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CHICAGO ASSOCIATION OF REALTORS® EXCLUSIVE BUYER - BROKER AGREEMENT Rev. 01/2012



1. BROKER. This Exclusive Buyer-Broker Agreement ("Agreement") is entered into by and between _

("*Broker*") and _

("Buyer").

3 Broker agrees to appoint a sales associate affiliated with Broker to act as the Buyer's designated agent ("Buyer's Designated Agent") for the purpose of assisting Buyer in identifying and negotiating the acquisition of residential real estate ("Property") and Buyer agrees to grant Buyer's Designated Agent the exclusive right ("Exclusive Right") to represent Buyer in such acquisition per the terms and conditions set forth $\mathbf{5}$ $\mathbf{6}$ in this Agreement. The terms "acquire" or "acquisition" shall mean the purchase (title transfer or Articles of Agreement for deed), lease, 7 exchange, or contract for the option to purchase Property by Buyer or anyone acting on Buyer's behalf.

8 2. TERM. Broker's Exclusive Right shall extend from the Effective Date, as set forth on page 3 ("Commencement Date"), until 11:59 9 P.M. on ____, 20____, at which time this Agreement shall automatically terminate ("Termination Date").

COMPENSATION. Broker shall seek to be paid a commission from the listing broker under a cooperative brokerage arrangement 10 3. 11 or from the seller if there is no listing broker. In the event that the seller or listing broker does not pay Broker a commission, then 12Buyer shall pay Broker at the time of closing, compensation equal to _____% [percent] of the purchase price of the Property which Buyer acquires during the Term of this Agreement ("Acquisition Commission"), whether or not the Property has been 1314identified by Broker to Buyer. If Buyer leases Property or enters into a lease/purchase contract during this Agreement, and the landlord 15does not agree to pay Broker a leasing commission, then Buyer shall pay to Broker for the duration of the lease, including all renewals and extensions, a commission of _____% [percent] of the yearly lease amount OR a \$_____ flat fee commission (strike one) ("Rental 1617Commission"). The Rental Commission and the Acquisition Commission are together referred to as "Compensation". Furthermore, if 18Buyer acquires (or enters into an agreement to acquire) Property that was identified to Buyer by Broker during the Term of this Agreement 19_ days / months (strike one) following the Termination Date ("Compensation Deadline"), then Buyer shall pay Broker at within 20closing or upon the commencement of any lease, as the case may be, the Compensation set forth above. If Buyer enters into an agreement to 21acquire Property and the closing does not occur because of any fault on the part of Buyer, then Broker shall still be entitled to the 22Compensation set forth above. In no event shall Broker be obligated to advance funds to Buyer to facilitate the closing of any acquisition. 23(strike the following sentence if NOT applicable) Buyer shall pay Broker's Designated Agent a non-refundable retainer fee of 24\$_____ which shall be due and payable to, and shall be considered earned by, Broker upon signing this Agreement. Buyer's 25obligations under this Paragraph 3 shall survive the termination of this Agreement.

26MINIMUM SERVICES. Pursuant to the Real Estate License Act of 2000, as amended, Broker must provide, at a minimum, the 4. 27following services: (a) accept delivery of and present to the Buyer offers and counteroffers to sell or lease any Property that Buyer seeks to 28acquire; (b) assist the Buyer in developing, communicating, negotiating and presenting offers, counteroffers and notices that relate to the 29offers and counteroffers until a lease or agreement for the acquisition of the Property is signed and all contingencies have been satisfied or 30 waived; and (c) answer the Buyer's questions relating to the offers, counteroffers, notices and contingencies.

BUYER'S DESIGNATED AGENT. Broker and Buyer agree that (a) _ 315.

32sponsored licensee of Broker, is Broker's Designated Agent under this Agreement with Broker, and (b) neither Broker nor other sponsored 33 licensees of Broker will be acting as agent for Buyer. Buyer understands and agrees that Broker and any of Broker's other sponsored licensees may enter into agreements with other prospective purchasers and sellers of Property as agents of those purchasers and sellers. 34

35BUYER'S DESIGNATED AGENT'S DUTIES. Buyer's Designated Agent shall: (a) use best efforts to identify Properties 6. 36 available for acquisition that meet the Buyer's specifications relating to location, purchase price, features and amenities; (b) arrange, to the 37 extent available, inspections of Properties identified by Buyer as potentially appropriate for acquisition; (c) negotiate a contract acceptable to 38 Buyer for the acquisition of Property; (d) safeguard and protect any confidential or proprietary information that Buyer discloses to Buyer's 39Designated Agent; (e) disclose to Buyer any information known to Buyer's Designated Agent that would materially affect Buyer's decision to 40acquire the Property; and (f) assist Buyer, once a contract for acquisition is signed, in securing financing or other commitments or services as 41may be necessary to close the transaction.

