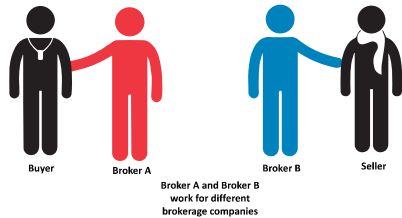
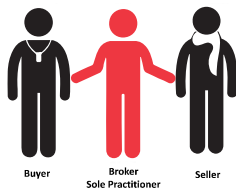


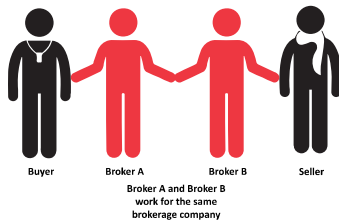
#### Buyer Agency and Seller Agency



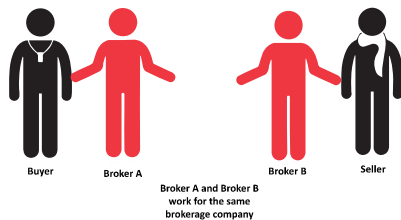
#### Dual Agency



#### Dual Agency



#### Designated Dual Agency



#### THE NORTH CAROLINA REAL ESTATE COMMISSION

P.O. Box 17100 • Raleigh, NC 27619-7100  
Phone: 919/875-3700 • Website: [www.ncrec.gov](http://www.ncrec.gov)

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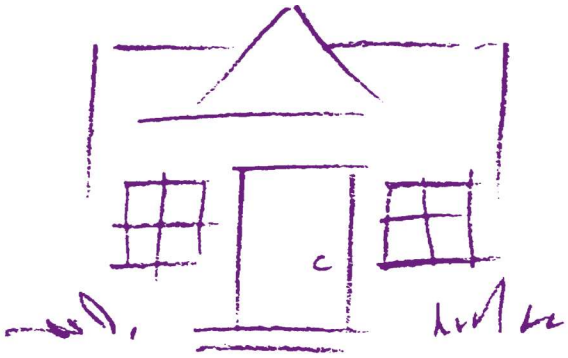
## Questions and Answers on: WORKING WITH REAL ESTATE AGENTS

A publication of the North Carolina Real Estate Commission

## Questions and Answers on: WORKING WITH REAL ESTATE AGENTS

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When buying or selling real estate, you may find it helpful to have a real estate agent assist you. Real estate agents can provide many useful services and work with you in different ways. In some real estate transactions, the agents work only for the seller. In other transactions, the seller and buyer may each have their own agents. And sometimes the same agent or firm works for both the buyer and the seller in the same transaction. It is important for you to know whether an agent is representing you as your agent or simply assisting you while acting as an agent of the other party.



**Do not share any confidential information with a real estate agent or assume that the agent is acting on your behalf until you have entered into a written agreement with the agent to represent you. Otherwise, the agent can share your confidential information with others and this could hurt your ability to negotiate the best deal.**

To assist buyers and sellers in understanding the roles of real estate agents, the Real Estate Commission requires agents in sales transactions to (1) review a “Working With Real Estate Agents Disclosure” with you at first substantial contact - before asking for or receiving your confidential information and (2) give you a copy of the Disclosure form after you sign it. The

Disclosure form is for your education and protection and is not a contract.

This Q&A brochure assumes that you are a prospective buyer or seller and answers common questions about the various types of agency relationships that may be available to you. It should help you:

- decide which relationship you want to have with a real estate agent
- give you useful information about the various services real estate agents can provide buyers and sellers
- explain how real estate agents are paid

**IMPORTANT NOTE ABOUT RACIAL EQUALITY AND FAIR HOUSING: The Commission is committed to the principles of excellence, fairness, and respect for all people. It is our goal to ensure that brokerage activities are conducted in fairness to all and to end discrimination in the sale or rental of all real estate.**

**In residential sales and rental transactions, agents must comply with the Fair Housing Act which prohibits discrimination on the basis of the race, color, religion, sex, national origin, handicap, or familial status of any party or prospective party. For more information on the NC Fair Housing Act, you may visit <https://www.oah.nc.gov/civil-rights-division/housing-discrimination>.**

**Q: What does the word, “agency,” mean?**

**A:** The relationship between a real estate agent and the buyer or seller who hires the agent is referred to as an agency relationship, because the real estate agent acts on behalf of (i.e. as an agent for) the buyer or seller (the “client”). In an agency relationship, the agent has certain duties and responsibilities to their client.

**Q: What is an agency agreement?**

**A:** An agency agreement is a contract between you and a real estate firm that authorizes the firm and its agents to represent you. The agency agreement between buyers and agents is typically called a “Buyer Agency Agreement”; between sellers and agents, a “Listing Agreement.” Be sure to read and understand the agency agreement before you sign it. If you do not understand it, ask the agent to explain it. If you still do not understand, you may

want to consult an attorney before signing the agreement. Your agent must give you a copy of the agreement after you sign it.

**Q: Is there a “standard” length of time for agency agreements?**

**A:** No. The term or length of an agency agreement is negotiable. Real estate agents are allowed to determine their own policies for the lengths of their agency agreements. However, a prospective buyer or seller may request a different length of time than proposed by an agent. If an agreement cannot be reached with the agent, the buyer or seller may seek another real estate agent willing to agree to a different length of time. Every agency agreement must have a definite expiration date.

**Q: Is there a “standard” fee for real estate agents?**

**A:** No. The amount or percentage of an agent’s compensation is negotiable. Real estate firms are allowed to determine their own compensation policies. However, a prospective buyer or seller may request a different fee. If an agreement cannot be reached with the agent, the buyer or seller may seek another real estate agent willing to agree to a different fee.

## Q&As for SELLERS

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**Q: I want to sell my property. What do I need to know about working with real estate agents?**

**A:** If you own real estate and want to sell it, you may want to “list” your property for sale with a real estate firm. If so, you will sign a written “listing agreement” authorizing the firm and its agents to represent you as your “listing” agent in your dealings with buyers. The real estate firm must enter into a written listing agreement with you before it is allowed to begin marketing or showing your property to prospective buyers or taking any other steps to help you sell your property. The listing firm may ask you to allow agents from other firms to show your property to their buyer-clients.

**Q: What are a listing agent’s duties to a seller?**

**A:** The listing firm and its agents must • promote your best

interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective buyers or their agents during the agency relationship without your permission. But until you sign the listing agreement, you should avoid telling the listing agent anything you would not want a buyer to know.

**Q: What services might a listing agent provide?**

**A:** To help you sell your property, a listing firm and its agents will offer to perform a number of services for you. These may include • helping you price your property • advertising and marketing your property • giving you all required property disclosure forms for you to complete • negotiating for you the best possible price and terms • reviewing all written offers with you and • otherwise promoting your interests.

**Q: How is the listing firm compensated?**

**A:** For representing you and helping you sell your property, you will pay the listing firm a sales commission or fee. The listing agreement must state the amount or method for determining the sales commission or fee and whether you will allow the firm to share its sales commission with agents representing the buyer.

**Q: If I list my property with a real estate firm that also represents a buyer who wants to buy my property, what happens then?**

**A:** You may permit the listing firm **and** its agents to represent you and a buyer at the same time. This would mean that the real estate firm and all of its agents would represent you and the buyer equally. This “dual agency relationship” will happen if an agent with your listing firm is working as a buyer’s agent with someone who wants to purchase your property. If you have not already agreed to a dual agency relationship in your listing agreement and this is acceptable to you, your listing agent will ask you to amend your listing agreement to permit the firm

to act as agent for both you and the buyer. Any agreement between you and a firm that permits dual agency must be put in writing no later than the time the buyer makes an offer to purchase. Both you, as seller, and the buyer must consent in writing to dual agency.

