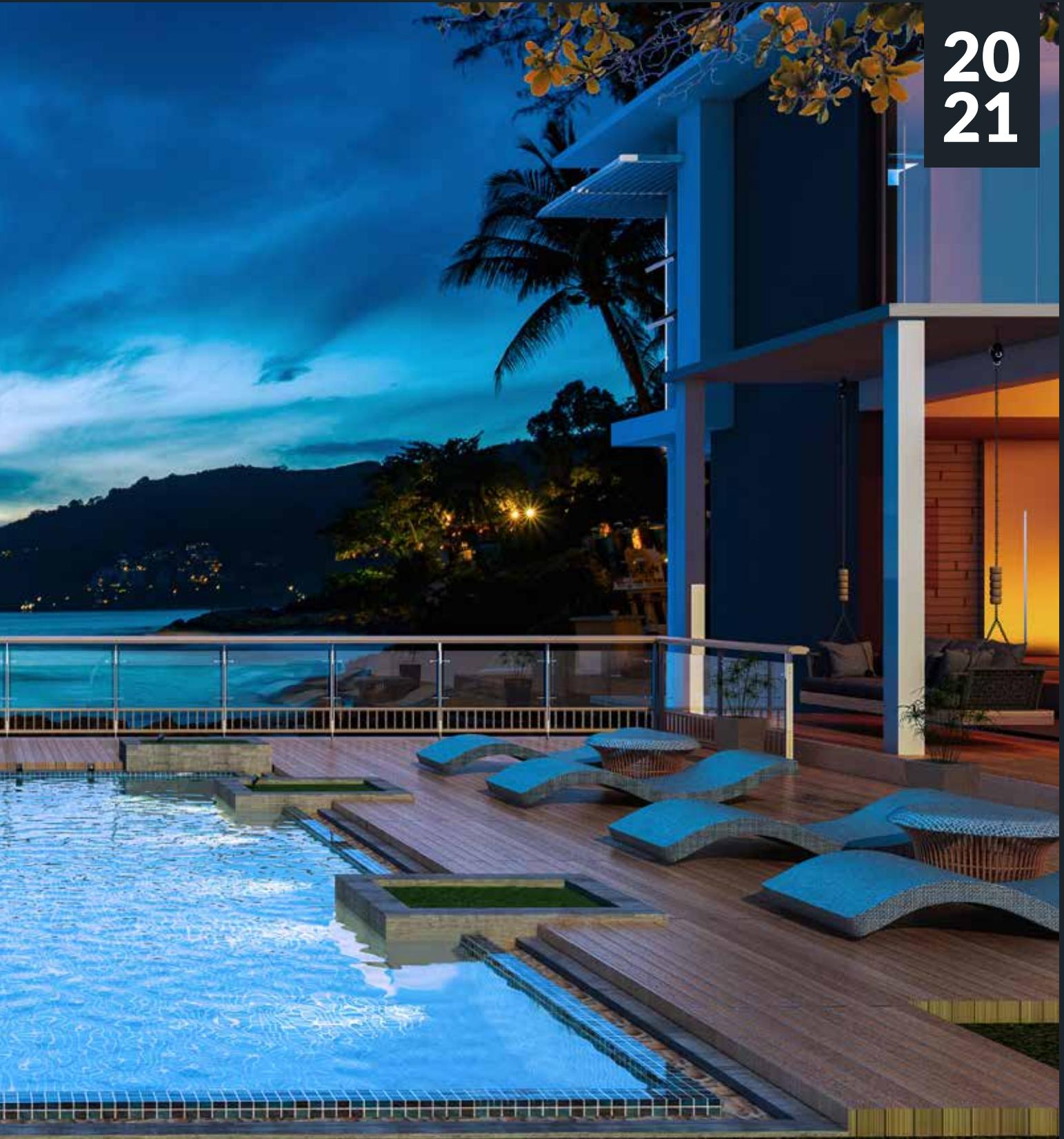


# BUYER'S GUIDE

THE VALUE OF YOUR HOME

20  
21



THE POWER OF HAVING A REAL ESTATE  
PROFESSIONAL ON YOUR SIDE





According to the National Association of Realtors (NAR), the three most popular information sources homebuyers use in the search process are:

- Online Website: 93%
- Real Estate Agent: 86%
- Mobile/Tablet Website or App: 73%

If you're starting your search online, you are clearly not alone – 93% of homebuyers are right there with you. And 86% of buyers are also getting information from a real estate agent at the same time.

### **A REAL ESTATE ADVISOR SERVES AS YOUR GUIDE.**

#### **3 Key Reasons to Work with a Professional:**

**A Real Estate Transaction is Complex.** We understand most homebuyers are savvy when it comes to online property searches but it's important to note there's more to real estate than just that. Determining your price, writing a winning offer and negotiating successfully are just a few key parts of the sequence. Having an experienced professional guide you through the process makes all the difference in a successful transaction.

**A Skilled Negotiator.** As a homebuyer, we understand your primary goal is to find your ideal home at the right price. Why leave money on the table? Working with a talented negotiator can save you thousands, sometimes even tens of thousands of dollars. From the original offer to the appraisal and the inspection, many steps can get confusing. A knowledgeable advisor serves as your advocate to guide you through the web of processes and procedures.

**A Qualified Educator.** Today's world is filled with information overload and we understand it can be difficult to determine fact from fiction. That's why you need someone who is willing to be your advocate and educate along the way.

# READY TO BUY A HOME? HERE'S WHAT YOU CAN DO NOW

## LEARN ABOUT THE PROCESS AND HOW MUCH YOU CAN AFFORD

The home buying process is one you want to give thought to before diving in. Decide on key things like how long you plan to stay in an area, school districts you prefer, your commute and how much you can afford.

Before you start the process, you'll want to get pre-approved for a mortgage. In order to plan properly, understand what lenders are looking for from a borrower. **There are three primary factors that help determine if you qualify for financing: your income, your assets and your credit history.**

A knowledgeable mortgage consultant can help you navigate the documentation process for pre-approval and identify the best loan for your needs. Pre-approval will help you better understand how much you can afford so you can confidently make a strong offer and close the deal.

## SAVE FOR A DOWN PAYMENT & CLOSING COSTS

In addition to knowing what you can afford for a monthly mortgage payment, understanding how much you'll need for down payment and closing costs is another critical step.

**Down Payments** are simply a part of a home's purchase price that you pay up front and does not come from a mortgage lender via loan. There are many down payment assistance resources available in today's market so be sure to discuss your options with a mortgage advisor.

**Closing Costs** are the costs associated with finalizing a transaction and typically include an appraisal fee, loan origination fee, title insurance, escrow services and legal recording of documents. Each loan is different so it's important to discuss these fees with a mortgage expert.

As a home buyer, you have many options available to you. Working with a professional real estate advisor and knowledgeable mortgage expert will put you ahead of the competition and on the path to homeownership.





