Note under Cooperating Brokerage Firm Compensation)

Note: Owner acknowledges that sale contract offer(s) and commission agreement may contain terms to compensate the broker assisting the buyer, which may differ from the amounts detailed above. Owner understands the provisions of this section and agrees that the election(s) made in this section are made solely by the Owner.

Listing Contract

Unrepresented Buyer. In the event buyer is not represented by a broker, Broker Compensation (*check one*)

shall remain the same as the amount listed under Broker Compensation **OR**

shall be modified as follows _____% of the sales price, or \$ _____.

Listing Contract

Additional Compensation. Owner agrees to pay Broker additional compensation of \$ _____ (\$0 if none stated). This additional compensation (*check one*) **Shall OR** **Shall Not** be credited against any other compensation owed by Owner to Broker and shall be due and payable to Broker on (*if applicable, check one*):

- the Effective Date of this Listing Contract, regardless of whether or not a ready, willing, and able buyer is procured and which shall be deemed earned upon receipt.
- only if and on the same date that the other compensation above provided for is payable.

Listing Contract

SELLER LIMITED AGENCY AS STARTING POINT

Pursuant to this Listing Contract, Broker will initially be acting in the capacity of Owner's limited agent, with the duties and obligations of a seller's limited agent under Missouri law as set forth following the parties' signatures below. However, Owner acknowledges that from time to time, a prospective buyer may engage Broker to act in one of several possible capacities with respect to that buyer, depending on what brokerage relationships are permitted by Broker's company policy. Under various circumstances, Missouri law may permit or require a conversion of Broker's brokerage relationship with Owner to a different brokerage relationship. Any conversion to a different brokerage relationship shall only be made upon Owner's written consent, as required by rule or regulation.

Listing Contract

DESIGNATED AGENCY

If, as authorized by Missouri law, Broker policy authorizes its affiliated licensees to act as Designated Agents, _____ is appointed as Owner's Designated Agent. In the event the Designated Agent is not available at any given time, any of the following agents affiliated with the Broker are hereby appointed to represent Owner without further notice: *(If a Designated Agent is appointed, the Designated Broker must sign this agreement as authorized agent.)*

Listing Contract

PREVIOUS REPRESENTATION

Owner understands that Broker may have previously represented a buyer who is interested in the property. During that representation, Broker may have learned material information about the buyer that is considered confidential. Under the law, Broker may not disclose any such confidential information to Owner.

Listing Contract

BUYERS REPRESENTATIVE

Owner acknowledges that prospective buyers may elect to employ the services of a designated broker as their own agent. Owner also acknowledges that from time to time, a prospective buyer may engage Broker to act in one of several possible capacities with respect to that buyer, depending on what brokerage relationships are permitted by Broker's company policy.

Listing Contract

HOME WARRANTY

Owner acknowledges the availability of home warranty protection plans and agrees to (*check one*):

- Offer a warranty plan
- Not offer a warranty plan
- Consider a warranty plan at a later date

Listing Contract

DISCLOSURE AUTHORIZATIONS

Offers. Owner **Does** OR **Does Not** (*check one*) permit Broker to disclose the existence of offers on the property.

Terms. Owner **Does** OR **Does Not** (*check one*) permit Broker to disclose the terms of offers on the property; provided, however, that Broker is permitted to disclose such terms as may be required by the MLS, applicable brokerage laws, or Broker's policy.

Listing Contract

PROPERTY ACCESS AND KEY BOX SYSTEM

Owner Does OR Does Not (*check one*) permit Broker to place a key box on the property.

If authorized above, Owner permits Broker to place a key box on the property, a locked container that holds a key(s) to the property and enables access to the property at reasonable times to facilitate the showing and sale or exchange of the property. In its sole discretion, Broker may grant unaccompanied access to its affiliated licensees and other Subscribers of the St. Louis Area Regional Key Box System (“System”). Owner shall, without limitation, indemnify and hold harmless Broker and Subscribers, the key box manufacturer, and the key box distributor/service center against and from any actions, suits, costs, expenses, damages, and liabilities, including attorney’s fees arising out of, connected with or resulting from the use of a key box. Owner shall not, however, indemnify, or hold System Subscribers harmless for claims arising out of the intentional or negligent acts of the Subscribers.

