



# welcome

BROKER MEETING

August 6, 2019

**BAYEAST**  
ASSOCIATION OF REALTORS®



# Doreen Roberts

## Professional Standards Chair

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PROFESSIONAL STANDARDS UPDATE



# PROCURING CAUSE

For Brokers & Office Managers



# THE SCENARIO

- A buyer comes to your agent to write an offer on a property;
- Your agent writes the offer, successfully gets the offer accepted and closes the transaction.
- All is well, right?



# THE PROBLEM

- What if thirty days later you/your agent receive an Arbitration complaint from the Association signed by another agent claiming you/your agent owes them the commission -
- You have a procuring cause problem!





# THE RULE

- MLS rule 7.13 states in part that “... The broker participant’s contractual offer of compensation is accepted by the selling broker by procuring a buyer which ultimately results in the creation of a sales or lease contract...”
- Entitlement to compensation is determined by the cooperating broker’s performance as a procuring cause of the sale or lease.
- The listing agent must pay the “procuring cause” agent the commission offered in MLS.



# WHAT IS PROCURING CAUSE?

- Procuring cause is in fact the interplay of factors which together demonstrate that the unbroken efforts of a specific broker were responsible for the buyer making the decision to consummate the sale on terms which the seller found acceptable.
- Procuring cause is a factors test that doesn't necessarily have one triggering event that will give a sure result.



# IN OTHER WORDS...

- A broker is regarded as the "procuring cause" of a sale or the "inducing cause", so as to be entitled to commission if his or her efforts are the foundation on which negotiations resulting in a sale begin.
- Or... the sale would not have occurred but for the broker's efforts.



# THE ISSUE

- The agent that procured the buyer is the agent entitled to the commission.
- Which may or may not be the agent that wrote the offer, presented the offer or closed the transaction.
- The agent that procured the buyer is known as the “procuring cause” of the transaction.



# FACTORS THAT MUST BE ANALYZED

- When and how was the original introduction of the buyer to the property made?
- Did the original introduction start an uninterrupted series of events leading to the sale?
- Did the broker/salesperson who made the original introduction maintain contact with the buyers?



# MORE FACTORS

- Did the broker/salesperson engage in conduct that prompted the buyer to look elsewhere for assistance?
- Was the introduction of a second broker an intrusion into the transaction or the result of estrangement or abandonment by the original broker?
- Did the cooperating broker initiate a separate series of events, not dependent on the original broker's/salesperson's efforts, that led to the successful transaction?



# IN THE REAL WORLD WE DEAL WITH...

- Sophisticated & knowledgeable buyers
- Low inventory and desperate buyers
- No consequences for buyers that manipulate agents
- Desperate agents willing to gamble on procuring cause arbitrations



# MYTHS BUSTED

- If buyer “fires” agent- new agent can take over
- Buyer can choose who they want to represent them in purchase
- Prior clients are protected
- Agency disclosures protect buyer relationship
- Relationships with all buyers are protected by [Article 16](#).



# ADVICE FOR YOUR AGENTS

Avoiding Procuring Cause Disputes



# LOOK FOR RED FLAGS

- Request to write offer on property agent did not introduce.
- Prospect's detailed knowledge of the property or seller's circumstances.
- Request to write offer on property with commission kick-back





# BE WARY



- What went on with that buyer and other agents before you met them?
- Are you willing to take the chance?
- Can you afford to work for free?



# DON'T IGNORE REALITY

Ignoring the situation could lead  
to working on a transaction and  
not getting paid.







# ASK QUESTIONS

- Always ask a prospective buyer whether he or she is working with another broker.
- Explore whether the first broker has an exclusive contractual agreement.



# IF BUYER KNOWS TOO MUCH

- Find out how they learned of the property.
- Have they been inside already?
- If so, with whom and what were the circumstances?







