

## **RECOMMENDATION TO THE EXECUTIVE COMMITTEE**

**FROM:**

Risk Management Committee

**RECOMMENDATION:**

Approval of a revised Buyer-Broker Exclusive Employment Agreement

**BACKGROUND:**

The Arizona REALTORS® Buyer-Broker Exclusive Employment Agreement is designed to establish an exclusive representation arrangement between the buyer and the agent. The Risk Management Committee recommends that the form be revised to include geographical limitations, should the buyer and their agent wish to limit the geographic scope of the exclusive representation.

**BUDGET IMPACT:**

None

**MOTION:**

**TO APPROVE FOR RELEASE ON OR ABOUT FEBRUARY 1, 2021 THE ATTACHED REVISED BUYER-BROKER EXCLUSIVE EMPLOYMENT AGREEMENT.**

**FOR MORE INFORMATION CONTACT:**

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**BUYER-BROKER EXCLUSIVE EMPLOYMENT AGREEMENT**Document updated:  
**February 2017**  
**October 2020**

*The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.*



1. **Buyer/Tenant:** \_\_\_\_\_ (“Buyer”)
2. **Firm:** \_\_\_\_\_ **Agent:** \_\_\_\_\_ (“Broker”)  
(FIRM NAME) (AGENT’S NAME)
3. **Term:** This Agreement shall commence on \_\_\_\_\_ and expire at 11:59 p.m. on \_\_\_\_\_.
4. **Employment:** Broker agrees to:
  5. a. locate Property meeting the following general description:
  6.  Residential  Land  Commercial  Other: \_\_\_\_\_ (“Property”);
  7. **within the following geographical area(s):** \_\_\_\_\_
  8. b. negotiate at Buyer’s direction to obtain acceptable terms and conditions for the purchase, exchange, option or lease of the Property;
  9. c. assist Buyer during the transaction within the scope of Broker’s expertise and licensing.
10. **Agency Relationship:** The agency relationship between Buyer and Broker shall be:
  11.  as set forth in the Real Estate Agency Disclosure and Election form.
  12.  Other: \_\_\_\_\_
13. **Retainer Fee:** Buyer agrees to pay Broker a non-refundable fee in the amount of \$ \_\_\_\_\_, which is earned when paid, for initial
14. consultation and research. This fee  **shall**  **shall not** be credited against any other compensation owed by Buyer to
15. Broker as pursuant to Lines 27—29.
16. **Property Viewings:** Buyer agrees to work exclusively with Broker and be accompanied by Broker on Buyer’s first visit to any Property.
17. **If Broker does not accompany Buyer on the first visit to any Property, including a model home, new home/lot or “open house”**
18. **held by a builder, seller or other real estate broker, Buyer acknowledges that the builder, seller or seller’s broker may refuse to**
19. **compensate Broker, which will eliminate any credit against the compensation owed by Buyer to Broker.**
20. **Due Diligence:** Once an acceptable Property is located, Buyer agrees to act in good faith to acquire the Property and conduct any
21. inspections/investigations of the Property that Buyer deems material and/or important.
22. *Note: Buyer acknowledges that pursuant to Arizona law, Sellers, Lessors and Brokers are not obligated to disclose that a Property is*
23. *or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person*
24. *exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real*
25. *estate; or (3) located in the vicinity of a sex offender.*
26. **Buyer agrees to consult the Arizona Department of Real Estate Buyer Advisory at [www.aaronline.com](http://www.aaronline.com)-**  
**[www.aaronline.com/manage-risk/buyer-advisory-3/](http://www.aaronline.com/manage-risk/buyer-advisory-3/) to assist in Buyer’s inspections and investigations.**
27. **Compensation:** Buyer agrees to compensate Broker as follows:
  28. The amount of compensation shall be: \_\_\_\_\_
  29. or the compensation Broker receives from seller or seller’s broker, whichever is greater. In either event, Buyer authorizes Broker to accept
  30. compensation from seller or seller’s broker, which shall be credited against any compensation owed by Buyer to Broker pursuant to this
  31. Agreement. Broker’s compensation shall be paid at the time of and as a condition of closing or as otherwise agreed upon in writing.
  32. Buyer agrees to pay such compensation if within \_\_\_\_\_ calendar days after the termination of this Agreement, Buyer enters into an
  33. agreement to purchase, exchange, option or lease any Property shown to Buyer or negotiated by Broker on behalf of Buyer during the
  34. term of this Agreement, unless Buyer has entered into a subsequent buyer-broker exclusive employment agreement with another broker.
  35. If completion of any transaction is prevented by Buyer’s breach or with the consent of Buyer other than as provided in the purchase
  36. contract, the total compensation shall be due and payable by Buyer.
37. **COMMISSIONS PAYABLE ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS® OR MULTIPLE**
38. **LISTING SERVICE OR IN ANY MANNER OTHER THAN AS NEGOTIATED BETWEEN BROKER AND BUYER.**