NOTE: Subscribers to the St. Louis Area Regional Key Box System could include but are not limited to Broker and their affiliated licensees, appraisers, inspectors, lenders, surveyors, home stagers, etc. (“Subscribers”)

Listing Contract

PHOTOGRAPHS AND INTERNET ADVERTISING

(amended 6/4/24)

1. Owner ~~Does OR Does Not~~ *(check one)* agrees that Broker may photograph or otherwise electronically capture images of the exterior and, if authorized, interior of the Property (“Images”) for static and/or virtual tours of the Property by buyers and others for use on Broker’s website, the MLS, and other marketing materials and sites. Owner acknowledges that once Images are placed on the Internet, neither Broker nor Owner has control over who can view such Images, what use viewers may make of the Images, or how long such Images may remain available on the Internet. Owner further assigns any rights in all Images to the Broker and agrees that such Images are the property of Broker and that Broker may use such Images for advertising, including post sale and for Broker’s business in the future.

Owner Does OR Does Not *(check one)* authorize interior images.

2. Owner acknowledges that prospective buyers and/or other persons coming onto the property may take photographs, videos or other images of the property. Owner understands that Broker does not have the ability to control or block the taking and use of Images by any such persons. Owner acknowledges that unauthorized persons may take images who do not have access to or have not read any limiting instruction in the MLS or take images regardless of any limiting instruction in the MLS. Once Images are taken and/or put into electronic display on the Internet or otherwise, neither Broker nor Owner has control over who views such Images nor what use viewers may make of the Images.

Listing Contract

SURVEILLANCE/RECORDING

Notice to Owner regarding recordings within the property

Owner has been advised to remove any items of a personal nature that Owner does not want to be photographed, recorded or transmitted (including but not limited to family photos, paperwork and other personally identifiable information). Owner hereby releases and indemnifies Broker and employees from any liability which may result from any recording or transmitting in the property.

In the event Owner has a recording system in the Owner's property that records or transmits audio, Owner understands that recording or transmitting the audio of prospective buyers may result in violation of state or federal wiretapping laws. Owner hereby releases and indemnifies Broker, and employees from any liability which may result from any recording or transmitting in the property.

Listing Contract

SMART TECHNOLOGY PRIVACY CONCERNS

If the property contains any smart technology, Owner should prioritize privacy and security by resetting and unlinking all devices, including hubs, cameras, locks, and thermostats. Owner should also clear recorded data, change access codes, and uninstall associated apps. Additionally, Owner should reset any Wi-Fi password (if applicable) to prevent lingering access. Owner should also delete automation scenes and refer to user manuals for specific instructions to ensure a fresh start for new owners, safeguarding Owner's personal information and the security of the property. Owner hereby releases and indemnifies Broker, and employees from any liability resulting from the existence or use of such systems before or after closing.

Listing Contract

REMEDIES

If Owner breaches this Listing Contract or it becomes necessary for Broker to retain an attorney to enforce any of the terms hereof, then without limiting any other right or remedy hereunder or otherwise available at law or inequity, Broker shall be entitled to recover all costs and expenses of litigation incurred, including but not limited to court costs and reasonable attorney fees. The provisions of this paragraph shall survive the expiration or any earlier expiration of this Listing Contract.

INDEMNIFICATION

Owner agrees to save and hold Broker harmless from all claims, disputes, litigation, judgments, and costs (including reasonable attorney's fees) arising from Seller's breach of this Contract, from any incorrect information or misrepresentation supplied by Owner or from any material facts, including latent defects, that are known to Owner that Owner fails to disclose.

Listing Contract

FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA).

Owner represents that Owner **Is** OR **Is Not** (*check one*) a “foreign person” as described in the Foreign Investment in Real Property Tax Act (“FIRPTA”), 26 USC §1445. A “foreign person” is a nonresident alien individual or foreign corporation that has not made an election to be treated as a domestic corporation, foreign partnership, trust, or estate. It does not include a US citizen or resident alien individual. If Owner is a foreign person as defined in FIRPTA, then (among other things) mandatory withholding of funds from the sale proceeds may be required. Due to the complexity and potential risks of FIRPTA, Owner should seek legal and tax advice regarding compliance, particularly if an exception is claimed to apply or to be relied upon.

Listing Contract

Statutorily Required Language Placed After Signature Lines

Contract Changes

Buyer Agreements

Contract Changes

What documents will satisfy the settlement requirement for an executed Buyer's Agreement prior to touring a property?

