



## COMMERCIAL DUAL AGENCY ADDENDUM

(Note: The purpose of this Addendum is to address dual agency disclosure requirements in connection with the use of forms other than North Carolina Association of REALTORS®' forms. It is not necessary to attach this Addendum to North Carolina Association of REALTORS®' standard form agency agreements as they internally address such disclosure requirements.)

This DUAL AGENCY ADDENDUM hereby modifies the attached agreement dated \_\_\_\_\_ between:

\_\_\_\_\_ (hereinafter referred to as "Client")

and \_\_\_\_\_ (hereinafter referred to as "Firm").

The term "Firm" shall sometimes hereinafter include Firm and its individual sales associates, as the sense requires.

The potential for dual agency arises if a buyer/tenant who has an agency relationship with the Firm becomes interested in viewing a property listed with the Firm. The Firm may represent more than one party in the same transaction only with the knowledge and informed consent of all parties for whom the Firm acts.

**1. DUAL AGENCY:** It is agreed that Firm, acting by and through its individual sales associates, may serve as both Seller/Landlord's Agent and Buyer/Tenant's Agent in the sale/lease of Seller/Landlord's property to Buyer/Tenant should circumstances creating dual agency arise. In the event Firm serves as a dual agent, the parties agree that without permission from the party about whom the information pertains, Firm shall not disclose to the other party the following information:

- (a) that a party may agree to a price, terms, or any conditions of sale or lease other than those offered;
- (b) the motivation of a party for engaging in the transaction, unless disclosure is otherwise required by statute or rule; and
- (c) any information about a party which that party has identified as confidential unless disclosure is otherwise required by statute or rule.

**2. FIRM'S DUAL AGENCY ROLE:** If Firm serves as agent for both Seller/Landlord and Buyer/Tenant in a transaction, Firm shall make every reasonable effort to represent Seller/Landlord and Buyer/Tenant in a balanced and fair manner. Firm shall also make every reasonable effort to encourage and effect communication and negotiation between Seller/Landlord and Buyer/Tenant. Seller/Landlord and/or Buyer/Tenant understand and acknowledge that:

- (a) Prior to the time dual agency occurs, Firm will act as the exclusive agent of Seller/Landlord and/or Buyer/Tenant;
- (b) In those separate roles Firm may obtain information which, if disclosed, could harm the bargaining position of the party providing such information to Firm;
- (c) Firm is required by law to disclose to Buyer/Tenant and Seller/Landlord any known or reasonably ascertainable material facts. Seller/Landlord and/or Buyer/Tenant agree Firm shall not be liable to either party for (i) disclosing material facts required by law to be disclosed; and (ii) refusing or failing to disclose other information the law does not require to be disclosed which could harm or compromise one party's bargaining position but could benefit the other party.

**3. SELLER/LANDLORD'S AND BUYER/TENANT'S ROLES:** Should Firm become a dual agent, Seller/Landlord and/or Buyer/Tenant understand and acknowledge that:

- (a) They have the responsibility of making their own decisions as to what terms are to be included in any lease or purchase and sale agreement between them;
- (b) They are fully aware of and understand the implications and consequences of Firm's dual agency role as expressed herein to provide balanced and fair representation of Seller/Landlord and Buyer/Tenant and to encourage and effect communication between them rather than as an advocate or exclusive agent or representative;
- (c) They have determined that the benefits of entering into this dual agency relationship with Firm, acting as agent for them both, outweigh any disadvantages or adverse consequences;
- (d) They may seek independent legal counsel to assist them with the negotiation and preparation of a lease or purchase and

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North Carolina Association of REALTORS®, Inc.

Client Initials \_\_\_\_\_ Firm Rep. Initials \_\_\_\_\_

STANDARD FORM 550

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sale agreement or with any matter relating to the transaction which is the subject matter of a lease or purchase and sale agreement.

Seller/Landlord and/or Buyer/Tenant agree to indemnify and hold Firm harmless against Should Firm become a dual agent. Client waives all claims, damages, losses, expenses or liabilities, other than violations of the North Carolina Real Estate License Law and intentional wrongful acts, arising from Firm's role as a dual agent. Seller/Landlord and Buyer/Tenant Client shall have a duty to protect their own interests and should read this agreement and any lease or purchase and sale agreement carefully to ensure that they accurately set forth the terms which they want included in said agreements.

**4. DESIGNATED DUAL AGENCY: When a real estate firm represents both the buyer/tenant and seller/landlord in the same real estate transaction, the firm may, in its discretion, offer designated dual agency. If offered, designated dual agency permits the firm, with the prior express approval of both the buyer/tenant and seller/landlord, to designate one or more agents to represent only the interests of the seller/landlord and a different agent(s) to represent only the interests of the buyer/tenant, unless prohibited by law.**

**An individual agent may not be designated to represent a party in a transaction if that agent has received confidential information concerning the other party in connection with the transaction.**

**5. AUTHORIZATION/DIRECTION (initial):**

Dual Agency. Client authorizes the Firm to act as a dual agent, representing both the Client and the other party, subject to the terms and conditions set forth in Paragraph 16.

Client  DOES  DOES NOT authorize the same individual agent to represent both the Client and the other party in a transaction.

(also initial if Firm offers designated dual agency and Client authorizes designated dual agency) Designated Dual Agency. In addition to authorizing Firm to act as a dual agent, Client authorizes and directs Firm to designate an individual agent(s) to represent the Client and a different individual agent(s) to represent the other party. Firm will practice designated dual agency unless: (i) designated agency would not be permitted by law due to circumstances existing at the time of the transaction, or (ii) Client authorizes Firm in writing to remain in dual agency only.

**OR**

Exclusive Representation. Client desires exclusive representation at all times during this agreement and does NOT authorize either dual agency or designated dual agency.

THIS IS INTENDED TO BE A LEGALLY BINDING DUAL AGENCY ADDENDUM THAT MAY ULTIMATELY RESTRICT YOUR LEGAL RIGHTS OR REMEDIES. IF YOU DO NOT UNDERSTAND THIS ADDENDUM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT AN ATTORNEY BEFORE YOU SIGN IT.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

**CLIENT:**

**Individual**

\_\_\_\_\_  
Date: \_\_\_\_\_  
\_\_\_\_\_  
Date: \_\_\_\_\_

**FIRM:**

\_\_\_\_\_  
(Name of Firm)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**Business Entity**

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_