## WRITE A WINNING OFFER & NAVIGATE THE PROCESS

Once you find the home for you, it's time to strike quickly with a strategically written offer. In a competitive market, you will want to make all the right moves to land your dream home. Here are the most common elements of a real estate contract:

**Determine Your Price:** Ultimately the market will determine the final price but working with an experienced agent is critical to writing a winning offer. One that's based on comparable listings and sales in the area, current market conditions, as well as addressing any seller concerns.

**Mortgage contingency:** A mortgage contingency stipulates that you will buy the home subject to obtaining a mortgage. The terms of the mortgage must be stated in the contract and a time frame to secure financing also must be established.

**Home inspection contingency:** A thorough inspection of the property by a licensed protects you against structural or material problems that are not detectable in a casual walk-through. The buyer is responsible for hiring and paying the inspector.

**Earnest money:** Earnest money is a deposit, given by the buyer to the seller, which secures the contract until closing. Earnest money is typically held in an escrow account until closing, when it may be applied to the down payment and/or closing costs.

**Closing date:** This is one of the most important terms of a real estate contract. The closing date is the day when ownership changes hands and you get to take a final sigh of relief. Flexibility on the closing date can give a buyer a big advantage over other potential buyers.



# MORTGAGE APPLICATION CHECKLIST:

Here is a list of documentation that each borrower should have when starting a home loan application. Your loan officer will review these documents to make sure you understand the specific documents requested and go over any questions you might have.

## INCOME

### Salaried Employees: (with additional income)

- Pay stubs (last 60 days)
- Commission, self-employed in a second job, etc. — statements (last 2 years)
- Personal Tax Returns (last 2 years)
- K-1 form if partnership is indicated on Schedule E
- Most current federal business tax returns (if borrower owns more than 25% of the business)

If tax returns have not been filed for the most current year, and it is after April 15th, 12 month profit and loss statement for that year. Additional information may be required by your lender depending on the complexity of your financial state.

## COUNTER OFFERS:

In many transactions, there is a fair amount of negotiation – offers and counter offers – before both parties are satisfied. This is one aspect of a real estate transaction in which an agent is invaluable. Not only can a Seven Gables advisor draw upon his or her experience and market knowledge to offer sound advice during a negotiation, but he or she can also serve as a buffer between the buyer and the seller/seller's agent. Negotiating for a home can be a highly charged and emotional process. But the most emotional buyer will look like one cool customer behind the right agent, and in the end, you usually wind up with what's important to you.

## FROM CONTRACT TO CLOSING:

In a real estate transaction, there are dozens of loose ends to tie up between signing the contract and closing the sale. Seven Gables is known for attention to detail during this important phase in which we coordinate and oversee the complete transaction.

- Recommend a mortgage broker and help expedite the loan-application process.
- Deposit earnest money (with seller or seller's advisor)
- Recommend and schedule a home inspector. It is always highly recommended that the buyer attend the inspection along with his or her Seven Gables advisor.
- Obtain important documents, such as property disclosure forms and condominium documents (budget, declaration, condo association minutes), and deliver them to the buyer.
- Monitor all contingencies to ensure that they have been met in a timely fashion.
- Recommend service providers for moving, home-improvement and repairs.
- Schedule a final walk-through. Again, both buyer and buyer's advisor should be present.
- Coordinate your closing.

In addition, if you have an existing home to sell, Seven Gables will customize a comprehensive marketing strategy to help you achieve the highest possible sales price in the shortest amount of time.

## WHO PAYS FOR WHAT DURING THE TRANSACTION:

During the negotiation stage of the transaction, a mutually agreed-upon date for closing is determined. "Closing" is when you and the seller sign all the remaining paperwork and pay your share of the settlement fees, and the documents are recorded. Settlement obligations vary widely due to specific contract language, local laws and customs. Prior to closing, the closing agent (usually an escrow company) will complete a detailed settlement statement for both buyer and seller.

### The buyer pays:

- Earnest money deposit
- One-half of escrow or legal fees paid to the attorney or escrow company for preparing the closing. (In California, the party paying escrow fees varies from county to county.)
- Document preparation fees
- Recording and notary fees
- Buyer's portion of title insurance
- Local transfer taxes, if any
- Repairs or inspections (if buyer agrees to pay)
- Loan fees
- Appraisal fees
- Credit report fee

As your Seven Gables advisor, I can help you understand which of the following typical settlement fees apply to you.

# THINGS TO AVOID AFTER APPLYING FOR A MORTGAGE

Once you've found the right home and applied for a mortgage, there are some key things to keep in mind before you close on your home. You're undoubtedly excited about the opportunity to decorate your new place, but before you make any large purchases, move your money around, or make any major life changes, consult your lender – someone who will be able to tell you how your financial decisions will impact your home loan.

**Below is a list of things you shouldn't do after applying for a mortgage. They're all important to know – or simply just good reminders – for the process.**

## **1. DON'T DEPOSIT CASH INTO YOUR BANK ACCOUNTS.**

Lenders need to source your money, and cash is not easily traceable. Before you deposit any amount of cash into your accounts, discuss the proper way to document your transactions with your loan officer.

## **2. DON'T MAKE ANY LARGE PURCHASES LIKE A NEW CAR OR FURNITURE FOR YOUR NEW HOME.**

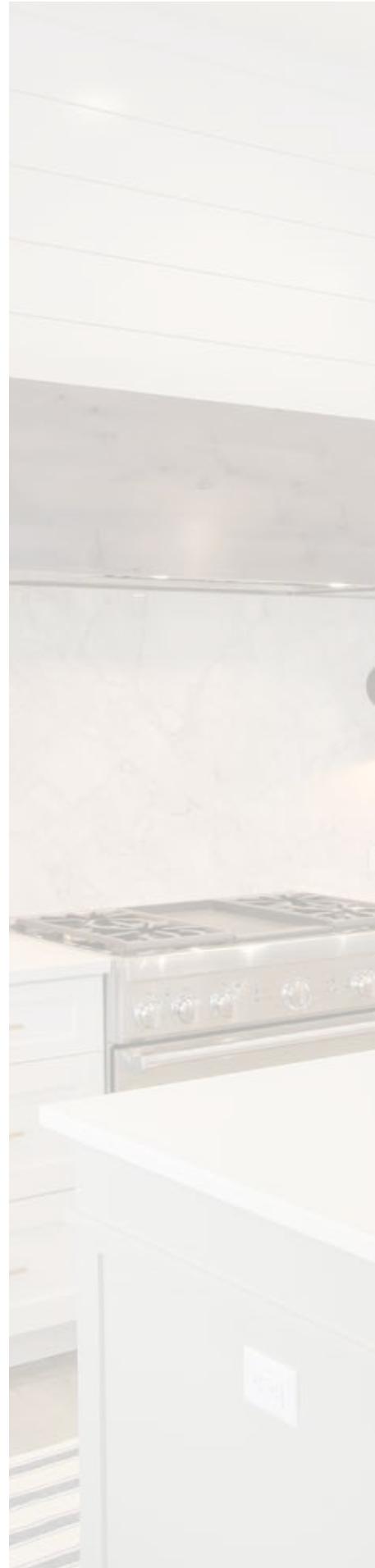
New debt comes with new monthly obligations. New obligations create new qualifications. People with new debt have higher debt to income ratios. Higher ratios make for riskier loans, and then sometimes qualified borrowers no longer qualify.