The settlement does not mandate the agency relationship you have with a Buyer who is touring homes with you. Depending on the agency relationship you are establishing, you can use the following forms:

- Buyer's Exclusive Agency Contract (Form #2125)
- Buyer's Non-Exclusive Agency Contract (Form #2124)
- Transaction Brokerage Buyer's Exclusive Contract (Form #2127)
- Transaction Brokerage Buyer's Non-Exclusive Contract (Form #2128)

Any other form approved by your brokerage!

Buyer Agreement

TYPE OF PROPERTY SOUGHT

The type of property sought, as identified by its use, shall be: Residential Investment Commercial Lots Acreage/Farm (*check all that apply*). Any additional specifications for the property sought are as follows: _____.

Broker agrees to use reasonable effort and diligence to identify properties listed in the multiple listing service (“MLS”) that meet Buyer’s specifications, as identified above, and to assist in negotiating terms and conditions for the acquisition of the said property.

Buyer Agreement

Buyer (*check one*) **Is** OR **Is Not** a party to other buyer's representation agreement(s). If the Buyer is a party to other buyer representation agreement(s), those agreement(s) shall not be for the same type of property(s) listed under Type of Property Sought.

Buyer Agreement

TERM

This Agency Contract begins on the Effective Date and ends at 11:59 p.m. on _____ (“Expiration Date”), together with any written extension or reduction thereof. The “Effective Date” shall be the date of final acceptance thereof, as indicated by the date adjacent to the signature of the last party to sign this Agency Contract or (*specify if otherwise*) _____. Buyer will refer all inquiries and prospects Buyer may receive during the Term from any source to Broker, to avoid the possibility of confusion over brokerage and agency relationships and misunderstandings about liability for compensation. Buyer and Broker, with mutual agreement, may terminate this Contract prior to the expiration date by written agreement.

Buyer Agreement

COMPENSATION FOR SERVICES

Note: The amount of compensation is not set by law. Compensation is set by each broker individually and is negotiable, subject to individual broker policy.

Broker Compensation. If, during this Agency Contract, Buyer enters into a contract to acquire any type of real estate described above, whether through services of Broker, Buyer, or any other broker or person during the Term, Broker shall be due and payable at closing (*check one*):

_____ % of purchase price; **OR** \$ _____; as a flat fee; **OR** Other: (*describe*)

(*N/A if blank(s) are not filled in*). Buyer agrees that the compensation above is the voluntary and knowing choice of Buyer.

Buyer Agreement

Additional Compensation. Buyer agrees to pay Broker additional compensation of \$_____ (\$0 if none stated). This additional compensation **Shall OR Shall Not** (*check one*) be credited against any other compensation owed by Buyer to Broker and shall be due and payable to Broker on (*if applicable, check one*):

- the Effective Date of this Agency Contract, which shall be deemed earned upon receipt.
- only if and on the same date that the other compensation above provided for is payable.

Buyer Agreement

Unless otherwise agreed to in writing, Buyer understands that Broker will endeavor to first collect the compensation described above from the listing broker, provided the seller has expressly authorized such compensation. In no case shall the amount of compensation received by Broker from all sources be greater than the amount of compensation listed in this agreement. The source of compensation shall be determined as follows:

- 1) If seller has authorized listing broker to pay cooperating compensation to Broker and the amount authorized by seller is equal to or greater than the compensation listed above, 100% of Broker's compensation shall be paid by listing broker;
- 2) If seller has authorized listing broker to pay compensation to Broker and the amount authorized by seller is less than the amount of compensation listed above, Buyer shall be responsible for the difference in the compensation listed above and the amount of Buyer's compensation that seller has authorized listing broker to pay to Broker; or,
- 3) If seller has not authorized listing broker to pay any compensation to Broker, Buyer shall be solely responsible for the sum of the compensation listed above. Buyer may wish to negotiate with the seller through the sale contract to have seller pay Broker's compensation.

Buyer Agreement

Note: Under current Veteran's Affairs (VA) regulations, VA Buyers cannot pay compensation to the Broker. VA-financed transactions should be conditioned upon the full compensation paid by the Owner or Broker.

DUAL AGENCY CONSENT

Does Buyer consent to Broker acting as a dual agent? *(check one)*

Yes **No** **Not Applicable**, because dual agency is not allowed by Broker's company policy. See the Dual Agent Duties and Obligations outlined below.



