

# 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, this Agreement is entered into on this \_\_\_\_\_ day of  
7 \_\_\_\_\_, 20\_\_ (“Effective Date”) by and between the undersigned  
8 \_\_\_\_\_ (“Client” or “Buyer”) and Firm/Broker of  
9 \_\_\_\_\_ (“Broker”), Broker shall act as Client’s  
10 exclusive agent to locate property for Client’s purchase, lease, exchange or option (collectively “Purchase”) during the  
11 term of this agreement, and to advocate the Client’s best interests in the negotiation of terms and conditions of any such  
12 Purchase. This Buyer Representation Agreement (“Agreement”) begins on the Effective Date and terminates at 11:59 p.m.  
13 local time on \_\_\_\_\_, \_\_\_\_\_, or at the closing (or in the case of a lease, the date of possession) of  
14 any Purchase under this Agreement, if such occurs earlier. If a contract to purchase, exchange, or lease is signed before  
15 this Agreement expires, the term hereof shall continue until final disposition of the Purchase and Sales Agreement,  
16 exchange agreement, or lease agreement.

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

18 **A. General Description, Size and Location:**

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20 **B. Price Range & Terms:** \_\_\_\_\_

21 **C. Sources to be Searched for Property:**

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23 **D. Other Terms/Conditions:** \_\_\_\_\_

24 **E. Properties Specifically Exempted from this Agreement:**

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26 **3. CLIENT DUTIES.**

27 Buyer agrees:

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

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

54 F. **Termination.** Should the Broker consent to release this Representation Agreement prior to the expiration of the  
55 term of this Agreement or any extensions, Buyer agrees to pay all costs incurred by Broker or other amount as  
56 agreed to by the parties as a cancellation fee, in addition to any other sums that may be due to Broker.

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

62 H. That Client has reviewed this Agreement and agrees with the terms herein.

#### 63 4. AGENCY

##### 64 A. Definitions

65 1. **Broker.** In this Agreement, the term "Broker" shall mean a licensed Tennessee real estate broker or brokerage  
66 firm and where the context would indicate, the Broker's affiliated licensees, including but not limited to the  
67 Designated Agent.

68 2. **Designated Agent for the Buyer.** The individual licensee that has been assigned by the Managing Broker and  
69 is working as an agent for the Buyer in this consumer's prospective transaction, to the exclusion of all other  
70 licensees in the company. Even if someone else in the licensee's company represents a Seller of a prospective  
71 property, the Designated Agent for the Buyer shall continue to work as an advocate for the best interests of the  
72 Buyer. An agency relationship, by law, can only be established by a written agency agreement.

73 3. **Facilitator/Transaction Broker (not an agent for either party).** The licensee is not working as an agent for  
74 either party in this consumer's prospective transaction. A Facilitator may advise either or both of the parties to a  
75 transaction but cannot be considered a representative or advocate of either party. By law, any licensee or company  
76 who has not entered into a written agency agreement with either party in the transaction is considered a Facilitator  
77 or Transaction Broker until such time as an agency agreement is established.

78 4. **Dual agency.** The licensee has agreements to provide services as an agent to more than one (1) party in a specific  
79 transaction and in which the interests of such parties are adverse. This agency status may only be employed upon  
80 full disclosure to each party and with each party's informed consent.

81 5. **Adverse Facts.** "Adverse Facts" means conditions or occurrences generally recognized by competent licensees  
82 that have a negative impact on the value of the real estate, significantly reduce the structural integrity of  
83 improvements to real property or present a significant health risk to occupants of the property.

84 6. **Confidentiality.** By law, every licensee is obligated to protect some information as confidential. This includes  
85 any information revealed by a consumer which may be helpful to the other party IF it was revealed by the  
86 consumer BEFORE the licensee disclosed any agency relationship with that other party. AFTER the licensee  
87 discloses that licensee has an agency relationship with another party, any such information which the consumer  
88 THEN reveals must be passed on by the licensee to that other party. Buyer understands that there is a possibility  
89 that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential  
90 unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties.

91 **B. Duties owed to all Parties to a Transaction.**

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

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

116 **C. Duties Owed to Client.**

117 In addition to the above, the Licensee has the following duties to Client if the Licensee has become an agent or  
118 Designated Agent in a transaction:

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

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

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

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During the effective period of this Agreement:

1. Client should not contact listing agents directly and should make all arrangements to view and inspect property through Broker;
2. In the event Client comes into contact with a Seller's Agent(s) (for example, at an open house viewing), Client shall immediately inform the Seller's Agent(s) that Client is represented by Broker; and
3. If Client purchases property(ies) covered by this Agreement through another real estate licensee or a Seller's Agent(s) or directly from a Seller, Client understands that Client still owes a commission to the Broker as set forth in this Agreement.