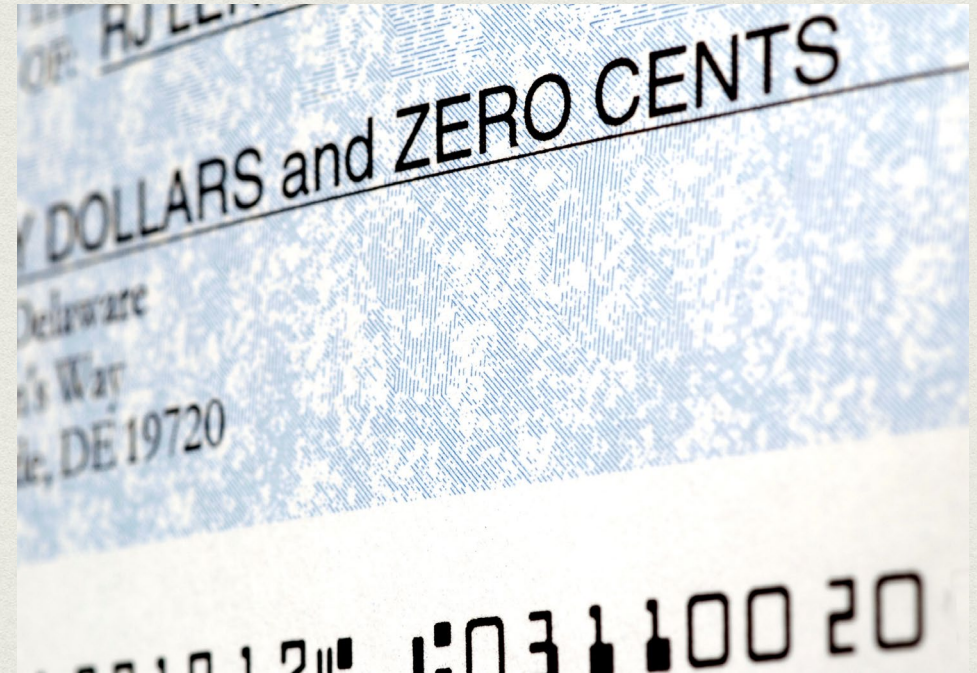
# HANDLE IT LIKE A PRO

- If client has been working with another broker on the same property...
- Ascertain the reason why the client left the first broker
- Make immediate contact with the broker and try to resolve the issue.



# OR ELSE

- You may close the transaction and get paid and then have an Arbitration panel decide that the other agent was the procuring cause....
- AND you owe the money to the other agent....
- Including the amount you rebated to the buyer!
- But you still have the risk for the transaction.





- Never send your buyer client to other brokers with instructions to come back when the buyer is ready to write the offer.
- Try to accompany your clients to open houses
- By not accompanying them, you take the risk that this explanation may not occur.





# FOR SURE

- Stay in close contact with your client
- Be responsive while working with prospects
- Stay informed and be proactive



A hand is shown pointing upwards with the index finger towards a glowing yellow rectangular button. The button has the word 'INSURANCE' written on it in bold, dark blue, sans-serif capital letters. The background is a blurred bokeh of blue and yellow lights.

**INSURANCE**

# ADDITIONAL INSURANCE

- Use Exclusive  
Representation  
Agreement with buyer



# WHEN ALL ELSE FAILS

- When agents have a disagreement usually the agent without the commission will file the [Arbitration](#) complaint
- A Professional Standards panel will determine who is the “procuring cause” and therefore the one entitled to the commission.



# REMEMBER

- As members of the MLS and the Association, we have all agreed in advance to have any disputes over commissions be decided by a Professional Standards panel and to abide by that decision.



# THE WAY IT WORKS

- It's rare for a Professional Standards panel to split the commission.
- More common for the panel to award the entire commission to the agent that has met the burden of proof.
- Parties can make any split arrangement they mutually decide on their own, or through a mediation process prior to going to arbitration.



# IF IT HAPPENS TO YOU

- You must file your complaint for Arbitration within the statute of 180 days from the close of escrow or after the “facts of the matter could have been known in the exercise of reasonable diligence, whichever is later.”



# RESOURCES

- CAR has a legal brief on Procuring Cause Guidelines
- CAR > Legal> All Legal Q & A's >By Title > Procuring Cause



# THE WAY IT IS

- When you meet a Buyer at an open house or as an up call, there are perils that could jeopardize your commission if you fail to heed the warning to ASK enough of the right questions and protect your commission with Exclusive Buyer Broker Representation Agreements



# Remember...

It's not the squirrel that  
gathers the nuts...





... but the one that shakes the tree...



...who is entitled to be paid!

From the Arkansas Supreme Court



WHO IS ENTITLED TO THE  
COMMISSION?



# ARBITRATION

A member's duty & privilege



# THE DUTY TO ARBITRATE: CODE OF ETHICS

- Code of Ethics Article 17: In the event of contractual disputes or specific non-contractual disputes as defined in Standard of Practice 17-4 between REALTORS® (principals) associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall mediate the dispute if the Board requires its members to mediate. If the dispute is not resolved through mediation, or if mediation is not required, REALTORS® shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter.