**Q: What is the risk if I agree to dual agency?**

**A:** Dual agency creates a potential conflict of interest for the firm that represents you, since its loyalty is divided between you and the buyer. It is especially important that you have a clear understanding of what your relationship is with the firm and with the firm's individual agents, since all of them are dual agents. A dual agent must treat buyers and sellers fairly and equally and cannot help one party gain an advantage over the other party. Although each dual agent owes both their buyer and seller client the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

**Q: How can I reduce the risk if dual agency occurs?**

**A:** To minimize conflicts of interest, some firms also offer a form of dual agency called "designated dual agency" where one agent in the firm represents only the seller and another agent represents only the buyer. The firm and the firm's other agents remain in dual agency. This option (when offered by a firm) may allow each "designated agent" to more fully represent each party. Under designated dual agency, each agent designated to represent the seller is prohibited from disclosing (1) that the seller may agree to any price or terms other than those established by the seller, (2) the seller's motivation for selling, or and (3) any information the seller has identified as confidential, unless otherwise required by statute or rule.

**Q: Can I sell my property without hiring a real estate agent?**

**A:** Yes. In that case, you would be an unrepresented seller often referred to as For Sale By Owner or "FSBO." If you are selling your property without hiring an agent, then any agent involved in your transaction would be representing only the buyer. Do not share any confidential information

with the buyer's agent. If the agent for the buyer asks you for compensation and you are willing to pay that agent, then you should enter into a written agreement that clearly expresses the terms and conditions of your obligation to pay the agent.

**Q: What happens if the listing agreement expires?**

**A:** If the listing agreement expires after you enter into a contract to sell your property, then the listing agent and firm may continue representing you through the date of the closing and you may be responsible for compensating the listing firm in accordance with the provisions of the listing agreement. If the listing agreement expires without your property going under contract, then the listing agent/firm must immediately stop marketing your property unless you first enter into a new listing agreement with the firm.

## Q&As for BUYERS

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**Q: I want to buy real estate. What do I need to know about working with real estate agents?**

**A:** When buying real estate, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to represent only you (as a buyer agent). You may be willing for them to represent both you and the seller at the same time (as a dual agent). Or you may agree to let them represent only the seller (seller's agent or subagent). Some agents will offer you a choice of these services. Others may not.

**Q: What are a buyer agent's duties to a buyer?**

**A:** If the real estate firm and its agents represent you, they must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have agreed (either orally or in writing) for the firm and its agents to be your buyer agent, they may not give any confidential information about you to sellers

*Continued*



or their agents during the agency relationship without your permission. But until you make this agreement with your buyer agent, you should avoid telling the agent anything you would not want a seller to know.

**Q: Must a buyer have a written agency agreement with the agent who represents the buyer?**

**A:** To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement when you first begin working with an agent. However, some firms may be willing to represent and assist you initially as a buyer agent without a written agreement. But if you decide to make an offer to purchase a particular property, the agent must enter into a written agency agreement with you before making a written or oral offer for you. If you do not sign the agency agreement, then the agent can no longer represent and assist you and is no longer required to keep information about you confidential.

**Q: What services might a buyer agent provide?**

**A:** Whether you have a written or unwritten agreement, a buyer agent will perform a number of services for you. These may include helping you

- find a suitable property
- arrange financing
- learn more about the property
- and
- otherwise promote your best interests.

If you have a written agency agreement, the agent can also help you prepare and submit a written offer to the seller.

**Q: How is a buyer agent compensated?**

**A:** A buyer agent can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller or listing firm first, but require you to pay if the listing firm refuses. Whatever the case, be sure your compensation arrangement with your buyer agent is clearly indicated in a buyer agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

**Q: What happens if I want to buy a property listed by the same agent or firm that represents me?**

**A:** You may permit an agent or firm to represent you **and** the seller at the same time. This would mean that the real estate firm and all of its agents would represent you and the seller equally. This “dual agency relationship” will happen if you become interested in buying a property listed with your agent’s firm. If you have not already agreed to a dual agency relationship in your (written or oral) buyer agency agreement and this is acceptable to you, then your buyer agent will ask you to amend the buyer agency agreement or sign a separate agreement or document permitting his or her firm to act as agent for both you and the seller. Any agreement between you and an agent that permits dual agency must be put in writing no later than the time you make an offer to purchase. Both the seller, and you, as buyer, must consent in writing to dual agency.

**Q: What is the risk if I agree to dual agency?**

**A:** Dual agency creates a potential conflict of interest for the firm that represents you since its loyalty is divided between you and the seller. It is especially important that you have a clear understanding of what your relationship is with the firm and all of its individual agents, since all of them are dual agents. This can best be accomplished by putting the agreement in writing at the earliest possible time and asking any questions that you may have. A dual agent must treat buyers and sellers fairly and equally and cannot help one party gain an advantage over the other party. Although each dual agent owes both their clients the same duties, buyers and sellers can prohibit dual agents from divulging certain confidential information about them to the other party.

**Q: How can I reduce the risk if dual agency occurs?**

**A:** To minimize conflicts of interest, some firms also offer a form of dual agency called “designated dual agency” where one agent in the firm represents only the seller and another agent represents only the buyer. The firm and the firm’s other agents remain in dual agency. This option (when offered by a firm) may allow each “designated agent” to more fully represent each party. Under designated dual agency, each agent

designated to represent the buyer is prohibited from disclosing (1) that the buyer may agree to any price or terms other than those established by the buyer, (2) the buyer's motivation for buying, or and (3) any information the buyer has identified as confidential, unless otherwise required by statute or rule.

**Q: What happens if the buyer agency agreement expires?**

**A:** If the buyer agency agreement expires after you entered into a contract to purchase a property, then your agent may continue to represent you through the date of the closing and you may be responsible for compensating the firm in accordance with the provisions of the buyer agency agreement. If you are not under contract to buy a property when your buyer agency agreement expires, then your agent must immediately stop representing you unless you first enter into a new buyer agency agreement with the agent.

**Q: Can I buy real estate without hiring a real estate agent?**

**A:** Yes. If the real estate agent or firm that you contact does not offer buyer agency or you do not want them to act as your buyer agent, you can still work with the firm and its agents. However, they will be acting as the seller's agent (or "subagent"). The agent can still help you find and purchase property and provide many of the same services as a buyer's agent. The agent must be fair with you and report any "material facts" (defects such as a leaky roof) about properties. But remember, the agent represents the seller—not you—and therefore must try to obtain for the seller the best possible price and terms for the seller's property and cannot give you advice on buying the property if it will conflict with the seller's interests. Furthermore, a seller's agent is required to give the seller any information about you (even personal, financial or confidential information) that would help the seller in the sale of his or her property. Agents must tell you in writing if they are sellers' agents before they ask you about anything that can help the seller. But until you are sure that an agent represents you and is not a seller's agent, you should avoid saying anything you do not want a seller to know.

**Q: If I am an unrepresented buyer, who pays the real estate agent?**

**A:** Unless you agree otherwise, seller's agents are compensated by the sellers.

**Q: Can the real estate agent who represents the seller require me to hire an agent to represent me?**

**A:** No. While it may benefit you to hire an agent, there is no law requiring a buyer to hire a real estate agent to buy real estate.

## Termination of Agency Agreements

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**Q: If I hire a real estate agent or firm to represent me, can I terminate the agency agreement before it expires?**

**A:** Maybe. An agency agreement is a contract between a buyer or seller and a real estate firm. Most agency agreements do not contain a provision allowing a buyer or seller to terminate the agreement before it expires without the consent of the other party. Generally, one party cannot terminate the agreement without the consent of the other party. If you and the firm both agree to terminate the agreement, then you both should sign a written agency termination agreement. If the agent asks for compensation in exchange for terminating the agreement, then you can agree or disagree or try to negotiate the amount of compensation. If an agency agreement contains a penalty or fee for early termination, the provision specifying the penalty or fee must be set forth in a clear and conspicuous manner. If you are not able to reach an agreement on the termination of the agency agreement, then you may consult your own attorney or simply wait until the agency agreement expires. The Real Estate Commission does not have the authority to terminate agency agreements or to force a real estate agent to terminate an agreement.

*(Note: This brochure is for informational purposes only and does not constitute a contract for service.)*



## Working With Real Estate Agents Disclosure (For Buyers)

### IMPORTANT

This form is not a contract. Signing this disclosure only means you have received it.

- In a real estate sales transaction, it is important that you understand whether an agent represents you.
- Real estate agents are required to (1) review this form with you at first substantial contact - before asking for or receiving your confidential information and (2) give you a copy of it after you sign it. This is for your own protection.
- Do not share any confidential information with a real estate agent or assume that the agent is acting on your behalf until you have entered into an agreement with the agent to represent you. Otherwise, the agent can share your confidential information with others.