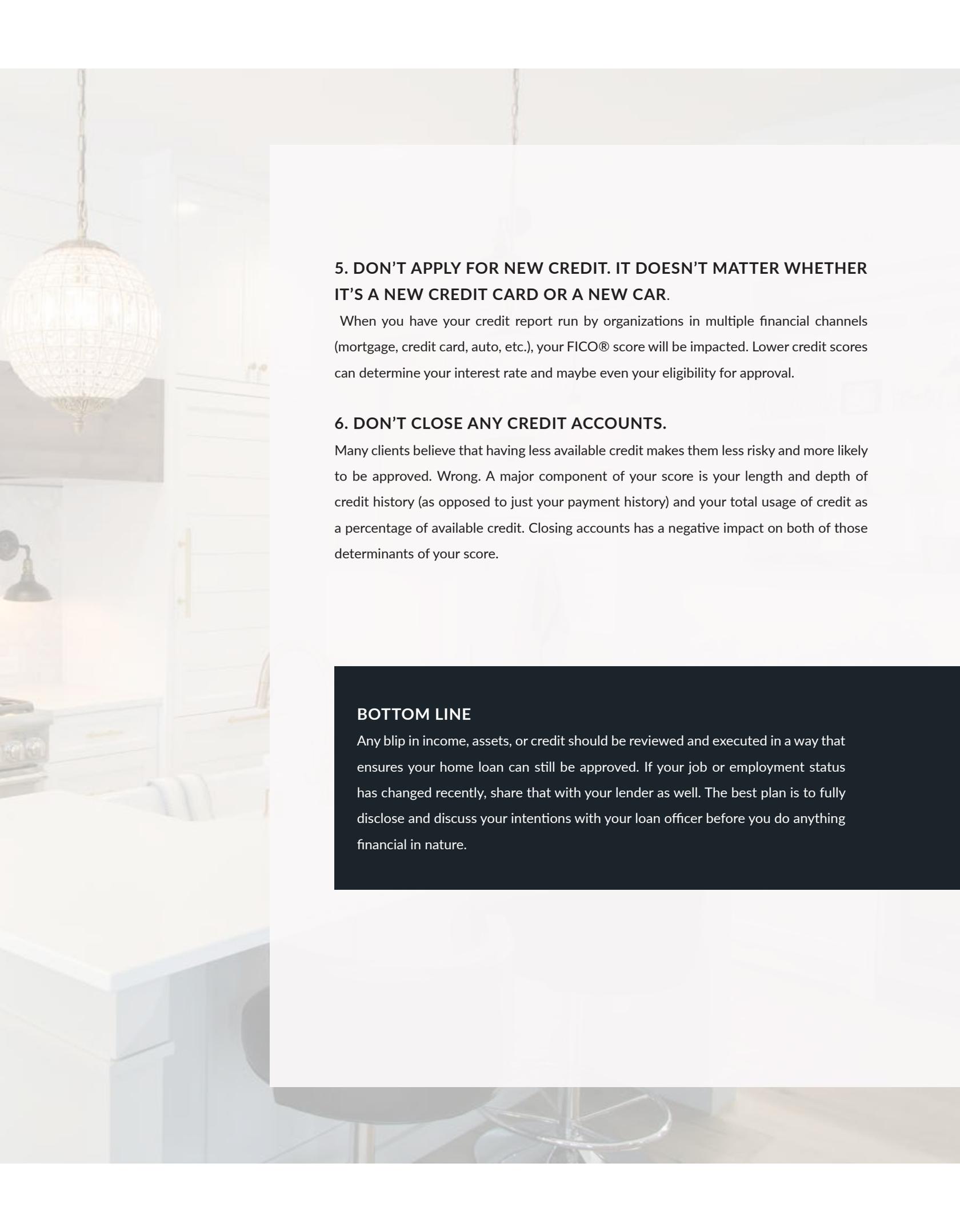
## **3. DON'T CO-SIGN OTHER LOANS FOR ANYONE. WHEN YOU CO-SIGN, YOU'RE OBLIGATED.**

With that obligation comes higher ratios as well. Even if you swear you won't be the one making the payments, your lender will have to count the payments against you.

## **4. DON'T CHANGE BANK ACCOUNTS.**

Remember, lenders need to source and track your assets. That task is significantly easier when there's consistency among your accounts. Before you transfer any money, speak with your loan officer.





**5. DON'T APPLY FOR NEW CREDIT. IT DOESN'T MATTER WHETHER IT'S A NEW CREDIT CARD OR A NEW CAR.**

When you have your credit report run by organizations in multiple financial channels (mortgage, credit card, auto, etc.), your FICO® score will be impacted. Lower credit scores can determine your interest rate and maybe even your eligibility for approval.