7. LIMITATIONS ON BUYER'S DESIGNATED AGENT'S DUTIES. Buyer acknowledges and agrees that Broker's Designated 4243Agent: (a) may enter into exclusive brokerage relationships with other buyers of Property and may show the same or similar Properties in which Buyer is interested to other prospective buyers that Buyer's Designated Agent represents; (b) is not an expert with regard to matters 4445which could have been revealed through a survey, title search or inspection of the Property; the condition of Property or items within the Property; building products and construction techniques; the necessity or cost of any repairs to the Property; hazardous or toxic materials; 46 47termites and other wood destroying organisms; the tax and legal consequences of any acquisition; the availability and cost of utilities and 48community amenities; appraised or future value of the Property (or matters relating to financing for which Buyer is hereby advised to seek 49independent expert advice); and conditions off the Property which may affect the Property; (c) is not responsible for the accuracy of room 50dimensions, lot size, square feet, variances, zoning or use restrictions which may or may not be reflected in the Multiple Listing Service ("MLS") or other sources; (d) shall owe no duties to Buyer nor have any authority on behalf of buyer other than what is set forth in the 5152Agreement; (e) may make disclosures as required by law; (f) may show Buyer Property which is listed in the MLS by Broker or Broker's 53Designated Agent; and (g) IS NOT OBLIGATED TO SHOW PROPERTIES THAT ARE FOR SALE BUT NOT IN THE MLS IN WHICH BROKER OR BUYER'S DESIGNATED AGENT PARTICIPATE, UNLESS REQUESTED TO DO SO BY BUYER IN WRITING, AND THE 54PROPERTY IS AVAILABLE FOR SHOWING BY BUYER'S DESIGNATED AGENT. 55

568. BUYER'S DUTIES. Buyer must (a) work EXCLUSIVELY with Buyer's Designated Agent to identify and acquire Property during the Term of this Agreement; (b) comply with reasonable requests of Buyer's Designated Agent to supply relevant financial information that 5758may be necessary to permit Buyer's Designated Agent to fulfill its obligations under this Agreement; (c) be available upon reasonable notice

Buyer Initials: Buyer Initials:

Broker Initials: _____ Broker Initials:_

and at reasonable hours to inspect Properties that are potentially appropriate for acquisition by Buyer; (d) identify to Buyer's Designated Agent those specific Properties not in the MLS that Buyer would want to inspect; (e) otherwise cooperate with Buyer's Designated Agent in its efforts to fulfill its obligations under this Agreement; and (f) pay Broker, or cause seller's listing broker or seller to pay Broker, the Compensation set forth in Paragraph 3 of this Agreement.

9. <u>DISCLAIMER</u>. Buyer acknowledges and agrees that Broker and Buyer's Designated Agent are being retained solely as real estate
 professionals and NOT as attorney, tax advisor, surveyor, structural engineer, home inspector, environmental consultant, architect,
 contractor, or other professional service advisor. Buyer understands and agrees that such other professional service providers are available to
 render advice or services to Buyer, if desired, at Buyer's expense.

10. **INDEMNIFICATION OF BROKER**. Buyer hereby indemnifies and holds Broker and Buyer's Designated Agent harmless from and against any and all claims, disputes, litigation, judgments, costs, and legal fees arising from (i) misrepresentations by Buyer or other incorrect or incomplete information supplied by Buyer; (ii) earnest money handled by anyone other than Broker; and (iii) injuries to persons on the Property and/or loss or damage to the Property or any portions of the Property.

11. **ARBITRATION.** Any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, shall be settled by arbitration in accordance with the rules of the Chicago Association of REALTORS, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

12. <u>LIMITATION ON BROKER'S LIABILITY</u>. Neither Broker nor Buyer's Designated Agent shall, under any circumstances, have any liability pursuant to this Agreement which is greater than the amount of the Compensation paid to Broker by Buyer or seller's listing broker or seller, as the case may be (and excluding any commission amount retained by the listing broker, if any).

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 13.
 REAL ESTATE SETTLEMENT PROCEDURES ACT COMPLIANCE.
 Buyer shall comply with the Real Estate Settlement

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 Procedures Act of 1974, as amended ("Act"), if applicable, and furnish all information required for compliance with the Act.

