

COMPENSATION SCENARIOS Explanation

ONE

On page one of the purchase and sale agreement, the specific term titled "Buyer Brokerage Compensation" displays both the "Seller's Offer (if any)" and the "Amount to be Paid by Seller." Both of those terms must be completed and should not be left blank. This is true even if the amount of the "Seller's Offer" (e.g. 2.5%) is the same as the "Amount to be Paid by Seller" (e.g. 2.5%).

17. Buyer Brokerage Compensation: 2.5% ; 2.5% Addendum for Buyer Credit
(a) Seller's Offer (if any) (b) Amount to be Paid by Seller

TWO

If the "Seller's Offer" is greater than the "Amount to be Paid by Seller", the buyer can request a credit toward buyer's obligations at closing. To do this, fill in the amount of "Seller's Offer" (e.g. 3%) and the "Amount to be Paid by Seller" (e.g. 2.5%). Check the "Addendum for Buyer Credit" box and attach and complete the Addendum for Buyer Credit (Form 41C) for a \$2,000 credit to the buyer.

17. Buyer Brokerage Compensation: 3% ; 2.5% Addendum for Buyer Credit
(a) Seller's Offer (if any) (b) Amount to be Paid by Seller

18. Addenda: 41C (Buyer Credit)

*Note, if the buyer is not requesting a credit in this scenario, do not check the Addendum for Buyer Credit box and the seller would only pay \$5,000.

THREE

If the "Seller's Offer" (e.g. 2%) is less than the amount that the buyer has agreed to pay in the buyer brokerage services agreement (e.g. 3%) – and the buyer requests that the seller pay the additional buyer broker compensation, fill out the terms accordingly.

17. Buyer Brokerage Compensation: 2.5% ; 3% Addendum for Buyer Credit
(a) Seller's Offer (if any) (b) Amount to be Paid by Seller

FOUR

If the seller is not offering any buyer brokerage compensation – and the buyer requests that the seller pay all or a portion of the compensation that the buyer has agreed to pay in the buyer brokerage services agreement (e.g. \$6,000), fill out the terms accordingly.

17. Buyer Brokerage Compensation: NONE ; 2.5% Addendum for Buyer Credit
(a) Seller's Offer (if any) (b) Amount to be Paid by Seller

Please refer to page **5 u.**
**on the Form 21 Purchase
and Sale Agreement**

u. **Brokerage Firm Compensation.** Seller and Buyer shall pay compensation in accordance with any listing or 202 compensation agreement to which they are a party. The Listing Brokerage Firm's compensation shall be paid as specified 203 in the listing agreement. The compensation offered by Seller to the Buyer Brokerage Firm, if any, is set forth in Specific 204 Term No. 17(a), and if there is any inconsistency between the Buyer Brokerage Firm's compensation offered and the 205 description of the offered compensation stated in Specific Term No. 17(a), the terms shall be as set forth in the published 206 offer. Seller shall pay the Buyer Brokerage Firm compensation set forth in Specific Term No. 17(b). Seller and Buyer 207 hereby consent to Listing Brokerage Firm or Buyer Brokerage Firm receiving compensation from more than one party. 208 Seller and Buyer hereby assign to Listing Brokerage Firm and Buyer Brokerage Firm, as applicable, a portion of their funds 209 in escrow equal to such compensation and irrevocably instruct the Closing Agent to disburse the compensation directly to 210 the Firm(s). In any action by Listing or Buyer Brokerage Firm to enforce this paragraph, the prevailing party is entitled to 211 court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third-party beneficiaries 212 under this Agreement. 213