

INSTRUCTIONS FOR G3041 BUYER BROKERAGE AGREEMENT, BUYER SPECIFIC

Purpose of the Agreement: This *Buyer Brokerage Agreement – Business Specific* form is used by an agent who will represent a buyer to show a single business that typically is listed by another business brokerage firm or by another business broker within the same firm that uses the designated agent method. This form is Business Specific; that is, a Buyer must sign a new form for each business. The Agreement does not establish an exclusive agency arrangement with the Buyer for other businesses. The Buyer does not sign this form if the agent represents the seller (typical when agent is showing agent's own listing). This agreement is designed to be used in conjunction with the Buyers Confidentiality Agreement

NOTE: THIS AGREEMENT REQUIRES THE SIGNATURES OF BOTH BUYER AND AGENT. When the buyer sends the signed agreement to the agent, the agent needs to sign and **RETURN IT** to the Buyer. Faxing it is easy. The agent's signing and returning it to the Buyer must be done for this agreement to be in effect.

EXPLAINING THE BLANKS

Business to which Agreement pertains: You may enter the GABB number and description of the Business and not use the actual business name. You do not want to reveal the name of the business if the Buyer has not yet signed the Buyer's Confidentiality Agreement, a condition that is not likely as you want to establish your agency relationship before or simultaneously with beginning to work with the Buyer.

The first blank for a date following the identification of the business: This date should be the date the Buyer signs the agreement. It probably should be filled in by the Buyer, but must be completed by the Buyer or Broker.

Enter beginning and ending dates for the term of the agreement

Paragraph 6, Commission:

Philosophy: The Seller usually pays the Commission, and we indicate so on the Buyer's Confidentiality Agreement. This Agreement is set up so that if the Seller does not pay commission, then the Buyer pays the commission. This approach provides the Buyer with incentive to encourage the Seller to pay the broker; also, in the event that the Buyer purchases the business after the listing agreement and its trailer have expired, the Buyer may become responsible for the commission.

Commission Blanks: The two blanks for commission are to indicate a fixed amount or a percentage of selling price. The option the agent does not choose should contain "NA". Remember that the Buyer's paying the commission is an unusual event. The commission amount probably should match the amount of the Selling Broker's part of the commission he expects to receive under the listing agreement. The agreement says Broker does not intend to share its commission. The Listing Broker is on his own to recover his share of the commission.

Trailer Blank: This typically is "one" year for small businesses or longer for larger businesses. Remember that any figure has to be realistic, so do not stretch it too far. Long dates could be ruled unreasonable and the agreement might become invalid.

Paragraph 9, Disclosure: Agents should disclose any perceived Conflict of Interest (COI). A COI includes any familial or business relationships with any of the parties to the proposed transactions. COIs do not necessarily have to be "agency relationships" as is worded in the form. Georgia Real Estate Law requires agents to reveal any possible conflict at the earliest possible time.

Paragraph 11, Agency: List any type of agency not offered by the Broker. If all forms are offered, enter "NA"

Paragraph 13, Special Stipulations: List any Special Stipulations for this agreement such as from Paragraph 6, Commission or otherwise enter "NA".