



Realtor®/Builder Cooperative Sales Guidelines
between members of the
Cincinnati Area Board of Realtors® and Home Builders Association of Greater Cincinnati



ARTICLE 1 - DEFINITIONS

Builder...the Builder or Builder's representative.

Buyer-broker...the real estate firm retained to represent the Purchaser.

CABR...the Cincinnati Area Board of Realtors®.

Client...a principal in the transaction, who engages the professional service/ advice of a REALTOR® and whose interests are protected by the specific duties and loyalties of a fiduciary relationship through an expressed agency agreement (written or oral).

Customer...a principal in the transaction, who receives support services without an expressed agency agreement (written or oral) with the REALTOR®.

Guidelines...the contents of this entire document, Cooperative Sales Guidelines.

HBA...the Home Builders Association of Greater Cincinnati.

MLS...the Multiple Listing Service of Greater Cincinnati.

Member...REALTOR® member of CABR and/or Builder member of HBA.

Property...any single-family residential property, including condominium or multi-family property.

Prospective Purchaser...a party, either client or customer, who is interested in buying real estate.

REALTOR®...the REALTOR® **Broker** or his licensed agent.

REALTOR®/Builder Joint Executive Committee... the joint committee comprised of CABR and HBA **Executive Committee** members, as appointed separately by the governing bodies of each organization.

Rules for Arbitration ...Procedures established for handling commission disputes between signatories to the *Guidelines*.

ARTICLE 2 - PREAMBLE

Section 1. These Guidelines are established for the mutual benefit of members of CABR and HBA to promote the high standards of conduct in the transaction of real estate business so that membership in either of these organizations may serve as a guarantee of business integrity and responsibility.

ARTICLE 3 - GENERAL PROVISIONS

Section 1. These Guidelines shall be reviewed annually by CABR and HBA to determine if they are current and should continue in force the following calendar year.

Section 2. These Guidelines shall be binding upon the members of CABR and HBA and shall remain in effect until: a) revoked in writing and communicated by CABR and HBA, accordingly, to their respective members, or b) the Principal member of CABR or HBA opts-out of these guidelines, in writing, to the respective organization.

Section 3. These guidelines are in the absence of any prior agreement between REALTOR® and Builder.

Section 4. The type of sales contract to be used between a REALTOR® and Builder is at the sole discretion of the Builder.

Section 5. In accordance with Ohio Agency Disclosure law, REALTOR® shall provide the Builder with a signed agency disclosure statement no later than contract presentation.

ARTICLE 4 - SHOWING AND REGISTRATION

Section 1. The registration procedure, as detailed herein, applies to Prospective Purchasers registered by either REALTOR® or Builder.

Section 2. The REALTOR® shall personally take his Prospective Purchaser to the Builder, Builder's property, model or lot for the Prospective Purchaser's first meeting or on-site inspection of the property, model or lot.

Section 3. The REALTOR® shall also present to the Builder, within 24 hours of showing, a written notice (e.g., memo, Builder's registration form, letter or business card) giving the name of Prospective Purchaser, date and time of showing.

ARTICLE 5 - ENTITLEMENT TO COMPENSATION

Section 1. Should the REALTOR® sell either the specific property shown by the REALTOR®, a lot owned by the Builder or a property to be built from the Builder's models or plans or Prospective Purchaser's plans, the assumption would be that the REALTOR® **Broker** is due a commission provided the sale (an accepted purchase contract) takes place within a reasonable period of time (see Section 2 of this Article). In the event the sale (an accepted purchase contract) takes place beyond such reasonable period of time, the assumption would be that the REALTOR® **Broker** is not due a commission.

Section 2. A reasonable period of time is construed to be sixty (60) days from the date of initial registration or extension thereof in the event of re-registration of a Prospective Purchaser's name.

Section 3. A registration of a Prospective Purchaser will be extended for an additional sixty (60) days by written notice, e-mail, fax, or phone call from the REALTOR® to Builder, without the need of an additional property visit by REALTOR® or Prospective Purchaser. In the event the Prospective Purchaser has a continued interest in the Builder beyond one hundred twenty (120) days from the date of the initial registration, an additional property visit and registration (see Article 4, Section 3) or a written notice signed by the Prospective Purchaser and REALTOR® must be presented to the Builder.

Section 4. If a Prospective Purchaser returns to the Builder on his own and purchases from the Builder within the sixty (60) day registration period or extension thereof, the assumption would be that the REALTOR® **Broker** is due a commission, in accordance with these Guidelines. In the event of such sale (an accepted purchase contract) after the registration period or extension thereof, the assumption would be that the REALTOR® **Broker** is not due a commission.