**Note to Agent:** Check all relationship types below that may apply to this buyer.

☐ **Buyer Agency:** If you agree, the agent who gave you this form (and the agent's firm) would represent you as a buyer agent and be loyal to you. You may begin with an oral agreement, but your agent must enter into a written buyer agency agreement with you before making a written offer or oral offer for you. The seller would either be represented by an agent affiliated with a different real estate firm or be unrepresented.

☐ **Dual Agency:** Dual agency will occur if you purchase a property listed by the firm that represents you. If you agree, the real estate firm and any agent with the same firm (company), would be permitted to represent you and the seller at the same time. A dual agent's loyalty would be divided between you and the seller, but the firm and its agents must treat you and the seller fairly and equally and cannot help you gain an advantage over the other party.\*

☐ **Designated Dual Agency:** If you agree, the real estate firm would represent both you and the seller, but the firm would designate one agent to represent you and a different agent to represent the seller. Each designated agent would be loyal only to their client.\*

*\*Any agreement between you and an agent that permits dual agency must be put in writing no later than the time you make an offer to purchase.*

☐ **Unrepresented Buyer** (Seller subagent): The agent who gave you this form may assist you in your purchase, but will not be representing you and has no loyalty to you. The agent will represent the seller. Do not share any confidential information with this agent.

**Note to Buyer:** For more information on an agent's duties and services, refer to the NC Real Estate Commission's "Questions and Answers on: Working With Real Estate Agents" brochure at [ncrec.gov](http://ncrec.gov) (Publications, Q&A Brochures) or ask an agent for a copy of it.

<div></div>		<div></div>		<div></div>
Buyer's Signature	Print Name	Buyer's Signature	Print Name	Date
James Kempster	271183		Mallard Realty Group	
Agent's Name	Agent's License No.		Firm Name	

This is a summary of how deposits, due diligence, and earnest money work in NC. In the offer, there are 3 different dollar amounts that we will need to include.

- The 1<sup>st</sup> is (of course) the offer price.
- The 2<sup>nd</sup> is the due diligence fee, and the 3<sup>rd</sup> is the earnest money. In NC, buyers are allowed a certain period of time, called the due diligence period (which is negotiable) to do your inspections, negotiate on any repairs that are necessary, and to get the appraisal done through your bank. Within 24 hours of going under contract, we will need to deliver the due diligence check to the seller. The amount of this fee is negotiable and is determined completely based on the house and if we are competing with any other offers. If for any reason you decide to terminate the contract, the seller keeps this deposit no matter what. If all goes as planned, then you will get it back as a credit towards your down payment and closing costs. We can get into details of the different scenarios of why a buyer would terminate a contract once we start looking at homes.
- Lastly, as for the earnest money, this amount is generally 1%-1.5% of the offer price, but this also depends on the situation of the house. Like I mentioned with the due diligence fee. The earnest money is held in escrow with our closing attorney and is refundable during the due diligence period if the contract is terminated. If for some reason the contract is terminated AFTER the due diligence period, then the seller keeps this deposit as well. I will be perfectly honest though, the only time I've seen a contract fall through after the due diligence period is when a buyer either got extreme cold feet, or something crazy happens with their financing. Again, if all goes as planned, then you will get this money back as a credit towards your down payment and closing costs. I know this all sounds a bit much, so please let me know if you have any questions.

We didn't go into great detail about some of the costs that are related to purchasing a home, so here are some estimated costs for inspections, appraisal, and some other items. I've included a list below of these items for you to keep as a reference.

**Home Inspection** - Between \$ 500.00 - \$1300 (depending on size and age of home)

**Termite Inspection** – Between \$ 100.00 - \$500.00

**HVAC Inspection** - Between \$ 300.00- \$500.00 (depending on how many units)

**Property Survey** (Not Required)- Between \$450-\$ 1500 + (price varies depending on the size of land)- N/A for a condo or townhome.

**Appraisal** - This differs depending on which lender you choose, but usually about \$425-\$1500 +

**Attorney Fee** - Between \$900-\$1200 + (this is a closing cost, so this isn't paid upfront)



Here are a few lenders that I wanted to share with you in case you wanted to shop around a bit. If you do reach out to any of them, please be sure to tell them that you're working with me and they will take extra special care of you.

Tina Konidaris

DASH Lending

919-256-3122 - Office

919-412-5301 - Cell

[tkonidaris@primeres.com](mailto:tkonidaris@primeres.com)

Carolina Ventures

Whitney Bullock

919-260-6020

Direct Call Number

William Scroggs

corporate Investors

[919.525.3660](tel:919.525.3660) - Office

[919.428.5140](tel:919.428.5140) - Cell

[will@robbyoakes.com](mailto:will@robbyoakes.com)

[www.robbyoakes.com](http://www.robbyoakes.com)

Audra Ange

Homeside Mortgage

919-973-2836 - Office

919-491-8369 - Cell

[aange@gohomeside.com](mailto:aange@gohomeside.com)

At some point, you will need to get a homeowners insurance policy set up once we are under contract, so I have a couple of insurance agents that I refer clients to that are extremely helpful:

Dimetrius Hatcher

Allstate

4324 S Alston AV

Durham NC 27713

Bus. 919-249-7291

Cell. 413-246-6732

Emily Hunter

Farm Bureau Insurance

2902 S. Miami Blvd, Suite A

Durham, NC, 27703

Bus [919.544.4953](tel:919.544.4953)

Fax [919.572.8936](tel:919.572.8936)

Cell - 336-831-3695

Maz Ganim

Brightway Insurance

office: 919-443-3300 ext. 3

cell: 919-744-1019

[maz.ganim@brightway.com](mailto:maz.ganim@brightway.com)

Here is the contact information for the home inspectors I recommend to all of my clients. They all do a really great job and would be able to help with any home we end up finding.

Billy Spaker

[919-818-2022](tel:919-818-2022)

[billy@allinspected.com](mailto:billy@allinspected.com)

Jason Grigg Broker and Inspector  
Home Inspections

[919-932-0835](tel:919-932-0835)

[jason@griggholdingsllc.com](mailto:jason@griggholdingsllc.com)

[griggholdingsllc.com](http://griggholdingsllc.com)

Luis Turner

919-291-1160

[ltinspections1@gmail.com](mailto:ltinspections1@gmail.com)

<http://www.ltinspections.com>

Affiliated with Mallard Realty Group

Yu Zhang

Clarity Home Inspections

919-413-6106

[hiyu64@gmail.com](mailto:hiyu64@gmail.com)

**PROFESSIONAL SERVICES DISCLOSURE AND ELECTION**  
[See Guidelines (Form 760G) for instructions on completing this form]

Property Address: \_\_\_\_\_ (“Property”)  
Buyer or Seller: \_\_\_\_\_  
Real Estate Firm: Mallard Realty Group (“Firm”)

1. There are professional services that typically are performed in connection with the purchase and sale of real estate. Buyer or Seller understands that Firm cannot give advice in certain matters that may relate to the purchase or sale of the Property, including but not limited to matters of law, taxation, financing, surveying, wood-destroying insect infestation, structural soundness or engineering.

REGARDING EACH PROFESSIONAL SERVICE LISTED BELOW, BUYER OR SELLER SHOULD EITHER SELECT THE SERVICE OR ELECT NOT TO HAVE THE SERVICE PERFORMED. WITH RESPECT TO EACH SERVICE SELECTED, INDICATE WHO WILL ORDER THE SERVICE AND THE NAME OF THE SERVICE PROVIDER SELECTED BY BUYER OR SELLER. THIS FORM SHOULD BE AMENDED TO ADDRESS ADDITIONAL PROFESSIONAL SERVICES THAT ARE CONSIDERED AFTER IT IS FIRST COMPLETED.

