



COMPENSATION AGREEMENT BETWEEN BROKER AND OWNER

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1. PARTIES: The parties to this Agreement are:

Owner: **Sheldon Sellerson**

Address: **5389 Maple Street**

City, State, Zip: **Deer Park, TX 77536**

Phone: **(123)456-7890** E-Mail/Fax: **sheldons@gmail.com**

Broker: **Big Broker Realty**

Angela Agent

Address: **4444 Center Street**

City, State, Zip: **Deer Park, TX 77536**

Phone: **(713)894-9436** E-Mail/Fax: **angelaa@bigbrokerrealty.com**

2. PROPERTY: "Property" means the following real property in Texas, together with all its improvements and fixtures:

Address: **5839 Maple Street**

City: **Houston** County: **Harris** Zip: **77536**

Legal Description (*Identify exhibit if described on attachment*): **Lot 7, Block 13 Deer View Estates Sec 2, 77536**

3. ASKING PRICE: Owner is presently asking:

A. \$ **305,000.00** to sell the Property; and

B. \$ **N/A** to lease the Property.

4. REGISTRATION: Broker registers **Brett and Beatriz Buyer**

(Prospect) with Owner.

5. TERM: This Agreement begins on **August 22, 2024** and ends at 11:59 pm on **September 30, 2024**.

6. BROKER'S FEE: Owner is not obligated to pay Broker a fee until such time as Broker's fee is Earned and Payable. Broker's fees are Earned when Owner enters into a binding agreement to sell or lease all or part of the Property at any price to Prospect or if Owner breaches this Agreement. Broker's fees are Payable in the amounts stated below at the specified times.

A. **Sales:**

(1) If Owner agrees to sell all or a part of the Property to Prospect at any price during the Term, Owner will pay Broker a fee equal to:

(a) **2.500** % of the sales price; or

(b) **N/A**

(2) The fee is Payable, either during the Term or after it ends, at the earlier of:

(a) the closing and funding of the sale or exchange of the Property;

(b) Owner's breach of this Agreement; or

(c) Owner's breach of a binding contract to sell the Property to Prospect.

B. Leases:

(1) Primary Lease:

(a) If Owner agrees to lease all or part of the Property to Prospect, on any terms, during the Term, Owner will pay Broker a fee equal to:

- (1) N/A % of one full month's rent Prospect is obligated to pay under the lease;
 (2) N/A % of all rents Prospect is obligated to pay under the primary term of the lease; or
 (3) N/A _____.

(b) The fee is Payable during the Term or after it ends in accordance with the following schedule:

- (1) in one payment upon N/A _____.
 (2) in two payments as follows: one-half of the fee at the time the lease is executed and the remainder on the date the lease commences.
 (3) N/A _____.

(2) Renewals: If Prospect leases all or part of the Property during the Term and subsequently, either during the Term or after it ends, extends, renews, or expands the lease, (including new leases for more, less, or different space in the same building or complex), Owner will pay Broker, at the time the extension, renewal, or expansion commences, a fee equal to:

- (a) N/A % of one full month's rent Prospect is obligated to pay under the lease;
 (b) N/A % of all rents to be paid for the term of the extension, renewal, or expansion; or
 (c) N/A _____.

(3) Subsequent Sale to a Tenant: If Prospect leases all or part of the Property during the Term and subsequently, either during the Term or after it ends, agrees to buy all or part of the Property within the term of the lease or within 180 days after the date the lease ends, Owner will pay Broker, at the closing of the sale, a fee equal to:

- (a) N/A % of the sales price; or
 (b) N/A _____.

NOTICE: If the Property is commercial property under Chapter 62, Property Code, Broker is entitled to claim a lien against the Property to secure payment of an earned commission.

7. **BROKER'S REPRESENTATION:**

A. Owner acknowledges receipt of the attached **Information About Brokerage Services** which is incorporated into this Agreement for all purposes. During negotiations for the sale or lease of the Property, Broker:

- (1) will represent Owner only.
 (2) will represent Prospect only.
 (3) will act as an intermediary between Owner and Prospect.

B. If Broker acts as an intermediary, Broker will assist both Prospect and Owner in the sale or lease of the Property. Broker's fees will be paid by Owner as provided in Paragraph 6. Broker may appoint a licensed associate(s) of Broker to communicate with, carry out instructions of, and provide opinions and advice during negotiations to Owner and appoint another licensed associate(s) for the same purposes to Prospect. **As an intermediary, Broker:**

- (1) may not disclose to Prospect that Owner will accept a price less than the asking price unless otherwise instructed in a separate writing by Owner;
(2) may not disclose to Owner that Prospect will pay a price greater than the price submitted in a written offer to Owner unless otherwise instructed in a separate writing by Prospect;
(3) may not disclose any confidential information or any information Owner or Prospect specifically instruct Broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose the information by the Real Estate License Act or a court order or if the information materially relates to the condition of the Property.

- (4) shall treat all parties to the transaction honestly; and
- (5) shall comply with the Real Estate License Act.

8. **ADDENDA:** Addenda and other related documents which are part of this Agreement are **Information About Brokerage Services** and **TXR 2406 Addendum Regarding Broker Fees**

9. **OTHER:**

- A. **Entire Agreement:** This document contains the entire agreement between the parties and may not be changed except by written agreement. This Agreement supersedes any prior agreement between the parties concerning the same subject matter.
- B. **Notices:** Notices between the parties must be in writing and are effective when sent to the receiving party's address, fax, or e-mail specified in Paragraph 1.
- C. **Definition of Sell:** "Sell" means to sell, agree to sell, convey, agree to convey, exchange, agree to exchange, transfer, or agree to transfer a legal or equitable interest either by written or oral agreement or option. The transfer of Owner's interest (stock or shares) in any entity that holds title to the Property for the purpose of conveying the Property to another person is a sale.
- D. **Disbursements:** All fees to Broker under this Agreement are payable in cash in the county in which the Property is located. Owner authorizes Broker to instruct any escrow or closing agent to collect and disburse to Broker at closing the Broker's fees due under this Agreement. Paragraphs 6B(2) and 6B(3) survive termination of this Agreement. In the event of an exchange or breach of this Agreement, the asking price will be the sales price or rental rate for computing Broker's fees.
- E. **Related Parties:** If a related party of Prospect agrees to buy or lease all or part of the Property during the Term, Broker will be entitled to all compensation under this Agreement as if Prospect had acquired the Property. "Related party" means any assignee of Prospect, any family member or relation of Prospect, any officer, director, or partner of Prospect, any entity owned or controlled, in whole or part, by Prospect, and any entity that owns or controls Prospect, in whole or part.
- F. **Additional Notices:**
 - (1) Broker's fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested, or maintained by the Association of REALTORS® or any listing service. Broker's fees are negotiable.
 - (2) If the Property contains a residential dwelling built before 1978, federal law requires the Owner to: (a) provide the buyer with the promulgated lead hazard information pamphlet; and (b) disclose the presence of any known lead-based paint or lead-based paint hazards.
 - (3) **Broker cannot give legal advice. This is a legally binding agreement. READ IT CAREFULLY. If you do not understand the effect of this Agreement, consult your attorney BEFORE signing.**

Big Broker Realty

Broker's Printed Name 469898 License No.

Broker's () or Broker's Associate's) Signature _____ Date _____

Angela Agent

Broker's Associate's Printed Name _____ License No. _____

Sheldon Sellerson

Owner's Printed Name _____

Owner's Signature _____ Date _____

Owner's Printed Name _____

Owner's Signature _____ Date _____