Buyer Agreement

BUYER'S LIMITED AGENCY AS STARTING POINT

Pursuant to this Agency Contract, Broker will initially be acting in the capacity of Buyer's limited agent, with the duties and obligations of a buyer's limited agent under Missouri law as set forth following the parties' signatures below. However, Buyer acknowledges that from time to time, a prospective seller may engage Broker to act in one of several possible capacities with respect to that seller, depending on what brokerage relationships are permitted by Broker's company policy. Under various circumstances, Missouri law may permit or require a conversion of Broker's brokerage relationship with Buyer to a different brokerage relationship. Any conversion to a different brokerage relationship shall only be made upon Buyer's written consent, as required by rule or regulation.

Buyer Agreement

DESIGNATED AGENCY

If, as authorized by Missouri law, Broker policy authorizes its affiliated licensees to act as Designated Agents, _____ is appointed as Buyer's Designated Agent. In the event the Designated Agent is not available at any given time, any of the following agents affiliated with the Broker are hereby appointed to represent Buyer without further notice: *(If a Designated Agent is appointed, the Designated Broker must sign this agreement.)*

Buyer Agreement

REPRESENTING OTHER BUYER

Buyer understands that Broker has no duty to represent only Buyer, and that Broker may represent other prospective buyers who may be interested in purchasing or leasing the same property or properties that Buyer is interested in acquiring, subject to Missouri law.

PREVIOUS REPRESENTATION

Buyer understands that Broker may have previously represented the seller from whom Buyer wishes to purchase the property. During that representation, the Broker may have learned material information about the seller that is considered confidential. Under the law, Broker may not disclose any such confidential information to Buyer.

Buyer Agreement

FAILURE TO CLOSE

If an owner of an agreement made on behalf of Buyer fails to close such agreement, with no fault on the part of Buyer, Buyer shall have no obligation to pay the compensation provided for above. If such transaction fails to close because of any fault on the part of Buyer, such compensation will not be waived but will be due and payable immediately. In no case shall Broker be obligated to advance funds for the benefit of Buyer in order to complete a closing.

SMART HOME TECHNOLOGY PRIVACY CONCERNS

When acquiring a home with smart technology, it is vital that Buyer address privacy and security risks. Before occupying, Buyer should take precautions: reset and unlink all devices, delete recorded footage, change access codes, unlink voice assistants, clear personal data, and change the Wi-Fi password (if applicable). These steps ensure a secure transition, protecting Buyer's privacy and the property's smart technology integrity.

Buyer Agreement

SURVEILLANCE/RECORDING

Notice to Buyer regarding recordings within the property.

Prior to photographing, video graphing, or video telephoning a property without written permission of the seller, Buyer should speak with an attorney. Also, Buyer should be aware that the seller may have a security system that records or allows for remote monitoring of the property, including recording or broadcasting audio. Sellers may be able to listen to conversations on their properties, and Buyer should be aware that any discussions of negotiation strategies held on the property may not be confidential. Buyer hereby releases Broker and employees from any liability that may result from any recording in the property.

Buyer Agreement

REMEDIES

If Buyer breaches this Agency Contract or it becomes necessary for Broker to retain an attorney to enforce any of the terms hereof, then without limiting any other right or remedy hereunder or otherwise available at law or inequity, Broker shall be entitled to recover all costs and expenses of litigation incurred, including but not limited to court costs and reasonable attorney fees. The provisions of this paragraph shall survive the expiration or any earlier termination of this Agency Contract.

INDEMNIFICATION

Buyer agrees to save and hold Broker harmless from all claims, disputes, litigation, judgments, and costs (including reasonable attorney's fees) arising from Buyer's breach of this Contract to the extent allowed by law.



Buyer Agreement

Statutory Required Language Placed After Signature Lines

Buyer Agreement Amendment – Form #212(4)(5)(7)(8)a

(Previously Form #2125a)

Amended 6/4/24

This *newly revised* Buyer Agreement Amendment is intended to be used to amend any of the following:

- Buyer's Exclusive Agency Contract (Form #2125)
- Buyer's Non-Exclusive Agency Contract (Form #2124)
- Transaction Brokerage Buyer's Exclusive Contract (Form #2127)
- Transaction Brokerage Buyer's Non-Exclusive Contract (Form #2128)

Contract Changes

Residential Sale Contract

Form #2090

Residential Sale Contract (#2090)

3. PURCHASE PRICE.

\$ _____ is the total purchase price to be paid as follows:

\$ _____ OR _____ % of purchase price (\$0 if none stated) shall be credited by Seller at Closing towards Buyer's closing costs, prepaids, points, and other fees allowed by lender.