Service	Waived (Initial)		Selected (Initial)		Ordered By	Name(s) of Service Provider(s)
Accountant/CPA/Tax Advisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer or Seller	
Appraisal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Attorney Lender	
Attorney (e.g. Title Exam/Title Ins./ Seller Document-Deed Prep/Closing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	Arnett Law 919-747-2208 Arges Law 919-984-8000 Mann McGibney & Jordan 919-297-3941
Home Warranty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	Choice Home Warranty 800-275-2980 Old Republic - 800-866-2488 2-10 Home Warranty 866-533-0990
Inspections:						
Home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	Billy Spaker All inspected 919-818-2022 Mark Stovall 919-264-5132 Jason Grigg 919-932-0835
HVAC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	R&C HVAC 919-381-0278 Air Innovations 919-620-6715
Pool/Spa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer, Seller , Agent	
Radon*(see note below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent Inspector	Billy Spaker All inspected 919-818-2022 Mark Stovall 919-264-5132 Jason Grigg 919-932-0835
Septic/Sewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	McFarland Septic 919-383-1015
Well/Water Quality*(see note below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	AWT Engineers and Soil 919-859-0669
Wood/Pest Infestation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent Inspector	Billy Spaker All inspected 919-818-2022 Mark Stovall 919-264-5132 Jason Grigg 919-932-0835
Re-Inspections of agreed-upon repairs (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	Billy Spaker All inspected 919-818-2022 Mark Stovall 919-264-5132 Jason Grigg 919-932-0835







Service	Waived (Initial)		Selected (Initial)		Ordered By	Name(s) of Service Provider(s)
Insurance:						
Property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer or Seller	Emily Hunter Farm Bureau 919-544-4953 Brightway Ins. 919-744-1019 Liberty Mutual 919-401-1550 EXT 56557
Flood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer or Seller	Emily Hunter Farm Bureau 919-544-4953 Brightway Ins. 919-744-1019 Liberty Mutual 919-401-1550 EXT 56557
National Flood Insurance Program, Elevation Certificate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer or Seller	Emily Hunter Farm Bureau 919-544-4953 Brightway Ins. 919-744-1019 Liberty Mutual 919-401-1550 EXT 56557
Mortgage Loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer, Seller , Agent	Carolina Ventures Mortgage 919-260-6020 Tina Konidaris NFM Lending 919-412-5301 Will Scroggs Corp Investors 919-428-5140
Survey** (see note below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Attorney	
Structural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Agent	Carter Engineering 919-349-9648
Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer, Seller , Agent	ARC Electric 919-888-3500 Ryan King 919-971-4350 Durham Electrical 919-236-7167
Plumbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Buyer, Seller , Agent	Blake Quality Plumbing 919-383-2483 Durham Plumbing Service 919-672-1723
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

2. Buyer or Seller acknowledges Firm has recommended that Buyer or Seller consult with a professional for an opinion regarding each service listed above to be performed pursuant to Buyer or Seller's purchase or sale of the property. Buyer or Seller hereby agrees to indemnify and hold Firm harmless from and against any and all liability, claim, loss, damage, suit, or expense that Firm may incur either as a result of Buyer or Seller's selection and use of any of the listed service providers or Buyer or Seller's election not to have one or more of the listed services performed.

**\* NOTE REGARDING RADON AND OTHER ENVIRONMENTAL QUALITY ISSUES TESTING:** In addition to testing for the presence of radon, consideration should be given to testing the air and any private drinking well water for the presence of other contaminants, including but not limited to, biological, chemical, and radiological contaminants. Buyer or Seller should consult with an air and/or water quality specialist regarding the need for and scope of any such testing.



**\*\*NOTE REGARDING SURVEYS:** Situations arise all too often that could have been avoided if the buyer had obtained a new survey from a NC registered surveyor. A survey will normally reveal such things as encroachments on the Property from adjacent properties (fences, driveways, etc.); encroachments from the Property onto adjacent properties; road or utility easements crossing the Property; violations of set-back lines; lack of legal access to a public right-of-way; and indefinite or erroneous legal descriptions in previous deeds to the Property. Although title insurance companies may provide lender coverage without a new survey, the owner's policy contains an exception for easements, set-backs and other matters which would have been shown on a survey. Many such matters are not public record and would not be included in an attorney's title examination. In addition, if the buyer does not obtain their own survey, they would have no claim against a surveyor for inaccuracies in a prior survey.

**OTHER IMPORTANT NOTES:**

- ALTHOUGH FIRM MAY PROVIDE BUYER OR SELLER THE NAMES OF PROVIDERS WHO CLAIM TO PERFORM SERVICES IN ONE OR MORE OF THE LISTED AREAS, BUYER OR SELLER UNDERSTANDS THAT FIRM CANNOT GUARANTEE THE QUALITY OF SERVICE OR LEVEL OF EXPERTISE OF ANY SUCH PROVIDER.
- BUYER OR SELLER AGREES TO PAY THE FULL AMOUNT DUE FOR ALL SERVICES DIRECTLY TO THE SERVICE PROVIDER WHETHER OR NOT THE TRANSACTION CLOSES.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

Buyer or Seller

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

Signature of individual agent

Mallard Realty Group

Real Estate Firm (print name)

Buyer or Seller

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

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

Entity Buyer or Seller:

\_\_\_\_\_  
(Name of LLC/Corporation/Partnership/Trust/etc.)

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

## PROPERTY SHOWING AGREEMENT

This Agreement is between \_\_\_\_\_ (“Buyer”) and Mallard Realty Group (“Firm”).

- Services Provided:** Firm will assist Buyer in locating and touring properties offered for sale in *(describe type and location)* \_\_\_\_\_ (“Showing Services”). While providing Showing Services, Firm will represent Buyer as Buyer’s agent and will act in the best interest of Buyer. This is not an exclusive agency agreement, and Buyer may hire another agent at any time. If Buyer decides to make an offer on a property, Firm may require Buyer to sign another agency agreement if Buyer wants Firm’s assistance with the offer.
- Other Showing or Agency Agreements:** Buyer ☐ has ☐ has not signed a document with another real estate agent or firm in order to see a property. If Buyer has signed a document with another agent, Buyer agrees to give Firm the agent’s contact information so Firm can confirm its ability to provide services to Buyer.
- Term of Agreement:** This Agreement will be effective when signed by Buyer and Firm and will expire at 11:59 p.m. on \_\_\_\_\_ unless either Buyer or Firm terminates this Agreement earlier by giving a written notice. Written notice can be given at any time and for any reason by letter, text message, email, or any other writing.
- Fee for Showing Services:** *(Choose only one)* ☐ Buyer will pay Firm a non-refundable fee of \$\_\_\_\_\_ for the Showing Services in this Agreement; or ☐ No Fee is owed by Buyer under this Agreement. Firm may not receive compensation for Showing Services from any other source.
- Negotiable Fee:** THE AMOUNT, FORMAT, OR RATE OF REAL ESTATE COMPENSATION IS NOT FIXED BY LAW BUT IS SET BY EACH BROKER INDIVIDUALLY AND IS FULLY NEGOTIABLE.
- NONDISCRIMINATION:** FIRM SHALL CONDUCT ALL BROKERAGE ACTIVITIES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, OR FAMILIAL STATUS OF ANY PARTY OR PROSPECTIVE PARTY. FURTHER, REALTORS® HAVE AN ETHICAL DUTY TO CONDUCT SUCH ACTIVITIES WITHOUT RESPECT TO THE SEXUAL ORIENTATION OR GENDER IDENTITY OF ANY PARTY OR PROSPECTIVE PARTY.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC., MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY TRANSACTION.

**Buyer:** (Name) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

Contact: (Phone and Email) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**Buyer:** (Name) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

Contact: (Phone and Email) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**Entity Buyer:** (Name of LLC, Corp., Trust, etc.) \_\_\_\_\_

By: (Name & Title) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

Contact: (Phone and Email) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**Firm:** (Name) Mallard Realty Group (License Num.) C26335 (Phone) \_\_\_\_\_

By: (Agent Signature) \_\_\_\_\_ (License Num.) 271183 (Date) \_\_\_\_\_

Office Address: 318 Cloister CT. Chapel Hill NC 27514

Agent Contact: (Phone, Fax, and Email) James Kempinski 919-308-7597 DurhamBlues@gmail.com



## EXCLUSIVE BUYER AGENCY AGREEMENT

This Agreement is between \_\_\_\_\_ (“Buyer”) and SAMPLE (“Firm”).

