



## REPRESENTATION DISCLOSURE

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CONCERNING THE PROPERTY AT: \_\_\_\_\_

Broker/Broker Firm Name: \_\_\_\_\_ License No.: \_\_\_\_\_

Broker's Associate's Name: \_\_\_\_\_ License No.: \_\_\_\_\_

A. Texas law (Section 1101.558, Occupations Code) requires a real estate license holder who represents a party in a proposed real estate transaction to disclose, orally or in writing, that representation at the license holder's first contact with:

- (1) another party to the transaction; or
- (2) another license holder who represents another party to the transaction.

B. Broker represents the following party:

Seller/Landlord: \_\_\_\_\_

Landlord: \_\_\_\_\_

Buyer/Tenant: \_\_\_\_\_

Tenant: \_\_\_\_\_

C. A real estate license holder, while acting as an agent, is a fiduciary. The primary duty of the license holder is to represent the interests of their client. The license holder must treat other parties to a transaction honestly and fairly, however, the duty to their client is primary.

**Broker compensation or the sharing of compensation between brokers is not set by law nor fixed, controlled, recommended, or suggested by the Association of REALTORS®, MLS, or any listing service. Broker compensation is fully negotiable. Brokers independently determine their fees.**

The undersigned persons acknowledge there is no agency relationship with Broker as of the date of this disclosure:

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date



# RESIDENTIAL BUYER/TENANT REPRESENTATION AGREEMENT – LONG FORM

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**1. PARTIES:** The parties to this agreement are:

Client: \_\_\_\_\_  
\_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email/Fax: \_\_\_\_\_ Email /Fax: \_\_\_\_\_

Broker: \_\_\_\_\_  
\_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email/Fax: \_\_\_\_\_ Email/Fax: \_\_\_\_\_

**2. APPOINTMENT:** Client grants Broker the exclusive right to act as Client’s real estate agent for the purpose of acquiring property in the market area.

**3. DEFINITIONS:**

- A. “Acquire” means to purchase or lease.
- B. “Closing” in a sale transaction means the date legal title to a property is conveyed to a purchaser of property under a contract to buy. “Closing” in a lease transaction means the date a landlord and tenant enter into a binding lease of a property.
- C. “Market area” means that area in the State of Texas specified as follows (for example, *insert property address, subdivision, city, county, zip code, etc.*): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- D. “Property” means any interest in real estate including but not limited to properties listed in a multiple listing service or other listing services, properties for sale by owners, and properties for sale by builders.

**4. TERM:** This agreement begins on \_\_\_\_\_ and ends at 11:59 p.m. on \_\_\_\_\_.

**5. BROKER’S OBLIGATIONS:** Broker will: (a) use Broker’s best efforts to assist Client in acquiring property in the market area; (b) assist Client in negotiating the acquisition of property in the market area; and (c) comply with other provisions of this agreement.

**6. CLIENT’S OBLIGATIONS:** Client will: (a) work exclusively through Broker in acquiring property in the market area and negotiate the acquisition of property in the market area only through Broker; (b) inform other brokers, salespersons, sellers, and landlords with whom Client may have contact that Broker exclusively represents Client for the purpose of acquiring property in the market area and refer all such persons to Broker; and (c) comply with other provisions of this agreement.

**7. BROKER COMPENSATION:**

Broker compensation or the sharing of compensation between brokers is not set by law nor fixed, controlled, recommended, or suggested, by the Association of REALTORS®, MLS, or any listing service. Broker compensation is fully negotiable. Brokers independently determine their fees. Broker is prohibited from receiving compensation for brokerage services from any source that exceeds the amounts stated in this agreement.

A. **Broker's Fee: When Earned and Payable, Client will pay Broker (Complete all that apply):**

(1) (Purchases) \_\_\_\_\_% of the sales price or a flat fee of \$\_\_\_\_\_.

(2) (Leases) \_\_\_\_\_% of one month's rent or \_\_\_\_\_% of all rents to be paid over the term of the lease or a flat fee of \$\_\_\_\_\_.

B. **Source of Compensation:** Broker will seek to obtain payment of the fees specified in Paragraph 7A first from the seller, landlord, or their agents. **If such persons refuse or fail to pay Broker the amount specified, Client will pay Broker the amount specified less any amounts Broker receives from such persons.**

C. **Earned and Payable:** Broker's compensation is Earned when: (1) Client enters into a contract to buy or lease property in the market area; or (2) Client breaches this agreement. Broker's compensation is Payable, either during the term of this agreement or after it ends, upon the earlier of: (1) the closing of the transaction to acquire the property; (2) Client's breach of a contract to buy or lease a property in the market area; or (3) Client's breach of this agreement. If Client acquires more than one property under this agreement, Broker's compensation for each property acquired are Earned as each property is acquired and are Payable at the closing of each acquisition.

D. **Acquisition of Broker's Listing (Intermediary Transactions):** If Client acquires a property listed by Broker, any compensation Broker offers to other brokers in Broker's listing agreement with the owner will be credited towards Broker's Fee specified under Paragraph 7A.

E. **Additional Compensation:** In addition to Broker's Fee specified under Paragraph 7A, Broker is entitled to the following compensation.

(1) **Construction:** If Client uses Broker's services to procure or negotiate the construction of improvements to property that Client owns or may acquire, Client ensures that Broker will receive from Client or the contractor(s) at the time the construction is substantially complete a fee equal to: \_\_\_\_\_.

(2) **Service Providers:** If Broker refers Client or any party to a transaction contemplated by this agreement to a service provider (for example, mover, cable company, telecommunications provider, utility, or contractor) Broker may receive a fee from the service provider for the referral.

(2)(3) **Other Compensation (Only insert amounts or rates of compensation that are objectively ascertainable and the specific amount or rate is known at the time of execution. Do not insert bonuses, a range of compensation, or terms such as "TBD"):** \_\_\_\_\_  
\_\_\_\_\_

**Notice Regarding Bonuses and Other Compensation.** In addition to Broker's Fee specified under Paragraph 7A, seller, landlord, or their agent may offer to pay Broker ~~other compensation, such as a bonus,~~ if Client purchases or leases certain properties. Broker will disclose the specific amount of ~~other compensation~~ any bonus offered to Broker. Broker may not receive ~~other compensation~~ any bonus unless authorized by Client in writing. Client authorization may be made by amending this agreement (use TXR

1505).

- F. **Protection Period:** "Protection period" means that time starting the day after this agreement ends and continuing for \_\_\_\_\_ days. Not later than 10 days after this agreement ends, Broker may send Client written notice identifying the properties called to Client's attention during this agreement. If Client or a relative of Client agrees to acquire a property identified in the notice during the protection period, Client will pay Broker, upon closing, the amount Broker would have been entitled to receive if this agreement were still in effect. This Paragraph 7F survives termination of this agreement. This Paragraph 7F will not apply if Client is, during the protection period, bound under a representation agreement with another broker who is a member of Texas REALTORS® at the time the acquisition is negotiated and the other broker is paid a fee for negotiating the transaction.
- G. **Escrow Authorization:** Client authorizes, and Broker may so instruct, any escrow or closing agent authorized to close a transaction for the acquisition of property contemplated by this agreement to collect and disburse to Broker all amounts Payable to Broker.
- H. **County:** Amounts Payable to Broker are to be paid in cash in \_\_\_\_\_ County, Texas.

