



NEW JERSEY REALTORS® STANDARD FORM OF EXCLUSIVE BUYER AGENCY AGREEMENT

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PARTIES TO THIS AGREEMENT:

Buyer(s): _____ (referred to as "Buyer")

Brokerage Firm: _____ (referred to as "Broker")

Licensee(s): _____ (referred to as "Licensee")

1. **AGENCY:** _____, _____, _____ and _____
(Buyer) (Buyer) (Buyer) (Buyer)

hereby designate Broker as Buyer's exclusive agent for the purpose of searching for, locating, and purchasing real estate by Buyer in the following areas: _____ (if no municipalities or counties are filled in, then the area shall be New Jersey). The Licensee shall be responsible for ensuring that Broker's duties hereunder are fulfilled; however, Broker may assign other licensees to fulfill such duties, if deemed appropriate by the Broker.

2. BUYER'S REPRESENTATIONS:

- (a) Buyer does not have a business relationship with another real estate brokerage firm.
- (b) No other buyer's agency agreement is currently in effect for the area set forth in Section 1, including any protection period following the expiration or termination of the agreement.
- (c) Buyer has disclosed to Broker all information about any property Buyer has visited at any open houses, viewed in person or virtually and/or been introduced to by any other real estate brokerage firm that falls within Section 1 before signing this Agreement.

3. **AGENCY DISCLOSURE:** The real estate license law of the State of New Jersey requires every real estate licensee to disclose the business relationship the licensee will have with Buyer. Accordingly,

I, THE LICENSEE, AS AN AUTHORIZED REPRESENTATIVE OF BROKER, INTEND, AS OF THIS TIME, TO WORK WITH YOU AS A: (choose one)

- ☐ **BUYER'S AGENT ONLY**
- ☐ **BUYER'S AGENT AND DISCLOSED DUAL AGENT IF THE OPPORTUNITY ARISES**
- ☐ **BUYER'S AGENT AND DESIGNATED AGENT IF THE OPPORTUNITY ARISES**

The potential for Licensee to work as a Disclosed Dual Agent and/or Designated Agent will arise if/when Buyer becomes interested in inspecting/viewing a property which is listed with the Broker, as discussed in Sections 9 and 10 below.

4. **TERM:** This Agreement shall begin on _____ and expire when:
- (a) Buyer acquires property as set forth in Section 1, or at midnight on _____ ("Term"), or
 - (b) _____ days (if no days are filled in, then three (3) days) after Broker or Buyer receives a written termination notice from the other party, but the Protection Period set forth in Section 5(a)(3)(ii) will remain in effect.

The Term of this Agreement may not be extended without the written consent of Buyer.



5. **COMMISSION TO BROKER:** No law, governmental agency, trade association or multiple listing service has fixed the amount, format, or rate of any commission or other compensation to be paid to Broker. Although Broker has the right to individually set the commission that it deems to be acceptable for its services, the commission Buyer will pay to Broker is fully negotiable and may be changed at any time if agreed to by all parties in writing. "Commission" includes all payments to Broker for brokerage services provided under this Agreement, including but not limited to, payments from Buyer, a seller and/or a third party.

(a) Commission From Buyer:

(1) **Retainer Fee:** Buyer will pay Broker ☐ no retainer fee, or ☐ a non-refundable retainer fee in the amount of \$ _____ that is due and payable at the time of the signing of this Agreement. This amount is part of, and will be credited towards, any commission due to Broker under this Agreement.

(2) **Commission:** Buyer agrees to pay to Broker the following commission:

☐ _____ (%) percent of the purchase price;

☐ \$ _____ as a flat fee; and/or

☐ Other: _____.

The commission must be objectively ascertainable and may not be open-ended (e.g., it cannot provide that "the Broker's commission will be whatever amount the seller or listing broker is offering to Broker").

(3) Broker's commission shall be earned, due and payable by Buyer under any of the following circumstances:

(i) If Buyer, Buyer's assignee or legal representative enters into a contract to purchase, trade or exchange and/or for an option to acquire any real estate visited, viewed and/or introduced during the Term of this Agreement, regardless of the manner in which Buyer visited, viewed or was introduced to the real estate, except if the contract is timely disapproved under an Attorney-Review Section by an attorney or if the contract is properly terminated and the parties do not subsequently approve or reinstate the contract or agree to a new contract concerning the real estate.

(ii) Section 5(a)(3)(i) shall continue in effect for _____ days after the expiration/termination of this Agreement ("**Protection Period**"), for any Property Buyer visited, viewed and/or was introduced to during the Term of this Agreement as long as Broker provides Buyer with a list of such real estate within ten (10) days of the expiration/termination of this Agreement. Buyer agrees to provide the list of such real estate to all other brokerage firms and licensees that Buyer may work with during the Protection Period. If Buyer fails to provide that list, Buyer may be liable to pay two commissions: (1) commission to Broker under this Agreement and (2) another commission to the new brokerage firm.

(iii) If Buyer defaults under the terms of a valid contract set forth in Sections 5(a)(3)(i) or (ii).