\$ _____ OR _____ % of purchase price (\$0 if none stated) shall be paid by Seller at Closing towards Buyer Broker's compensation. This is in addition to any amount agreed upon in the separate Cooperative Compensation Disclosure (Form #2108).

\$ _____ earnest money (\$0 if none stated) (**check one**) received for delivery to **OR** to be delivered to _____ escrow agent within ____ days (3 days if none stated) after "Acceptance Deadline" date. Selling broker to be escrow agent if none specified above.

\$ _____ additional earnest money (\$0 if none stated) to be delivered to escrow agent within _____ days after the "Acceptance Deadline" date (15 days if none stated) or _____.

Residential Sale Contract (#2090)

~~Seller agrees to pay, at Closing, a cost not to exceed _____% of purchase price **OR**
\$_____ (\$0 if none stated) towards Buyer's closing costs, prepaids, points, and
other fees allowed by lender.~~

Residential Sale Contract (#2090)

6. **RIDERS.** The following riders or supplements are attached hereto and incorporated herein as a part of this contract.

- Appraisal Rider (Form #2046)
- Back-Up Contract (Form #2120)
- Contingency for Sale and Closing of Buyer's Property (Form #2092)
- Contingency for Closing of Buyer's Property (Form #2092a)
- Condominiums, Villas or Similar Lifestyle Communities (Form #2059)
- FHA Loan Provision Rider (Form #2135fha)
- Other: _____
- Cooperative Compensation Disclosure (Form #2108)
- Possession by Buyer Prior to Closing (Form #2094)
- Possession by Seller After Closing (Form #2095)
- Rental Property Rider (Form #2096)
- Residential Lease (Form #2118)
- Review of Indentures/Restrictive Covenants (Form #2143)
- VA Loan Provision Rider (Form #2135va)
- Other: _____

Residential Sale Contract (#2090)

Sources of Compensation to Broker(s), including commissions and/or other fees:

~~Seller~~ Buyer Seller (with, if applicable, cooperative compensation disclosure)

If cooperating compensation is being offered, Seller and Buyer agree to pay the compensation to the Listing Broker and Buyer Broker in such form and amounts as authorized in the attached Cooperative Compensation Disclosure (Form #2108).

Seller and Buyer agree that Listing Broker and Buyer Broker are third-party beneficiaries under this contract.

Contract Changes

Cooperative Compensation Disclosure

Form #2108

(Amended 6/4/24)

Cooperative Compensation Disclosure (#2108)

COOPERATIVE COMPENSATION DISCLOSURE

1 Note: The amount of compensation is not set by law. Compensation is set by each broker individually and is negotiable, subject
2 to individual broker policy.

3 PROPERTY: _____

4 BY AND BETWEEN: The undersigned Buyer(s) and Seller(s).

5 The Listing Broker ~~is offering~~ agrees to pay ~~cooperating~~ cooperative compensation on this transaction to the Selling Broker as follows
6 (\$0 if none is stated):

7 _____ % of purchase price OR \$ _____ to buyer's agents (limited agents representing prospective buyers)

8 _____ % of purchase price OR \$ _____ to transaction brokers (neutral licensees representing neither party)

9 _____ % of purchase price OR \$ _____ to subagents (limited agents representing Owner)

10 equal to _____ % of the total sale or lease price or \$ _____.

11 In addition, a bonus of \$ _____ (\$0 if none is stated) is offered to Selling Broker by Seller OR Listing Broker. This
12 compensation shall be due and payable at closing.

Amended 6/4/24

Cooperative Compensation Disclosure (#2108)

14 Listing Broker and Seller acknowledge that Seller authorizes the offer of ~~cooperating~~cooperative compensation, including amounts to
15 the Selling Broker. Selling Broker and Buyer understand and acknowledge that the total compensation received by Selling Broker for
16 representing Buyer in the purchase of this property, including any ~~cooperating~~cooperative compensation received from Listing
17 Broker, shall not exceed the amount authorized in writing between Selling Broker and Buyer. Further, Selling Broker and Buyer
18 understand and acknowledge that any bonuses paid out have been disclosed and authorized by Seller and Buyer, respectively.

