

**BUYER REPRESENTATION
CONTRACT: NONEXCLUSIVE**

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1. Date _____

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3. **DEFINITIONS:** Buyer is _____ (“Buyer”).
(e.g., individual(s), estate, trust, corporation, etc.)

4. Broker is _____ (“Broker”).
(Real Estate Company Name)

5. Buyer gives Broker the nonexclusive right to locate and/or to assist in negotiations for the purchase, exchange of or option to purchase (“Purchase”) property located in Minnesota at a price and with terms acceptable to Buyer. This Contract starts on

6. _____, and ends at 11:59 P.M. on _____.

7. This Contract terminates upon successful closing of a property or expiration or cancellation of this Contract, whichever occurs first.

8. This Contract may only be canceled by written mutual agreement of the parties.

9. **Nonexclusive representation means that Buyer has the right to contract with other brokers for representation in the Purchase of property during the term of this Contract.**

10. **BROKER’S OBLIGATION:** Broker shall make a reasonable effort to locate property acceptable to Buyer. Broker shall use professional knowledge and skills to assist in negotiations for the Purchase of property. Broker shall assist Buyer throughout the transaction. Broker shall act in Buyer’s best interest at all times, subject to any limitations imposed by law or dual agency. Broker shall comply with all applicable fair housing and nondiscrimination regulations.

11. **BUYER’S OBLIGATION:** Buyer shall work with Broker for the Purchase of property. Buyer shall promptly furnish to Broker accurate and relevant personal financial information to ascertain Buyer’s ability to Purchase property, if requested. Buyer shall cooperate with Broker in finding a property to Purchase. After a purchase agreement has been accepted by seller, Buyer is legally obligated to Purchase the property. If Buyer refuses to close the Purchase for any reason other than the failure of seller to perform, subject to relevant contingencies, Buyer shall pay Broker all compensation due under this Contract.

12. **NOTICE: THE COMPENSATION FOR THE PURCHASE, LEASE, RENTAL OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER’S CLIENT. BROKER COMMISSIONS ARE NOT SET BY LAW AND ARE FULLY NEGOTIABLE.**

13. **BROKER’S COMPENSATION:** (Fill in all blanks.)

14. If Buyer, or any other person acting on Buyer’s behalf, agrees to Purchase any property during the term of this Contract, the following compensation will apply.

15. 1. Buyer agrees to pay Broker a retainer fee of \$ _____ at the commencement of this Contract, which fee shall be kept by Broker whether or not Buyer Purchases property. The retainer fee shall apply toward satisfaction of any obligation to compensate Broker.

16. 2. Buyer shall pay Broker, as Broker’s compensation, _____ percent (%) of the selling price or \$ _____, whichever is greater, when Buyer closes the Purchase, if:

17. A: Buyer Purchases or agrees to Purchase a property before the expiration of this Contract, with the assistance of the Broker or licensee representing Buyer; or

18. B: within _____ days (not to exceed six (6) months) after the expiration of this Contract, Buyer Purchases property which either Broker or licensee representing Buyer has shown or exhibited to Buyer, or specifically brought to the attention of Buyer, before the expiration of this Contract, as long as Broker has identified this property on a written list Broker gives to Buyer within 72 hours after the expiration of this Contract.

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42. Broker is authorized to negotiate and receive compensation paid by seller, or broker representing or
43. assisting seller. Any compensation accepted by Broker from seller, or broker representing or assisting
44. seller, **SHALL** reduce any obligation of Buyer to pay the compensation by the amount received by seller or broker.
45. Broker must inform Buyer in writing before Buyer signs an offer to Purchase the property (utilizing
46. *Disclosure Statement: Compensation Disclosure to Buyer/Tenant* or other written disclosure) the amount of
47. compensation or the basis for computing the compensation.

48. Broker may not receive compensation for brokerage services provided to buyer from any source that exceeds the
49. amount or rate agreed to in this Contract.

50. Buyer understands that Buyer does not have to pay Broker's compensation if Buyer signs another valid buyer
51. representation contract or facilitator services agreement after the expiration or cancellation of this Agreement, under
52. which Buyer is obligated to compensate another licensed real estate broker.

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

60. **GENERAL NATURE OF PROPERTY:** (Including the following property types: existing, new construction or to-be-
61. built.)

62. *(Check all that apply.)*

63. **COMMERCIAL/INDUSTRIAL**

FARM

RECREATION

64. **RESIDENTIAL/INVESTMENT**

RESIDENTIAL/PERSONAL

VACANT LAND

65. **CLOSING SERVICES:**

66. **NOTICE:** THE REAL ESTATE BROKER, LICENSEE REPRESENTING BUYER OR, REAL ESTATE CLOSING
67. AGENT HAS NOT EXPRESSED AND, UNDER APPLICABLE STATE LAW, MAY NOT EXPRESS OPINIONS
68. REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.

69. After a purchase agreement for the property is signed, arrangements must be made to close the transaction. Buyer
70. understands that no one can require Buyer to use a particular person in connection with a real estate closing and
71. that Buyer may arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

72. Buyer's choice for closing services: *(Check one.)*

73. Buyer directs Broker to arrange for a qualified closing agent to conduct the closing.

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

75. _____
(Buyer's Initials) (Buyer's Initials)

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

78. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code
79. provides that a transferee ("Buyer") of a United States real property interest must withhold tax from the transferor
80. ("Seller") if the Seller is a foreign person and no exceptions from FIRPTA withholding apply. A Buyer is personally
81. liable for the full amount of FIRPTA withholding tax required to be withheld unless the Seller furnishes Buyer with
82. specific documentation ensuring Buyer is exempt from the withholding requirements as prescribed under 26 USC
83. §1445. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility
84. for withholding the applicable tax, Buyer should **seek appropriate legal and tax advice regarding FIRPTA compliance,**
85. **as Broker will be unable to assure Buyer that the transaction is exempt from the withholding requirements.**

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

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

101. Buyer's Instructions to Broker:

102. Having read and understood this information about dual agency, Buyer now instructs Broker as follows:

103. Buyer will agree to a dual agency representation and will consider properties listed by Broker.

104. Buyer will not agree to a dual agency representation and will not consider properties listed by Broker.

105. Real Estate Company Name: _____

106. _____ Buyer: _____

107. By: _____ Buyer: _____
(Licensee)

108. Date: _____

109. **OTHER POTENTIAL BUYERS:** Buyer understands that other potential buyers may consider and/or make offers to purchase through Broker the same or similar properties as Buyer is seeking to Purchase. Buyer consents to Broker representing such other potential buyers before, during and after the expiration of this Contract.

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

116. **TERMINATION OF FIDUCIARY DUTIES:** Broker's fiduciary duties, except the duty of confidentiality, terminate upon Buyer's successful closing of a property or expiration or cancellation of this Contract, whichever occurs first.

118. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained by contacting the local law enforcement offices in the community where the property is located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at <https://coms.doc.state.mn.us/publicregistrantsearch>.

123. **ENTIRE AGREEMENT:** This Contract and all addenda and amendments signed by the parties shall constitute the entire agreement between Buyer and Broker. Any other written or oral communication between Buyer and Broker, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this Contract. This Contract can be modified or canceled only in writing signed by Buyer and Broker or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Contract.

128. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to this transaction constitute valid, binding signatures.

130. **CONSENT FOR COMMUNICATION:** Buyer authorizes Broker and its representatives to contact Buyer by mail, phone, fax, e-mail, text message or other means of communication during the term of this Contract and any time thereafter.

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133. **OTHER:**

134. _____

135. _____

136. _____

137. **BROKER**

138. **ACCEPTED BY:** _____
(Real Estate Company Name)

139. **By:** _____
(Licensee's Signature)

140. _____
(Licensee's Printed Name)

141. _____
(Date)

142. _____
(Address)

143. _____
(City/State/Zip)

144. _____
(Phone)

145. _____
(E-Mail Address)

146.

147.

148.

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153.

154.

155.

BUYER

ACCEPTED BY: _____
(Buyer's Signature)

(Buyer's Printed Name)

(Date)

(Address)

(City/State/Zip)

(Phone)

(E-Mail Address)

BUYER

ACCEPTED BY: _____
(Buyer's Signature)

(Buyer's Printed Name)

(Date)

(Address)

(City/State/Zip)

(Phone)

(E-Mail Address)

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

WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

THESE SOPHISTICATED CRIMINALS COULD:

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

Buyers/Tenants and Sellers/Owners are advised to:

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

If you suspect wire fraud in your transaction:

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

(Signature)

(Date)

(Signature)

(Date)

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