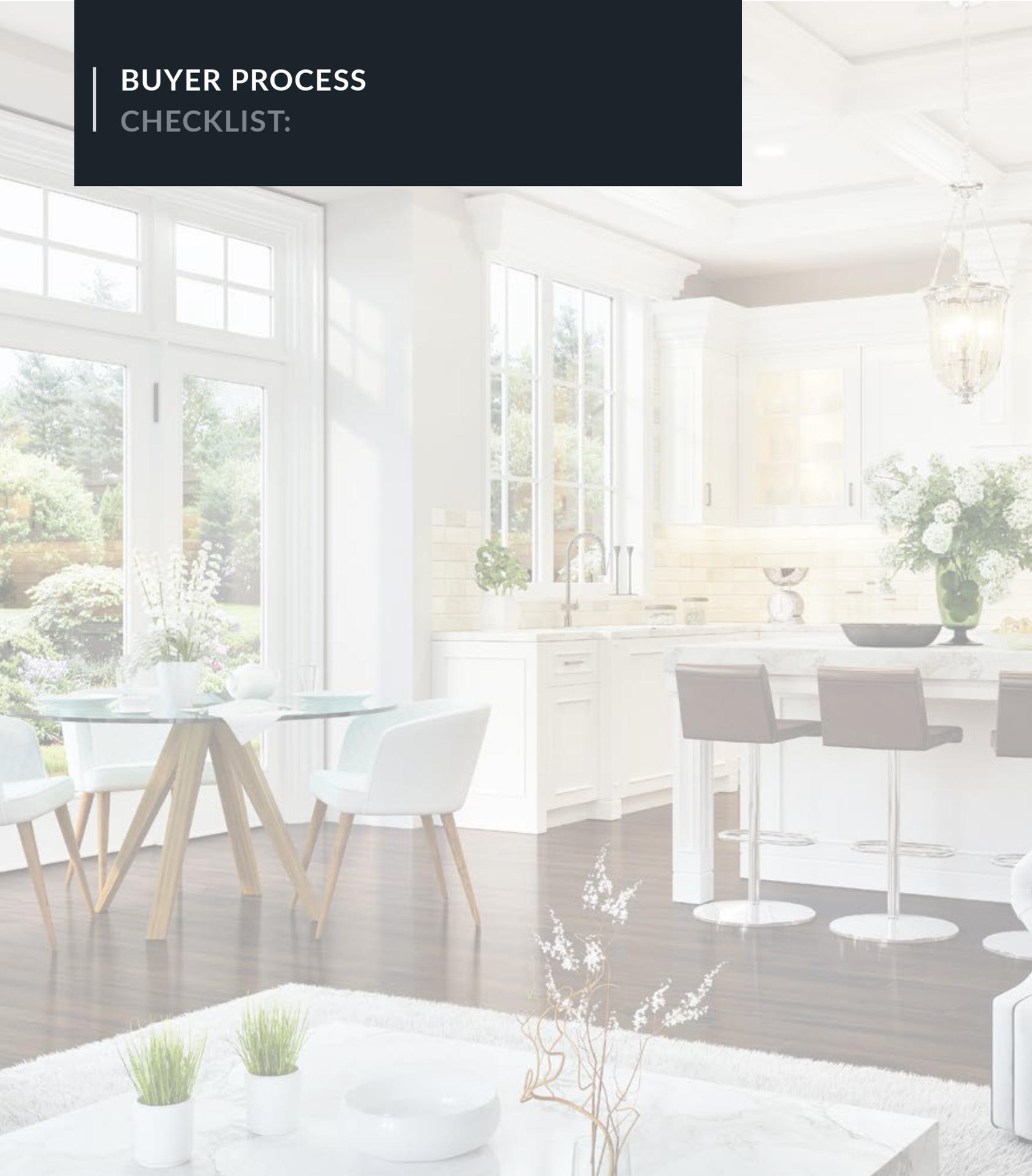
**6. DON'T CLOSE ANY CREDIT ACCOUNTS.**

Many clients believe that having less available credit makes them less risky and more likely to be approved. Wrong. A major component of your score is your length and depth of credit history (as opposed to just your payment history) and your total usage of credit as a percentage of available credit. Closing accounts has a negative impact on both of those determinants of your score.

**BOTTOM LINE**

Any blip in income, assets, or credit should be reviewed and executed in a way that ensures your home loan can still be approved. If your job or employment status has changed recently, share that with your lender as well. The best plan is to fully disclose and discuss your intentions with your loan officer before you do anything financial in nature.

**BUYER PROCESS  
CHECKLIST:**



- 
- Buyer Contact Information
  - Contingent Y/N
  - Property Address
  - Lender Information
  - Loan Application Date
  - Purchase Agreement Date
  - Fully Executed Agreement Date
  - Close of Escrow Days/Date
  - Escrow Company
  - Escrow Officer Contract Information
  - Appraisal Ordered Date
  - Appraised Value
  - Submitted to Underwriting
  - Loan Approval
  - Loan Docs Signed
  - Actual COE Date

#### INSPECTIONS AND CONTINGENCIES

- Inspection Contingency Due Date
- Appraisal Contingency Due Date
- Loan Contingency Due Date
- Home Inspection Date
- Termite Date
- Other Inspection (s)
- Request for Repairs Issued Date
- Response to Property Repairs Date
- Inspection Contingency Removed Y/N Date
- Appraisal Contingency Removed Y/N Date
- Loan Contingency Removed Y/N Date
- All Contingencies Removed Y/N Dates

#### DISCLOSURES, UTILITIES, FINALE, ACCOUNTING, MISCELLANEOUS

- Buyer Disclosures Signed
- Contingent on Purchase Y/N
- Possession Date
- Sellers Disclosures Signed
- Utility Companies Sent to Buyer
- Move-out Date
- Moving Company
- Client Gift

# BUYING A HOME: DO YOU KNOW THE LINGO?

**HERE'S A LIST OF SOME OF THE MOST COMMON TERMS USED IN THE HOMEBUYING PROCESS THAT YOU'LL WANT TO KNOW.**

**Appraisal** – A professional analysis used to estimate the value of a home. A necessary step in validating a home's worth to you and your lender as you secure financing.

**Closing costs** – The fees required to complete the real estate transaction. Paid at closing, they include points, taxes, title insurance, financing costs, and items that must be prepaid or escrowed. Ask your lender for a complete list of closing cost items.

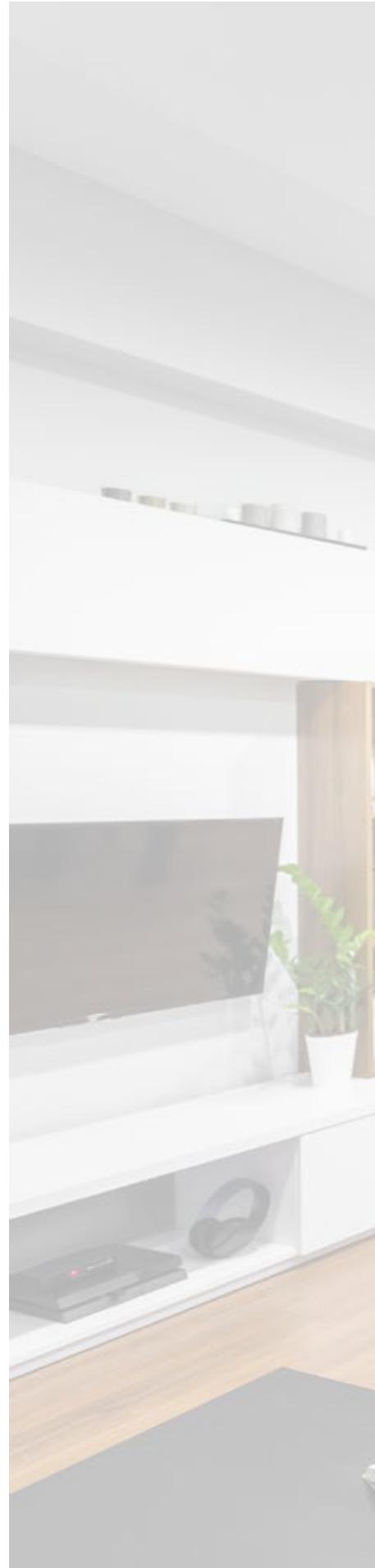
**Credit Score** – A number ranging from 300-850 that's based on an analysis of your credit history. Helps lenders determine the likelihood you'll repay future debts.

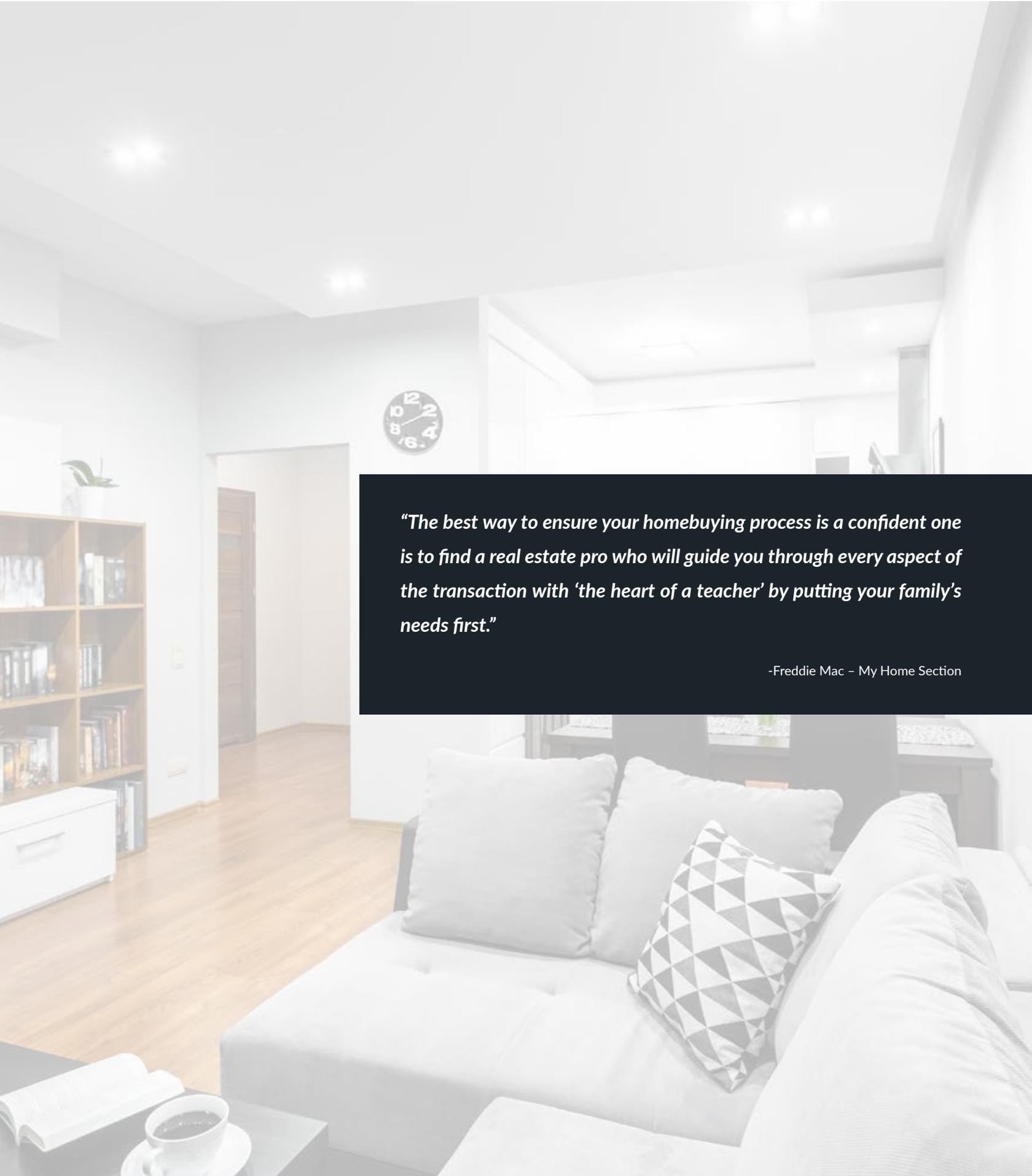
**Down Payment** – Typically 3-20% of the purchase price of the home. Some 0% down programs are also available. Ask your lender for more information.

**Mortgage Rate** – The interest rate you pay to borrow money to buy a home. The lower the rate, the better.

**Pre-Approval Letter** – A letter from a lender indicating you qualify for a mortgage of a specific amount.

**Real Estate Professional** – An individual who provides services in buying and selling homes. Real estate professionals are there to help you through the confusing documentation, find your dream home, negotiate any of the details that come up, and let you know exactly what's going on in the housing market.





*“The best way to ensure your homebuying process is a confident one is to find a real estate pro who will guide you through every aspect of the transaction with ‘the heart of a teacher’ by putting your family’s needs first.”*

-Freddie Mac – My Home Section

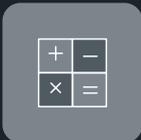
# 5 REASONS TO HIRE A REAL ESTATE PROFESSIONAL



## CONTRACTS

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We help with all disclosures and contracts necessary in today's heavily regulated environment.



## PRICING

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We help you understand today's real estate values when setting the price of a listing or making an offer to purchase.



## EXPERIENCE

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We are well-educated in real estate and experienced with the entire sales process.



## NEGOTIATIONS

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We act as a buffer in negotiations with all parties throughout the entire transaction.