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**Buyer-Broker Exclusive Employment Agreement >>****39. Additional Terms:**

40. \_\_\_\_\_
41. \_\_\_\_\_
42. \_\_\_\_\_
43. \_\_\_\_\_
44. \_\_\_\_\_
45. \_\_\_\_\_
46. \_\_\_\_\_
47. \_\_\_\_\_

48. **Equal Housing Opportunity:** Broker's policy is to abide by all local, state, and federal laws prohibiting discrimination against any individual or group of individuals. Broker has no duty to disclose the racial, ethnic, or religious composition of any neighborhood, community, or building, nor whether persons with disabilities are housed in any home or facility, except that the Broker may identify housing facilities meeting the needs of a disabled buyer.

52. **Other Potential Buyers:** Buyer consents and acknowledges that other potential buyers represented by Broker may consider, make offers on, or acquire an interest in the same or similar properties as Buyer is seeking.

54. **Alternative Dispute Resolution ("ADR"):** Buyer and Broker agree to mediate any dispute or claim arising out of or relating to this Agreement in accordance with the mediation procedures of the applicable state or local REALTOR® association or as otherwise agreed. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or claims, the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an arbitrator and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute shall be submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate Industry. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

62. **Attorney Fees and Costs:** In any non-REALTOR® association proceeding to enforce the compensation due to Broker pursuant to this Agreement, the prevailing party shall be awarded their reasonable attorney fees and arbitration costs.

64. **Arizona Law:** This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

65. **Copies and Counterparts:** This Agreement may be executed by facsimile or other electronic means and in any number of counterparts. A fully executed facsimile or electronic copy of the Agreement shall be treated as an original Agreement.

67. **Entire Agreement:** This Agreement, and any addenda and attachments, shall constitute the entire agreement between Buyer and Broker, shall supersede any other written or oral agreements between Buyer and Broker and can be modified only by a writing signed by Buyer and Broker.

70. **Capacity:** Buyer warrants that Buyer has the legal capacity, full power and authority to enter into this Agreement and consummate the transaction contemplated hereby on Buyer's own behalf or on behalf of the party Buyer represents, as appropriate.

72. **Acceptance:** Buyer hereby agrees to all of the terms and conditions herein and acknowledges receipt of a copy of this Agreement.

73. \_\_\_\_\_ MO/DA/YR \_\_\_\_\_ MO/DA/YR

BUYER'S NAME PRINTED

BUYER'S NAME PRINTED

74. \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE

75. \_\_\_\_\_ TELEPHONE \_\_\_\_\_ FAX \_\_\_\_\_

76. \_\_\_\_\_ FIRM NAME \_\_\_\_\_ ^ AGENT SIGNATURE \_\_\_\_\_ MO/DA/YR

**For Broker Use Only:**

Brokerage File/Log No. \_\_\_\_\_ Manager's Initials \_\_\_\_\_ Broker's Initials \_\_\_\_\_ Date \_\_\_\_\_ MO/DA/YR