Section 5. If a Prospective Purchaser returns to the Builder with another REALTOR® and should this REALTOR® submit an offer acceptable to the Builder, the Builder is not liable for a commission to

the original REALTOR® **Broker**. However, if there is a REALTOR®-to-REALTOR® dispute over the commission paid, it shall be handled in accordance with Article 7, Section 1 of these Guidelines.

ARTICLE 6 - BASIS FOR COMPUTING COMMISSION

- Section 1. Neither CABR nor HBA have recommended rates of commission or recommended commission splits.
- Section 2. At the time an appointment is set for showing the property, it is the joint obligation of the REALTOR® **Broker** and Builder to establish the basis of ~~sub-agency or~~ buyer-broker compensation unless, however, the property is listed in the MLS, in which case a blanket unilateral offer of ~~sub-agency and/or~~ buyer-broker compensation already exists.
- Section 3. Optional items in models should be designated as such, and the REALTOR® should ascertain which items are not included in the base selling price.
- Section 4. The Builder ~~should~~ **shall** disclose to the REALTOR® **Broker**, prior to the signing of the sales contract, whether the selling commission is computed on the (a) base price of the property or (b) base price plus optional items.
- Section 5. In the acceptance of the sales contract, the Builder and REALTOR® **Broker** shall sign an agreement indicating the amount of compensation due the REALTOR® **Broker**.

ARTICLE 7 - HANDLING OF DISPUTES

- Section 1. If a commission dispute arises out of a transaction between REALTORS® of different firms, either REALTOR® may submit the dispute to the Arbitration Committee of CABR for resolution.
- Section 2. A commission dispute arising between ~~Signatories to these Guidelines~~ applicable **HBA and CABR members** shall be referred to the REALTOR®/Builder **Joint Executive** Committee for conciliation or resolution in accordance with the Rules for Arbitration. An Arbitration hearing panel from within the REALTOR®/Builder **Joint Executive** Committee to hear unresolved REALTOR® -Builder disputes shall consist of three Builders and two REALTORS® in even-numbered years, and two Builders and three REALTORS® in odd-numbered years.
- Section 3. Any Member of CABR or HBA who has not opted out of these Guidelines and ~~has subscribed to these Guidelines and~~ has refuses to comply with these Guidelines or fails to comply with a finding of the REALTOR®/Builder arbitration hearing panel, shall be subject to disciplinary action by the Board of Directors of the CABR or HBA, as applicable. Such disciplinary action may include suspension or expulsion of membership as provided in the Constitution of such association.

ARTICLE 8 - AMENDMENTS

- Section 1. These Guidelines may be amended if approved by the governing bodies of both CABR and HBA.



REALTOR®-BUILDER REGISTRATION FORM

Builder _____ Date _____

Builder Representative _____

Address _____

City _____ State _____ Zip _____

Community _____

Client name(s) (Mr./Mrs./Ms.) _____

Address _____

City _____ State _____ Zip _____

Email _____

Home Phone _____

Work/Cell Phone _____

Broker Name _____

Agent Name _____

Office Address _____

City _____ State _____ Zip _____

Broker Phone Number _____

Agent Phone Number _____

Agent's Email Address _____

This Registration Form is the official registration of your Agent referral for the above-named Client. The Agent acknowledges the Realtor®/Builder Cooperative Sales Guidelines between the Cincinnati Area Board of REALTORS® and the Home Builders Association of Greater Cincinnati® (the "Co-Op Agreement") and agrees to be bound by the Terms and Conditions thereof. On unlisted property, the Agent/Broker relationship is protected for sixty (60) days from the Client's initial visit unless extended in accordance with the Co-Op Agreement.

Agent's Signature

Client's Signature

Builder Representative's Signature

Commission Agreement

(To be completed, signed by both parties and exchanged before offering to purchase)

The Builder will pay to the Agent/Broker a commission equal to (check one option below) of the Builder home that is sold and purchased by the Client at closing. Such commission shall be paid at the time of closing.

____ 1. _____% of the base contract price (excluding upgrades and options)

____ 2. _____% of the base contract price (including upgrades and options)

____ 3. \$ _____

Note: In the event, the Client purchases a property that is listed in the Multiple Listing Service of Greater Cincinnati (or any other MLS), the determination of entitlement to compensation and amount due shall be pursuant to MLS Regulations.

Managing Broker's Signature

Builder Representative's Signature