### 8. REPRESENTATIONS:

- A. Each person signing this agreement represents that the person has the legal capacity and authority to bind the respective party to this agreement.
- B. Client represents that Client is not now a party to another buyer or tenant representation agreement with another broker for the acquisition of property in the market area.
- C. Client represents that all information relating to Client's ability to acquire property in the market area Client gives to Broker is true and correct.
- D. Name any employer, relocation company, or other entity that will provide benefits to Client when acquiring property in the market area: \_\_\_\_\_
- E. Broker is not authorized to execute any document in the name of or on behalf of Client concerning the Property.

### 9. INTERMEDIARY: (Check A or B only.)

- A. **Intermediary Status:** Client desires to see Broker's listings. If Client wishes to acquire one of Broker's listings, Client authorizes Broker to act as an intermediary and Broker will notify Client that Broker will service the parties in accordance with one of the following alternatives.
  - (1) If the owner of the property is serviced by an associate other than the associate servicing Client under this agreement, Broker may notify Client that Broker will: (a) appoint the associate then servicing the owner to communicate with, carry out instructions of, and provide opinions and advice during negotiations to the owner; and (b) appoint the associate then servicing Client to the Client for the same purpose.
  - (2) If the owner of the property is serviced by the same associate who is servicing Client, Broker may notify Client that Broker will: (a) appoint another associate to communicate with, carry out instructions of, and provide opinions and advice during negotiations to Client; and (b) appoint the associate servicing the owner under the listing to the owner for the same purpose.
  - (3) Broker may notify Client that Broker will make no appointments as described under this Paragraph 89A and, in such an event, the associate servicing the parties will act solely as Broker's intermediary representative, who may facilitate the transaction but will not render opinions or advice during negotiations to either party.
- B. **No Intermediary Status:** Client does not wish to be shown or acquire any of Broker's listings.

**Notice:** If Broker acts as an intermediary under Paragraph 9A, Broker and Broker's associates:  
◆ may not disclose to Client that the seller or landlord will accept a price less than the asking price unless otherwise instructed in a separate writing by the seller or landlord;

- ◆ may not disclose to the seller or landlord that Client will pay a price greater than the price submitted in a written offer to the seller or landlord unless otherwise instructed in a separate writing by Client;
- ◆ may not disclose any confidential information or any information a seller or landlord or Client specifically instructs Broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose the information by the Real Estate License Act or a court order or if the information materially relates to the condition of the property;
- ◆ shall treat all parties to the transaction honestly; and
- ◆ shall comply with the Real Estate License Act.

**10. COMPETING CLIENTS:** Client acknowledges that Broker may represent other prospective buyers or tenants who may seek to acquire properties that may be of interest to Client. Client agrees that Broker may, during the term of this agreement and after it ends, represent such other prospects, show the other prospects the same properties that Broker shows to Client, and act as a real estate broker for such other prospects in negotiating the acquisition of properties that Client may seek to acquire.

**11. CONFIDENTIAL INFORMATION:**

- A. During the term of this agreement or after its termination, Broker may not knowingly disclose information obtained in confidence from Client except as authorized by Client or required by law. Broker may not disclose to Client any information obtained in confidence regarding any other person Broker represents or may have represented except as required by law.
- B. Unless otherwise agreed or required by law, a seller or the seller's agent is not obliged to keep the existence of an offer or its terms confidential. If a listing agent receives multiple offers, the listing agent is obliged to treat the competing buyers fairly.

**12. MEDIATION:** The parties agree to negotiate in good faith in an effort to resolve any dispute that may arise related to this agreement or any transaction related to or contemplated by this agreement. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator.

**13. DEFAULT:** If either party fails to comply with this agreement or makes a false representation in this agreement, the non-complying party is in default. If Client is in default, Broker may terminate this agreement and Client will be liable for the amount of compensation that Broker would have received under this agreement if Client was not in default; Broker may also terminate this agreement and exercise any other remedy at law. If Broker is in default, Client may exercise any remedy at law.

**14. ATTORNEY'S FEES:** If Client or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this agreement or any transaction related to this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

**15. LIMITATION OF LIABILITY:** Neither Broker nor any other broker, or their associates, is responsible or liable for any person's personal injuries or for any loss or damage to any person's property that is not caused by Broker. Client will hold broker, any other broker, and their associates, harmless from any such injuries or losses. Client will indemnify Broker against any claims for injury or damage that Client may cause to others or their property.

**16. ADDENDA:** Addenda and other related documents which are part of this agreement are:

- |  |   |
|--|---|
| <input type="checkbox"/> Information About Brokerage Services      | <input type="checkbox"/> Protect Your Family from Lead in Your Home   |
| <input type="checkbox"/> Mold Remediation Consumer Protection      | <input type="checkbox"/> Information about Special Flood Hazard Areas |
| <input type="checkbox"/> Information Concerning Property Insurance | <input type="checkbox"/> For Your Protection: Get a Home Inspection   |
| <input type="checkbox"/> General Information and Notice to Buyers  | <input type="checkbox"/> Wire Fraud Warning                           |

and Sellers

\_\_\_\_\_

**17. SPECIAL PROVISIONS:**

**18. ADDITIONAL NOTICES:**

- A. In accordance with fair housing laws and the National Association of REALTORS® Code of Ethics, Broker's services must be provided without regard to race, color, religion, national origin, sex, disability, familial status, sexual orientation, or gender identity. Local ordinances may provide for additional protected classes (for example, creed, status as a student, marital status, or age).
- B. Broker is not a property inspector, pest inspector, appraiser, surveyor, engineer, environmental assessor, or compliance inspector. Client should seek experts to render such services in any acquisition.
- C. If Client purchases property, Client should have an abstract covering the property examined by an attorney of Client's selection, or Client should be furnished with or obtain a title policy.
- D. Client may purchase a residential service contract. Client should review such service contract or the scope of coverage, exclusions, and limitations. The purchase of a residential service contract is optional. There are several residential service companies operating in Texas.
- E. When viewing a property, Client might be recorded or otherwise monitored without Client's knowledge or consent. Additionally, consult an attorney before recording or photographing a property without Owner's knowledge or consent.
- F. To reduce risk of wire fraud, Client should refrain from transmitting personal information, such as bank account or other financial information, via unsecured email or other electronic communication. If Client receives any request to wire funds, even if the communication appears to come from a legitimate source, Client should verify its authenticity prior to transferring any funds. Verification should be made in person or via phone call using a recognized phone number not found in the communication. Broker will not send Client any electronic communication with instructions to wire funds or to provide personal information.

