



**ILLINOIS ASSOCIATION OF REALTORS®
EXCLUSIVE BUYER REPRESENTATION/EXCLUSIVE RIGHT TO PURCHASE CONTRACT
(DUAL AGENCY DISCLOSURE AND CONSENT INCLUDED)**



In consideration of _____'s (Brokerage Company hereinafter referred to as "Broker") agreement to designate a sales associate affiliated with Broker to act as an agent of the Buyer for the purpose of identifying and negotiating to acquire real estate for _____ ("Buyer"), the Buyer hereby grants to Broker the relationship as marked in Section 1 of the Contract.

SECTION 1: TYPE OF REPRESENTATION

(Instruction: check the box next to desired choice):

— **Exclusive Representation.** Buyer understands that this exclusive right to represent Buyer (Exclusive Representation) means that if the Buyer makes an acquisition of property, whether through the efforts of Broker and his agents or through the efforts of another real estate office or agent, Buyer will be obligated to compensate Broker pursuant to Section 8 of this Contract. This Exclusive Agency shall be effective for the following area: _____.
The term "acquisition" shall include the purchase, lease, exchange or option of real estate.

— **Exclusive Right to Acquire.** Buyer understands that this "exclusive right to purchase" means that if Buyer acquires any property, whether through the efforts of the Buyer, Broker and his agents, another real estate agency besides Broker's, or other third party, Buyer will be obligated to compensate Broker pursuant to Section 8 of this Contract. This exclusive right to acquire shall be effective for the following area: _____ "Acquisition" shall include the purchase, lease, exchange or option of real estate.

Broker designates and Buyer accepts _____ ("Buyer's Designated Agent") as the legal agent(s) of Buyer for the purpose of representing Buyer in the acquisition of real estate by Buyer. Buyer understands and agrees that neither Broker nor any other sales associates affiliated with Broker (except as provided for herein) will be acting as legal agent of the Buyer. Broker shall have the discretion to appoint a substitute designated agent for Buyer as Broker determines necessary. Buyer shall be advised within a reasonable time of any such substitution.

SECTION 2: TERM

This Contract shall be effective until 11:59 p.m. on _____, 2____, when it shall then terminate. This Contract is irrevocable and can be terminated prior to the termination date only by written agreement of the parties. If within _____ days after the termination of this Contract (i.e. the protection period), Buyer purchases any property to which Buyer was introduced by Buyer's Designated Agent, then Buyer agrees to pay Broker the compensation provided for in Section 8. However, no compensation will be due to Broker if, during this protection period, Buyer enters into a separate buyer representation agreement with another broker.

SECTION 3: BUYER'S DESIGNATED AGENT'S DUTIES

- (a) To use Buyer's Designated Agent's best efforts to identify properties listed in the multiple listing service that meet the Buyer's specifications relating to location, price, features and amenities, as identified on the attached Buyer's Information Checklist.
- (b) To arrange for inspections of properties identified by the Buyer as potentially appropriate for acquisition.
- (c) To advise Buyer as to the pricing of comparable properties.
- (d) To assist Buyer in the negotiation of a contract acceptable to the Buyer for the acquisition of property.
- (e) To provide reasonable safeguards for confidential information that the Buyer discloses to Buyer's Designated Agent.
- (f) Other services: _____

SECTION 4: BROKER'S DUTIES

- (a) To provide through Buyer's Designated Agent, those brokerage services set forth in Section 15-75 of the Illinois Real Estate License Act of 2000.
- (b) To provide Buyer's Designated Agent with assistance and advice as necessary in Buyer's Designated Agent's work on Buyer's behalf.
- (c) To make the managing Broker, or his /her designated representative, available to consult with Buyer's Designated Agent as to Buyer's negotiations for the acquisition of real estate, who will maintain the confidence of Buyer's confidential information.
- (d) To make other sales associates affiliated with Broker aware of Buyer's general specifications for real property.
- (e) As needed, to designate one or more sales associates as Designated Agents of Buyer.

