

BUSINESS RELATIONSHIP BETWEEN BROKER AND BUYER

BR

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

1 **BROKER (Company)** _____ 1
2 **LICENSEE(S)** _____ 2

3 *Note: The terms "buyer," "seller," and "buy" also will be construed to mean "tenant," "landlord," and "rent," respectively, throughout this agreement.* 3

BUSINESS RELATIONSHIP AS DESCRIBED IN THE CONSUMER NOTICE

4 **Does Buyer have a business relationship with another broker?** Yes No 4
5

6 **If yes, explain:** _____ 6

7 **Broker and Buyer agree to the following business relationship as allowed by Broker's Company policy:** 7

- 8 **SELLER AGENT** (for properties listed with Broker)/**SUBAGENT FOR SELLER** (for properties listed with other companies). 8
- 9 **TRANSACTION LICENSEE** (for properties not listed with Broker; however, if property is listed under an agency contract 9 with Broker, Broker is a Seller's Agent).
- 10 **BUYER AGENT** (for properties listed with Broker and other companies, and for properties not listed with any broker) Broker 10 will be Buyer's Agent under the terms agreed to in the Buyer Agency Contract below. 11

EXCLUSIVE BUYER AGENCY CONTRACT

1. TERM

- 15 (A) No Association of REALTORS® has set or recommended the term of this contract. Broker and Buyer have discussed and 15 agreed upon the length or term of this Contract. 16
- 17 (B) **This Contract applies to any property that Buyer chooses to buy during the term of this Contract. Buyer will not 17 enter into a Buyer Agency Contract with another broker/licensee that begins before the Ending Date of this Contract. 18 Starting Date:** This Contract starts when signed by Buyer and Broker, unless otherwise stated here: _____ 19

20 **Ending Date:** This Contract ends _____ 21

- 22 (C) If Buyer is negotiating or has entered into an Agreement of Sale, this Contract ends upon settlement. 22
- 23 (D) If Buyer is negotiating or has signed a lease, this Contract ends upon possession. 23

24 **2. BROKER'S FEE** No Association of REALTORS® has set or recommended the Broker's fee. Broker and Buyer have nego- 24 tiated the fee Broker will receive for performing real estate services for Buyer. 25

- 26 (A) It is Broker's policy to accept compensation offered by the listing broker and/or the seller. Broker may be paid a fee that 26 is a percentage of the purchase price (or in the case of a lease, a percentage of the total amount of rent due over the term 27 of the lease). Even though Broker's Fee, or a portion of it, may be paid by a seller or listing broker, Broker will contin- 28 ue to represent the interests of Buyer. 29
- 30 (B) 1. If the amount received in paragraph 2(A) from a **listing broker** is less than _____, then Buyer will 30 pay Broker the difference or include it as a term in the Agreement of Sale for the seller to pay. 31
- 32 2. If the amount received in paragraph 2(A) from a **seller not represented by a broker** is less than 32 _____, then Buyer will pay Broker the difference or include it as a term in the Agreement 33 of Sale for the seller to pay. 34
- 35 (C) In addition to any amounts paid to Broker in subparagraphs 2(A) and/or 2(B), Buyer will pay Broker an additional 35 amount of _____ as part of Broker's fee. 36
- 37 (D) 1. **Broker's Fee is earned if Buyer enters into a sale or lease agreement during the term of this Contract, 37 whether brought about by Broker, Broker's agents or by any other person, including Buyer.** 38
- 39 2. If Buyer enters into a sale/lease agreement for a property after the Ending Date of this Contract, Buyer will pay 39 Broker's Fee: 40
 - 41 (a) if the sale/lease is a result of Broker's actions during the term of this Contract, OR 41
 - 42 (b) if the property was seen during the term of this Contract, AND 42
 - 43 (c) Buyer is not under an exclusive buyer agency contract with another broker at the time Buyer enters into a 43 sale/lease agreement. 44