**CONSULT AN ATTORNEY: Broker cannot give legal advice. This is a legally binding agreement. READ IT CAREFULLY. If you do not understand the effect of this agreement, consult your attorney BEFORE signing.**

\_\_\_\_\_  
Broker's Printed Name License No.

\_\_\_\_\_  
Client's Printed Name

Broker's Signature Date  
 Broker's Associate's Signature

\_\_\_\_\_  
Client's Signature Date

\_\_\_\_\_  
Broker's Associate's Printed Name, if applicable License No.

\_\_\_\_\_  
Client's Printed Name

Buyer/Tenant Representation Agreement between \_\_\_\_\_

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date



## NOTICE FROM BUYER'S AGENT TO SELLER

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To: \_\_\_\_\_ (Seller)

From: \_\_\_\_\_ (Broker)

Re: \_\_\_\_\_ (Property)

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

- A. Your real estate broker has asked that I deliver the enclosed offer to you.
- B. My client is the prospective buyer(s).
- C. I am obliged to inform my client of any material information you provide to me.
- D. I will not provide you with:
  - (1) opinions or advice;
  - (2) assistance in evaluating any offer;
  - (3) assistance in drafting any offer, response to any offer, disclosure, notice, or other information;
  - (4) relevant market information;
  - (5) information related to any contractual duty you may have;
  - (6) assistance in arranging for the completion of any obligations you may be required to meet under a contract; or
  - (7) information related to other service providers, such as title companies, mortgage companies, insurance companies, attorneys, inspectors, contractors, surveyors, engineers, and others.
- E. I encourage you to contact your broker or your attorney for assistance. Texas Real Estate Commission Rules provide that a broker is obligated under a listing agreement to negotiate the best possible transaction for the principal (seller).

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# AMENDMENT TO BUYER/TENANT REPRESENTATION AGREEMENT

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On or about \_\_\_\_\_, Client and Broker entered into a Buyer/Tenant Representation Agreement (the Agreement).

Effective \_\_\_\_\_, Client and Broker amend the Agreement as follows:

A. The "market area" in Paragraph 3 is redefined as \_\_\_\_\_

B. The date the Agreement ends specified in Paragraph 4 is changed to \_\_\_\_\_

C. **(For TXR 1507 only)**  
(1) Brokers Obligations in Paragraph 5 is changed to  Full Services or  Showing Services.  
(2) Client  does or  does not authorize Broker to act as an intermediary under Paragraph 8.  
**Note: To change Broker's Fees, also complete Paragraph D below.**

D. **(For TXR 1501 and TXR 1507 only)** Broker's Fees in Paragraph 7A are changed to (Complete all that apply):

(1) **(Purchases)** \_\_\_\_\_% of the sales price or a flat fee of \$ \_\_\_\_\_ if Client purchases the following property: \_\_\_\_\_

(2) **(Leases)** \_\_\_\_\_% of one month's rent or \_\_\_\_\_% of all rents to be paid over the term of the lease or a flat fee of \$ \_\_\_\_\_ if Client leases the following property: \_\_\_\_\_

E. **(For TXR 1501 and TXR 1507 only)** ~~Bonuses and Other Compensation~~: In addition to Broker's Fee listed in Paragraph 7A, Broker will ~~receive-be paid a bonus/other compensation~~ from seller, landlord, or their agent in an amount equal to \$ \_\_\_\_\_-if Client purchases or leases the following property: \_\_\_\_\_ (property address).

F. Client instructs Broker to cease providing services under the Agreement on \_\_\_\_\_ and to resume providing services on:  (1) receipt of further instructions from Client; or  (2) \_\_\_\_\_

The Agreement is not terminated and remains in effect for all other purposes.

G. Paragraph(s) \_\_\_\_\_ are changed as follows:

Broker's Printed Name \_\_\_\_\_ License No. \_\_\_\_\_

Client's Printed Name \_\_\_\_\_

Broker's (or  Broker's Associate's) Signature \_\_\_\_\_ Date \_\_\_\_\_

Client's Signature \_\_\_\_\_ Date \_\_\_\_\_

Broker's Associate's Name, if applicable \_\_\_\_\_ License No. \_\_\_\_\_

Client's Printed Name \_\_\_\_\_

Client's Signature \_\_\_\_\_ Date \_\_\_\_\_



## GENERAL INFORMATION AND NOTICE TO BUYERS AND SELLERS

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**Be an informed seller or buyer. The following information may assist you during your real estate transaction.**

**ANNEXATION.** If a property is outside the limits of a municipality, the buyer should be aware that the property may later be annexed by a nearby municipality. The buyer may find information on the boundaries of nearby municipalities by contacting the municipalities directly.

**APPRAISAL.** An appraisal is a valuation of the property. An appraiser renders an estimate of value as of a certain date under assumptions and conditions stated in the appraisal report. Typically, a buyer's lender requires an appraisal to verify that the loan is secured by property that is worth a certain amount. An appraisal is not the same as an inspection.

**BROKERS.** A real estate broker *represents* a party (buyer or seller) in a real estate transaction or may act as an intermediary between the parties. A party may work with the broker or with one of the broker's agents. Both a buyer and seller will be provided a form titled "Information About Brokerage Services" (TXR 2501) which defines agency relationships. An agent may help a seller market the property or help a buyer locate a property. The agent is obligated to *negotiate* the transaction and may assist in gathering information and may coordinate many details in the transaction. Brokers and agents are not inspectors. They do not possess the expertise to conduct inspections and therefore do not make any representations, warranties, or guarantees about a property's condition. Agents are not attorneys. Parties are encouraged to seek the assistance of an attorney to help in understanding any of the legal consequences and provisions of the contract or transaction.

**COMPENSATION.** Compensation means any commission, fee, or other valuable consideration for real estate brokerage services provided by a broker or agent. Broker compensation or the sharing of compensation between brokers is not set by law nor fixed, controlled, recommended, or suggested by the Association of REALTORS®, MLS, or any listing service. Broker compensation is fully negotiable. Brokers independently determine their fees. ~~Broker compensation is not set by law and is fully negotiable.~~ There are many different compensation models brokers may use including commission, flat fee, hourly fee, and fees for specific tasks. Buyer may pay their broker directly, or seller or listing broker may offer to pay buyer's expenses, which can include broker fees.

### ENVIRONMENTAL CONCERNS.

**General.** Over the years the market has identified environmental conditions that buyers should know may exist. Environmental hazards include, but are not limited to, conditions such as: asbestos, lead-based paint, mold, pesticides, radon gas, toxic waste, underground storage tanks, urea-formaldehyde insulation, and other pollutants. Wetlands or endangered species on the property may restrict the use of the property.

**Environmental Inspections.** If the buyer is concerned that environmental hazards, wetlands, or endangered species may be present on the property, the buyer should hire a qualified expert to inspect the property for such items. The parties may include a promulgated addendum (TXR 1917) in the contract that may address such matters.

**Lead-Based Paint.** If a property was built before 1978, federal law requires that the seller provide the buyer with: (1) the pamphlet titled "Protect Your Family from Lead in Your Home" (TXR 2511); (2) the records and reports the seller has concerning lead-based paint or hazards; and (3) an opportunity to have the property inspected for lead-based paint or hazards.