1. **Services Provided:** Firm will assist Buyer in locating and buying the following real property (*describe type and location*):  
\_\_\_\_\_  
\_\_\_\_\_ (the “Services”). While providing the Services, Firm will represent Buyer as Buyer’s exclusive agent and will act in the best interest of Buyer. Buyer agrees to cooperate with Firm and also agrees that all offers, contracts, negotiations, leads, inspections, appointments, and any other activities in connection with buying property will be facilitated by and through Firm only. Firm may assign other agents in the Firm to provide the Services at any time. Even though Firm will act in the best interest of Buyer, Buyer understands that Firm may represent other buyers, who may be shown the same property as Buyer.
2. **Buyer Disclosures:** Buyer makes the following disclosures and agrees to update them immediately if any changes occur.
  - a. Buyer ☐ has ☐ has not signed a document with another real estate agent or firm. If Buyer has signed a document with another agent – for example, a document signed in order to tour a property – Buyer agrees to give Firm the agent’s contact information so Firm can confirm its ability to provide the Services to Buyer.
  - b. Buyer ☐ is ☐ is not working with a relocation company.
  - c. Buyer ☐ has ☐ has not received sample copies of the purchase contract and professional services disclosure form.
3. **Term of Agreement:** This Agreement will be effective when signed by Buyer and Firm and will expire either when Buyer purchases property as described in section 1 or at 11:59 p.m. on \_\_\_\_\_, whichever occurs first.
4. **Fee for Services:** Buyer agrees to pay Firm (Check all that apply):
  - ☐ A non-refundable retainer of \$\_\_\_\_\_ which will be credited toward Firm’s total compensation
  - ☐ \_\_\_\_\_ % of the gross sales price
  - ☐ A flat fee of \$\_\_\_\_\_
  - ☐ Other Specific Amount: \_\_\_\_\_
  - a. **Fee Earned; Due and Payable:** Except for any non-refundable retainer, the fee in this section will be earned by Firm when Buyer enters into a written contract (“Contract”) during the term of this Agreement to buy real property as described in section 1. The fee will be due and payable to Firm when Buyer, any authorized assignee of Buyer, or any party authorized by Buyer in the Contract, closes or defaults on the Contract.
  - b. **Seller or Listing Firm Assistance:** Firm may seek compensation from the seller or listing firm to pay some or all of the fee due in this Agreement. However, Buyer understands that neither a seller nor a listing firm has a duty to pay Firm’s fee.
  - c. **Mutual Termination Required:** If Buyer hires another buyer agent or firm while this Agreement is in effect, Buyer will remain liable to pay for any earned fee in this section that becomes due and payable unless Firm and Buyer both agree to terminate this Agreement.
  - d. **Protection Period:** If Buyer enters into a Contract within \_\_\_\_\_ days after this Agreement expires for a property introduced to Buyer by Firm, then the fee in this section 4 will be deemed earned unless Buyer has entered into another agency agreement with another real estate agent or firm. Any fee earned during this Protection Period will be due and payable as provided in section 4(a) of this Agreement.
5. **Negotiable Fee; Additional Compensation:** BUYER UNDERSTANDS THAT THE AMOUNT, FORMAT, OR RATE OF REAL ESTATE COMPENSATION IS NOT FIXED BY LAW BUT IS SET BY EACH BROKER OR FIRM INDIVIDUALLY AND IS FULLY NEGOTIABLE. If any additional compensation is offered to Firm from any other party or person and related to the Services, and the additional compensation exceeds what Buyer has agreed to pay herein, Firm cannot be paid the additional compensation unless Buyer agrees to amend this Agreement. Buyer has no obligation to agree to additional compensation.



6. **Dual Agency:** Dual agency occurs when a real estate firm represents both the buyer and the seller in a transaction. Designated dual agency is a specific type of dual agency where a firm will appoint one agent to represent only the interests of the seller and a different agent to represent only the interests of the buyer. Designated dual agency permits a firm to fully advise and advocate for both a buyer and a seller as if the appointed agents were not both affiliated with the same firm. Not every real estate firm offers dual agency or designated dual agency. Authorizations available below may vary.

a. **Terms of Dual Agency:** If dual agency is permitted, Buyer understands and agrees to the following:

- i. Firm will act as Buyer's exclusive agent up until dual agency occurs. However, in its separate representation of Buyer and a seller, Firm may obtain information which, if disclosed, could harm Buyer's bargaining position.
- ii. Buyer will have to make their own decisions as to what terms will be included in an offer to purchase unless designated dual agency is directed by Buyer below.
- iii. Unless required by law, Firm will not disclose to a seller: that Buyer may agree to a price or contract terms different than what Buyer has offered; Buyer's motivation for wanting to buy a property; and any other information that Buyer has told Firm is confidential. Firm will similarly not reveal to Buyer the same kind of information as it relates to a seller.
- iv. Firm will represent Buyer and the seller in a balanced and fair manner, and Firm will assist both parties in their communications regarding the transaction. However, Firm will be limited in its ability to advocate for Buyer, like an exclusive agent would, unless designated dual agency is directed below.
- v. If designated dual agency is directed, an agent in Firm will not be designated to represent Buyer or the seller if that agent has received confidential information concerning the other party.
- vi. Buyer has determined that the advantages of dual agency outweigh the disadvantages.

b. **Authorizations:** Initial only as applicable below.

**SAMPLE**

\_\_\_\_\_ Firm may act as a dual agent in a transaction involving Buyer. If Firm may not act as a dual agent, then Buyer will always have exclusive representation under this Agreement.

*If Firm may act as a dual agent, then:*

\_\_\_\_\_ Buyer authorizes the same agent to represent both Buyer and a seller in dual agency.

\_\_\_\_\_ Buyer directs Firm to practice designated dual agency. If Buyer directs Firm to practice designated dual agency, then Firm may only practice designated dual agency unless it is not allowed under North Carolina law.

c. **Material Facts:** Regardless of whether dual agency is authorized, Firm must disclose any material facts to all parties in a transaction. This duty applies whether Firm is Buyer's exclusive agent or a dual agent, including designated dual agency.

d. **Waiver:** Should Firm become a dual agent, Buyer waives all claims, damages, losses, expenses, and liabilities, other than for violations of the NC Real Estate License Law and intentional wrongful acts arising from Firm's role as a dual agent.

7. **Surveillance; Photographs; and Video:** Buyer understands that some properties may have video, audio, or surveillance devices. Federal and state laws prohibit the recording of oral communications without consent. However, video surveillance without consent may be permitted. Buyer may take photos or record video as long as Buyer does not intrude on the owner's reasonable expectation of privacy and owner has not prohibited photography and video. Buyer should only record spaces in plain view. If Buyer were to intrude on an owner's privacy – for example, if Buyer were to take pictures of a medicine cabinet or inside a desk drawer – then Buyer may be subject to liability. Firm may not have control of pictures or videos of a property that Buyer may purchase, and accordingly, such information will not be removed from public display after Buyer's purchase.

8. **Other Professional Advice:** Buyer is advised to seek other professional advice regarding law, taxes, financing, insurance, surveying, wood destroying insects, structural soundness, engineering, building construction, and other matters related to purchasing real estate. Buyer also should consider seeking legal advice regarding this Agreement. Firm may provide recommendations for these other services, but Firm cannot guarantee the quality or level of expertise. Buyer agrees to hold Firm harmless regarding Buyer's use of other professional services. Buyer also agrees to fully indemnify Firm if a claim is brought against Firm stemming from Buyer's use of other professionals or Buyer's election not to use other professionals.

9. **Inspection Costs:** Unless otherwise agreed, Buyer must pay for all inspection costs and other professional services related to purchasing a property including all items in section 8. This duty to pay will apply regardless of whether Buyer closes on a property.