45 **3. DUAL AGENCY** Buyer agrees that Broker may also represent the seller of the property that Buyer might buy. The Broker is 45 a DUAL AGENT when representing both the seller and the buyer in the sale of a property. 46

47 **4. DESIGNATED AGENCY**

- 48 **Not Applicable.** 48
- 49 **Applicable.** Broker may designate licensees to represent the separate interests of Buyer and the seller. Licensee (iden- 49 tified above) is the Designated Agent, who will act exclusively as the Buyer Agent. If Licensee is also the Seller Agent, 50 then Licensee is a DUAL AGENT. 51

52 **5. CONFLICT OF INTEREST** A *conflict of interest* is when Broker or Licensee has financial or personal interest in the prop- 52 erty where Broker or Licensee cannot put Buyer's interest before any other. If Broker, or any of Broker's licensees, has a *con-* 53 *flict of interest*, Broker will notify Buyer in a timely manner. 54

55 **Buyer Initials:** _____

BR Page 1 of 2

Broker/Licensee Initials: _____ 55

56 **6. BROKER'S RELATIONSHIP WITH SELLER** 56

57 (A) Buyer understands that, if Broker is also working as a Seller Agent/Subagent for Seller or Transaction Licensee, Broker may 57

58 receive a fee from the seller. As a Seller Agent/Subagent for Seller or a Transaction Licensee, Broker may not charge any 58

59 fee to Buyer without a signed written agreement. 59

60 (B) Broker may provide services to a seller for which Broker may accept a fee. Such services may include, but are not limited to 60

61 to, listing property for sale; deed/document preparation; ordering certifications required for closing; financial services; title 61

62 transfer and preparation services; ordering insurance, construction, repair, or inspection services. Broker will disclose to 62

63 Buyer if any fees are to be paid by the seller. 63

64 **7. OTHER BUYERS** Licensee may show or present the same properties to other buyers. 64

65 **8. TRANSFER OF THIS CONTRACT** Buyer agrees that Broker may transfer this Contract to another broker. Broker will noti- 65

66 fy Buyer immediately in writing if Broker transfers this Contract to another broker. 66

67 **9. CONFIDENTIALITY** Buyer understands that sellers or sellers' representatives might not treat the existence, terms or conditions 67

68 of any offer as confidential unless there is a confidentiality agreement between Buyer and the seller. 68

69 **10. DEPOSIT MONEY** 69

70 (A) Broker will keep (or will give to the listing broker, who will keep) all deposit monies that Broker/Licensee receives in an escrow 70

71 account as required by the real estate licensing laws and regulations until the sale is completed or the agreement of sale is ended. Buyer 71

72 agrees that Broker may wait to deposit any uncashed check that is received as deposit money until Buyer's offer has been accepted. 72

73 (B) If an agreement of sale is ended and there is a dispute over whether the buyer or seller should get the deposit monies, a bro- 73

74 ker is not legally permitted to decide which party should get the deposit monies. A broker holding the deposit monies is 74

75 required by the Rules and Regulations of the State Real Estate Commission to retain the monies in escrow until the dispute 75

76 is resolved by the parties. If a lawsuit is filed, a broker will distribute the monies according to the terms of a final order of 76

77 court or a written agreement of the parties. If Buyer joins Broker or Licensee in a lawsuit for the return of deposit monies, 77

78 Buyer will pay Broker's and Licensee's attorneys' fees and costs. 78

79 **11. BUYER INSPECTIONS** 79

80 (A) Unless Buyer and the seller agree otherwise, real estate is sold in its present condition. It is Buyer's responsibility to deter- 80

81 mine whether the condition of the property is satisfactory. Buyer may request that the property be inspected, at Buyer's 81

82 expense, by qualified professionals to determine the condition of the structure or its components. Areas of concern may 82

83 include, but are not limited to: electrical; plumbing; heating, ventilating and air conditioning; appliances and fixtures; water 83