**Mold.** It is not uncommon to find mold spores in a property. The concern about mold increases when there are large amounts of mold found in a property. The Texas Department of Insurance publishes a document titled "Protect Your Home from Mold" (TXR 2507) which discusses mold in more detail.

**Oak Wilt and Diseased Trees.** There are diseases such as oak wilt and other conditions that may affect trees and other plants. Oak wilt is a fungus that affects certain oak trees. If the buyer is concerned about such matters, the buyer may have the trees and other plants inspected by a professional

**Noise.** Surrounding properties are used for a variety of purposes. Some of the uses cause noise (for example, airports, railways, highways, restaurants, bars, schools, arenas and construction). The buyer is encouraged to drive to review the area around the property at various times and days.

**EXPANSIVE SOILS.** Soil conditions vary greatly throughout Texas. Many soils will move; some more than others. This movement will, many times, affect the foundation of homes and buildings and may cause cracks to appear in walls or other parts of the building. Additionally, if a property is newly constructed, the concrete curing process may also cause the foundation of the building to move. Seasonal changes in the moisture in the soil may also cause foundations to move. The buyer should check with an inspector and other experts on preventive methods to minimize the risk of such movement.

**FIRPTA.** The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) may require buyers in certain transactions involving a seller who qualifies as a "foreign person" to withhold up to 15% of the amount realized by the seller (usually the sales price) for federal taxes. A "foreign person" is defined as a: (1) nonresident alien individual; (2) foreign corporation that has not made an election under section 897(i) of the Internal Revenue Code to be treated as a domestic corporation; or (3) foreign partnership, trust, or estate. The definition does not include a resident alien individual. A seller should notify the buyer whether the seller is a "foreign person" as defined by federal law. If the seller is unsure whether he or she qualifies as a "foreign person", the seller should consult a tax professional or an attorney.

**FLOOD HAZARD, FLOODWAYS, AND FLOOD INSURANCE.** Many properties are in flood hazard areas. Lenders who make loans on properties located in special flood hazard areas typically require the owner to maintain flood insurance. Additionally, some properties may lie in the floodway. Texas REALTORS® publishes a form titled, "Information about Special Flood Hazard Areas" (TXR 1414), which discusses flood hazard areas and floodways in more detail. The buyer is encouraged to buy flood insurance regardless of whether the property is in a high, moderate, or low risk flood area.

**HISTORIC OR CONSERVATION DISTRICTS.** Properties located in historic or conservation districts may have restrictions on use and architecture of the properties. Local governments may create historic or conservation districts for the preservation of certain architectural appeal. A property owner may or may not be aware if the property is located in such a district. If the buyer is concerned whether the property is located in such a district, contact the local government for specific information.

#### **INSPECTION, REPAIRS, & WALK-THROUGH.**

**Inspections.** The buyer is encouraged to have the property inspected by licensed inspectors. The buyer should have the inspections completed during any option period. The buyer should accompany the inspectors during the inspections and ask the inspectors any questions. Brokers and agents do not possess any special skills, knowledge or expertise concerning inspections or repairs. If the buyer requests names of inspectors or repair professionals from an agent, the buyer should note that the agent is not making any representation or warranty as to the ability or workmanship of the inspector or repair professionals.

**Repairs.** The buyer and the seller should resolve, in writing, any obligation and any timing of the obligation to complete repairs the buyer may request before the option period expires.

**Walk-Through.** Before the close of the sale, the buyer should walk through the property and verify that any repairs are complete. If the condition of the property does not satisfy the contractual provisions, the buyer should notify the buyer's agent before closing.

**MANDATORY OWNERS' ASSOCIATIONS.** An owners' association may require a property owner to be a member. The buyer may obtain subdivision information (the restrictions applying to the subdivision, the bylaws and rules of the owners' association, and a resale certificate). The buyer may be required to pay for the subdivision information unless otherwise negotiated in the contract. If membership in an owners' association is required, the buyer will probably be obligated to pay periodic dues or assessments. Failure to pay such dues could result in a lien on and foreclosure of the property.

**MINERAL INTERESTS.** Determining who owns the mineral interests under a property (for example, rights to oil and gas interests) normally requires an expert to review the chain of title to the property. Many times the mineral interests may have been severed from the property and may be owned by persons other than the seller. Contract forms commonly used in Texas provide that the seller's interest, if any, in the mineral interests convey to the buyer as part of the property. However, a seller may wish to retain all or part of the mineral interests. Texas REALTORS® publishes a form titled "Information about Mineral Clauses in Contract Forms" (TXR 2509) which discusses this issue in more detail.

**MULTIPLE LISTING SERVICE.** The Multiple Listing Service (MLS) is a database and cooperative tool between brokers. Agents who use the MLS must comply with the MLS's rules. The listing agent is required to timely report the current status of a listing, including when the property is sold or leased or is no longer available, as well as the sales price. Subscribers (other brokers, agents, appraisers, and other real estate professionals) and appraisal districts have access to the information for market evaluation purposes. Much of the information in the MLS, such as square footage, assessed value, taxes, school boundaries, and year built is obtained from different sources such as the county appraisal district, an appraiser, or builder. The broker or agent who provides information from the MLS does not verify the accuracy of the information. The buyer should independently verify the information in the MLS and not rely on the information.

**PERMITS.** Permits may be required to construct, alter, repair, or improve the property. The buyer is encouraged to contact the local government to verify that all required permits have been obtained, as this may impact future plans for the property.

**POSSESSION.** Most contracts provide that the seller will deliver possession of the property to the buyer at the time the sale *closes and funds or according to a temporary residential lease or other written lease required by the parties*. There may be a short delay between closing and actual funding; especially if the buyer is obtaining funds from a lender. The buyer may need to verify with the lender if the loan will fund on the day of closing. The buyer should also take this potential delay into account when planning the move into the property. Any possession by the buyer before the sale closes and funds (or by the seller after the sale closes and funds) must be authorized by a written lease.

**PROPERTY INSURANCE.** Promptly after entering into a contract to buy a property and before any option period expires, the buyer should contact an insurance agent to determine the availability and affordability of insurance for the property. There are numerous variables that an insurance company will evaluate when offering insurance at certain coverage levels and at certain prices. Most lenders require that the property be insured in an amount not less than the loan amount. The failure to obtain property insurance before closing may delay the transaction or cause it to end. Texas REALTORS® publishes a document titled, "Information about Property Insurance for a Buyer or Seller" (TXR 2508), which discusses property insurance in more detail.

**PROPERTY VALUES.** The real estate market is cyclical and current property values may fluctuate. Brokers and agents cannot guarantee desired future market conditions or property values. The ultimate decision on the price and terms a Buyer is willing to buy and a Seller is willing to sell for a specific property rests solely with that Buyer and Seller.