## UNDERSTANDING OF CURRENT MARKET CONDITIONS

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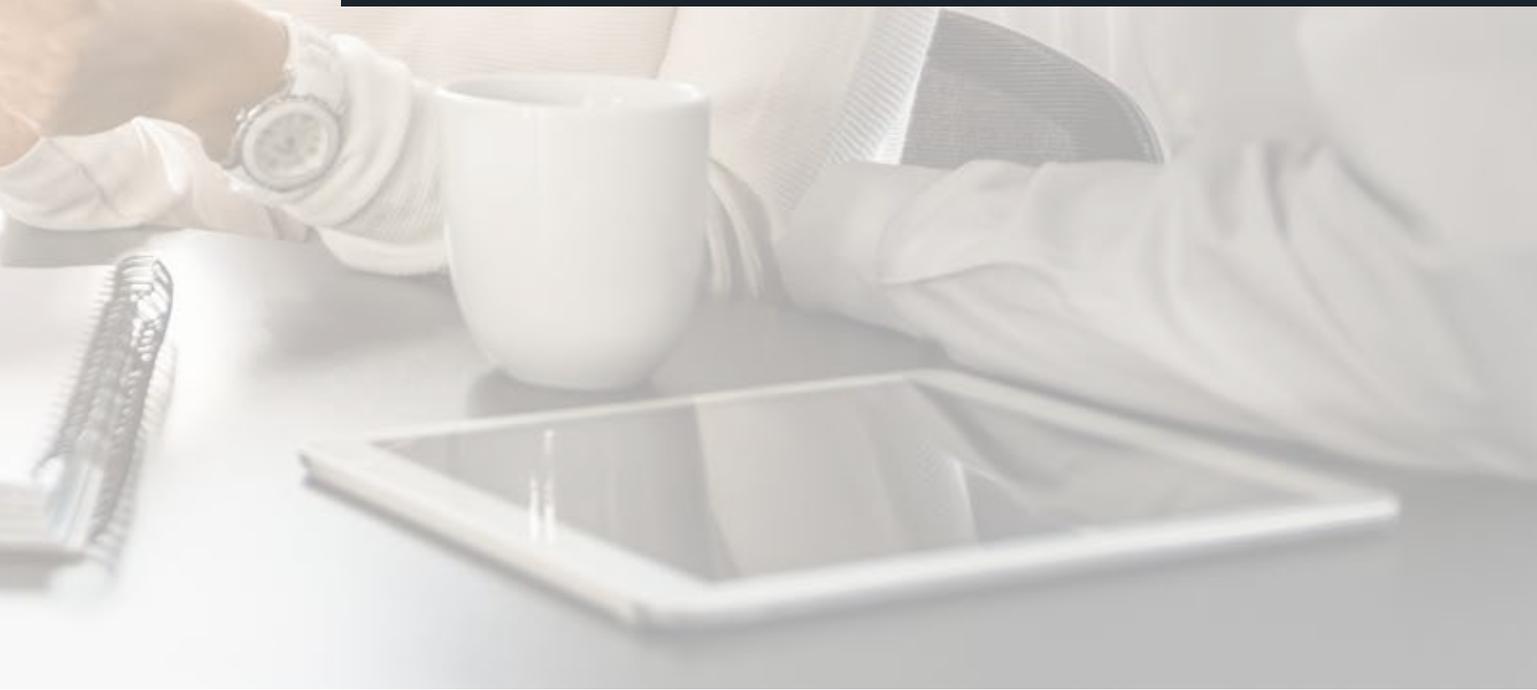
We simply and effectively explain today's real estate headlines and decipher what they mean to you.



**LET'S CONNECT TO DISCUSS YOUR GOALS.**

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The real estate market is competitive and the process can be complicated. An experienced real estate advisor will guide you down the path. I'd love to talk with you about what you read here and how I can play a role in helping you achieve your goals.





CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller.

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer. (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer Seller Landlord Tenant Date

Buyer Seller Landlord Tenant Date

Agent Real Estate Broker (Firm) BRE Lic. #

By (Salesperson or Broker-Associate) BRE Lic. # Date

Agency Disclosure Compliance (Civil Code §2079.14):
• When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
• When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:
Seller/Landlord Date Seller/Landlord Date

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Reviewed by Date



AD REVISED 12/14 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

**CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13** As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**2079.14** Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

**2079.15** In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16** Reproduced on Page 1 of this AD form.

**2079.17** (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one):  the seller exclusively; or  both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one):  the buyer exclusively; or  the seller exclusively; or

(Name of Selling Agent if not the same as the Listing Agent)

both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

**2079.18** No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

**2079.19** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

**2079.21** A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22** Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**2079.23** A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

**2079.24** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





**BUYER REPRESENTATION AGREEMENT - EXCLUSIVE**  
(C.A.R. Form BRE, Revised 4/13)

**1. EXCLUSIVE RIGHT TO REPRESENT:** \_\_\_\_\_ ("Buyer") grants \_\_\_\_\_ ("Broker") beginning on (date) \_\_\_\_\_ and ending at: **(i)** 11:59 P.M. on (date) \_\_\_\_\_, 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: \_\_\_\_\_

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) \$ \_\_\_\_\_

OR  (3) Pursuant to the compensation schedule attached as an addendum \_\_\_\_\_

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







**BUYER REPRESENTATION AGREEMENT - NON-EXCLUSIVE**  
(C.A.R. Form BRNE, Revised 4/13)

1. **NON-EXCLUSIVE RIGHT TO REPRESENT:** \_\_\_\_\_ ("Buyer") grants \_\_\_\_\_ ("Broker") beginning on (date) \_\_\_\_\_ and ending at: (i) 11:59 P.M. on (date) \_\_\_\_\_, or (ii) completion of a resulting transaction, whichever occurs first ("Representation Period"), the non-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: \_\_\_\_\_  
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 4 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 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) \$ \_\_\_\_\_  
OR  (3) Pursuant to the compensation schedule attached as an addendum \_\_\_\_\_

Buyer to acknowledge receipt of a copy of this page.  
Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



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

**B. COMPENSATION PAYMENTS AND CREDITS:** Buyer is responsible for payment of compensation provided for in this Agreement. However, if anyone other than Buyer compensates Broker for services covered by this Agreement, that amount shall be credited toward Buyer's obligation to pay compensation. If the amount of compensation Broker receives from anyone other than Buyer exceeds Buyer's obligation, the excess amount shall be disclosed to Buyer, and if allowed by law paid to Broker, or (if checked) credited to Buyer, or other \_\_\_\_\_.

**C. BROKER RIGHT TO COMPENSATION:** Broker shall be entitled to the compensation provided for in paragraph 3A. (1) If during the term of the Representation Period, or any extension thereof, Buyer enters into an agreement to acquire property described in paragraph (1A) on those terms or any other terms acceptable to Buyer provided Seller completes the transaction or is prevented from doing so by Buyer, and if the property was introduced to Buyer by Broker or was one for which Broker acted on Buyer's behalf (Broker shall be entitled to compensation whether any escrow resulting from such agreement closes during or after the expiration of the Representation Period). (2) If, within \_\_\_\_\_ calendar days after expiration of the Representation Period or any extension thereof, Buyer enters into an agreement to acquire property described in paragraph (1), which property Broker introduced to Buyer, or for which Broker acted on Buyer's behalf, the obligation to pay compensation pursuant to this paragraph shall arise only if, prior to or within 3 (or \_\_\_\_\_) calendar days after expiration of this Agreement or any extension thereof, Broker gives Buyer a written notice of those properties which Broker introduced to Buyer, or for which Broker acted on Buyer's behalf.

**D. TRINKING OF COMPENSATION:** Compensation is payable (1) Upon completion of any resulting transaction, and if an escrow is used, through escrow. (2) If acquisition is prevented by default of Buyer, upon Buyer's default. (3) If acquisition is prevented by a party to the transaction other than Buyer, when Buyer collects damages by suit, settlement or otherwise. Compensation shall equal one-half of the damages recovered, not to exceed the compensation provided for in paragraph 3A, after first deducting the unremitted payments, credits and expenses of collection, if any.

**E. BUYER HEREBY IRREVOCABLY ASSIGNS TO BROKER THE COMPENSATION PROVIDED FOR IN PARAGRAPH 3A FROM BUYER'S FUNDS AND PROCEEDS IN ESCROW.** Buyer agrees to submit to escrow any funds needed to compensate Broker under this Agreement. Broker may submit this Agreement, as instructions to compensate Broker, to any escrow regarding this Property involving Buyer and a seller or other transferee.