(4) Buyer shall pay Broker the total commission at closing or, if Buyer defaults on the terms of the contract to acquire the Property, upon Buyer's default.

(5) If the commission is based in whole or in part on the purchase price, the purchase price shall include all amounts allocated to, among other things, furnishings, fixtures and other concessions or credits that are agreed to by Buyer and seller.

(b) Commission From Seller: Under New Jersey law, a seller may offer a commission to a buyer's broker as a cooperating broker. If the seller authorizes the payment of any commission to Broker, that amount will be credited towards the commission due to Broker under this Agreement. If the amount of Broker's commission from any source, including any offer of a commission from seller, listing broker, Buyer, etc., exceeds the commission Buyer has agreed to pay Broker, then the excess will be credited to Buyer unless otherwise agreed to by the parties in writing in Section 17 below or in another writing amending this Agreement.

(1) If the excess is credited to Buyer, Buyer acknowledges the following:

(i) Broker recommended that Buyer contact a tax professional concerning possible tax implications of receiving the credit, including the obligation to pay any applicable taxes.

(ii) Payment of the credit will be disclosed to all parties involved in the transaction, including but not limited to Buyer's mortgage lender.

(iii) Payment of the credit is not contingent upon the use of other services or products offered by Broker or any affiliate of Broker.

- (2) If a seller is offering to pay Broker an amount less than the commission Buyer has agreed to pay Broker, Buyer directs Broker to do the following: (check all applicable instructions)
- ☐ Introduce Buyer to all properties that Broker believes would be acceptable to Buyer regardless of the commission being offered by seller to Broker.
- ☐ Do not introduce Buyer to any properties where the following condition(s) exist: _____

- ☐ Include in any offer to seller that seller will pay the Broker's commission.
- ☐ Other: _____

6. BROKER'S DUTY: During the Term of this Agreement, Broker and Licensee shall promote the interests of Buyer as follows:

- (a) Use diligence in its search to locate a property which is acceptable to Buyer.
- (b) Exercise ordinary care and comply with all applicable laws and regulations.
- (c) Use professional knowledge and skills to assist Buyer to negotiate for the purchase of such property.
- (d) Assist Buyer throughout the transaction and represent Buyer's best interests.
- (e) Help Buyer understand financial issues, such as budget constraints.
- (f) Provide Buyer with an overview of the current market conditions and how they may impact Buyer's purchasing power.
- (g) Schedule showings of properties for Buyer.
- (h) Disclose to Buyer all material facts related to the physical condition of the property or concerning the transaction of which Broker has actual knowledge.
- (i) Prepare and negotiate with the seller or seller's agent a written offer on behalf of Buyer for any property that Buyer wants to purchase.
- (j) Suggest professional referrals, such as attorneys, inspectors, engineers, title companies, mortgage advisors and tradespeople, if requested by Buyer.
- (k) Arrange for home inspections and assist in resolving any issues that may arise, as appropriate.
- (l) Schedule a final walk-through of the property and assist in dealing with any discrepancies in the condition of the property that may exist.
- (m) Other: _____

7. BUYER'S DUTY: During the Term of this Agreement, Buyer shall:

- (a) Provide accurate and relevant personal information to Broker regarding Buyer's financial ability to purchase real estate.
- (b) Advise Broker of any property or information about any property Buyer may have an interest in viewing, examining and/or purchasing, including all inquiries received from other real estate brokerage firms, prospective sellers, or any other sources.
- (c) Submit through Broker any offer to purchase or contract on a property.
- (d) Work exclusively with Broker and not enter into any other agency agreement for the area set forth in Section 1 during the term of this Agreement.
- (e) Examine any property only by appointments made by and accompanied by Broker, unless otherwise agreed to by Broker.
- (f) Conduct all negotiations and communications for properties through Broker.
- (g) Conduct all due diligence on a property in consultation with Broker.
- (h) Unless agreed to by Broker in writing, pay for all products and/or services required in the examination and evaluation of any property (e.g., surveys, water/soil tests, title reports, property inspections, etc.).

8. OTHER BUYERS: Other potential buyers may be interested in the same properties as Buyer. Buyer agrees that Broker may work with such other potential buyers prior to, during, or after the termination of this Agreement. In any such situation, Broker shall maintain confidentiality and will not disclose to any other potential buyer the terms of Buyer's offer, or any other confidential information concerning Buyer.

9. DUAL AGENCY: Under New Jersey law, Broker may work with both Buyer and a seller in the same real estate transaction if both Buyer and seller agree to work with Broker as a "Disclosed Dual Agent". To work as a Disclosed Dual Agent, Broker must obtain the written informed consent from both Buyer and seller. Buyer understands that, by agreeing to allow Broker to work as a Disclosed Dual Agent, Broker will not be able to represent Buyer or seller fully and exclusively. As a Disclosed Dual Agent, Broker will not be able to put either Buyer's interests ahead of seller's interests nor seller's interests ahead of Buyer's interests. **Broker may act as a Disclosed Dual Agent only if Buyer agrees to sign the "Informed Consent to Dual Agency" form attached to this Agreement.**

