**CO-BROKER LISTING ADDENDUM TO
EXCLUSIVE SALE AND LISTING AGREEMENT**

**Parties to This Agreement**

 A. Seller: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 B. Primary Listing Broker: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Contact information: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 Associated with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (real estate office)

C. Ancillary Co-Broker and Attorney: James Robert Deal, DOL 3966, NWMLS 90655, Keller Williams Realty Everett, 1000 SE Everett Mall Way #201, Everett WA 98208, Office 425-212-2007, Home Office Direct Line 425-774-6611, Cell and Text Line 425-670-1405, email: James@JamesDeal.com, WSBA 8103. See: [www.WashingtonAttorneyBroker.com](http://www.WashingtonAttorneyBroker.com).

**Co-Brokerage Listing Addendum: Summary**

Ideally, it is best to consult with an attorney when one is selling property. The most effective and most economical way to do that is for the Primary Listing Broker to co-broker with another broker who is also an experience real estate lawyer. That’s me.

Under this Co-Brokerage Listing Addendum, I will co-broker with the Primary Listing Broker. I will provide both legal and real estate services. I will assist both seller and Primary Listing Broker. I will take no payment until closing. If there is no closing, there is no fee. The typical listing commission for the Primary Listing Broker is 6.0%, with 3.0% going to the selling broker, although commissions are negotiable up or down. My commission as an ancillary broker is payable at closing. My fee typically adds 0.5% to 1.0% of the sale price to the commission, meaning that the total commission would typically be 6.5% or 7.0%. My commission is negotiable up or down depending on the complexity of the transaction. This Co-Brokerage Listing Addendum is wordy, but there are reasons for that. This is both a contract and an explanation as to why and when the Seller and Primary Listing Broker should use this Co-Brokerage Listing Addendum and bring me in as a co-broker.

**Examples – When You Would Utilize This Co-Brokerage Agreement**

Example: Any time a seller would be well advised to consult with an attorney. Attorneys are expensive, and so sellers are reluctant to utilize their services or engage them too late in the process, when the damage is already done. Sellers often select attorneys who do not understand broker customs and rules.

Example: When you are representing a landlord or tenant in putting together a lease.

Example: When you are taking a listing on land to be sold to developers. These deals are complex and legal advice is usually advisable.

Example: When you are taking a listing on a business opportunity. I have closed many.

Example: When you are taking a listing on property which does not qualify for financing due to bad condition and where a contract sale is needed.

Example: When you are taking a listing when there may be a wrap-around, an assumption, a lease option, or a short sale. I have had experience with all these situations.

Example: When the seller is serving as a trustee for someone else and wants to do due diligence and avoid any potential for liability.

Example: Or whenever any seller wants the feeling of security that comes from having legal review from beginning to end, with no fee until closing.

**Advantages to Brokers**

Brokers earn their commissions by marketing property, not by writing legal documents. Broker’s have errors and omissions insurance, but it may not cover them when they act outside the normal scope of brokerage, when they answer complex legal questions, or draft documents other than MLS approved, fill in the blank forms.

Having an attorney on board from the beginning can help a broker secure a listing. Sellers will take a broker more seriously if the broker is part of a team that includes an experienced real estate attorney-broker. This is especially true for brokers new in the business.

Having an attorney on board can help brokers sleep easier at night.

**Should You Involve a Lawyer? And When? And Which Lawyer?**

Most residential deals close without a lawyer even looking at them. The MLS forms have improved greatly. They are really good. Usually there are no problems, but always there are questions. And sometimes there are problems. Having a lawyer involved from the beginning can avoid problems, reduce tension, inspire confidence, and smooth out the process.

Most sellers do not get an attorney lined up in advance of sale. When something goes wrong, they seek out a lawyer in haste. It might be too late to undo the damage. The lawyer will charge a large fee just to get familiar and stay familiar with the transaction. The Seller might pick the wrong lawyer. Law schools do not teach transactional real estate, MLS forms, MLS rules, or broker customs. In my three real property courses in law school, we discussed obscure rules which rarely come up.

A flat fee commission arrangement, with commission payable at closing is better than an hourly legal fee arrangement. Hourly billing discourages sellers from communicating freely with the lawyer. Hourly billing means that the lawyer may not have all the information needed to give good advice. The end result may be poor quality legal service and a failed transaction.

Getting a lawyer lined up in advance is like having insurance – just in case the worst happens.

With multiple offers and with quick decisions being made, even ordinary sales are getting more complex. Brokers generally appreciate it when their clients engage an attorney, especially one who understands MLS rules and broker customs.

According to the Washington Supreme Court the sale of real estate by real estate brokers is the “authorized practice of law by non-attorneys”, provided that brokers use standard, attorney-approved, fill-in-the-blank forms. Google for Cultum v. Heritage House Realtors, Inc., 103 Wn.2d 623, 1985. The sale of real estate is the practice of law. For a person who is both a broker and an attorney, it is completely appropriate for him to accept his payment at closing as a real estate commission instead of payment in advance and payment by the hour as a legal fee.

Although I will be providing both real estate and legal services, I will be compensated as a real estate broker and receive my fee as a commission at closing.

**Why James Robert Deal, Attorney-Broker?**

I have been doing all things real estate since 1980. And I am a broker, so I also know the MLS rules and broker customs. I have written, reviewed, or closed hundreds of real estate transactions. I ran an escrow department in my law office for twenty years until I got tired of handling millions of dollars of other people’s money. I ran a mortgage company for five years. I am a licensed but inactive mortgage loan officer. I do only commercial loans. I have handled tax-deferred exchanges, foreclosures, and bankruptcies. My wife is a broker and assists me. I am an experienced landlord.

In modern real estate, brokers work in teams. As an ancillary co-broker I work as part of a selling team which includes the Primary Listing Broker.

From the Seller’s point of view this co-brokerage arrangement eliminates the hot flashes that come when receiving an attorney invoice. Sellers generally prefer to pay at the end of the process for a job well done than to pay by the hour for work which may not result in a job well done.

From my point of view, this arrangement is advantageous because it eliminates the inefficiency of having to bill by the hour. Under this arrangement, the Seller and the Primary Broker will feel free to use a lot of my time, whereas when I bill by the hour, they are hesitant to call me when they should. I will stay better informed regarding the transaction. I will be able to deliver better service than if I work on an hourly basis. And frankly, I enjoy the process more.

**Services to be Provided**

As ancillary co-broker, I agree to perform the following work:

I agree to assist the Seller and the Primary Listing Broker in marketing the listed property for the best price possible. I agree to provide comprehensive legal review of all documents involved in this transaction, to advise the seller and the Primary Listing Broker regarding legal issues, and to respond and communicate with the buyer’s lawyer if the buyer has one. I will review and advise the Seller regarding the listing agreement, the title report, the Form 17 property condition disclosure, all offers and counter offers, all inspection documents, and all closing documents. I will follow the transaction all the way through to closing. I will assist with multiple offer situations. My commitment extends to all legal issues directly related to this listing and sale. I am available on weekends.

However, I am not agreeing herein to appear in any suits, arbitrations, or mediations. If the Seller does need to hire an attorney to litigate, I will recommend experienced attorneys I know and make sure they charge a reasonable fee.

I work for the Seller with the assumption that the Seller wants to sell. If the Seller decides to back out of a purchase agreement after signing it, the Seller will have to retain another attorney to help the Seller do that.

Keller Williams Everett carries errors and omissions insurance which covers me as a real estate broker. I carry errors and omissions on my own which covers my work as an attorney.

**The Co-Broker Agreement**

The Seller agrees to pay to the Primary Listing Broker the percentage listed in the standard listing agreement, Form 1A.

The Seller agrees to pay to Keller Williams Everett and to James Robert Deal at closing, a co-brokerage commission of \_\_\_\_\_\_\_\_\_\_\_\_\_% of the sale price, payable at closing.

**Mutual Cooperation**

The Seller, the Primary Listing Broker, and I are all signing this agreement to confirm that we all agree to work together as spelled out in this Co-Brokerage Listing Addendum.

Seller: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

James Robert Deal, Ancillary Co-Broker: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Primary Listing Broker: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_