

Agency Relationships & Responsibilities

March 24, 2015

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AGENCY RELATIONSHIPS AND RESPONSIBILITIES

1. The Law of Agency

A. Black's law Dictionary definition:i. Restatement, Second, Agency § 1:

2. Agency Relationships

- A. How are they created (Control and Consent)
- B. Types of Agency
 - i.
 - ii.
 - iii.
 - iv.
 - V.
 - vi.
 - vii.

3. Duties Owed by an Agent A. To the Principal 1. 2. 3. 4. 5. 6. 4. Dual Agency A dual agent must: A dual agent must not: **Consent to Limited Representation Form**

REAL ESTATE AGENCY DISCLOSURE AND ELECTION

Document updated: January 2009



7. 8. 9.

12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31.

33. 34.

35.

36.

37.

☐ represent the Seller as Seller's Broker.

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| 1. | Firm Name ("Broker") | | | | | |
|---|--|--|--|--|--|--|
| 2. | acting through | hereby makes the following disclosure. | | | | |
| | LICENSEE'S NAME | | | | | |
| D | DISCLOSURE | | | | | |
| Before a Seller or Landlord (hereinafter referred to as "Seller") or a Buyer or Tenant (hereinafter referred to as "Buyer") enters into a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should understand what type of agency relationship or representation they will have with the broker in the transaction. | | | | | | |
| | Buyer's Broker: A broker other than the Seller's broker can agree with the Bustuations, the Buyer's broker is not representing the Seller, even if the Buyer rendered, either in full or in part, from the Seller or through the Seller's broker: A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidence, of the potential Buyers represented by broker may consider, make offers of properties as Buyer is seeking. | 's broker is receiving compensation for services lentiality, and accounting in dealings with the Buyer. | | | | |
| ا | II. Seller's Broker: A broker under a listing agreement with the Seller acts as the broken a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confice b) Other potential Sellers represented by broker may list properties that are simple. | lentiality, and accounting in dealings with the Seller. | | | | |
| I | III. Broker Representing both Seller and Buyer (Limited Representation): A brolicensees within the same brokerage firm, can legally represent both the Seller knowledge and informed consent of both the Seller and the Buyer. In these situ represents both the Buyer and the Seller, with limitations of the duties owed to the Ea) The broker will not, without written authorization, disclose to the other party the stated in the listing or that the Buyer will accept a price or terms other than offer b) There will be conflicts in the duties of loyalty, obedience, disclosure and confid be made only with written authorization. | and the Buyer in a transaction, but only with the rations, the Broker, acting through its licensee(s), buyer and the Seller. at the Seller will accept a price or terms other than ed. | | | | |
| Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the performance of the Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known facts which materially and adversely affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers, Lessors and Brokers are not obligated to disclose that a property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless there is a confidentiality agreement between the parties. | | | | | | |
| THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL AGREEMENTS TO INSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION. | | | | | | |
| ELECTION | | | | | | |
| Buyer or Tenant Election (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker (check any that apply): | | | | | | |

acknowledged in a separate writing other than the purchase contract. 38. Seller or Landlord Election (Complete this section only if you are the Seller.) The undersigned elects to have the Broker (check any that apply); 39. represent the Buyer as Buyer's Broker. 40. represent the Seller as Seller's Broker. 41. show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both Seller and 42. Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and Seller's informed consent 43. should be acknowledged in a separate writing other than the purchase contract. 44. The undersigned \square Buyer(s) or \square Seller(s) acknowledge that this document is a disclosure of duties. This document is not an employment agreement. 45. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE. 46. PRINT NAME PRINT NAME MO/DA/YFI ^ SIGNED ∧ SIGNED MO/DA/YR Real Estate Agency Disclosure and Election • Updated: January 2009 • Copyright © 2009 Arizona Association of REALTORS®. All rights reserved.

show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that

the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be

CONSENT TO LIMITED REPRESENTATION ("CONSENT")