10. **Confidentiality:** Firm will not disclose the price or other terms of an offer by Buyer to a competing party without the express consent of Buyer. However, sellers may elect not to treat Buyer's offer as confidential. Sellers may also elect not to disclose other offers and instruct their agent to keep that information confidential.
11. **WIRE FRAUD WARNING:** Before sending any wire, Buyer should verify the recipient's phone number independently, and call the recipient to verify the wiring instructions. If Buyer receives wiring instructions for a different bank, branch location, or account name or number, they should be presumed fraudulent. If fraud is at all suspected, do not send any funds, contact the recipient immediately, and presume that any phone number received in an email from the closing attorney, Firm, another real estate agent, or anyone else is fraudulent. Buyer understands that there are risks associated with wire transfers that are not within the reasonable control of Firm. Buyer agrees to release and discharge Firm and Firm's agents from all claims not caused by gross negligence relating to a wire transfer associated with the Services.
12. **Additional Terms:** Exhibit A  
\_\_\_\_\_. If there is a conflict between the terms in this section and any other part of this Agreement, the terms in this section will control. Firm and Buyer may also insert "see attached" and add additional terms with a separate addendum.
13. **Merger; Modification; Assignment; Enforcement; Attorney's Fees; and Governing Law:** This Agreement represents the entire agreement of the parties hereto. All prior understandings and agreements are merged into this document. This agreement may only be modified by a written document signed by all parties, and it may not be assigned except by written consent of all parties. Subject to statutory limitations, if legal proceedings are instituted to enforce any provision of this agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney's fees and court costs incurred in connection with the proceeding. This agreement is governed by North Carolina law.
14. **NONDISCRIMINATION:** FIRM SHALL CONDUCT ALL BROKERAGE ACTIVITIES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP, OR FAMILIAL STATUS OF ANY PARTY OR PROSPECTIVE PARTY. FURTHER, REALTORS® HAVE AN ETHICAL DUTY TO CONDUCT SUCH ACTIVITIES WITHOUT RESPECT TO THE SEXUAL ORIENTATION OR GENDER IDENTITY OF ANY PARTY OR PROSPECTIVE PARTY.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC., MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY TRANSACTION.

Buyer: (Name) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

Contact: (Phone and Email) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Buyer: (Name) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

Contact: (Phone and Email) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**Entity Buyer:** (Name of LLC, Corp., Trust, etc.) \_\_\_\_\_

By: (Name & Title) \_\_\_\_\_ (Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

Contact: (Phone and Email) \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**Firm:** (Name) \_\_\_\_\_ (License Num.) \_\_\_\_\_ (Phone) \_\_\_\_\_

By: (Agent Signature) \_\_\_\_\_ (License Num.) \_\_\_\_\_ (Date) \_\_\_\_\_

Office Address: \_\_\_\_\_

Agent Contact: (Phone, Fax, and Email) \_\_\_\_\_



## Exhibit A

### Buyers acknowledgement of the following

# SAMPLE

- a) Firm may show the same property to other buyers, represent other buyers, represent sellers relative to other properties, or provide assistance to a seller or prospective seller by performing ministerial acts that are not consistent with Firm's duties.
- b) Buyer authorizes Firm to submit pertinent information concerning the property, including sales price, to such listing service.
- c) Buyer understands that other prospective purchasers represented by Firm may seek property, submit offers, and contract to purchase property through Firm including the same or similar property as Buyer seeks to purchase. Buyer acknowledges, understands and consents to such representation of other prospective purchasers by Firm through its agents.
- d) BUYER'S DUTIES. Buyer agrees to cooperate with Firm in the acquisition of real property of the type described in paragraph 1, including but not limited to: (a) working exclusively with Firm during the term of this Agreement; (b) immediately referring to Firm information about any properties Buyer may have an interest in examining; (c) complying with the reasonable requests of Firm to supply any pertinent financial or personal data needed to fulfill the terms of this Agreement; (d) being available for reasonable periods of time to examine properties; (e) examining properties only by appointments made by or through Firm and accompanied by an agent of Firm; (f) conducting all negotiations and communications through Firm; (g) conducting all due diligence on property in consultation with Firm; and (h) paying for all products and/or services required in the examination and evaluation of properties (examples: surveys, water/soil tests, title reports, property inspections, etc.).
- e) In addition to the services rendered to Buyer by the Firm under the terms of this Agreement, Buyer is advised to seek other professional advice in matters of law, taxation, financing, insurance, surveying, wood destroying insect infestation, structural soundness, engineering, building construction, and other matters pertaining to any proposed transaction. Although Firm may provide Buyer the names of providers who claim to perform such services, Buyer understands that Firm cannot guarantee the quality of service or level of expertise of any such provider. Buyer agrees to pay the full amount due for all services directly to the service provider whether or not the transaction closes. Buyer also agrees to indemnify and hold Firm harmless from and against any and all liability, claim, loss, damage, suit, or expense that Firm may incur either as a result of Buyer's selection and use of any such provider or Buyer's election not to have one or more of such services performed.
- f) Buyer agrees Firm shall not be liable to Buyer for (i) disclosing material facts required by law to be disclosed, and (ii) refusing or failing to disclose other information the law does not require to be disclosed which could harm or compromise one party's bargaining position but could benefit the other party. (c) Buyer's Role. Should Firm become a dual

# SAMPLE

agent, Buyer understands and acknowledges that: (1) Buyer has the responsibility of making Buyer's own decisions as to what terms are to be included in any purchase and sale agreement with a seller client of Firm; (2) Buyer is fully aware of and understands the implications and consequences of Firm's dual agency role as expressed herein to provide balanced and fair representation of Buyer and seller and to encourage and effect communication between them rather than as an advocate or exclusive agent or representative; (3) Buyer has determined that the benefits of dual agency outweigh any disadvantages or adverse consequences; (4) Buyer may seek independent legal counsel to assist Buyer with the negotiation and preparation of a purchase and sale agreement or with any matter relating to the transaction which is the subject matter of a purchase and sale agreement. Should Firm become a dual agent, Buyer waives all claims, damages, losses, expenses or liabilities, other than for violations of the North Carolina Real Estate License Law and intentional wrongful acts, arising from Firm's role as a dual agent. Buyer shall have a duty to protect Buyer's own interests and should read any purchase and sale agreement carefully to ensure that it accurately sets forth the terms which Buyer wants included in said agreement.

- g) TERMINATION/BREACH/MEDIATION/ATTORNEYS' FEES. (a) Termination. Buyer acknowledges and understands that this Agreement constitutes a binding, exclusive contract between Buyer and Firm for the entire Term stated above. Buyer's withdrawal from the fiduciary relationship existing between Buyer and Firm prior to the Expiration Date of this Agreement, or Buyer's execution of a buyer agency agreement with another firm that becomes effective during the Term of this Agreement, would be a material breach of this Agreement unless it has been terminated in writing by mutual consent of Buyer and Firm or for legally-sufficient cause, and any subsequent purchase of real property of the type described in paragraph 1 during the Term may entitle Firm to the Fee described in paragraph 4(b). (b) Breach. If Buyer is in material breach of this Agreement, Firm will be entitled to pursue all remedies available to Firm for such breach, including but not limited to recovery of the Fee. This provision is in addition to Firm's right to the Fee if Buyer breaches an enforceable contract to acquire property after the Fee has been earned. If Firm is in material breach of this Agreement, Buyer agrees to Mediation. If a dispute arises out of or related to this Agreement or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure. If the need for mediation arises, the parties will choose a mutually acceptable mediator and will share the cost of mediation equally for Attorneys' Fees. If legal proceedings are brought by Firm or Buyer against the other, the parties agree that a party shall be entitled to recover reasonable attorneys' fees.
- h) Buyer acknowledges and understands that neither Firm nor its agents have control over information about any property Buyer may purchase that has been placed on the Internet in connection with the marketing of any such property for sale, whether by or through a listing service or otherwise, including but not limited to photographs, and that any such information will not be removed following Buyer's purchase of any such property.

- i) Buyer acknowledges and understands that there are risks associated with wire transfers that are not within the reasonable control of Firm, and Buyer hereby agrees to release and discharge Firm and Firm's agents from any and all claims, demands, rights and causes of action of whatsoever kind and nature not caused by gross negligence of Firm or Firm's agents arising directly or indirectly out of any wire transfer Buyer sends or receives/was to receive in connection with any real estate transaction in which Firm represents buyer.
- j) Firm has Buyer's permission to disclose Buyer's name. (b) In accordance with NC General Statutes Section 93A-12, if a dispute regarding the return or forfeiture of any earnest money deposit arises between Buyer and the seller of any real property Buyer may agree to purchase, the escrow agent holding the deposit may deposit the disputed monies with the appropriate Clerk of Court following written notice to the parties. In the event of any such dispute, Buyer directs Firm to disclose Buyer's last known mailing address to the escrow agent upon request to enable the escrow agent to comply with the notice requirement of such law.
- k) This contract / agreement can be terminated at any time for any reason by Mallard Realty Group and / or the buyers agent.