# THE DUTY TO ARBITRATE: MLS

- 16.1 Mandatory Arbitration. By becoming and remaining a Participant or Subscriber in the MLS, each Participant and Subscriber agrees to submit disputes arising out of the real estate business which also arises out of, or is in conjunction with, any listing filed with the MLS or any appraisal, to binding arbitration with any other Participant or Subscriber of this MLS, or Participants or Subscribers of any other MLS who are authorized to have access to this MLS under Section 6 of these rules...



# DISPUTES BETWEEN DIFFERENT OFFICES IN SAME ASSOCIATION

- If a member files for arbitration of a dispute involving his or her responsible broker (but not between the member and the responsible broker), the responsible broker with whom the member was associated at the time the dispute arose must join in the complaint.



# MEMBERS OF DIFFERENT ASSOCIATIONS

- If dispute is between offices/brokers from different Associations, the dispute will be heard under C.A.R. Interboard Arbitration rules.
- Arbitration heard at neutral association with interboard arbitrators from different associations



# DISPUTES BETWEEN SALESPERSON & BROKER

- Commission disputes between agent & responsible broker are heard at the Association.
- Panel members will be both brokers and agents



# DISPUTES IN SAME OFFICE

- Members are not bound to arbitrate disputes between members of the same firm if the dispute arises when the members are affiliated with the same firm unless each such party agrees in writing to the arbitration of such dispute(s) under the Association's facilities.



# COOPERATING AGENTS

- From MLS and reciprocal MLS systems required to arbitrate
- Licensee (non-REALTOR® & non-MLS) i.e. lender, relative with broker license, etc.- no requirement to arbitrate
- Use Cooperating Broker Compensation Agreement (CBC) to bind agent to arbitration
- If no agreement to arbitrate exists and another agent files arbitration complaint for procuring cause- can file against listing agent.
- If listing agent is named as Respondent, will be able to file complaint against cooperating agent only with CBC form.



# FILING AN ARBITRATION COMPLAINT

- Must be filed within 180 days from close of escrow or after the facts constituting the arbitrable matter could have been known in the exercise of reasonable diligence, whichever is later.
- Form is completed & emailed to Association
- Complainant(s) decide who to name as Respondent(s)
- Arbitration fee is \$700
- Broker must join complaint for agent's dispute against another broker/office
- Opportunity to challenge hearing panelists
- Date is selected
- Will be offered mediation prior to arbitration



# MEDIATION OPTION

- Informal mediation conference for parties to discuss what happened.
- Parties have full range of resolution options
- Agreements are voluntary
- If parties voluntarily come to agreement the Association returns \$500 of arbitration fee (Mediation fee= \$200)
- Voluntary agreements once signed are binding
- Parties retain the right to complete the arbitration process



# COMPARISON

Mediation	Arbitration
Low-cost	Moderate cost
Little delay	Moderate delay
Maximum range – solutions	Win or lose
Parties control outcome	Arbitrators control outcome
Uncertain closure* -because any agreement must be voluntary	Definite closure*- because outcome will be determined by panel.
Maintain/improve relationship	May harm relationship



MEDIATION IS THE PREFERRED  
DISPUTE RESOLUTION SYSTEM  
OF THE NATIONAL  
ASSOCIATION OF REALTORS®



# ETHICS & ARBITRATION

- When both an ethics complaint issue and arbitration dispute is filed at same time - the arbitration dispute is heard first
- Ethics complaint will be heard after by different panel
- Parties are offered mediation; both ethics & arbitration may be mediated together
- Respondent in violation of COE/MLS may still be entitled to arbitration if determined to be “procuring cause”



# ARBITRATION HEARING

- May be represented by legal counsel
- Each party presents evidence and testimony
- Parties ask questions of each other
- Panel asks questions of parties
- Parties are dismissed



- Panel deliberates the evidence & testimony to determine who is considered procuring cause
- Decision is emailed to parties
- Parties have 20 days to challenge for due process only
- Arbitration award can be petitioned in court for judgment to enforce payment
- Association has new “show cause” process to assist in collection



# ARTICLE 16

Interference with Exclusive Agency Relationships



# ARTICLE 16

- REALTORS® shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with clients.



MUST HAVE EXCLUSIVE  
AGREEMENT FOR ARTICLE 16  
INTERFERENCE VIOLATION



# EXCLUSIVE AGREEMENTS

- Exclusive listing agreement
- Exclusive buyer broker agreements



BUT EVEN WITHOUT  
“INTERFERENCE”  
VIOLATION - STILL  
MAY HAVE CLAIM FOR  
PROCURING CAUSE.



WHO IS ENTITLED TO THE  
COMMISSION?



# SCENARIO #1

- Ben & Betty Buyer called the agent that had farmed their area for years, they were ready to buy a house.
- Susie Broker showed them several houses on Saturday and they fell in love with one house and discussed a price to offer and asked Susie to write the offer to present on Monday night- which she did;
- They arranged to meet on Sunday evening to sign it.



- Meanwhile, on Sunday afternoon, Ben & Betty went to the open house at the property and met the listing agent, Ted Agent-
- Ted was very friendly and told them how busy open house had been and how he was expecting at least ten offers on the property and that they would have a better chance to get the property if he wrote the offer since the Sellers would rely on his recommendation
- Plus he would give them 1% in commission credit.



- Not wanting to take any chances on losing this house- Betty called Susie Broker and told her “they wanted to think about the purchase and they would call her when they were ready.”
- Ben & Betty then asked Ted Agent to write the offer for the same amount of Susie’s offer, which was accepted.
- Ted collected the commission at close of escrow and thirty days later received an arbitration complaint from Susie Broker claiming she was the procuring cause.



WHO IS ENTITLED TO THE  
COMMISSION?



- Simple example of a chain of events that most likely would have resulted in a closed transaction and a commission to Susie Broker if Ted Agent had not interfered.
- Most likely the panel would determine that Susie Broker was the procuring cause.
- But in real transactions, the facts are usually not as clearly defined, such as in this next example



# SCENARIO #2

- Betty & Ben Buyer were the typical modern buyers, they had met with a lender to get pre-approved and then went online to find a list of available properties.
- They went out to see the open houses on the weekend. They saw one on the weekend they liked and on Monday they called a broker that sent flyers to their area to talk about buying that property.



- Susie Broker set up a time to show the house and several others. Betty and Ben were still interested in the one house and asked Susie Broker to write an offer.
- Susie Broker provided them with local school information and did a comparable search and showed the data to the Betty and Ben Buyer and they decided to write an offer over asking price.
- There were several buyers that also liked the same house, and with multiple offers, the house sold to another buyer way over asking price.



- Ben & Betty Buyer were so disappointed to have lost out on their dream house. Susie advised them to move on - another house would come along.
- Susie Broker continued to show other houses to them, but none of them met their needs, and they also continued to go online to find houses but after three weeks they were discouraged.
- They were talking with some friends and they told them about the dream house that they lost out on. Their friends referred them to an agent they had worked with and Betty called her right away.



- Mary Agent asked about their recent experience and they indicated they were unhappy about losing on the multiple offer because that house was perfect for them and Susie Broker just wasn't showing them anything they liked as well.
- Mary Agent explained that sometimes escrows don't close for one reason or the other, and she offered to contact the listing agent and find out how the escrow was going.
- Mary called later that night and said the listing agent indicated that there were some issues with the buyers and the Sellers would welcome a back up offer.
- Mary made an appointment with Ben & Betty for the next night and wrote an offer over list price and delivered it to the listing agent.



- Susie Broker called a few times during this period to show other houses but Betty never called her back.
- Three days after writing the back up offer, Mary called to say the original buyers had backed out of the transaction and their offer was now in primary position, they were just thirty days away from owning their dream home.
- They closed escrow and moved into their home and lived happily after...
- Mary collected her commission at the close of escrow and was busy with new clients when she received an arbitration complaint from Susie Broker claiming she was the procuring cause.



WHO IS ENTITLED TO THE  
COMMISSION?



- Analyzing the testimony presented, the professional standards committee looked for a chain of events that most likely would have resulted in a closed transaction and a commission if it had not been interfered with.
- Can you determine where the chain of events regarding this property began?
- Was the chain interfered with- or did it break?
- Would the situation be different if Susie Broker had told Betty & Ben Buyer about the house herself?
- Who was procuring cause- and therefore entitled to the commission?



- In the first example, the panel would most likely find the intro broker, Susie Broker, the procuring cause because of the interference of the closing broker, who also happened to be the listing agent...
- In the second example, the panel would most likely find the closing broker, Mary Agent, the procuring cause since Susie's chain of events specific to the subject property had already been broken before Mary began working with the Buyers.



# A WORD TO THE WISE...

- When dealing with unfamiliar buyers who already have a history with a property:

Make sure to ask the right questions before you proceed to determine if you would be interfering with an ongoing chain of events to protect yourself against future claims of procuring cause.



BUT.....

Don't buyers have the right  
to choose who they want to  
represent them?



# KEEP IT STRAIGHT!

Agency representation  
and compensation are  
two different things!





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

## BUYER REPRESENTATION AGREEMENT - EXCLUSIVE

(C.A.R. Form BRE, Revised 4/13)

1. **EXCLUSIVE RIGHT TO REPRESENT:** John Doe ("Buyer") grants MasterKey Real Estate Mission ("Broker") beginning on (date) Jan 1, 2016 and ending at: (i) 11:59 P.M. on (date) Feb 1, 2016, or (ii) completion of a resulting transaction, whichever occurs first ("Representation Period"), the exclusive and irrevocable right, on the terms specified in this Agreement, to represent Buyer in acquiring real property or a manufactured home as follows:
- A. PROPERTY TO BE ACQUIRED:**  
(1) Any purchase, lease or other acquisition of any real property or manufactured home described as  
Location: \_\_\_\_\_  
Other: \_\_\_\_\_  
Price range: \$ \_\_\_\_\_ to \$ \_\_\_\_\_
- OR ☐ (2) The following specified properties only: 123 Main Street, Pleasantville CA
- OR ☐ (3) Only the properties identified on the attached list.
- B.** Broker agrees to exercise due diligence and reasonable efforts to fulfill the following authorizations and obligations.
- C.** Broker will perform its obligations under this Agreement through the individual signing for Broker below or another real estate licensee assigned by Broker, who is either Broker individually or an associate-licensee (an individual licensed as a real estate salesperson or Broker who works under Broker's real estate license). Buyer agrees that Broker's duties are limited by the terms of this Agreement, including those limitations set forth in paragraphs 5 and 6.
2. **AGENCY RELATIONSHIPS:**
- A. DISCLOSURE:** Unless the property described in paragraph 1 is 5 or more residential dwelling units, Buyer acknowledges receipt of the "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD) prior to entering into this Agreement.
- B. BUYER REPRESENTATION:** Broker will represent, as described in this Agreement, Buyer in any resulting transaction.
- C. (1) POSSIBLE DUAL AGENCY WITH SELLER:** (C(1) APPLIES UNLESS C(2)(i) or (ii) is checked below.)  
Depending on the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Buyer and a seller, exchange party, or one or more additional parties ("Seller"). Broker shall, as soon as practicable, disclose to Buyer any election to act as a dual agent representing both Buyer and Seller. If Buyer is shown property listed with Broker, Buyer consents to Broker becoming a dual agent representing both Buyer and Seller with respect to those properties. In event of dual agency, Buyer agrees that: (a) Broker, without the prior written consent of Buyer, will not disclose to Seller that the Buyer is willing to pay a price greater than the price offered; (b) Broker, without the prior written consent of Seller, will not disclose to Buyer that Seller is willing to sell Property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.
- OR (2) **SINGLE AGENCY ONLY:** (APPLIES ONLY IF (i) or (ii) is checked below.)
- ☐ (i) **Broker's firm lists properties for sale:** Buyer understands that this election will prevent Broker from showing Buyer those properties that are listed with Broker's firm or from representing Buyer in connection with those properties. Buyer's acquisition of a property listed with Broker's firm shall not affect Broker's right to be compensated under paragraph 3. In any resulting transaction in which Seller's property is not listed with Broker's firm, Broker will be the exclusive agent of Buyer and not a dual agent also representing Seller.
- OR ☐ (ii) **Broker's firm DOES NOT list property:** Entire brokerage firm only represents buyers and does not list property. In any resulting transaction, Broker will be the exclusive agent of Buyer and not a dual agent also representing Seller.
- D. OTHER POTENTIAL BUYERS:** Buyer understands that other potential buyers may, through Broker, consider, make offers on or acquire the same or similar properties as those Buyer is seeking to acquire. Buyer consents to Broker's representation of such other potential buyers before, during and after the Representation Period, or any extension thereof.
- E. NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller.
- F. CONFIRMATION:** If the Property (as defined below) includes residential property with one to four dwelling units, Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or coincident with Buyer's execution of a Property Contract (as defined below).
3. **COMPENSATION TO BROKER:**  
**NOTICE: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Buyer and Broker (real estate commissions include all compensation and fees to Broker).**  
Buyer agrees to pay to Broker, irrespective of agency relationship(s), as follows:
- A. AMOUNT OF COMPENSATION: (Check (1), (2) or (3). Check only one.)**
- ☐ (1) \_\_\_\_\_ percent of the acquisition price AND (if checked ☐) \$ \_\_\_\_\_,
- OR ☒ (2) \$ 2.5% of purchase price as published in MLS# XXXXXXXX,
- OR ☐ (3) Pursuant to the compensation schedule attached as an addendum \_\_\_\_\_.

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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BUYER REPRESENTATION AGREEMENT - EXCLUSIVE (BRE PAGE 1 OF 4)

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Untitled





Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

**6. SCOPE OF BROKER DUTY:**

- A.** While Broker will perform the duties described in paragraph 6B, Broker recommends that Buyer select other professionals, as described in the attached Buyer's Inspection Advisory, to investigate the Property through inspections, investigations, tests, surveys, reports, studies and other available information ("Inspections") during the transaction. Buyer agrees that these Inspections, to the extent they exceed the obligations described in paragraph 6B, are not within the scope of Broker's agency duties. Broker informs Buyer that it is in Buyer's best interest to obtain such inspections.
- B.** Buyer acknowledges and agrees that Broker: (i) does not decide what price Buyer should pay or Seller should accept; (ii) does not guarantee the condition of the Property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) does not have an obligation to conduct an inspection of common areas or offsite areas of the Property; (v) shall not be responsible for identifying defects on the Property, in common areas or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer agrees to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- C.** Broker owes no duty to inspect for common environmental hazards, earthquake weaknesses, or geologic and seismic hazards. If Buyer receives the booklets titled "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "The Homeowner's Guide to Earthquake Safety," or "The Commercial Property Owner's Guide to Earthquake Safety," the booklets are deemed adequate to inform Buyer regarding the information contained in the booklets and, other than as specified in 6B above, Broker is not required to provide Buyer with additional information about the matters described in the booklets.

**7. BUYER OBLIGATIONS:**

- A.** Buyer agrees to timely view and consider properties selected by Broker and to negotiate in good faith to acquire a property. Buyer further agrees to act in good faith toward the completion of any Property Contract entered into in furtherance of this Agreement. Within **5** (or ) **calendar days** from the execution of this Agreement, Buyer shall provide relevant personal and financial information to Broker to assure Buyer's ability to acquire property described in paragraph 4. If Buyer fails to provide such information, or if Buyer does not qualify financially to acquire property described in paragraph 4, then Broker may cancel this Agreement in writing. Buyer has an affirmative duty to take steps to protect him/herself, including discovery of the legal, practical and technical implications of discovered or disclosed facts, and investigation of information and facts which are known to Buyer or are within the diligent attention and observation of Buyer. Buyer is obligated, and agrees, to read all documents provided to Buyer. Buyer agrees to seek desired assistance from appropriate professionals, selected by Buyer, such as those referenced in the attached Buyer's Inspection Advisory.
- B.** Buyer shall notify Broker in writing (C.A.R. Form BMI) of any material issue to Buyer, such as, but not limited to, Buyer requests for information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues").
- C.** **Buyer agrees to: (i) indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments, costs and attorney fees arising from any incorrect information supplied by Buyer, or from any Material Issues that Buyer fails to disclose in writing to Broker; and (ii) pay for reports, inspections and meetings arranged by Broker on Buyer's behalf.**
- D.** Buyer is advised to read the attached Buyer's Inspection Advisory for a list of items and other concerns that typically warrant inspections or investigation by Buyer or other professionals.

**8. OTHER TERMS AND CONDITIONS:** The following disclosures or addenda are attached:

- A.** ☒ **Buyer's Inspection Advisory (C.A.R. Form BIA-B)** \_\_\_\_\_
- B.** ☐ **Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)** \_\_\_\_\_
- C.** ☒ **Buyer states they have not visited with or worked with any other agent/broker on subject property and understands if** \_\_\_\_\_
- D.** ☐ **another broker was involved and makes a claim for commission- Buyer will be responsible to pay the ENTIRE amount of commission.** \_\_\_\_\_

**9. ATTORNEY FEES:** In any action, proceeding or arbitration between Buyer and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Buyer or Broker shall be entitled to reasonable attorney fees and costs, except as provided in paragraph 11A.

**10. ENTIRE AGREEMENT:** All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. This Agreement may not be extended, amended, modified, altered or changed, except in writing signed by Buyer and Broker. In the event that any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. This Agreement and any supplement, addendum or modification, including any copy, whether by copier, facsimile, NCR or electronic, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )





# THANK YOU