**F. "BUYER" INCLUDES ANY PERSON OR ENTITY, OTHER THAN BROKER, RELATED TO BUYER OR WHO IN ANY MANNER ACTS ON BUYER'S BEHALF TO ACQUIRE PROPERTY WHICH SATISFIES THE CONDITIONS SET FORTH IN PARAGRAPH 1A.**

(1) Buyer has not previously entered into a representation agreement with another broker regarding property described in paragraph 1A, unless specified as follows (name of other broker, here): \_\_\_\_\_

(2) Buyer warrants that Buyer has no obligation to pay compensation to any other broker regarding property described in paragraph 1A, unless Buyer acquires the following properties: \_\_\_\_\_

(3) If Buyer acquires a property specified in (2) above during this time Buyer is obligated to compensate another broker, Broker is neither (i) entitled to compensation under this Agreement, nor (ii) obligated to represent Buyer in such transaction.

**4. INTERNET ADVERTISING:** Buyer acknowledges and agrees that (i) properties presented to them may have been marketed through a "virtual tour" or the Internet, permitting potential buyers to view properties over the Internet, (ii) neither the service provider nor Broker has control over who will obtain access to the service or what action such persons might take, and (iii) Broker has no control over how the information concerning the properties will be available on the Internet.

**5. BROKER AUTHORIZATIONS AND OBLIGATIONS:**

A. Buyer authorizes Broker to (i) locate and present selected properties to Buyer, present offers authorized by Buyer, and assist Buyer in negotiating for acceptance of such offers, (ii) assist Buyer with the financing process, including obtaining loan pre-qualification, (iii) upon request, provide Buyer with a list of professionals or vendors who perform the services described in the attached Buyer's Inspection Advisory, (iv) order repairs, and schedule and attend meetings and appointments with professionals chosen by Buyer, (v) provide guidance to help Buyer with the acquisition of property, and (vi) obtain a credit report on Buyer.

B. For property transactions of which Broker is aware and not precluded from participating in by Buyer, Broker shall provide and review forms to create a property contract ("Property Contract") for the acquisition of a specific property ("Property"). With respect to such Property, Broker shall (i) deliver or cause to be delivered to Buyer a complete residential purchase agreement, including a reasonably complete and diligent on-site visual inspection of the accessible areas of the Property (excluding any common areas), and disclose to Buyer all facts materially affecting the value or desirability of such Property that are revealed by this inspection, (ii) deliver or cause to be delivered to Buyer all disclosures, materials or information required by the personal possession or personally known to the individual acquiring for Broker below during the Representation Period, and (iii) facilitate the escrow process, including assisting Buyer in negotiating with Seller. Unless otherwise specified in writing, any information provided through Broker on the cover of representation agreement has not been verified and will not be verified by Broker. Brokers services are performed in compliance with federal, state and local anti-discrimination laws.

Buyer to acknowledge receipt of a copy of this page.  
Buyer's Initials: \_\_\_\_\_ Broker's Initials: \_\_\_\_\_

**BRNE REVISED 04/13 (PAGE 2 OF 4)**

**BUYER REPRESENTATION AGREEMENT - NON-EXCLUSIVE (BRNE PAGE 2 OF 4)**  
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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, or 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 does not decide what price Buyer should pay or Seller should accept. (i) does not guarantee the condition of the Property, (ii) does not guarantee the performance, accuracy or completeness of inspections, services, products or repairs provided or made by Seller or others, (iii) does not have an obligation to conduct an inspection of common areas, or offsite areas of the Property, (iv) 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, (v) shall not be responsible for inspecting public records or permits concerning the title or use of Property, (vi) shall not be responsible for identifying the location of boundary lines or other items affecting title, (vii) 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, earthed weaknesses, or geologic and seismic hazards. If Buyer receives the booklets titled "Environmental Hazards: A Guide for Homeowners, Buyers, Lenders 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 themselves, 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 (i) 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"), (ii) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (iii) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (iv) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (v) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (vi) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (vii) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (viii) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (ix) of any information on, or concerns regarding, any particular area of interest or importance to Buyer ("Material Issues"), (x) of any 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's 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 inspection or investigation by Buyer or other professionals.

**8. OTHER TERMS AND CONDITIONS:** The following disclosures or addenda are attached:  
A. \_\_\_\_\_  
B. \_\_\_\_\_  
C. \_\_\_\_\_  
D. \_\_\_\_\_

**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 paper, 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: \_\_\_\_\_ Broker's Initials: \_\_\_\_\_  
Buyer to acknowledge receipt of a copy of this page.  
Buyer's Initials: \_\_\_\_\_ Broker's Initials: \_\_\_\_\_

**BRNE REVISED 04/13 (PAGE 3 OF 4)**

**BUYER REPRESENTATION AGREEMENT - NON-EXCLUSIVE (BRNE PAGE 3 OF 4)**  
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Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

**11. DISPUTE RESOLUTION:**

A. **MEDIATION:** Buyer and Broker agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration or court action, subject to paragraph 11E(2) below. Paragraph 11E(2) below applies whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney's fees even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIATED.

B. **ARBITRATION OF DISPUTES:** (1) Buyer and Broker agree that any dispute or claim in law or equity arising between them regarding the obligation to pay compensation under this Agreement, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraph 11E(2) below. The arbitrator shall be a retired judge or justice of the peace with at least five years of residential real estate law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05, in all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III, of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

(2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Code of Civil Procedure §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

**"NOTICE: BY INITIATING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW. YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIATING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Buyer's Initials: \_\_\_\_\_ Broker's Initials: \_\_\_\_\_

Buyer acknowledges that Buyer has read, understands, received a copy of and agrees to the terms of this Agreement.

Buyer: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Buyer: \_\_\_\_\_ Date: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Real Estate Broker (Firm) \_\_\_\_\_ DRE License # \_\_\_\_\_  
By (Agent) \_\_\_\_\_ DRE License # \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

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Reviewed By: \_\_\_\_\_ Date: \_\_\_\_\_

**BRNE REVISED 04/13 (PAGE 4 OF 4)**

**BUYER REPRESENTATION AGREEMENT - NON-EXCLUSIVE (BRNE PAGE 4 OF 4)**  
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**BUYER'S INSPECTION ADVISORY**  
(C.A.R. Form BIA, Revised 11/14)

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of discovered or disclosed facts, and investigation of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommended further investigations, including a recertification by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

**A. GENERAL CONDITION OF THE PROPERTY AND COMPONENTS:** Foundation, roof systems, roof condition, age, leaks, useful life, plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.

**B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or mangers do not necessarily define true Property boundaries.

**C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.

**D. SOIL STABILITY:** Soil types, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.

**E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.

**F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).

**G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.

**H. FIRE HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as the information may affect their decisions, including the removal of loans and inspection contingencies.

**I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certifications, zoning other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.

**J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.

**K. SECURITY AND SAFETY:** State and local law may require the installation of barriers, access alarms, self-stalling mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.

