

EXCLUSIVE BUYER REPRESENTATION AGREEMENT (Designated Agency)

1 **Broker/Firm:** _____

2 **Address of Firm:** _____

3 **Buyer:** _____

4 **1. TERM.**

5 For and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt
6 and sufficiency of which is hereby acknowledged, the undersigned
7 _____ (“Client” or “Buyer”) hereby employs the
8 Firm/Broker of _____ (“Broker”), as Client’s
9 exclusive agent to locate property for Client’s purchase, lease, exchange or option (collectively “Purchase”) during the
10 term of this agreement, and to advocate the Client’s best interests in the negotiation of terms and conditions of any such
11 Purchase. This Buyer Representation Agreement (“Agreement”) begins on this date and terminates at 11:59 p.m. local time
12 on _____, _____, or at the closing (or in the case of a lease, the date of possession) of any
13 Purchase under this Agreement, if such occurs earlier. If a contract to purchase, exchange, or lease is signed before this
14 Agreement expires, the term hereof shall continue until final disposition of the Purchase and Sales Agreement, exchange
15 agreement, or lease agreement.

16 **2. TYPE OF PROPERTY SOUGHT BY CLIENT.**

17 **A. General Description, Size and Location:** _____

18 _____

19 **B. Price Range & Terms:** _____

20 **C. Sources to be Searched for Property:** _____

21 _____

22 **D. Other Terms/Conditions:** _____

23 **E. Properties Specifically Exempted from this Agreement:** _____

24 _____

25 **3. CLIENT DUTIES.**

26 Buyer agrees:

- 27 A. To Purchase property exclusively through Broker during the term of this Agreement;
- 28 B. To furnish Broker on a timely basis with any necessary personal and/or financial information to ensure Client’s
29 ability to Purchase;
- 30 C. That he/she is not under an exclusive right to buy contract or exclusive buyer representation agreement with any
31 other agent at this time;
- 32 D. That if Client utilizes the services of another real estate broker or deals solely with a Seller’s Agent or the Seller
33 directly at any time during the effective period of this Agreement and/or any extensions thereof and then enters into
34 an agreement with a seller/owner to Purchase any property(ies) described above, the Buyer still owes a commission
35 to the Broker provided herein;
- 36 E. To authorize Broker to negotiate for a fee paid by the Seller and/or the Seller’s agent, the payment of which will be
37 fully disclosed to Client. If a fee is not offered or paid to Broker, as could occur, for example, in the purchase of an
38 unlisted property, Client agrees to pay Broker a total of \$ _____ or _____% compensation
39 based on the total sale price. In the event that Buyer leases a property in lieu of purchase, the Buyer agrees to pay
40 Broker a total of \$ _____ in compensation unless otherwise stated herein. In the event that the amount of
41 any cooperating compensation paid by Seller or Seller’s broker is less than the amount listed above, Buyer agrees to

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42 pay Broker the difference at closing, or on the date of possession in the case of a lease. Broker's fee is earned at the
43 signing by both parties of an agreement to purchase, lease, exchange or the exercise of an option for any
44 property(ies) as described above and is due at the closing of any such transaction or upon possession of property
45 unless otherwise stated herein. In the event that Buyer defaults on performance of a valid contract for sale, lease,
46 exchange or exercised option, Broker's fee will be due on the date of default. Buyer agrees to pay all reasonable
47 attorney's fees together with any court costs and expenses which real estate firm incurs in enforcing any of Buyer's
48 obligations to pay compensation under this Agreement. The parties hereby agree that all remedies are fair and
49 equitable and neither party will assert the lack of mutuality of remedies as a defense in the event of a dispute.
50 **NOTICE:** Real estate fees are not fixed by law. They are set by each broker individually and are negotiable
51 between Client and Broker. The payment of any fee by Seller will not make Broker either the Agent or Subagent of
52 the Seller.

53 **F. Carry-Over Clause.** Should the Buyer contract to buy or exchange, or contract to lease a property within
54 _____ days after the expiration of this Agreement with any Seller/Landlord (or anyone acting on
55 Seller's/Landlord's behalf) who has been introduced to Buyer, directly or indirectly, during the term hereof, as
56 extended, the Buyer agrees to pay the compensation as set forth above. This carry-over clause shall not apply if the
57 Buyer is subject to a buyer's representation agreement with another licensed real estate broker at the time of such
58 contract.

59 **G.** That he/she has reviewed this Agreement and agrees with the terms herein.