SECTION 5: BUYER'S DUTIES

- (a) To complete the Buyer's checklist which will provide Buyer's specifications for the real estate Buyer is seeking.
- (b) To work exclusively with Buyer's Designated Agent to identify and acquire real estate during the time that this Contract is in force.
- (c) To supply relevant financial information that may be necessary to permit Buyer's Designated Agent to fulfill Agent's obligations under this Contract.
- (d) To be available upon reasonable notice and at reasonable hours to inspect properties that seem to meet Buyer's specifications.
- (e) To pay Broker according to the terms specified in Section 8 of this Contract.

SECTION 6: REPRESENTING OTHER BUYER

Buyer understands that Buyer's Designated Agent has no duty to represent only Buyer, and that Buyer's Designated Agent may represent other prospective buyers who may be interested in acquiring the same property or properties that Buyer is interested in acquiring.

SECTION 7: DISCLOSURE AND CONSENT TO DUAL AGENCY

NOTE TO CONSUMER: THIS SECTION SERVES THREE PURPOSES. FIRST, IT DISCLOSES THAT A REAL ESTATE LICENSEE MAY POTENTIALLY ACT AS A DUAL AGENT, THAT IS, REPRESENT MORE THAN ONE PARTY TO THE TRANSACTION. SECOND, THIS SECTION EXPLAINS THE CONCEPT OF DUAL AGENCY. THIRD, THIS SECTION SEEKS YOUR CONSENT TO ALLOW THE REAL ESTATE LICENSEE TO ACT AS A DUAL AGENT. A LICENSEE MAY LEGALLY ACT AS A DUAL AGENT ONLY WITH YOUR CONSENT. BY CHOOSING TO SIGN THIS SECTION, YOUR CONSENT TO DUAL AGENCY REPRESENTATION IS PRESUMED.

The undersigned _____, (“Licensee”/”Buyer’s
(insert name(s) of licensee

Designated Agent”) may undertake a dual representation (represent both the seller or landlord and the buyer or tenant) for the sale or lease of property. The undersigned acknowledge they were informed of the possibility of this type of representation. Before signing this document please read the following:

Representing more than one party to a transaction presents a conflict of interest since both clients may rely upon Licensee’s advice and the client’s respective interests may be adverse to each other. Licensee will undertake this representation only with the written consent of ALL clients in the transaction.

Any agreement between the clients as to a final contract price and other terms is a result of negotiations between the clients acting in their own best interests and on their own behalf. You acknowledge that Licensee has explained the implications of dual representation, including the risks involved, and understand that you have been advised to seek independent advice from your advisors or attorneys before signing any documents in this transaction.

WHAT A LICENSEE CAN DO FOR CLIENTS WHEN ACTING AS A DUAL AGENT

- 1. Treat all clients honestly.
- 2. Provide information about the property to the buyer or tenant.
- 3. Disclose all latent material defects in the property that are known to the Licensee.
- 4. Disclose financial qualification of the buyer or tenant to the seller or landlord.
- 5. Explain real estate terms.
- 6. Help the buyer or tenant to arrange for property inspections.
- 7. Explain closing costs and procedures.
- 8. Help the buyer compare financing alternatives.
- 9. Provide information about comparable properties that have sold so both clients may make educated decisions on what price to accept or offer.

WHAT LICENSEE CANNOT DISCLOSE TO CLIENTS WHEN ACTING AS A DUAL AGENT

- 1. Confidential information that Licensee may know about a client, without that client’s permission.
- 2. The price or terms the seller or landlord will take other than the listing price without permission of the seller or landlord.
- 3. The price or terms the buyer or tenant is willing to pay without permission of the buyer or tenant.
- 4. A recommended or suggested price or terms the buyer or tenant should offer.
- 5. A recommended or suggested price or terms the seller or landlord should counter with or accept.

If either client is uncomfortable with this disclosure and dual representation, please let Licensee know. You are not required to sign this section unless you want to allow the Licensee to proceed as a Dual Agent in this transaction.

By initialing here and signing below, you acknowledge that you have read and understand this form and voluntarily consent to the Licensee acting as a Dual Agent (that is, to represent BOTH the seller or landlord and the buyer or tenant) should that become necessary.

