

# Buyer Representation Agreement

Alaska Statutes require that prior to working with a buyer, all real estate licensees must do the following:

- > Must provide and go over with the buyer the Alaska Real Estate Commission Consumer Disclosure document, which outlines the types of relationships a licensee can establish with a buyer client, and it establishes, and outlines the duties owed by both parties.
- > Must obtain buyer's written acknowledgement of the relationship the buyer wishes to establish between themselves and the real estate licensee.

There are mainly three different options open to the buyer when it comes to buyer representation in a residential real estate transaction. Presently, commission fees are paid by the seller. In the near future, the DOJ (Dept. of Justice) may not allow a seller to be obligated to pay any part of the buyer's licensee commission.

**Note:** In the new world of real estate law, it will likely be the responsibility of the buyer's licensee to negotiate with the buyer and determine the level of representation desired by the buyer and to establish a fee structure for said services. If buyer(s) elects to work with Rod Stone, buyer will be embraced by 40+ years' experience and will be protected by an errors & omission insurance policy, protecting buyer interest in case of oversights, negligence, or fraud on the part of the licensee.

## **Here are your three (3) present representation options:**

(To identify your choice of representation, please initial one or two of the following options.)

1. \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Option # 1—**Buyer elects to work exclusively with Rod Stone** and in return will receive exclusive representation that is timely, accurate, and professional. As a professional real estate licensee, Rod Stone will represent his client only, **representing and protecting only buyer interests**. Presently, Rod Stone will receive a commission for his services, paid by the seller.
2. \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Option # 2—**Buyer can enter into** a pre-authorized neutral relation/ship with Rod Stone if property of interest is listed by and with Rod Stone. This relationship is defined in the buyer's "Alaska Real Estate Commission Consumer Disclosure". It's important to note that no other licensees can be involved in said transaction. If Rod Stone acts in a neutral capacity, he will not represent either the seller or the buyer exclusively, but he is allowed to assist either or both parties as long as he does not put the interest of one party above the interest of the other party. Again, at present, Rod Stone will receive a commission for his services, paid by the seller.  
**NOTE:** Seller and Buyer could agree to split any real estate commission / fee noted above. Any such agreement to split commission fee to be noted, defined, and mutually agreed upon by all parties in the Purchase Agreement or in an addendum to Purchase Agreement. Keep in mind, commission agreements between licensee and client are not made public.
3. \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Option # 3—**Buyer can elect to act on their own** with no professional real estate representation. The buyer therefore has no commission obligation, or any other obligation to Real Estate Brokers of Alaska and Rod Stone. At the same time, Rod Stone or Real Estate Brokers of Alaska has no obligations of any kind owing to the buyer. The buyer wishes to proceed on their own and accepts all consequences of such action. Rod Stone is under no obligation to give exclusive, professional services in this relationship.

**1) Terms of this Agreement:**

This Agreement is made and entered into by \_\_\_\_\_ / \_\_\_\_\_, noted as buyer and licensee - Rod Stone of Real Estate Brokers of Alaska. This agreement is in effect beginning \_\_\_\_\_ and shall continue until midnight \_\_\_\_\_ or until a successful recording of a purchase agreement is signed within the timeframe noted above.

**2) Licensee Duties:**

- a. It is understood and agreed that Rod Stone shall at all times, be deemed to be an “Independent Contractor”, and buyer has a limited right to control licensee in the conduct and activities required in the performance of this Agreement. At all times, the licensee shall be governed by Federal and Alaska Real Estate Laws, and any other regulations that may be applicable.
- b. In addition to the duties set forth in the Alaska Real Estate Commission Consumer Disclosure and the Real Estate Listing Contract, licensee agrees to:
  - i. Meet with buyer to identify objectives, requirements, schedules, possession timeline, financial capability, acquisition strategies, and other purchasing factors to be considered.
  - ii. Assist the buyer in obtaining available material information relative to desired property.
  - iii. Assist buyer in managing and suggesting negotiation tactics, contracts, time deadlines, and monitoring all closing issues that may come up.
  - iv. Buyer is given full access to licensee’s extensive, up-to-date web site - [www.YourAnchorageAKHomeSearch.com](http://www.YourAnchorageAKHomeSearch.com) and all related buyer/seller information Rod Stone has posted therein to assist his clients.

**3) Buyer Duties:**

- a. Buyer acknowledges and agrees that the acquisition of real property encompasses many professional disciplines, and while Rod Stone possesses considerable general knowledge, licensee is not an expert in matters of law, tax, financing, surveying, structural integrity, hazardous materials, engineering, etc. In the event licensee provides buyer with sources for third-party advice and assistance, buyer acknowledges and agrees that licensee does not warrant or guarantee third-party information or actions.
- b. Buyer agrees:
  - i. To work exclusively with Rod Stone to identify, view, procure, and/or write an offer to acquire a property during the term of this Agreement.
  - ii. To hold licensee harmless from liability resulting from incomplete or inaccurate information provided by buyer to any party.
  - iii. To provide licensee with reliable information including financial information and or written authorization to obtain verification of funds as necessary, in the performance of this agreement.

- iv. To drive-by a home of potential interest before requesting an in-person viewing.
- v. To be available to meet with licensee and view properties buyer has requested to view in-person.

**Note:** The duties of licensee do not relieve buyer from the responsibility of protecting her/his own interest. The buyer should carefully read all documents to assure that they adequately express the buyer's interest and intent.

**4) Compensation:**

1. Buyer agrees that Real Estate Brokers of Alaska shall earn a Brokerage Fee currently, commonly paid by the seller as noted in this document.
2. Brokerage Fee to be paid at closing / recording of transaction.
3. It is understood that Real Estate Brokers of Alaska shall not receive any additional compensation from the seller, buyer, or any other party unless agreed upon in writing by all parties.
4. Within three (3) months following the expiration or termination of this buyer representation agreement, if buyer purchases a property which Rod Stone introduced to the buyer or negotiated on behalf of the buyer, buyer shall pay Real Estate Brokers of Alaska a brokerage fee of 2% based of the sale/closed price of said property.

**5) Neutral Licensee Relationship:**

The buyer can execute the attached WRTR agreement, giving Rod Stone pre-authorization to act or not to act as a neutral licensee in accordance with the Alaska Real Estate Commission Consumer Disclosure guidelines.

**Note:** If Rod Stone has a listing(s) and one of his buyers would like to view said property in person, Rod Stone must be pre-authorized by said buyer and seller to act in a neutral capacity in that specific situation. If a buyer wants to proceed with an offer, again Rod Stone can draw up a purchase agreement as long as both seller & buyer understand he is functioning as a neutral party, able to give assistance to either or both parties equally, as long as he does not place the well-being of one party over the well-being of the other party.

(Please initial one of the following)

\_\_\_\_\_ / \_\_\_\_\_ Buyer has executed the attached WRTR agreement and hereby authorizes Rod Stone to act as a neutral licensee as long as the seller has also given pre-authorization for Rod Stone to act in a neutral capacity.

\_\_\_\_\_ / \_\_\_\_\_ Buyer is unwilling to execute the WRTR, therefor Rod Stone is not pre-authorized to function as a neutral licensee. It is further understood that Rod Stone cannot show a buyer any of his personal listings if the buyer rejects the possibility of a neutral relationship.

6) **Other Potential Buyers:**

The buyer understands that other potential buyers may consider, make offers on, or acquire through Rod Stone the same or similar properties as buyer is seeking to acquire. Buyer consents to Rod Stone representation of such other potential buyers before, during, and after the expiration of this Agreement.

7) **Legal or Tax Advice:**

The buyer is advised to seek competent, professional, legal, or tax advice, when necessary.

8) **Mediation:**

If a dispute arises relating to a real estate transaction, the seller and buyer agree to first proceed in good faith to submit the matter to mediation. Unless otherwise agreed in mediation, the parties retain their right to proceed to litigation.

9) **Termination:**

Only if licensee fails to perform his duties as specifically outlined on page two of this document, under "Licensee Duties" and duties set forth in the Alaska Real Estate Commission Consumer Disclosure - **buyer may terminate** this Agreement with written notice stating explicate reason(s) for termination. Termination of this Agreement by buyer shall be buyer's only recourse against Real Estate Brokers of Alaska and Rod Stone. **Licensee may terminate** this Agreement by providing written notice to buyer, at which time, Rod Stone shall be under no further obligation to the buyer except to obligations existing at the time of termination.

10) **This Addendum and noted documents listed below are made part of the listing contract.**

- a. Buyer "Alaska Real Estate Commission Consumer Disclosure" \_\_\_\_\_
- b. Buyer Representation Agreement \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_

**The undersigned have read and approved the foregoing terms and conditions noted in this agreement.**

Date \_\_\_\_\_ Time: \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. \_\_\_\_\_

<b>Buyer Signature(s)</b>	<b>E-mail Address</b>	<b>Phone #</b>
1: _____	_____	_____
2: _____	_____	_____
3: _____	_____	_____

**Real Estate Brokers of Alaska**

Rod Stone \_\_\_\_\_

**907-727-9379 – rod@rodstone.com**