BROKER REPRESENTS BOTH SELLER AND BUYER OR BOTH LANDLORD AND TENANT

Document updated: December 2002



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| REAL | SOLUTIONS. REALTOR® SUCCESS | consult your attorney, tax advisor or | professional cons | ultant. | | | |
|--|--|--|------------------------|---|-------------------------------|--|--|
| 1. | Buyer/Tenant ("Buyer"): | | | | | | |
| 2. | Seller/Landlord ("Seller"): | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| | | | | | | | |
| 5. | Consent: Buyer and Selle | r consent that Broker, acting thro | ugh the Licensee | e(s) named below, will represent both | n parties in the transaction. | | |
| 6. | One Licensee: | | | | | | |
| 7. | Two Licensees: | (NAME) | | , who, through the Broker, has b | een representing the Buyer; | | |
| 8. | | (NAME) | | who through the Broker has h | een representing the Saller | | |
| ο. | and | (NAME) | | , who, through the Broker, has b | een representing the seller. | | |
| 9. | Duties and Limitations: | The Broker now represents both | Buyer and Selle | r and both parties understand that r | neither Broker nor Broker's | | |
| 10. | | the interests of one party to the | exclusion or de | etriment of the other party. The part | ies understand and further | | |
| 11.
12. | consent to the following: | | | | | | |
| 13. | a) The Licensee or each Licensee represents both the Buyer and the Seller with limitations of the duties owed to the Buyer and the
Seller, such as: | | | | | | |
| 14. | 1) The Licensee(s) will not, without written authorization, disclose to the other party that the Seller will accept a price or terms | | | | | | |
| 15. | | ed in the listing or that the Buyer wi | | | | | |
| 16. | 2) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information | | | | | | |
| 17. | | | | eve each Licensee of any legal oblig | ation to disclose all known | | |
| 18. | facts which materially and adversely affect the consideration to be paid by any party to the transaction. 3) Pursuant to A.R.S. §32-2156, Sellers, Lessors and Broker/Licensee(s) are not obligated to disclose that the Subject Property | | | | | | |
| 19.
20. | | | | isee(s) are not obligated to disclose
, or any crime classified as a felony; | | | |
| 21. | | | | | | | |
| 22. | a person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity of a sex offender. | | | | | | |
| 23. | b) The Licensee(s) shall exercise reasonable skill and care in the performance of their duties. | | | | | | |
| 24. | c) The Licensee(s) shall be obligated at all times to deal honestly with all parties. | | | | | | |
| 25. d) The duties of the Licensee(s) in this transaction do not relieve the Seller or the Buyer from the responsibility to protect the | | | | | | | |
| 26. | Compensation: Compensation to the Broker shall be paid pursuant to separate agreement(s). | | | | | | |
| 27. | Prior Agreements: Selle | r and Buyer understand this | Consent does r | ot replace prior agreements enter | ed into with Broker and | | |
| 28. | | | extent that the | terms of this Consent contradict | or conflict with the terms | | |
| 29. of prior agreements, this Consent shall supersede. | | | | | | | |
| 30. | Termination: If the Selle | r and Buyer do not enter into | a contract relatir | ng to the Subject Property or if th | e transaction between the | | |
| 31. | | | at this Consent i | is terminated, and the parties shall | have no further rights or | | |
| 32. | obligations pursuant to this Consent. | | | | | | |
| 33. | Indemnification: Seller | and Buver agree to indemnify | and hold Broke | er harmless against any and all | claims damanes losses | | |
| 34. | | | | Broker in any defense thereof aris | | | |
| 35. | | | | | | | |
| 36. | THE UNDERSIGNED PA | RTIES ACKNOWLEDGE THAT | THEY HAVE TH | OROUGHLY READ, UNDERSTOOM | D AND APPROVED THIS | | |
| 37. | CONSENT AND ACKNOW | LEDGE RECEIPT OF A COPY. | | | | | |
| | | | | | | | |
| 38. | A DUVEDIO OLOMATUDE | | | WEDIN CIONATURE | HOIDAND | | |
| | * BUYER'S SIGNATURE | M | O/DA/YR ^ BI | UYER'S SIGNATURE | MO/DA/YR | | |
| 39. | | | | | | | |
| | ^ SELLER'S SIGNATURE | М | O/DA/YR ^ SI | ELLER'S SIGNATURE | MO/DA/YR | | |
| | | | | | | | |
| | · · · · · | Consent to Limited Represen | tation ("Consent") • ! | Updated: December 2002 | | | |



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