**RESIDENTIAL SERVICE CONTRACTS.** A residential service contract is a product under which a residential service company, for an annual fee, agrees to repair or replace certain equipment or items in a property (for example, covered appliances, air conditioning and heating systems, and plumbing systems). Co-payments typically apply to most service calls. If the buyer requests names of residential service companies from an agent, the buyer should note that the agent is not making any representation or warranty about the service company.

**RESTRICTIONS ON PROPERTY NEAR AN INTERNATIONAL BORDER.** Be aware that in certain counties located near an international border, Texas law may prohibit the sale of property lacking required water and sewer services. Even if a sale of such property is permitted, a buyer may face additional costs or restrictions under Texas law due to a lack of basic infrastructure (water, sewer, roads, and drainage). Texas REALTORS® publishes a form titled, "Information Regarding Property Near an International Border" (TXR 2519), which provides more information. Brokers and agents cannot guarantee that a sale of the property is permitted under Texas law or otherwise give legal advice. Consult an attorney.

**SCHOOL BOUNDARIES.** School boundaries may change and are, at times, difficult to determine. The school boundaries that an agent may provide or that may be provided through a Multiple Listing Service are only mapped estimates from other sources. The buyer is encouraged to verify with the school district which schools residents in the property will attend.

**SEPTIC TANKS AND ON-SITE SEWER FACILITIES.** Many properties have septic tanks or other on-site sewer facilities. There are several types of such systems. Special maintenance requirements may apply to certain systems. Please refer to a document titled, "Information about On-Site Sewer Facility" (TXR 1407) for more information. The buyer should also determine if the county requires any registration or other action to begin using the septic system or on-site sewer facility.

**SEX OFFENDERS AND CRIMINAL ACTIVITY.** Neither a seller nor a seller's agent of a residential property has a duty to disclose any information about registered sex offenders. If the buyer is concerned about sex offenders who may reside in the area, access <https://publicsite.dps.texas.gov/SexOffenderRegistry>. Contact the local police department to obtain information about any criminal activity in the area.

**SQUARE FOOTAGE.** If the purchase price is based on on the size of the property's building and structures, the buyer should have any information the buyer receives about the square footage independently verified. Square footage information comes from other sources such as appraisal districts, appraisers, and builders. Such information is only an estimate. The actual square footage may vary.

**STATUTORY TAX DISTRICTS.** The property may be located in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services (for example a Municipal Utility District, Water Improvement District, or a Public Improvement District). The buyer is likely to receive a prescribed notice when buying property in such a district.

**SURVEILLANCE.** Be aware that when viewing a property, a seller might record or otherwise electronically monitor a buyer without the buyer's knowledge or consent, and a buyer might photograph or otherwise record the property without the seller's knowledge or consent. The parties should consult an attorney before recording or photographing another person or property.

**SURVEY.** A survey identifies the location of boundaries, major improvements, fence lines, drives, encroachments, easements, and other items on the property. The buyer should obtain a survey early enough in the transaction to help the buyer identify any encroachments, encumbrances to title, or restrictions. The contract will typically contain a provision which identifies who is responsible for providing a survey and the right to object to encumbrances to title disclosed in the survey.

**SYNTHETIC STUCCO.** Synthetic stucco (sometimes known as EIFS) is an exterior siding product that was placed on some properties in the recent past. If the product was not properly installed, it has been known to cause damage to the structure (such as wood rot and moisture). If the property has synthetic stucco, the buyer should ask an inspector to carefully inspect the siding and answer any questions.

**TAX PRORATIONS.** Typically, a buyer and seller agree to prorate a property's taxes through the closing date. Property taxes are due and payable at the end of each calendar year. The escrow agent will estimate, at closing, the taxes for the current year. If the seller is qualified for tax exemptions (for example, homestead, agricultural, or over-65 exemption), such exemptions may or may not apply after closing. After closing the taxes may increase because the exemptions may no longer apply. When buying new construction, the taxes at closing may be prorated based on the land value only and will later increase when the appraisal district includes the value of the new improvements. The actual taxes due, therefore, at the end of the year and in subsequent years may be different from the estimates used at closing.

**TERMINATION OPTION.** Most contract forms contain an option clause which provides the buyer with an unrestricted right to terminate the contract. Most buyers choose to buy the termination option. The buyer will be required to pay for the termination option in advance. The option fee is negotiable. Most buyers will conduct many of their reviews, inspections, and other due diligence during the option period. The buyer must strictly comply with the time period under the option. The option period is not suspended or extended if the buyer and the seller negotiate repairs or an amendment. —If the buyer wants to extend the option period, the buyer must negotiate an extension separately, obtain the extension in writing, and pay an additional fee for the extension. The buyer should not rely on any oral extensions.

**TIDE WATERS.** If the property adjoins any of the state's tidal waters, the seller will provide the buyer with a prescribed notice titled, "Addendum for Coastal Area Notice" (TXR 1915). Boundaries of properties along such waters may change and building restrictions will apply. If the property is located seaward of the Gulf Intracoastal Waterway, the seller will provide the buyer with a prescribed notice titled, "Addendum for Property Located Seaward of the Gulf Intracoastal Waterway" (TXR 1916).

**TITLE INSURANCE OR ABSTRACT OF TITLE.** The buyer should obtain a title insurance policy or have an abstract of title covering the property examined by an attorney. If the buyer obtains a title insurance policy, the buyer should have the commitment of title insurance reviewed by an attorney not later than the time required under the contract.

**UTILITIES.** The buyer should evaluate what utilities the buyer will require and check to be sure that the utilities available in the area suit the buyer's needs. Some structures may or may not have utilities and electrical facilities to support many modern appliances or equipment.

**WATER LEVEL FLUCTUATIONS.** State law requires the seller to notify a buyer of a property that adjoins a lake, reservoir, or other impoundment of water with a storage capacity of at least 5,000 acre-feet at its normal operating level that the water level may fluctuate. The buyer and seller can find a list of lakes and reservoirs with at least 5,000 acre-feet storage capacity by accessing <http://texasalmanac.com/topics/environment/lakes-and-reservoirs>.

**WATER WELLS.** If the property has a water well, the buyer should have, and the lender may require, the equipment inspected and water tested. The buyer should also determine if the county requires any registration or other action to begin using the water well.

**WIRE FRAUD.** Criminals are targeting real estate transactions by gaining access to electronic communications or sending emails that appear to be from a real estate agent, a title company, lender, or another trusted source. Refrain from transmitting personal information, such as bank account numbers or other financial information, via unsecured email or other electronic communication. If the buyer receives any electronic communication regarding wiring instructions, even if the communication appears to come from a legitimate source, the buyer should verify its authenticity prior to the transfer of funds in person or via phone call using a recognized phone number that is not found in the communication.

**OTHER.**

This form was provided by:

By signing below I acknowledge that I received, read, and understand this information and notice.