## COOPERATIVE COMPENSATION AGREEMENT

(Use this form when a seller is represented by a licensed real estate broker. Use Form 150 for an unrepresented seller.)

**"Seller":** \_\_\_\_\_  
**"Buyer":** \_\_\_\_\_  
**"Property":** \_\_\_\_\_

- FEE:** (Check Only One) ☐ Seller or ☐ Listing Firm agrees to pay Selling Firm cooperative compensation as follows (the "Fee"), subject to the terms of this agreement: ☐ \_\_\_\_\_% of the gross sales price; ☐ A flat fee of \$ \_\_\_\_\_; or, ☐ Other: \_\_\_\_\_.
- PAYMENT:** The Fee will be earned by Selling Firm upon both Buyer and Seller signing a written contract for the sale of the Property (the "Contract") during the term of this agreement. The Fee will be due and payable to Selling Firm when Buyer, any authorized assignee of Buyer, or any party authorized by Buyer and Seller under the Contract or any amendment thereto, closes on the purchase of the Property. The Fee will be paid at closing, as defined in the Contract, unless otherwise agreed.
- TERM, EFFECTIVENESS, AND EXPIRATION:** This agreement shall be effective when signed by Seller or Listing Firm, as applicable, and Selling Firm. This agreement will terminate upon the earlier of closing, as defined in the Contract, or \_\_\_\_\_, 20\_\_\_\_, unless the Fee has been earned prior to such date. If the Fee has been earned prior to the expiration date in this paragraph, then this agreement shall not terminate and it will continue to be in full force and effect until closing, as defined in the Contract, or until the Contract is terminated, so long as such termination is not a result of Seller's breach. If Listing Firm has agreed to pay the Fee, Listing Firm will not be obligated to pay if Seller breaches the Contract and Listing Firm is not paid. Buyer signs below only to acknowledge and consent to the Fee.
- MERGER, MODIFICATION, ASSIGNMENT, ENFORCEMENT, AND GOVERNING LAW:** This Agreement represents the entire agreement of the parties hereto. All prior understandings and agreements are merged into this document. This agreement may only be modified by a written document signed by all parties, and it may not be assigned except by written consent of all parties. If legal proceedings are instituted to enforce any provision of this agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney's fees and court costs incurred in connection with the proceeding. This agreement is governed by North Carolina law.

**DO NOT UPLOAD THIS FORM TO THE MLS OR ATTACH IT TO A PURCHASE CONTRACT. NC REALTORS® MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF THIS FORM IN ANY TRANSACTION.**

<p>Listing Firm: _____ Agent Name (Print): _____ By: _____ (Agent Signature) Date: _____</p>	<p>Selling Firm: _____ Agent Name (Print): _____ By: _____ (Agent Signature) Date: _____</p>
<p>Seller: _____ (Signature) Date: _____ Seller: _____ (Signature) Date: _____  Entity Seller: _____ (Name of LLC/Corporation/Partnership/Trust/Etc.) By: _____ Name (Print): _____ Title: _____ Date: _____</p>	<p>Buyer: _____ (Signature) Date: _____ Buyer: _____ (Signature) Date: _____  Entity Buyer: _____ (Name of LLC/Corporation/Partnership/Trust/Etc.) By: _____ Name (Print): _____ Title: _____ Date: _____</p>



**Q: Should I be present when the home inspection is performed?**

**A:** Whenever possible, you should be present. The inspector can review with you the results of the inspection and point out any problems found. Usually the inspection of the home can be completed in two to three hours (the time can vary depending upon the size and age of the dwelling). The Home Inspector must give you a written report of the home inspection within three business days after the inspection is performed (unless otherwise stated in your contract with the Home Inspector). The home inspection report is your property. The Home Inspector may only give it to you and may not share it with other persons without your permission.



**Q: Are all inspection reports the same?**

**A:** No. While the Home Inspector Licensure Board has established a minimum requirement for report-writing, reports can vary greatly. They can range from a "checklist" of the systems and components to a full narrative evaluation or any combination of the two. Home Inspectors are required to give you a written "Summary" of their inspection identifying any system or component that does not function as intended, or adversely affects the habitability of the dwelling,

or appears to warrant further investigation by a specialist. The summary does not necessarily include all items that have been found to be defective or deficient. Therefore, do not read only the summary. Carefully read and understand the entire home inspection report.



**Q: What should I do if I feel something has been missed on the inspection?**

**A:** Before any repairs are made (except emergency repairs), call the inspector or inspection company to discuss the problem. Many times a "trip charge" can be saved by explaining the problem to the inspector who can answer the question over the telephone. This also gives the inspector a chance to promptly handle any problems that may have been overlooked in the inspection.

**Q: If, following the home inspection, the seller repairs an item found in the home inspection, may I have the Home Inspector perform a "re-inspection"?**

**A:** Yes. Some repairs may not be as straightforward as they might seem. The inspector may be able to help you evaluate the repair, but you should be aware that the re-inspection is not a warranty of the repairs that have been made. Some Home Inspectors charge a fee for re-inspections.

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## Questions and Answers on: HOME INSPECTIONS





## Questions and Answers on: HOME INSPECTIONS

For most persons, purchasing a home is the largest investment they will ever make. It is no wonder then that many homebuyers employ professionals to inspect the structural and mechanical systems of the home and report to them on their condition. Sometimes sellers also employ Home Inspectors to alert them to problems with their homes which could arise later in the transaction. But normally Home Inspectors are employed by buyers. For this reason, this brochure is written from the viewpoint of the potential homebuyer.

This brochure is a joint publication of the North Carolina Home Inspector Licensure Board and the North Carolina Real Estate Commission designed to give consumers a better understanding of the home inspection process. What a home inspection is, who can perform an inspection and what to expect. If you have further questions regarding home inspections and Home Inspectors, you should contact the North Carolina Home Inspector Licensure Board, 322 Chapanoke Road, Suite 200, Raleigh, NC 27603 919/662-4480.



### Q: What is a home inspection?

**A:** It is an evaluation of the visible and accessible systems and components of a home (plumbing system, roof, etc.) and is intended to give the client (usually a homebuyer) a better understanding of their condition. It is also important to know what a home inspection is not! It is not an appraisal of the property's value; nor should you expect it to address the cost of repairs. It does not guarantee that the home complies with local building codes (which are subject to periodic change) or protect you in the event an item inspected fails in the future. *[Note: Warranties can be purchased to cover many items.]* Nor should it be considered a "technically exhaustive" evaluation, but rather an evaluation of the property on the day it is inspected, taking into consideration normal wear and tear.



### Q: Can anyone perform a home inspection?

**A:** No. Only persons licensed by the North Carolina Home Inspector Licensure Board are permitted to perform home inspections for compensation. To qualify for licensure, they must satisfy certain education and experience requirements and pass a state licensing examination. Their inspections must be conducted in accordance with the Board's Standards of Practice and Code of Ethics.



### Q: Why should I have the home inspected?

**A:** Most homebuyers lack the knowledge, skill and emotional detachment needed to inspect homes themselves. By using the services of a licensed Home Inspector, they can gain a better understanding of the condition of the property, especially whether any items do not "function as intended" or "adversely affect the habitability of the dwelling" or "warrant further investigation" by a person who specializes in the item in question.

**Q: In my home purchase I have chosen to sign the standard *Offer to Purchase and Contract*\* form which many real estate and legal professionals use. It states that I have the right to have the home inspected and the right to request that the seller repair identified problems with the home. Will the home inspection identify all of these problems?**

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**A:** Yes and No. Home Inspectors typically evaluate structural components (floors, walls, roofs, chimneys, foundations, etc.), mechanical systems (plumbing, electrical, heating/air conditioning), installed appliances and other major components of the property. The Home Inspector Licensure Board's

Standards of Practice do not require Home Inspectors to report on: wood-destroying insects, environmental contamination, pools and spas, detached structures and certain other items listed in the *Offer to Purchase and Contract* form.