84 infiltration; basement; roof; boundaries; asbestos, mold and indoor air quality, carbon monoxide, radon, and environmental 84

85 hazards or substances; wood-destroying insect infestation; on-site water service and/or sewage system; and lead-based paint. 85

86 Buyer's request for any inspection should be made to Broker before entering into an Agreement of Sale or lease. 86

87 (B) Buyer is advised that information regarding properties considered for purchase by Buyer has been provided by the seller or 87

88 seller's broker. Such information may include, but is not limited to, the information on the Seller's Property Disclosure 88

89 Statement, including environmental conditions; MLS information, including information regarding restrictions, taxes, 89

90 assessments, association fees, zoning restrictions, dimensions, boundaries (if identified); and marketing information. Unless 90

91 otherwise noted, Broker has not verified the accuracy of this information, and Buyer is advised to investigate its accuracy. 91

92 **12. OTHER** 92

93 _____ 93

94 _____ 94

95 **Buyer has read and received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code §35.336 and** 95

96 **the Notices to Buyers in this agreement. Pennsylvania law requires that a business relationship between Broker and Buyer be** 96

97 **in writing.** 97

98 **This is the entire agreement between Broker and Buyer. Any verbal or written agreements that were made before are not a** 98

99 **part of this agreement. Any changes or additions to this agreement must be in writing and signed by the Broker and Buyer.** 99

100 **Return by facsimile (FAX) transmission constitutes acceptance of this agreement.** 100

101 **NOTICE BEFORE SIGNING: IF BUYER HAS LEGAL QUESTIONS, BUYER IS ADVISED TO CONSULT AN ATTORNEY.** 101

102 **Buyer gives permission for Broker to send information about this transaction to the fax number(s) and/or e-mail address(es)** 102

103 **listed below.** 103

104 **BUYER'S MAILING ADDRESS:** _____ 104

105 _____ 105

106 **PHONE:** _____ **FAX:** _____ **E-MAIL:** _____ 106

107 **BUYER** _____ **DATE** _____ 107

108 **BUYER** _____ **DATE** _____ 108

109 **BUYER** _____ **DATE** _____ 109

110 **BROKER (Company Name)** _____ 110

111 **ACCEPTED BY** _____ **DATE** _____ 111

NOTICES TO BUYERS

CIVIL RIGHTS ACTS Federal and state laws make it illegal for a seller, broker, or anyone to use RACE, COLOR, RELIGION or RELIGIOUS CREED, SEX, DISABILITY (physical or mental), FAMILIAL STATUS (children under 18 years of age), AGE (40 or older), NATIONAL ORIGIN, USE OR HANDLING/TRAINING OF SUPPORT OR GUIDE ANIMALS, or the FACT OF RELATIONSHIP OR ASSOCIATION TO AN INDIVIDUAL KNOWN TO HAVE A DISABILITY as reasons for refusing to sell, show, or rent properties, loan money, or set deposit amounts, or as reasons for any decision relating to the sale or rental of property.

EXPERTISE OF REAL ESTATE AGENTS Pennsylvania real estate agents are required to be licensed by the Commonwealth of Pennsylvania and are obligated to disclose adverse factors about a property that are reasonably apparent to someone with expertise in the marketing of real property.

- (A) If Buyer wants information regarding specific conditions or components of the property which are outside the Agent's expertise, Buyer is encouraged to seek the advice of an appropriate professional.
- (B) If Buyer wants financial, legal, or any other advice, Buyer is encouraged to seek the services of an accountant, lawyer, or other appropriate professional.

NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW) The Pennsylvania General Assembly has passed legislation (often referred to as "Megan's Law," 42 Pa.C.S. §9791 et seq.) providing for community notification of certain convicted sex offenders. Buyers are encouraged to contact the municipal police department or the Pennsylvania State Police for information relating to the presence of sex offenders near a particular property, or to check the information on the Pennsylvania State Police Web site at www.pameganslaw.state.pa.us.