\_\_\_\_\_  
Broker's Printed Name

\_\_\_\_\_  
Buyer/Seller Date

By: \_\_\_\_\_  
Broker's Associate's Signature Date

\_\_\_\_\_  
Buyer/Seller Date



RESIDENTIAL BUYER/TENANT REPRESENTATION AGREEMENT - SHORT FORM

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- 1. PARTIES. This Agreement is made between ... (Collectively, "Client") and ... ("Broker").
2. APPOINTMENT: Client appoints Broker as Client's real estate agent subject to the terms of this Agreement.
3. DEFINITIONS: In this Agreement, "acquire" means to purchase or lease real property. "Market area" means that area in the State of Texas specified as follows (for example, insert property address, subdivision, city, county, zip code, etc.):
4. TERM: This Agreement begins on ... and ends at 11:59 p.m. on ...
5. BROKER OBLIGATIONS: Broker must comply with minimum duties as required by law. Broker may represent other prospective buyers or tenants who may seek to acquire the same properties as Client. (Check only one box)
6. CLIENT OBLIGATIONS: Client must: (a) work exclusively through Broker in acquiring property in the market area and (b) inform other brokers, sales agents, sellers, and landlords that Broker exclusively represents Client for the purpose of acquiring property in the market area and refer all such persons to Broker.
7. BROKER COMPENSATION:

A. Broker's Fees: When Earned and Payable, Client will pay Broker (Complete all that apply):
(1) (Purchases) % of the sales price or \$
(2) (Leases) % of one month's rent or % of all rents to be paid over the term of the lease or \$

- B. Earned and Payable: Broker's fees are Earned when Client enters into a contract to acquire property in the market area during the Term. Broker's fees are Payable, either during the Term or after it ends, upon the earlier of: (1) the closing of a transaction to acquire a property or (2) Client's breach of a contract to acquire a property in the market area. "Closing" means the date legal title to a property is conveyed to Client or the date Client enters a binding lease.
C. Source of Payment: Broker may receive compensation from the seller, landlord, or their agents. Broker will credit any such compensation towards compensation due Broker under this Agreement and Client will pay any remaining balance.
D. Escrow Authorization: Client authorizes, and Broker may instruct, any escrow or closing agent to collect and disburse to Broker all amounts Payable to Broker.

8. INTERMEDIARY: Client does or does not authorize Broker to act as an intermediary if Client wishes to acquire one of Broker's listings. If intermediary is not authorized, Client will not be shown or acquire Broker's listings. In accordance with applicable state law, Broker and Broker's associates: may not disclose to Client that the seller or landlord will accept a price less than the asking price unless otherwise instructed in a separate writing by the seller or landlord; may not disclose to the seller or landlord that Client will pay a price greater than the price submitted in a written offer to the seller or landlord unless otherwise instructed in a separate writing by Client; may not disclose any confidential information or any information a seller or landlord or Client specifically instructs Broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose the information by the Real Estate License Act or a court order or if the information materially relates to the condition of the property; shall treat all parties to the transaction honestly; and shall comply with the Real Estate License Act.

Broker compensation is not set by law nor fixed, controlled, or recommended by the Association of REALTORS® or MLS. Broker compensation is fully negotiable. Broker is prohibited from receiving compensation for brokerage services from any source that exceeds the amounts stated in this Agreement. This is a legally binding agreement. READ IT CAREFULLY. If you do not understand the effect of this Agreement, consult your attorney BEFORE signing. The parties authorize the use of electronic signatures for the signing of this Agreement.

Broker's Printed Name License No.

Client's Printed Name

Broker's (or Broker's Associate's) Signature Date

Client's Signature Date

Broker's Associate's Name, if applicable License No.

Client's Printed Name

Client's Signature Date



# COMPENSATION AGREEMENT BETWEEN BROKER AND OWNER

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**1. PARTIES:** The parties to this Agreement are:

Owner: \_\_\_\_\_  
\_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ E-Mail/Fax: \_\_\_\_\_

Broker: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ E-Mail/Fax: \_\_\_\_\_

**2. PROPERTY:** "Property" means the following real property in Texas, together with all its improvements and fixtures:

Address: \_\_\_\_\_  
City: \_\_\_\_\_ County: \_\_\_\_\_ Zip: \_\_\_\_\_  
Legal Description (Identify exhibit if described on attachment): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. ASKING PRICE:** Owner is presently asking:

- A. \$ \_\_\_\_\_ to sell the Property; and
- B. \$ \_\_\_\_\_ to lease the Property.

**4. REGISTRATION:** Broker registers \_\_\_\_\_ (Prospect) with Owner.

**5. TERM:** This Agreement begins on \_\_\_\_\_ and ends at 11:59 pm on \_\_\_\_\_.

**6. BROKER'S FEE:** Owner is not obligated to pay Broker a fee until such time as Broker's fee is Earned and Payable. Broker's fees are Earned when Owner enters into a binding agreement to sell or lease all or part of the Property at any price to Prospect or if Owner breaches this Agreement. Broker's fees are Payable in the amounts stated below at the specified times.

**A. Sales:**

(1) If Owner agrees to sell all or a part of the Property to Prospect at any price during the Term, Owner will pay Broker a fee equal to:

- (a) \_\_\_\_\_ % of the sales price; or
- (b) \_\_\_\_\_.

(2) The fee is payable, either during the term of this agreement or after it ends, at the earlier of:

- (a) the closing and funding of the sale or exchange of the Property;
- (b) Owner's breach of this Agreement; or
- (c) Owner's breach of a binding contract to sell the Property to Prospect.



**B. Leases:**

**(1) Primary Lease:**

(a) If Owner agrees to lease all or part of the Property to Prospect, on any terms, during the Term, Owner will pay Broker a fee equal to:

- (1) \_\_\_\_\_ % of one full month's rent Prospect is obligated to pay under the lease;
- (2) \_\_\_\_\_ % of all rents Prospect is obligated to pay under the primary term of the lease; or
- (3) \_\_\_\_\_.

(b) The fee is Payable during the Term or after it ends in accordance with the following schedule:

- (1) in one payment upon \_\_\_\_\_.
- (2) in two payments as follows: one-half of the fee at the time the lease is executed and the remainder on the date the lease commences.
- (3) \_\_\_\_\_.

**(2) Renewals:** If Prospect leases all or part of the Property during the Term and subsequently, either during the Term or after it ends, extends, renews, or expands the lease, (including new leases for more, less, or different space in the same building or complex), Owner will pay Broker, at the time the extension, renewal, or expansion commences, a fee equal to:

- (a) \_\_\_\_\_ % of one full month's rent Prospect is obligated to pay under the lease;
- (b) \_\_\_\_\_ % of all rents to be paid for the term of the extension, renewal, or expansion; or
- (c) \_\_\_\_\_.

**(3) Subsequent Sale to a Tenant:** If Prospect leases all or part of the Property during the Term and subsequently, either during the Term or after it ends, agrees to buy all or part of the Property within the term of the lease or within 180 days after the date the lease ends, Owner will pay Broker, at the closing of the sale, a fee equal to:

- (a) \_\_\_\_\_ % of the gross sales price; or
- (b) \_\_\_\_\_.

**NOTICE:** If the Property is commercial property under Chapter 62, Property Code, Broker is entitled to claim a lien against the Property to secure payment of an earned commission.

**7. BROKER'S REPRESENTATION:**

A. Owner acknowledges receipt of the attached **Information About Brokerage Services** which is incorporated into this Agreement for all purposes. During negotiations for the sale or lease of the Property, Broker:

- (1) will represent Owner only.
- (2) will represent Prospect only.
- (3) will act as an intermediary between Owner and Prospect.

B. If Broker acts as an intermediary, Broker will assist both Prospect and Owner in the sale or lease of the Property. Broker's fees will be paid by Owner as provided in Paragraph 6. Broker may appoint a licensed associate(s) of Broker to communicate with, carry out instructions of, and provide opinions and advice during negotiations to Owner and appoint another licensed associate(s) for the same purposes to Prospect. **As an intermediary, Broker:**

- (1) may not disclose to Prospect that Owner will accept a price less than the asking price unless otherwise instructed in a separate writing by Owner;
- (2) may not disclose to Owner that Prospect will pay a price greater than the price submitted in a written offer to Owner unless otherwise instructed in a separate writing by Prospect;
- (3) may not disclose any confidential information or any information Owner or Prospect specifically instruct Broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose the information by the Real Estate License Act or a court order or if the information materially relates to the condition of the Property.

- (4) shall treat all parties to the transaction honestly; and
- (5) shall comply with the Real Estate License Act.

8. **ADDENDA:** Addenda and other related documents which are part of this Agreement are **Information About Brokerage Services** and \_\_\_\_\_

9. **OTHER:**

- A. **Entire Agreement:** This document contains the entire agreement between the parties and may not be changed except by written agreement. This Agreement supersedes any prior agreement between the parties concerning the same subject matter.
- B. **Notices:** Notices between the parties must be in writing and are effective when sent to the receiving party's address, fax, or e-mail specified in Paragraph 1.
- C. **Definition of Sell:** "Sell" means to sell, agree to sell, convey, agree to convey, exchange, agree to exchange, transfer, or agree to transfer a legal or equitable interest either by written or oral agreement or option. The transfer of Owner's interest (stock or shares) in any entity that holds title to the Property for the purpose of conveying the Property to another person is a sale.
- D. **Disbursements:** All fees to Broker under this Agreement are payable in cash in the county in which the Property is located. Owner authorizes Broker to instruct any escrow or closing agent to collect and disburse to Broker at closing the Broker's fees due under this Agreement. Paragraphs 6B(2) and 6B(3) survive termination of this Agreement. In the event of an exchange or breach of this Agreement, the asking price will be the sales price or rental rate for computing Broker's fees.
- E. **Related Parties:** If a related party of Prospect agrees to buy or lease all or part of the Property during the Term, Broker will be entitled to all compensation under this Agreement as if Prospect had acquired the Property. "Related party" means any assignee of Prospect, any family member or relation of Prospect, any officer, director, or partner of Prospect, any entity owned or controlled, in whole or part, by Prospect, and any entity that owns or controls Prospect, in whole or part.
- F. **Additional Notices:**
  - (1) Broker's fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested, or maintained by the Association of REALTORS® or any listing service. Broker's fees are negotiable.
  - (2) If the Property contains a residential dwelling built before 1978, federal law requires the Owner to: (a) provide the buyer with the promulgated lead hazard information pamphlet; and (b) disclose the presence of any known lead-based paint or lead-based paint hazards.
  - (3) **Broker cannot give legal advice. This is a legally binding agreement. READ IT CAREFULLY. If you do not understand the effect of this Agreement, consult your attorney BEFORE signing.**

Broker's Printed Name	License No.	Owner's Printed Name
Broker's <input type="checkbox"/> or Broker's Associate's) Signature	Date	Owner's Signature <span style="float: right;">Date</span>
Broker's Associate's Printed Name, if applicable	License No.	Owner's Printed Name
		Owner's Signature <span style="float: right;">Date</span>



# COMPENSATION AGREEMENT BETWEEN BROKERS

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**1. PARTIES:** The parties to this Agreement are:

Listing/Principal Broker: \_\_\_\_\_  
Full Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ E-Mail/Fax: \_\_\_\_\_

Cooperating Broker: \_\_\_\_\_  
Full Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ E-Mail/Fax: \_\_\_\_\_

**2. PROPERTY:** "Property" means the following real property in Texas, together with all its improvements and fixtures:

Full Address or Description: \_\_\_\_\_  
 or as described in an attached exhibit.

**3. REGISTRATION:** Cooperating Broker registers \_\_\_\_\_ (Client) with Listing/Principal Broker.  
Listing/Principal Broker represents the owner of the Property (Owner), and Cooperating Broker represents Client.

**4. TERM:** This Agreement begins on \_\_\_\_\_ and ends at 11:59 pm on \_\_\_\_\_.

**5. COOPERATING BROKER'S FEES:**

A. **Fees:** When Earned and Payable, Listing/Principal Broker will pay Cooperating Broker (complete all that apply):  
(1) (Sale) \_\_\_\_\_ % of the sales price or a flat fee of \$ \_\_\_\_\_.  
(2) (Lease) \_\_\_\_\_ % of one full month's rent Client is obligated to pay under the lease or \$ \_\_\_\_\_.  
(3) \_\_\_\_\_

B. **Earned and Payable:** Cooperating Broker's fees are Earned when Client enters into a binding agreement during the Term to buy or lease all or part of the Property at any price. Cooperating Broker's fees are Payable (i) if Cooperating Broker is the procuring cause of the sale or lease and (ii) when a lease is executed or when a sale closes, either during the Term or after it ends. Listing/Principal Broker is not obligated to pay Cooperating Broker any fee if, through no fault of the Listing/Principal Broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the Listing/Principal Broker to collect its fee under the separate agreement with Owner. **Any escrow or closing agent is authorized to pay Cooperating Broker's fee from Listing/Principal Broker's fee at closing.**

C. **Related Parties:** If a related party of Client agrees to purchase or lease all or part of the Property during the Term, Cooperating Broker will be entitled to all compensation under this Agreement as if Client had acquired the Property. "Related party" means any assignee of Client, any family member or relation of Client, any officer, director, or partner of Client, any entity owned or controlled by Client, in whole or part, and any entity that owns or controls Client, in whole or part.

**6. ENTIRE AGREEMENT:** This Agreement is the entire agreement of the parties and may not be changed except by written agreement. This Agreement supersedes any prior agreement between the parties concerning the same subject matter.

\_\_\_\_\_  
Listing/Principal Broker's Printed Name License No.

\_\_\_\_\_  
Listing/Principal Broker's Signature Date  
( or Broker's Associate)

\_\_\_\_\_  
Listing/Principal Broker's Associate's Printed Name License No.

\_\_\_\_\_  
Cooperating Broker's Printed Name License No.

\_\_\_\_\_  
Cooperating Broker's Signature Date  
( or Broker's Associate)

\_\_\_\_\_  
Cooperating Broker's Associate's Printed Name License No.