10. DESIGNATED AGENCY: Under New Jersey law, Broker may designate two different licensees affiliated with Broker to work with Buyer and seller in the same real estate transaction if both Buyer and seller agree. In the context of designated agency, Broker remains neutral and oversees the transaction to ensure each designated licensee is maintaining the full range of fiduciary duties which are ordinarily owed by a licensee who represents solely Buyer as "Buyer's Agent" and by a licensee who represents solely seller as "seller's agent." **Broker may appoint a Designated Agent for Buyer only if Buyer agrees to sign the "Informed Consent to Designated Agency" form attached to this Agreement.**

11. NO WARRANTIES OR REPRESENTATIONS: Broker makes no warranties or representations about the value or suitability of any property for Buyer's purposes. Buyer agrees to be responsible for making all inspections, inquiries and investigations. Buyer also agrees to indemnify and hold Broker harmless from and against any and all liability, damages, lawsuits, expenses, etc. resulting from Buyer's selection and use of, or failure to use, any such services or Buyer's election not to have one or more of such services performed.

Buyer agrees to indemnify and hold Broker harmless from and against any and all claims which may lead to a dispute arising from or related to false or incomplete information provided by Buyer. Such indemnification shall include but not be limited to reimbursement for Broker's attorneys' fees and costs.

12. APPLICABLE LAWS: This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and any arbitration or lawsuit relating to or arising from this Agreement shall be venued in the State of New Jersey.

13. ALTERNATIVE DISPUTE RESOLUTION/ATTORNEYS' FEES: INSTEAD OF SUING IN COURT, BUYER AND BROKER AGREE THAT ANY DISPUTE ARISING FROM OR RELATED TO THIS AGREEMENT SHALL BE SETTLED ONLY BY ARBITRATION. THE RULES IN ARBITRATION ARE DIFFERENT THAN IN A COURT. THERE IS NO JUDGE OR JURY AND REVIEW IS LIMITED, BUT AN ARBITRATOR CAN AWARD THE SAME DAMAGES AND RELIEF AND MUST HONOR THE SAME LIMITATIONS STATED IN THIS AGREEMENT AS A COURT WOULD. Buyer and Broker agree that, before filing for arbitration, any dispute arising from or related to this Agreement shall be submitted to mediation and, if the mediation is unsuccessful, then to arbitration before the American Arbitration Association or a REALTOR® Association located in the State of New Jersey at the choice of the filing party. If mediation and/or arbitration, or if a lawsuit, is filed by Buyer or Broker concerning any issue arising from or related to this Agreement, the prevailing party shall be entitled, in addition to any other remedy, to be paid reasonable attorneys' fees, arbitration fees, court costs and other expenses incurred.

14. CONSUMER INFORMATION STATEMENT: Buyer acknowledges receipt of the attached Consumer Information Statement on New Jersey Real Estate Relationships.

15. TERMINATION/BREACH:

- (a) **Termination.** Buyer acknowledges and understands that this Agreement is a legally binding, exclusive contract between Buyer and Broker that may be terminated in accordance with Section 4 or for legally sufficient cause.
- (b) **Buyer's Breach.** If this Agreement is not properly terminated and Buyer signs a brokerage service agreement with another real estate brokerage firm that becomes effective during the Term of this Agreement or that affects Broker's rights during the Protection Period, Buyer will be in breach of this Agreement. If Buyer breaches this Agreement and subsequently purchases real property as described in Section 1, Broker will be entitled to pursue all remedies available, including but not limited to recovery of the commission set forth in this Agreement. This provision is in addition to Broker's right to collect a commission if Buyer breaches or defaults on a valid contract to acquire property after the commission has been earned.
- (c) **Broker's Breach.** If Broker breaches this Agreement, Buyer will be entitled to pursue all remedies available to Buyer for such breach.

16. LIEN: Buyer agrees that, if Broker is not paid the commission set forth in this Agreement at the closing or due to a breach of this Agreement by Buyer, Broker has the right to record a lien on the property that Buyer purchases for the amount due under this Agreement, plus interest at the rate of ten (10%) percent per annum, and any attorneys' fees and costs due as provided in this Agreement and for recording the lien.

17. ADDITIONAL TERMS TO AGREEMENT (OPTIONAL): Buyer and Broker agree to the following additional terms that are incorporated into this Agreement (if a specific Section of the Agreement is being amended, it is recommended that the Section be included in the following terms): _____

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, leaving small margins at the top and bottom. There is no handwriting or other markings on the paper.

Broker/Licensee: _____ Date: _____

Buyer: _____ Date: _____

Buyer: _____ Date: _____

Buyer: _____ Date: _____

Buyer: _____ Date: _____

19. ENTIRE AGREEMENT: This Agreement contains the entire agreement between Buyer and Broker and only may be amended by an agreement in writing signed by Buyer and Broker. No representations have been made by either party, except as set forth in this Agreement. Buyer acknowledges receipt of a signed copy of this legally binding Agreement and agrees to be bound by and comply with its terms and conditions.

By: _____
Broker/Licensee

Buyer

Date _____

Buyer

Date

Buyer

Date _____

Buyer

Date