Always ask the Home Inspector if he covers all the things which are important to you. If not, it is your responsibility to arrange for an inspection of these items by the appropriate professionals. For a description of the services to be provided by the Home Inspector (and their cost), *you should read carefully the written contract which the Home Inspector must give you and which you must sign before the Home Inspection can be performed.*



### Q: How do I request a home inspection, and who will pay for it?

**A:** You can arrange for the home inspection or ask your real estate agent to assist you. Unless you otherwise agree, you will be responsible for payment of the home inspection and any subsequent inspections. If the inspection is to be performed after you have signed the purchase contract, be sure to schedule the inspection as soon as possible to allow adequate time for any repairs to be performed.

*Continued*

# Home Buyer Guide

**Step 1:** Research and determine the type of property that you would like to purchase. Skip this if you've already decided on a single-family detached, townhome, condo, or multi-family home. Detached single-family homes are your 'standard' homes, which are detached structures on separate lots. These are the most maintenance intensive but also have the most privacy and yard space. Some people also prefer a detached home so they can control the maintenance schedule versus relying on a homeowners association (HOA) for maintenance. Townhomes are attached dwellings that usually have some maintenance provided by the HOA. For example, the homeowners association is usually responsible for yard maintenance and siding repair. There is some cost associated with this maintenance, and the average HOA fees on a townhome in the Triangle are around \$300 - \$500.00 + per month. Also, in North Carolina, you typically own the land directly underneath your townhome. With a condo you actually don't own the building or the land in most circumstances. You own from the 'paint in' as it is commonly described. With condos, the lowest amount of maintenance is required, since all exterior maintenance on the siding and roof is covered by the HOA. However, most condo HOAs still require you to maintain your heating and air systems. The last option is a multi-family home, such as a duplex or triplex. With these options, home buyers could rent out the other unit or two to help pay for the mortgage on the property. Though initially, this may sound like a great idea, there are many pitfalls with this option. A few examples are the extremely low inventory for this type of property (and the associated premium price that they command), the extra work that multi-family properties require, and the fact that by being so close to your renters you are typically 'always on the clock' when there is a repair or problem.

**Step 2:** Put a list together of the features you want your new home to have. When it comes to your 'must-have' list, buyers will write out and rank the items they would like to have. It's possible that an amazing home will come on the market that doesn't have a few of these features, but either way, it's a good thing to do while planning on your home. A few examples are the number of beds/baths, yard size, move-in ready, and wanting to be in a certain area or areas. Though these are the basics, you can write down as much as you want to help brainstorm what your first home may look like. The starter home option If your must-have criteria put you over budget, consider a starter home. Many buyers will plan to live in this home for 3-5 years, and then keep it as an investment property afterward (or sell it). A starter home can be a great way to protect you financially if things are just a little bit tight as well. Nobody wants to be house poor, and by purchasing a smaller home at first you can continue to save and invest effectively.

**Step 3:** Meet with your realtor in person. Once you have your list of wants together it's time to meet! I'll help set up an auto-search for you, which will automatically email you new listings that fit your criteria. Mallard Realty and Triangle House Hunter will also provide guidance based on your criteria, such as which items will be difficult in the current market. For example, if you want to be in an area where the homes all get 5-10 offers I will let you know what it takes to win an offer there. There are many different strategies for various real estate situations. A common

question from home buyers is if they need to pay them a commission. Buyer's usually do not have to pay a commission if the seller is paying the commission. This is because the buyer's realtor is paid through the listing agreement the seller signed with the listing realtor. However, in circumstances, such as a for-sale-by-owner, this may not be the case. If a for sale-by-owner comes up I typically discuss the situation with the buyers, since many for-sale-by-owners are still paying the buyer's agents commission- they just don't have a listing realtor helping them. Another circumstance is where the listing firm and or the seller is not paying a commission to the buyer's agent firm. In those circumstances and others where the listing firm or seller is not paying a buyer's agent commission, **it would be your responsibility to pay the buyer's agent's firm commission. This can range between 2% - 4% of the sales price.** With each property we look at we will assess if the seller or the listing firm is paying a buyer's agent commission.

**Step 4:** Get your pre-qualification letter for your mortgage Before you start looking at homes in person it's a good idea to get your pre-qualification letter for your mortgage. This is done by going to your bank and talking to a loan officer. We also have recommendations of loan officers that we've worked with for years should you need one. The loan officer will go over how much you can afford, as well as the various payments that you can expect at different price points. If you are shopping around, one important note is to make sure to talk to all of the lenders within a day or two. This is because mortgage rates fluctuate each day and you want to make sure you are comparing apples to apples. The second mortgage lender could seem more expensive, but it could just be that the mortgage rates went up since you met with the first lender. As far as the downpayment goes, there are many options in the marketplace today. The most common are the 3.5%, 5%, 10%, and 20% down options, but there are a few options for 0% down (always with requirements- talk to your loan officer). Also, if you are putting less than 20% down, you may have to pay private mortgage insurance. This is an additional charge of around \$200 or \$400/month (it depends on your loan amount). This fee will go away once you pay enough of your mortgage to hit the 20% equity requirement but is still something to consider when weighing your options.

**Step 5:** Get out and tour homes! Now is the time to get out there and start touring homes! We will get a list of homes together, and plan a day and time. My knowledge of homes and the area will be helpful as we are touring, as I know what to look out for. I will point out both the positive and negative aspects of a home and neighborhood to help you make an informed choice.

**Step 6:** Once you find a home you like then review the property disclosures Once you find a house you like it's important to review the property disclosure forms. These are the forms the sellers fill out to disclose any important information, such as how old the roof is or what kind of pipes the property has. Sellers don't always have complete information, but it's still good to review what's available. In North Carolina it's allowed for sellers to put "No Representation" for the disclosure items, which is common on investment properties where the seller has never lived in the home. Although a seller can put "No Representation," the seller's realtor is required

to disclose any material facts that they come across while viewing the property. Examples of material facts include that the property has foundation issues, or that the property is located right next to a landfill.

**Step 7:** Research homes that have sold recently nearby Along with sending you the disclosures to review I will also research the “comps.” Comps are comparable homes that have sold recently nearby. By analyzing the comps we can determine the approximate value of the home, and whether the seller’s asking price is too high, too low, or just right. Based off of this analysis you can determine what price you would like to offer and develop your offer strategy. Step 8: Prepare the offer paperwork The moment of truth! Now is the time to fill out the offer paperwork and send it on to the sellers. This includes the offer form, disclosures, and pre-approval letter from your lender. Sometimes we also include a personal ‘buyer letter’ to the sellers, especially if there is a multiple-offer situation. Step 9: Negotiate on terms and go under contract! The sellers can accept, reject, or provide a counteroffer. Typically there’s some negotiating on the terms of the offer. Once everyone has agreed on the terms, all parties sign a new offer and we will receive the offer paperwork back from the seller’s realtor. Then we are officially under contract!

**Step 10:** The transaction Once you are under contract there are two time periods. The first is the "due diligence period," where you will do your inspections and the bank will order an appraisal if you're getting financing. Depending on the bank you use (some banks process faster than others), this is also the period where you'll get approval for the loan. During the inspections, you will find repairs that need to be completed on the home. Repairs are negotiated after the home inspection, and before the due diligence period ends. Though they are not required to as all properties in North Carolina are sold “AS IS”. most sellers will agree to some or all of the repair items. Buyers do not have this option on full AS-IS sales such as foreclosures, short sales, and most estate sales. If buyers are unhappy with what the seller is willing to repair they can terminate the contract, but they would lose the due diligence fee and inspection/appraisal costs (as mentioned above). The second time period is the "pending closing period," which starts when you have finished your due diligence. Inspections and appraisal have been completed and you are now preparing for closing. You will set up utilities and change your mailing address with the USPS. During this period the lender will provide a loan package to your closing attorney and you will review a closing statement. The closing statement has all the charges associated with the purchase, including any prorated taxes and fees. It will also have the dollar amount you need to wire to the attorneys office prior to closing.

**Step 11:** Closing On closing day be sure to bring your driver's license. Depending on your attorney, closing usually takes about 30 minutes for a transaction without financing and 1 hour with financing. We recommend Arnette Law to our clients. Both of the attorneys Cara and Kesai are great to work with, and our clients are always very satisfied with the experience!