14. <u>DUAL REPRESENTATION</u>. By checking "yes" and writing its initials below, Buyer acknowledges and agrees that Buyer's Designated Agent ("*Licensee*") may undertake a dual representation (represent both seller and buyer or landlord and tenant, as the case may be) in connection with any acquisition of Property. Buyer acknowledges and agrees that Buyer has read the following prior to executing this Agreement:

83 Representing more than one party to a transaction presents a conflict of interest since both parties may rely upon the Licensee's 84 advice and the parties' respective interests may be adverse to each other. The Licensee will undertake the representation of more 85than one party to a transaction only with the written consent of ALL parties to the transaction. Any parties who consent to dual 86 representation expressly agree that any agreement between the parties as to any terms of the contract, including the final contract 87 price, results from each party negotiating on its own behalf and in its own best interest. Buyer acknowledges and agrees that (a) 88 Broker has explained the implications of dual representation, including the risks involved, and (b) Buyer has been advised to seek 89 independent counsel from its advisors and/or attorneys prior to executing this Agreement or any documents in connection with this 90Agreement.

91 WHAT A LICENSEE <u>CAN</u> DO FOR CLIENTS WHEN UNDERTAKING DUAL REPRESENTATION:

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

97 WHAT A LICENSEE <u>CANNOT</u> DO FOR CLIENTS WHEN UNDERTAKING DUAL REPRESENTATION:

Disclose confidential information that the Licensee may know about either client without that client's express consent.
Disclose the price the seller or landlord will take other than the listing price without the express consent of the seller or landlord.
Disclose the price the purchaser or tenant is willing to pay without the express consent of the purchaser or tenant.
Recommend or suggest a price the Buyer should offer.
Recommend or suggest a price the seller or landlord should counter with or accept.

Buyer acknowledges having read these provisions regarding the issue of dual representation. Buyer is not required to accept this Paragraph 14 unless Buyer wants to allow the Licensee to proceed as a dual agent ("*Dual Agent*") in this transaction. By checking "yes", initialing below, and signing this Agreement, Buyer acknowledges that it has read and understands this Paragraph 14 and voluntarily consents to the Licensee acting as a Dual Agent (that is, to represent **BOTH** the seller and purchaser or landlord and tenant, as the case may be) should it become necessary. (check one) Yes No (Buyer initials) (Buyer initials).

10815.NONDISCRIMINATION.BROKER, ITS AGENTS AND EMPLOYEES AND BUYER'S DESIGNATED AGENT SHALL109NOT ACT IN ANY WAY TO INDUCE OR DISCOURAGE BUYER FROM ACQUIRING A PARTICULAR PROPERTY BASED ON110THE RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, ANCESTRY, AGE, MARITAL STATUS, PHYSICAL OR MENTAL111HANDICAP OR FAMILIAL STATUS (OR ANY OTHER CLASS PROTECTED BY ARTICLE 3 OF THE ILLINOIS HUMAN112RIGHTS ACT) OF THE SELLER AND/OR BUYER. THE PARTIES TO THIS AGREEMENT AGREE TO COMPLY WITH ALL113APPLICABLE FEDERAL, STATE AND LOCAL FAIR HOUSING LAWS.

Buyer Initials:__

Buyer Initials:___

Broker Initials:

Broker Initials:

114 16. <u>MISCELLANEOUS PROVISIONS</u>.

- 115A.Amendments. No amendment or alteration of this Agreement shall be valid or binding unless made in writing and signed by116the Broker, Buyer's Designated Agent and Buyer.
- 117B.Gender Neutral.Where applicable in this Agreement, the singular form of any word shall include the plural and the118masculine form shall include the feminine and neuter, and vice versa.
 - C. <u>Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties.
 - D. <u>Days</u>. Any reference in this Agreement to "day" or "days" shall mean business days, not calendar days, including Monday, Tuesday, Wednesday, Thursday, and Friday, and excluding all official federal and state holidays.

123 BUYER INFORMATION:

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BROKER INFORMATION:

124	Buyer's Signature:	Managing Broker's Signature:	
125	Buyer's Signature:	Date:	("Effective Date")
126	Date:		

127	Buyer's Name (print):	Brokerage Company Name (print):	
128	Address:	Office Address:	
129	City:	City: State: Zip:	
130	Office Phone:	Office Phone:	
131	Home Phone:	Office MLS Identification Number:	
132	Cell Phone:	Office Fax Number:	
133	Fax:	Email Address:	

134	Buyer's Name (print):	Designated Agent Name (print):
135	Address:	Designated Agent MLS Identification Number:
136	City: State: Zip:	
137	Office Phone:	
138	Home Phone:	Agent Direct Line:
139	Cell Phone:	Agent Cell Phone:
140	Fax:	Agent Fax Number:
141	Email Address:	

Broker Initials: