

**CONTRACT FOR EXCLUSIVE
RIGHT TO REPRESENT BUYER**

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Date _____

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1 _____ (Buyer) gives
2 _____, Buyer's broker

(Real Estate Company Name)

3 (Broker), the exclusive right to locate and/or to assist in negotiations for the purchase, exchange of or option to
4 purchase (Purchase) property at a price and with terms acceptable to Buyer. This Agreement starts on
5 _____, and ends at 11:59 p.m. on _____.

6 This Agreement may be canceled by written mutual agreement of the parties.

7 **BROKER'S OBLIGATION:** Broker shall:

- 8 1. make a reasonable effort to locate property acceptable to Buyer,
- 9 2. use professional knowledge and skills to assist in negotiations for the Purchase of property,
- 10 3. assist Buyer throughout the transaction,
- 11 4. act in Buyer's best interest at all times,
- 12 5. comply with all applicable fair housing and nondiscrimination regulations.

13 **BUYER'S OBLIGATION:** Buyer shall:

- 14 1. work exclusively with Broker for the Purchase of property,
- 15 2. provide Broker with accurate and relevant personal financial information to determine Buyer's ability to Purchase
16 property,
- 17 3. cooperate with Broker in finding a property to Purchase. After a purchase agreement has been accepted by
18 seller, Buyer is legally obligated to Purchase the property. If Buyer refuses to close the Purchase for any reason
19 other than the failure of seller to perform, subject to relevant contingencies, Buyer shall pay Broker all
20 compensation due under this Agreement.

21 **NOTICE: THE COMPENSATION FOR THE PURCHASE, LEASE, RENTAL OR MANAGEMENT OF REAL**
22 **PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S**
23 **CLIENT.**

24 **COMPENSATION:**

25 *(Fill in all blanks.)*

26 Buyer agrees to compensate Broker if Buyer or any other person acting on Buyer's behalf agrees to Purchase any
27 property during the term of this Agreement. Buyer agrees to compensate Broker a broker's administrative
28 commission of \$250.00 upon closing.

- 29 1. Buyer shall pay Broker a retainer fee of \$ _____ when Buyer signs this Agreement. Broker
30 will keep this fee even if Buyer does not Purchase property. The retainer paid shall apply toward satisfaction of
31 Buyer's obligation to compensate Broker.
- 32 2. Buyer shall pay Broker a commission of _____ percent (%) of the purchase price of the property or
33 \$ _____, whichever is greater, when Buyer closes the Purchase, if:
34 A: Buyer Purchases or agrees to Purchase a property before the end of this Agreement, even if Buyer does not
35 use Broker's services; or
36 B: within _____ days (not to exceed six (6) months) after the end of this Agreement, Buyer Purchases property
37 which either Broker or Broker's salesperson has physically shown Buyer or in which Buyer has made an
38 affirmative showing of interest to Broker or Broker's salesperson before the end of this Agreement, as long as
39 Broker has identified this property on a written list Broker gives to Buyer within 72 hours after the end of this
40 Agreement.

41 Broker is authorized to negotiate and receive compensation paid by seller, or broker representing or assisting seller, if
42 Broker tells Buyer in writing before Buyer signs an offer to Purchase the property. Any compensation accepted by
43 Broker from seller, or broker representing or assisting seller, **SHALL** **SHALL NOT** reduce any obligation of
44 _____ (Check one.) _____

44 Buyer to pay the compensation by the amount received by seller or broker.

45 **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND BROKER.**
46 **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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47 Buyer shall not be obligated to compensate Broker if, upon expiration of this Agreement, Buyer has entered into
48 another valid Contract for Exclusive or NonExclusive Right to Represent Buyer, pursuant to which Buyer is obligated
49 to compensate another broker for Purchase of real property.

50 **CAUTION: BUYER'S ACTIONS IN LOCATING A PROPERTY MAY AFFECT PAYMENT OF COMPENSATION BY**
51 **SELLER(S) AND MAY THEREFORE OBLIGATE BUYER TO PAY ALL OR PART OF THE COMPENSATION**
52 **IN CASH AT CLOSING. FOR EXAMPLE: THE ACT OF GOING THROUGH AN OPEN HOUSE**
53 **UNACCOMPANIED BY YOUR BROKER OR BROKER'S SALESPERSON OR SIGNING A PURCHASE**
54 **AGREEMENT THROUGH ANOTHER BROKER OR WITH OWNER (FOR SALE BY OWNER) MAY**
55 **REQUIRE YOUR PAYMENT OF THE FULL COMPENSATION TO YOUR BROKER.**

56 **OTHER POTENTIAL BUYERS:** Broker may represent or work with other potential buyers for the same property before,
57 during and after the expiration of this Agreement. Other potential buyers may consider, make offers or Purchase through
58 Broker the same or similar properties as Buyer is seeking to acquire.

59 **PREVIOUS AGENCY RELATIONSHIPS:** Broker and salesperson may have had a previous agency relationship with
60 a seller of a property Buyer is interested in Purchasing. Buyer acknowledges that Buyer's Broker or salesperson is
61 legally required to keep information regarding the ultimate price and terms the seller would accept and the motivation
62 for selling confidential, if known.

63 **PRIVATE INSPECTION/WARRANTY:** Broker recommends that Buyer obtain a private home inspection to satisfy
64 himself/herself with the physical condition of the property. Furthermore, there are warranty programs available for some
65 properties which warrant the performance of certain components of a property, which warranty programs Buyer may
66 wish to investigate prior to a Purchase of any specific property.

67 **GENERAL NATURE OF PROPERTY:**

68 (including the following property types: existing, new construction or to-be-built):

69 (Check all that apply.)

70 Commercial / Industrial

Farm

Recreation

71 Residential / Investment

Residential / Personal

Vacant Land

72 **CLOSING SERVICES:**

73 **NOTICE:** THE REAL ESTATE BROKER, REAL ESTATE SALESPERSON OR REAL ESTATE CLOSING AGENT
74 HAS NOT EXPRESSED AND, UNDER APPLICABLE STATE LAW, MAY NOT EXPRESS OPINIONS
75 REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.

76 After a purchase agreement for the property is signed, arrangements must be made to close the transaction.

77 Buyer understands that no one can require Buyer to use a particular person in connection with a real estate closing
78 and that Buyer may arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

79 **ADDITIONAL COSTS:** Buyer acknowledges that Buyer may be required to pay certain closing costs, which may
80 effectively increase the cash outlay at closing.

81 My choice for closing services.

82 (Initial one.)

83 _____ Buyer wishes to have Broker arrange for the closing.

(Buyer)

(Buyer)

84 _____ Buyer shall arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

(Buyer)

(Buyer)

85 **OTHER:** _____

86 _____

87 _____

88 _____

89 _____

90 _____

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93 **AGENCY REPRESENTATION:** If the Buyer(s) chooses to purchase a property listed by Broker, a dual agency will be
94 created. This means that Broker will represent both the Buyer(s) and the Seller(s), and owe the same duties to the
95 Seller(s) that Broker owes to the Buyer(s). This conflict of interest will prohibit Broker from advocating exclusively
96 on the Buyer(s) behalf. Dual agency will limit the level of representation Broker can provide. If a dual agency should
97 arise, the Buyer(s) will need to agree that confidential information about price, terms and motivation will still be kept
98 confidential unless the Buyer(s) instructs Broker in writing to disclose specific information about the Buyer(s). All other
99 information will be shared. Broker cannot act as a dual agent unless both the Buyer(s) and the Seller(s) agree to it.
100 By agreeing to a possible dual agency, the Buyer(s) will be giving up the right to exclusive representation in an in-house
101 transaction. However, if the Buyer(s) should decide not to agree to a possible dual agency, and the Buyer(s) wants
102 Broker to represent the Buyer(s), the Buyer(s) may give up the opportunity to purchase the properties listed by
103 Broker.

104 **Buyer's Instructions to Broker:**

- 105 Buyer(s) will agree to a dual agency representation and will consider properties listed by Broker.
106 Buyer(s) will not agree to a dual agency representation and will not consider properties listed by Broker.

107 Real Estate Company Name: _____

108 By: _____ Date: _____
109 (Salesperson)

110 Buyer: _____ Buyer: _____

111

112 **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory
113 offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may
114 be obtained by contacting the local law enforcement offices in the community where the property is located
115 or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site
116 at www.corr.state.mn.us.

117 **ADDITIONAL NOTICES AND TERMS:** If either Buyer or Broker brings an action for enforcement of this Agreement,
118 the prevailing party in such action shall be entitled to recover all costs and expenses including all reasonable attorneys'
119 fees and court costs.

120 **CONSENT FOR COMMUNICATION:** Buyer authorizes Broker and its salespersons to contact Buyer by mail,
121 phone, fax, e-mail or other means of communication during the term of this Agreement and any time thereafter.

122 _____
(Real Estate Company Name) (Buyer) (Date)

123 (By) _____ (Date) (Buyer) (Date)
(Licensee)

124 _____
(Address) (Address)

125 _____
126 (Phone) (Phone)

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MN:CERB-3 (8/07)