# REFERRAL AGREEMENT BETWEEN BROKERS

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## 1. PARTIES: The parties to this Agreement are:

Receiving Broker: \_\_\_\_\_ License number: \_\_\_\_\_

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

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Broker's Associate's name: \_\_\_\_\_ License number: \_\_\_\_\_

Referring Broker: \_\_\_\_\_ License number: \_\_\_\_\_

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

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Broker's Associate's name: \_\_\_\_\_ License number: \_\_\_\_\_

## 2. PROSPECT: The Prospect being referred to Receiving Broker is:

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

Contact person: \_\_\_\_\_

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

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Comments/Instructions: \_\_\_\_\_

3. **TERM:** This Agreement begins on \_\_\_\_\_ and ends at 11:59 pm on \_\_\_\_\_.

4. **REFERRING BROKER'S FEE:** If Receiving Broker earns a fee or other payment for services rendered in connection with a real estate transaction involving Prospect during the Term, Referring Broker will be entitled to a referral fee and Receiving Broker will pay Referring Broker's fee in the amount and manner stated below. Referring Broker's fee is payable at the time Receiving Broker receives the Receiving Broker's fee, either during the Term or after it ends, and is payable only from a portion of Receiving Broker's fees. If Receiving Broker's fee is received in multiple installments, Referring Broker's fee will be paid in proportion to the fees received by Receiving Broker under the same schedule as received by Receiving Broker.

### A. Sales:

(1) If Prospect enters into a binding agreement to buy or sell all or part of a property at any price, Receiving Broker will pay Referring Broker a fee equal to:

(a) \_\_\_\_\_ % of Receiving Broker's fee

(b) \_\_\_\_\_ % of the sales price.

(c) \_\_\_\_\_

(2) Any escrow or closing agent may pay Referring Broker's fee from Receiving Broker's fee at closing.

### B. Leases: (the term "lease" includes subleases, assignments of leases, and beneficial terminations of leases)

(1) **Primary Lease:** If Prospect enters into a lease, Receiving Broker will pay Referring Broker a fee equal to:

(a) \_\_\_\_\_ % of Receiving Broker's fee

(b) \_\_\_\_\_ % of the rents upon which Receiving Broker's fee is calculated.

(c) \_\_\_\_\_

(TXR-2405) 06-24-24 Initialed for Identification by Receiving Broker \_\_\_\_\_ and Referring Broker \_\_\_\_\_ Page 1 of 2





# ADDENDUM REGARDING BROKERS' FEES TO CONTRACT CONCERNING THE PROPERTY AT:

(Address of Property)

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**Note:** This addendum should not be used with the Farm and Ranch Contract (TREC 25-15; TXR 1701).

- A. ADDENDUM CONTROLS:** If any part of this addendum conflicts with a provision in the contract, this addendum will control.
- B. FEES:** Cash fees as specified in this addendum will be paid in \_\_\_\_\_ County, Texas.
- C. LISTING BROKER'S FEES:** Seller shall pay Listing Broker the fees specified in a separate written representation agreement between Seller and Listing Broker.
- D. OTHER BROKER'S FEES:** Other Broker's fees will be paid as specified below, and Buyer shall pay any remaining amount due to Other Broker ~~underspecified in~~ a separate written representation agreement between Other Broker and Buyer.

*(Check all that apply)*

- (1) Listing Broker shall pay \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price as contained in a separate written compensation agreement between Listing Broker and Other Broker (such as TXR 2402). *(Specified amount is for informational purposes only and does not change compensation specified in separate written compensation agreements.)*
- (2) Seller shall pay: *(Check one box only)*
  - (a) \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price as contained in a separate written compensation agreement between Seller and Other Broker (such as TXR 2401). *(Specified amount is for informational purposes only and does not change compensation specified in separate written compensation agreements.)*
  - (b) \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price towards Other Broker's fees. *(Note: Use this option only if there is no separate written compensation agreement between Seller and Other Broker. This option creates a new obligation for Seller.)*

**E. INTERMEDIARY BROKER'S FEES:** In addition to any fees Seller has agreed to pay Listing Broker in a separate written representation agreement, Seller shall also pay Listing Broker \$ \_\_\_\_\_ or \_\_\_\_\_ % of sales price. Amounts specified in this Paragraph E shall be applied towards any fees Buyer has agreed to pay Listing Broker in a separate written representation agreement. Buyer shall pay any remaining amount due to Listing Broker specified in a separate written representation agreement. (Use this option only if Listing Broker represents Seller and Buyer as intermediary. This option creates a new obligation for Seller.)

~~Amounts in (1) and (2)(a) are for informational purposes only and do not change compensation listed in separate written compensation agreements. Any amount listed in (2)(b) creates a new obligation for Seller.~~

**E.F. AUTHORIZATION:** Seller and Buyer authorize Escrow Agent to pay Listing and Other Broker at closing in accordance with this addendum or other separate written ~~compensation~~ agreements.

**BROKER FEES ARE NOT SET BY LAW AND ARE FULLY NEGOTIABLE.** This addendum confirms or creates an obligation for the payment of broker fees. CONSULT AN ATTORNEY BEFORE SIGNING. TREC rules prohibit real estate brokers and sales agents from giving legal advice. READ THIS FORM CAREFULLY.

\_\_\_\_\_  
Buyer's Printed Name

\_\_\_\_\_  
Seller's Printed Name

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller's Signature

\_\_\_\_\_  
Date



AMENDMENT TO REPRESENTATION AGREEMENT

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This Amendment modifies Texas REALTORS® real estate representation agreements to comply with certain National Association of REALTORS® Multiple Listing Service policies. This Amendment may be used with the following representation agreements with a version date before 06-24-24: Listing Agreements TXR 1101, TXR 1102, or TXR 1201 and Buyer/Tenant Representation Agreement TXR 1501.

On or about \_\_\_\_\_, Client and Broker entered into a Texas REALTORS® representation agreement.

Effective \_\_\_\_\_, Client and Broker amend the above-referenced representation agreement as follows:

A. For All Representation Agreements

- 1. Broker compensation or the sharing of compensation between brokers is not set by law nor fixed, controlled, recommended, or suggested, by the Association of REALTORS®, MLS, or any listing service. Broker compensation is fully negotiable. Brokers independently determine their fees.

B. For Listing Agreements

- 1. "Client" means the Seller or Landlord concerning the following Property \_\_\_\_\_
- 2. Paragraph 8A includes payment of compensation to the other broker working with a buyer or tenant. Client authorizes Broker to compensate the other broker as indicated in Paragraph 8A.
- 3. Paragraph 8B is deleted. Fees stated in Paragraph 8A are payable regardless of whether the other broker is a participant in the MLS in which the Listing is filed.

C. For Buyer/Tenant Representation Agreements

- 1. Broker is prohibited from receiving compensation for brokerage services from any source that exceeds the amounts stated in the representation agreement.

Broker's Printed Name License No.

Client's Printed Name

Broker's (or [ ] Broker's Associate's) Signature Date

Client's Signature Date

Broker's Associate's Name, if applicable License No.

Client's Printed Name

Client's Signature Date