19 Other terms regarding cooperative compensation between brokers:

20

21

22

Amended 6/4/24

Cooperative Compensation Disclosure (#2108)

23 The total sale/lease price shall be determined as follows: 1) in the case of a sale (including contract for deed or exchange), it shall be
24 the total sale price and other consideration received by Owner (including, but not limited to, cash, Seller loans to Buyer and other real
25 or personal property received) for the property, without reduction for Closing adjustments, points or other charges; 2) in the case of a
26 lease, it shall be the total lease payments due to the Owner by the tenant during the term of the lease, without adjustments for utilities,
27 taxes and other charges which may be imposed on the tenant. If Owner executes a lease with an option contract or a lease/purchase
28 contract, the lease commission-compensation shall be due when the lease is executed, and the sale commission-compensation (less any
29 lease commission-compensation already paid) shall be due when the title is conveyed to Buyer.

30
31 Seller and Buyer, by affixing their signatures below, acknowledge that the compensation amounts authorized herein are the product of
32 free and knowing negotiations and supersede any cooperative compensation amounts authorized in any separate agreement(s) between
33 Seller and Seller's Broker.

Amended 6/4/24

Contract Changes

Listing Contract Settlement Disclosure

Form #2050 (*NEW*)

Listing Contract Settlement Disclosure (#2050)

Note:

- This is a disclosure form intended to be given by Brokers to owners of listed property.
- Ideally, a brokerage will send this form notice to any owners of listed property on or before August 1, 2024.
- This disclosure should not be needed after this date if using updated SLR contracts given cooperative compensation will no longer be allowed in the MLS as of this date.

Listing Contract Settlement Disclosure (#2050)

LISTING CONTRACT SETTLEMENT DISCLOSURE

1 LISTING CONTRACT DATE: _____

2 OWNER(S): _____

3 PROPERTY: _____

4 Please be advised that a settlement agreement in the class action lawsuit Burnet et al. v. National Association of REALTORS® (NAR)
5 et al. has been reached, which sets forth changes in the NAR MLS (multiple listing service) compensation model rule (MLS Model
6 Rule) that may impact the above-referenced contract. The settlement agreement calls for a new rule to take effect on August 17, 2024,
7 that prohibits offers of compensation by any field on the MLS. To the extent that the above-referenced agreement provides for an offer
8 of compensation on the MLS, please be advised that as of August 17, 2024, this will no longer be an option. However, owners may still
9 offer and prospective buyers may still pursue offers of cooperative compensation via non-MLS means and through negotiation and
10 consultation with each other and/or their respective real estate professionals. Any offers of compensation made through the MLS prior
11 to August 17, 2024, which result in a transaction that remains pending after August 17, 2024, are legally binding and fully enforceable.

Listing Contract Settlement Disclosure (#2050)

12 In keeping with the terms of the settlement agreement, please be advised of the following:

- 13 1. All real estate brokerage contracts between a broker and a buyer must (a) specify and conspicuously disclose the amount or
14 rate of compensation the buyer broker will receive or how this amount will be determined, (b) this compensation must be
15 objectively ascertained and not open-ended, and (c) broker may not receive compensation for brokerage services from any
16 source that exceeds the amount or rate agreed to in the brokerage contact with the buyer
- 17 2. The amount of compensation is not set by law. Compensation is set by each broker and is negotiable, subject to individual
18 broker policy.
- 19 3. The listing broker acting for owner must conspicuously disclose to owner and obtain owner approval for any payment or offer
20 of payment that the listing broker or owner will make to another broker, agent, or representative of the buyer; such disclosure
21 must be (a) in writing, (b) provided in advance of any payment or agreement to pay another broker acting for buyers, and (c)
22 specify the amount or rate of any such payment.

Listing Contract Settlement Disclosure (#2050)

23 The settlement agreement referenced above was entered into voluntarily, and NAR and this brokerage deny any wrongdoing in
24 connection with the MLS Model Rule. NAR has long maintained and continues to believe that cooperative compensation benefits both
25 buyers and sellers.

26 To the extent that you have any questions about the services being provided under the above-referenced contract, how your Broker is
27 being paid, or any general questions about how this change might impact the marketing of your property, please reach out to your Broker
28 below for further explanation.

29 _____
30 BROKER (Company) DATE

31 _____
32 AUTHORIZED AGENT SIGNATURE DATE

33 _____
34 Authorized Agent Printed Name



THANK YOU!



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