**E. Buyer's Authorizations.**

1. **Appointment of Designated Agent.** Buyer hereby authorizes Managing Broker to appoint the Selling Licensee as Designated Agent for the Buyer, to the exclusion of any other licensees associated with Broker. A Designated Agent for the Buyer can and shall continue to advocate Buyer's interests in a transaction even if a Designated Agent for the Seller (other than the Licensee listed below) is also associated with Broker. The Managing Broker hereby appoints \_\_\_\_\_ to be the Designated Agent for the Buyer in this transaction.
2. **Appointment of Subsequent Designated Agent.** Buyer hereby authorizes the Managing Broker, if necessary, to appoint a licensee, other than the Licensee named above, as Designated Agent for the Buyer, to the exclusion of any other licensees associated with Broker. This shall be accomplished through an amendment to this Agreement, if necessary.
3. **Default to Facilitator in the event that both parties are represented by the same Designated Agent.** The Designated Agent shall default to Facilitator status for all showings or transactions *involving the same Designated Agent for both the Buyer and a prospective Seller*, immediately notifying (verbally) the Buyer and the Seller of the need to default to this Facilitator status to be confirmed in writing prior to the execution of the contract. Upon any default to Facilitator status, the former Designated Agent must assume a neutral position and shall not be an advocate for either the Buyer or any prospective Seller.
4. **Resumption of Agency Status.** In the event that the Designated Agent defaults to a Facilitator status, this Facilitator status shall only be temporary. The Facilitator status shall only last until any transaction or contemplated transaction in which the parties are all assisted by the same Facilitator is resolved (either because the transaction is closed or the transaction or contemplated transaction is terminated or not accepted and no further negotiations occur between the parties). At that time, the Agent shall immediately revert back to Designated Agency status for the Buyer.

**5. CONFIDENTIALITY.**

Information which the Buyer authorizes Broker and Broker's affiliated Licensees to disclose which might otherwise be confidential:

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

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

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

Buyer acknowledges and agrees that Broker and Designated Agent:

- A. May show the same properties to other prospective buyers;
- B. Is not an expert with regard to matters that could be revealed through a survey, title search, or inspection; the insurability of the property or cost to insure the property; for the condition of the property, any portion thereof, or any item therein; for any geological issues present on the property; for any issues arising out of the failure to inspect property prior to entering into an agreement to Purchase property and/or closing on property; for the necessity or cost of any repairs to property; hazardous or toxic materials; square footage; acreage; the availability and cost of utilities, septic or community amenities; conditions existing off a property which may affect said property; proposed or pending condemnation actions involving the property; uses and zoning of a property, whether permitted or proposed; for applicable boundaries of school districts or other school information; termites and wood destroying organisms;

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188 building products and construction techniques; the tax or legal consequences of a contemplated transaction; matters  
189 relating to financing; for the appraised or future value of a property; etc. Buyer acknowledges that Broker is not an  
190 expert with respect to the above matters and is hereby advised to seek independent expert advice on any of these or  
191 other matters which are of concern to Buyer;

192 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  
193 Agreement and the duties contained in the Tennessee Real Estate License Act of 1973, as amended, and the Tennessee  
194 Real Estate Commission Rules; and

195 D. May make all disclosures required by law and/or the National Association of Realtors® Code of Ethics.

196 E. **Hereby advises Buyer of the possibility that some properties may utilize security devices that record physical**  
197 **movements or audio conversations. Therefore, Buyers should limit making comments concerning the value,**  
198 **features, or condition while viewing any property.**

199 **8. SANCTIONED FOREIGN BUSINESSES, GOVERNMENTS, AND NONRESIDENT ALIENS.**

200 Buyer is hereby notified that Pursuant to Tenn. Code Ann. §66-2-301, et seq., a sanctioned nonresident alien, sanctioned  
201 foreign business or sanctioned foreign government or an agent, trustee, or fiduciary thereof shall not purchase or otherwise  
202 acquire real property in this state if the country where the sanctioned nonresident alien resides, the sanctioned foreign  
203 business is located, or the official sanctioned foreign government representing the country, or agents, trustees, of fiduciaries  
204 thereof is on the Office of Foreign Assets Control of the U.S. Department of Treasury's sanctions programs and country  
205 information list.

206 Buyer warrants Buyer is not a sanctioned nonresident alien as defined in Tenn. Code Ann. §66-2-301 and is not an agent,  
207 trustee, or fiduciary of a sanctioned foreign business or sanctioned foreign government as defined in Tenn. Code Ann. §66-  
208 2-301.

209 **9. EXPERT ASSISTANCE.**

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

216 **10. OTHER PROVISIONS.**

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

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

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

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

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

236 **11. LEGAL DOCUMENTS. THIS IS AN IMPORTANT LEGAL DOCUMENT CREATING VALUABLE RIGHTS AND**  
237 **OBLIGATIONS. IF YOU HAVE QUESTIONS ABOUT IT, YOU SHOULD REVIEW IT WITH YOUR ATTORNEY.**

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238 NEITHER THE BROKER NOR ANY AGENT OR FACILITATOR IS AUTHORIZED OR QUALIFIED TO GIVE YOU  
239 ANY ADVICE CONCERNING THE ADVISABILITY OR LEGAL EFFECT OF ITS PROVISIONS. BY SIGNING  
240 THIS DOCUMENT, YOU ARE CERTIFYING THAT YOU HAVE READ AND ACCEPT THESE TERMS AND  
241 ACKNOWLEDGE RECEIPT OF THIS AGREEMENT.

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

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

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

264 _____ 265 <b>BY: Broker or Licensee Authorized by Broker</b>	_____
_____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm	_____
266 Date	267 Address
_____	268 Phone: _____
269 Print/Type Name	

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

271 _____ 272 <b>BUYER</b>	_____	_____	_____
273 _____ 274 Print/Type Name	_____	_____	Print/Type Name
275 _____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm	_____	_____ at _____ o'clock <input type="checkbox"/> am/ <input type="checkbox"/> pm	_____
276 Date	_____	276 Date	_____
277 _____	_____	277 _____	_____
278 Address	_____	278 Address	_____
279 Phone: _____ (H) _____ (Cell)	_____	279 Phone: _____ (H) _____ (Cell)	_____
280 _____ (W) Email: _____	_____	280 _____ (W) Email: _____	_____

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