Buyer’s initials

Buyer’s initials

Date

SECTION 8: COMPENSATION

Broker and Buyer expect that Broker’s commission will be paid by the seller or seller’s broker for Broker’s acting as a cooperating agent. However, if Broker is not compensated by seller or seller’s broker, or if the amount of compensation paid by seller or seller’s broker is not at least _____% of the purchase price, then Buyer agrees to pay Broker the difference between _____% of the purchase price and what seller or seller’s broker actually paid. This Section applies if the Buyer enters into a contract to acquire real estate during the term of this Contract or the protection period, and such contract results in a closed transaction. Any modification to this Section, including the commission to be paid to Broker, shall be by a separate written agreement to this Contract.

SECTION 9: PREVIOUS REPRESENTATION

Buyer understands that Broker and/or Designated Agent may have previously represented the seller from whom you wish to purchase property. During that representation, Broker and/or Designated Agent may have learned material information about the seller that is considered confidential. Under the law, neither Broker nor Designated Agent may disclose any such confidential information to you.

SECTION 10: FAILURE TO CLOSE

If a seller or lessor in an agreement made on behalf of Buyer fails to close such agreement, with no fault on the part of Buyer, the Buyer shall have no obligation to pay the commission provided for in Section 8. If such transaction fails to close because of any fault on the part of Buyer, such commission will not be waived, but will be due and payable immediately. In no case shall Broker or Buyer’s Designated Agent be obligated to advance funds for the benefit of Buyer in order to complete a closing.

SECTION 11: DISCLAIMER

The Buyer acknowledges that Broker and Buyer's Designated Agent are being retained solely as real estate professionals, and not as attorneys, tax advisors, surveyors, structural engineers, home inspectors, environmental consultants, architects, contractors, or other professional service providers. The Buyer understands that such other professional service providers are available to render advice or services to the Buyer, if desired, at Buyer's expense.

SECTION 12: COSTS OF THIRD PARTY SERVICES OR PRODUCTS

Buyer agrees to reimburse Broker the cost of any products or services such as surveys, soil tests, title reports and engineering studies, furnished by outside sources immediately when payment is due.

SECTION 13: INDEMNIFICATION OF BROKER

Buyer agrees to indemnify Broker and Buyer's Designated Agent and to hold Broker and Buyer's Designated Agent harmless on account of any and all loss, damage, cost or expense, including attorneys' fees incurred by Broker or Buyer's Designated Agent, arising out of this Contract, or the collection of fees or commission due Broker pursuant to the terms and conditions of this Contract, provided the loss damage, cost, expense or attorneys' fees do not result because of Broker's or Buyer's Designated Agent's own negligence or willful and wanton misconduct.

SECTION 14: ASSIGNMENT BY BUYERS

No assignment of Buyer's interest under this Contract and no assignment of rights in real property obtained for Buyer pursuant to this Contract shall operate to defeat any of Broker's rights under this exclusive representation contract.

SECTION 15: NONDISCRIMINATION

THE PARTIES UNDERSTAND AND AGREE THAT IT IS ILLEGAL FOR EITHER OF THE PARTIES TO REFUSE TO DISPLAY OR SELL SELLER'S PROPERTY TO ANY PERSON ON THE BASIS OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, ANCESTRY, AGE, ORDER OF PROTECTION STATUS, MARITAL STATUS, PHYSICAL OR MENTAL HANDICAP, MILITARY STATUS, SEXUAL ORIENTATION, UNFAVORABLE DISCHARGE FROM MILITARY SERVICE, FAMILIAL STATUS OR ANY OTHER CLASS PROTECTED BY ARTICLE 3 OF THE ILLINOIS HUMAN RIGHTS ACT. THE PARTIES AGREE TO COMPLY WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL FAIR HOUSING LAWS.

SECTION 16: MODIFICATION OF THIS CONTRACT

No modification of any of the terms of this Contract shall be valid and binding upon the parties or entitled to enforcement unless such modification has first been reduced to writing and signed by the parties.

SECTION 17: ENTIRE AGREEMENT

This Contract constitutes the entire agreement between the parties relating to the subject thereof, and any prior agreements pertaining hereto, whether oral or written have been merged and integrated into this Contract.

This Contract may be executed in multiple copies and my signature as Buyer hereon acknowledges that I have received a signed copy.

Buyer

Buyer

Buyer's Address: _____

Date: _____

Accepted by:

_____, Broker

BY: _____ DATE: _____

Buyer's Designated Agent

PHONE: _____ OFFICE: _____