**L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITION, PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felon or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation construction and development that may affect noise, view, or traffic, airport noise, noise or other from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyer acknowledges that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

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

Real Estate Broker (Firm) \_\_\_\_\_ DRE License # \_\_\_\_\_  
By \_\_\_\_\_ DRE License # \_\_\_\_\_  
Date: \_\_\_\_\_

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Reviewed By: \_\_\_\_\_ Date: \_\_\_\_\_

**BIA REVISED 11/14 (PAGE 1 OF 1)**

**BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)**  
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# GLOSSARY

**APPRAISAL:** an expert opinion of the value or worth of a property.

**ASSESSED VALUE:** the value placed on a property by a municipality for purposes of levying taxes. It may differ widely from appraised or market value.

**CERTIFICATE OF TITLE:** a document, signed by a title examiner, stating that a seller has an insurable title to the property.

**CLOSING:** the deed to a property is legally transferred from seller to buyer, and documents are recorded.

**CLOSING COSTS:** see "Settlement" or refer to "Settlement—who pays what" in this guide.

**COMMISSION:** a fee (usually a percentage of the total transaction) paid to an agent or broker for services performed.

**COMPARATIVE MARKET ANALYSIS (CMA):** a survey of the attributes and selling process of comparable homes on the market or recently sold; used to help determine a correct pricing strategy for a seller's property.

**CONTINGENCY:** a condition in a contract that must be met for the contract to be binding.

**CONTRACT:** a binding legal agreement between two or more parties that outlines the conditions for the exchange of value (for example: money exchanged for title to property).

**DEED:** a legal document that formally conveys ownership of a property from seller to buyer.

**DOWN PAYMENT:** a percentage of the purchase price that the buyer must pay in cash and may not borrow from the lender.

**EQUITY:** the value of the property actually owned by the homeowner: purchase price, plus appreciation, plus improvements, less mortgages and liens.

**ESCROW:** a fund or account held by a third-party custodian until conditions of a contract are met.

**FIXTURE:** a recognizable entity (such as a kitchen cabinet, drape or light fixture) that permanently attached to a property and belongs to the property when it is sold.

**HAZARD INSURANCE:** compensates for property damage from specified hazards such as fire and wind.

**LIEN:** a security claim on a property until a debt is satisfied.

**LISTING CONTRACT:** an agreement whereby an owner engages a real estate company for a specified period of time to sell a property, for which, upon the sale, the agent receives a commission.

**MARKET PRICE:** the actual price at which a property sold.

**MARKET VALUE:** the price that is established by present economic conditions, location and general trends.

**MULTIPLE LISTING SERVICE (MLS):** a system that provides to its members detailed information about properties for sale.

**PRORATE:** divide or assess proportionately.

**PURCHASE & SALE AGREEMENT:** a contract between buyer and seller that outlines the details of the property transfer.

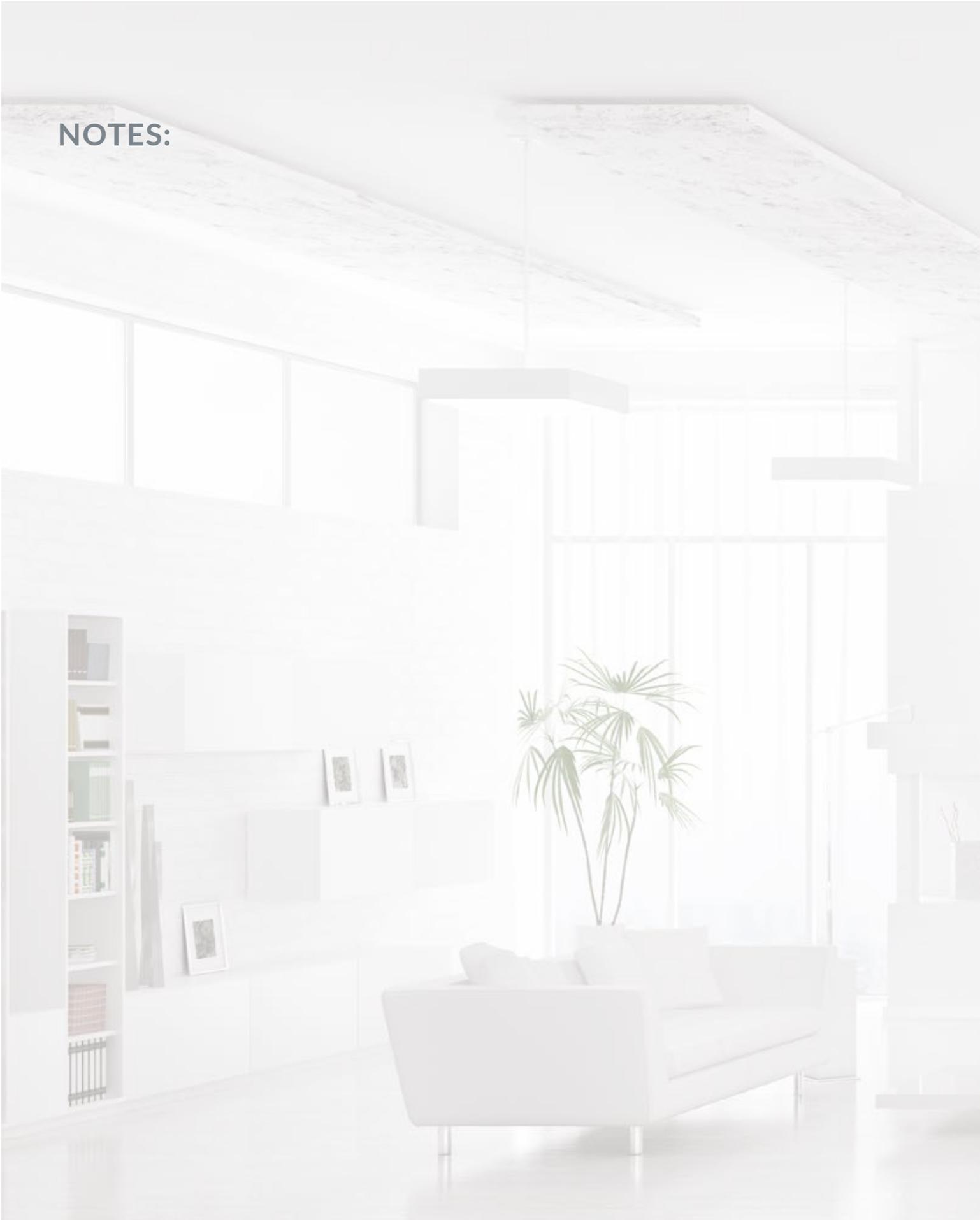
**SETTLEMENT:** all financial transactions required to make the contract final. See "Settlement—who pays what" in this guide.

**TITLE:** a document that indicates ownership of a specific property.

**TITLE PRELIM:** detailed examination of the entire document history of a property title to make sure there are no legal encumbrances.



NOTES:





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