60 4. AGENCY

61 A. Definitions

- 62 1. **Broker.** In this Agreement, the term "Broker" shall mean a licensed Tennessee real estate broker or brokerage
63 firm and where the context would indicate, the Broker's affiliated licensees, including but not limited to the
64 Designated Agent.
- 65 2. **Designated Agent for the Buyer.** The individual licensee that has been assigned by the Managing Broker and
66 is working as an agent for the Buyer in this consumer's prospective transaction, to the exclusion of all other
67 licensees in his/her company. Even if someone else in the licensee's company represents a Seller of a
68 prospective property, the Designated Agent for the Buyer will continue to work as an advocate for the best
69 interests of the Buyer. An agency relationship, by law, can only be established by a written agency agreement.
- 70 3. **Facilitator/Transaction Broker (not an agent for either party).** The licensee is not working as an agent for
71 either party in this consumer's prospective transaction. A Facilitator may advise either or both of the parties to
72 a transaction but cannot be considered a representative or advocate of either party. By law, any licensee or
73 company who has not entered into a written agency agreement with either party in the transaction is considered
74 a Facilitator or Transaction Broker until such time as an agency agreement is established.
- 75 4. **Dual agency.** The licensee has agreements to provide services as an agent to more than one (1) party in a
76 specific transaction and in which the interests of such parties are adverse. This agency status may only be
77 employed upon full disclosure to each party and with each party's informed consent.
- 78 5. **Adverse Facts.** "Adverse Facts" means conditions or occurrences generally recognized by competent licensees
79 that have a negative impact on the value of the real estate, significantly reduce the structural integrity of
80 improvements to real property or present a significant health risk to occupants of the property.
- 81 6. **Confidentiality.** By law, every licensee is obligated to protect some information as confidential. This includes
82 any information revealed by a consumer which may be helpful to the other party IF it was revealed by the
83 consumer BEFORE the licensee disclosed any agency relationship with that other party. AFTER the licensee
84 discloses that he/she has an agency relationship with another party, any such information which the consumer
85 THEN reveals must be passed on by the licensee to that other party. Buyer understands that there is a
86 possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as
87 confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between
88 the parties.

89 B. Duties owed to all Parties to a Transaction.

90 Pursuant to the Tennessee Real Estate Broker License Act, every Real Estate Licensee owes the following
91 duties to every Buyer and Seller, Tenant and Landlord (collectively "Buyers" and "Sellers") unless otherwise
92 provided by law:

- 93 1. To diligently exercise reasonable skill and care in providing services to all parties to the transaction;

- 94 2. To disclose to each party to the transaction any Adverse Facts of which Licensee has actual notice or
95 knowledge;
- 96 3. To maintain for each party in a transaction the confidentiality of any information obtained by a Licensee prior to
97 disclosure to all parties of a written agency agreement entered into by the Licensee to represent either or both
98 parties in the transaction. This duty of confidentiality extends to any information that the party would
99 reasonably expect to be held in confidence, except for information which the party has authorized for disclosure
100 or information required by law to be disclosed;
- 101 4. To provide services to each party to the transaction with honesty and good faith;
- 102 5. To disclose to each party to the transaction timely and accurate information regarding market conditions that
103 might affect such transaction only when such information is available through public records and when such
104 information is requested by a party;
- 105 6 To give timely account for earnest money deposits and all other property received from any party to a
106 transaction; and
- 107 7. A. To refrain from engaging in self-dealing or acting on behalf of Licensee's immediate family, or on behalf
108 of any other individual, organization or business entity in which Licensee has a personal interest without
109 prior disclosure of such personal interest and the timely written consent of all parties to the transaction; and
- 110 B. To refrain from recommending to any party to the transaction the use of services of another individual,
111 organization or business entity in which the Licensee has an interest or from whom the Licensee may
112 receive a referral fee or other compensation for the referrals, other than referrals to other Licensees to
113 provide real estate services, without timely disclosing to the party who receives the referral, the Licensee's
114 interest in such referral or the fact that a referral fee may be received.

115 **C. Duties Owed to Client.**

116 **In addition to the above, the Licensee has the following duties to his/her Client if the Licensee has become an**
117 **agent or Designated Agent in a transaction:**

- 118 1. Obey all lawful instructions of the Client when such instructions are within the scope of this agency agreement
119 between the Licensee and the Buyer/Client;
- 120 2. Be loyal to the interests of the Client. A Licensee must place the interests of the Client before all others in
121 negotiation of a transaction and in other activities, except where such loyalty duty would violate Licensee's
122 duties to a customer in the transaction; and
- 123 3. Unless the following duties are specifically and individually waived in writing by a Client, Licensee shall assist
124 the Client by:
- 125 A. Scheduling all property showings on behalf of the Client;
- 126 B. Receiving all offers and counter offers and forwarding them promptly to the Client;
- 127 C. Answering any questions that the Client may have in negotiation of a successful purchase within the scope
128 of the Licensee's expertise; and
- 129 D. Advising the Client as to whatever forms, procedures and steps are needed after execution of the purchase
130 agreement for a successful closing of the transaction.

131 Upon Waiver of any of the above duties listed under subsection 4.C.3., the Client may not expect or seek
132 assistance from any other licensees in the transaction for the performance of said duties.

133 **D. Agent Disclosure.** Pursuant to Tennessee Real Estate Commission Rule 1260-2-.36, Broker must disclose certain
134 things to Client prior to the execution of this Agreement. Client hereby agrees that Broker has disclosed the
135 following and that this Agreement constitutes written confirmation of same:

136 During the effective period of this Agreement:

- 137 1. Client should not contact listing agents directly and should make all arrangements to view and inspect
138 property through Broker;
- 139 2. In the event Client comes into contact with a Seller's Agent(s) (for example, at an open house viewing),
140 Client shall immediately inform the Seller's Agent(s) that he/she is represented by Broker; and

141 3. If Client purchases property(ies) covered by this Agreement through another real estate licensee or a
142 Seller's Agent(s) or directly from a Seller, Client understands that he/she still owes a commission to the
143 Broker as set forth in this Agreement.

144 **E. Buyer's Authorizations.**

145 **1. Appointment of Designated Agent.** Buyer hereby authorizes Managing Broker to appoint the Selling
146 Licensee as Designated Agent for the Buyer, to the exclusion of any other licensees associated with Broker. A
147 Designated Agent for the Buyer can and will continue to advocate Buyer's interests in a transaction even if a
148 Designated Agent for the Seller (other than the Licensee listed below) is also associated with Broker. The
149 Managing Broker hereby appoints _____ to be
150 the Designated Agent for the Buyer in this transaction.

151 **2. Appointment of Subsequent Designated Agent.** Buyer hereby authorizes the Managing Broker, if necessary,
152 to appoint a licensee, other than the Licensee named above, as Designated Agent for the Buyer, to the exclusion
153 of any other licensees associated with Broker. This shall be accomplished through an amendment to this
154 Agreement, if necessary.

155 **3. Default to Facilitator in the event that both parties are represented by the same Designated Agent.** The
156 Designated Agent shall default to Facilitator status for all showings or transactions *involving the same*
157 *Designated Agent for both the Buyer and a prospective Seller*, immediately notifying (verbally) the Buyer and
158 the Seller of the need to default to this Facilitator status to be confirmed in writing prior to the execution of the
159 contract. Upon any default to Facilitator status, the former Designated Agent must assume a neutral position
160 and will not be an advocate for either the Buyer or any prospective Seller.

161 **4. Resumption of Agency Status.** In the event that the Designated Agent defaults to a Facilitator status, this
162 Facilitator status will only be temporary. The Facilitator status will only last until any transaction or
163 contemplated transaction in which the parties are all assisted by the same Facilitator is resolved (either because
164 the transaction is closed or the transaction or contemplated transaction is terminated or not accepted and no
165 further negotiations occur between the parties). At that time, the Agent will immediately revert back to
166 Designated Agency status for the Buyer.

167 **5. CONFIDENTIALITY.**

168 Information which the Buyer authorizes Broker and his affiliated Licensees to disclose which might otherwise be
169 confidential: _____
170 _____

171 **6. EARNEST MONEY/TRUST MONEY.**

172 Broker is authorized to accept a deposit of earnest money/trust money to be applied to the purchase price for a property.
173 Such deposit is to be held by Broker in an escrow or trustee account or forwarded to party authorized to hold said funds
174 as set forth in an executed contract for purchase, lease, exchange or option agreement until disbursed in accordance with
175 the terms of said agreement.

176 **7. LIMITATIONS ON BROKER'S AUTHORITY AND RESPONSIBILITY.**

177 Buyer acknowledges and agrees that Broker and Designated Agent:

178 A. May show the same properties to other prospective buyers;

179 B. Is not an expert with regard to matters that could be revealed through a survey, title search, or inspection; the
180 insurability of the property or cost to insure the property; for the condition of the property, any portion thereof, or
181 any item therein; for any geological issues present on the property; for any issues arising out of the failure to inspect
182 property prior to entering into an agreement to Purchase property and/or closing on property; for the necessity or
183 cost of any repairs to property; hazardous or toxic materials; square footage; acreage; the availability and cost of
184 utilities, septic or community amenities; conditions existing off a property which may affect said property; proposed
185 or pending condemnation actions involving the property; uses and zoning of a property, whether permitted or
186 proposed; for applicable boundaries of school districts or other school information; termites and wood destroying
187 organisms; building products and construction techniques; the tax or legal consequences of a contemplated
188 transaction; matters relating to financing; for the appraised or future value of a property; etc. Buyer acknowledges
189 that Broker is not an expert with respect to the above matters and is hereby advised to seek independent expert
190 advice on any of these or other matters which are of concern to Buyer;

- 191 C. Shall owe no duties to Buyer nor have any authority to act on behalf of Buyer other than what is set forth in this
- 192 Agreement and the duties contained in the Tennessee Real Estate License Act of 1973, as amended, and the
- 193 Tennessee Real Estate Commission Rules; and
- 194 D. May make all disclosures required by law and/or the National Association of Realtors® Code of Ethics.
- 195 E. **Hereby advises Buyer of the possibility that some properties may utilize security devices that record physical**
- 196 **movements or audio conversations. Therefore, Buyers should limit making comments concerning the value,**
- 197 **features, or condition while viewing any property.**

198 **8. EXPERT ASSISTANCE.**

199 While Broker and the Licensees associated with Broker have considerable general knowledge of the real estate industry
 200 and real estate practices, they are not experts in matters of law, tax, financing, square footage, home inspections, wood
 201 destroying organisms, surveying, structural conditions, geological issues, hazardous materials, engineering, etc. Client
 202 acknowledges Broker’s advice to seek professional assistance and advice in these and other areas of professional
 203 expertise as needed. If Broker or licensees associated with Broker provide names or sources to Client for such advice or
 204 assistance, those services and / or products are not warranted or guaranteed by the Broker or the Licensees associated
 205 with Broker.

206 **9. OTHER PROVISIONS.**

207 **A. Binding Effect, Entire Agreement, Modification, and Assignment.** This Agreement shall be for the benefit of,
 208 and be binding upon, the parties hereto, their heirs, successors, legal representatives and permitted assigns. This
 209 Agreement may only be assigned with the written consent of both parties. This Agreement constitutes the sole and
 210 entire agreement between the parties hereto and no modification of this Agreement shall be binding unless signed by
 211 all parties or assigns to this Agreement. No representation, promise, or inducement not included in this Agreement
 212 shall be binding upon any party hereto. Any assignee shall fulfill all the terms and conditions of this Agreement.

213 **B. Governing Law and Venue.** This Agreement is intended as a contract for buyer’s agency representation and shall
 214 be governed by and interpreted in accordance with the laws and in the courts of the state of Tennessee.

215 **C. Terminology.** As the context may require in this Agreement: (1) the singular shall mean the plural and vice versa;
 216 (2) all pronouns shall mean and include the person, entity, firm or corporation to which they relate; (3) the masculine
 217 shall mean the feminine and vice versa; and (4) the term day(s) used throughout this Agreement shall be deemed to
 218 be calendar day(s) ending at 11:59 p.m. local time unless otherwise specified in this Agreement. Local time shall be
 219 determined by the location of the Firm.

220 **D. Severability.** If any portion or provision of this Agreement is held or adjudicated to be invalid or unenforceable for
 221 any reason, each such portion or provision shall be severed from the remaining portions or provisions of this
 222 Agreement, and the remaining portions or provisions shall be unaffected and remain in full force and effect.

223 **E. Fair Housing.** Broker and Designated Agent shall provide services without regard to race, color, creed, religion,
 224 sex, handicap, familial status, national origin, sexual orientation or gender identity. A request to observe
 225 discriminatory practices in the sale, lease, exchange, or option of property will not be granted.

226 **10. LEGAL DOCUMENTS. THIS IS AN IMPORTANT LEGAL DOCUMENT CREATING VALUABLE RIGHTS**
 227 **AND OBLIGATIONS. IF YOU HAVE QUESTIONS ABOUT IT, YOU SHOULD REVIEW IT WITH YOUR**
 228 **ATTORNEY. NEITHER THE BROKER NOR ANY AGENT OR FACILITATOR IS AUTHORIZED OR**
 229 **QUALIFIED TO GIVE YOU ANY ADVICE CONCERNING THE ADVISABILITY OR LEGAL EFFECT OF ITS**
 230 **PROVISIONS. BY SIGNING THIS DOCUMENT, YOU ARE CERTIFYING THAT YOU HAVE READ AND**
 231 **ACCEPT THESE TERMS AND ACKNOWLEDGE RECEIPT OF THIS AGREEMENT.**

232 **11. EXHIBITS AND ADDENDA.** All exhibits and/or addenda attached hereto, listed below, or referenced herein are
 233 made a part of this Agreement.

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12. SPECIAL STIPULATIONS. The following Special Stipulations, if conflicting with any preceding section, shall control:

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The party(ies) below have signed and acknowledge receipt of a copy.

BY: Broker or Licensee Authorized by Broker

BROKER/FIRM

_____ at _____ o'clock am/ pm
Date

Address

Print/Type Name

Phone:

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The party(ies) below have signed and acknowledge receipt of a copy.

BUYER

BUYER

Print/Type Name

Print/Type Name

_____ at _____ o'clock am/ pm
Date

_____ at _____ o'clock am/ pm
Date

Address

Address

Phone: _____ (H) _____ (Cell)

Phone: _____ (H) _____ (Cell)

_____ (W) Email: _____

_____ (W) Email: _____

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