



WORKING WITH A REAL ESTATE PROFESSIONAL



In Tennessee, generally a real estate licensee ("Licensee") who provides real estate services in a transaction owes all buyers or tenants (collectively "Buyer") and all sellers or landlords (collectively "Seller") in such transaction the following duties, in addition to any other duties which may be established by statute or regulation:

- 1. To diligently exercise reasonable skill and care in providing services.
2. To disclose any adverse facts (defined as conditions or occurrences generally recognized by competent licensees that have negative impact on the value of real estate, significantly reduce the structural integrity of improvements to real property, or present a significant health risk to occupants of the property) of which Licensee has actual notice or knowledge, with certain exceptions.
3. To maintain for each party the confidentiality of any information (other than adverse facts which must be disclosed) obtained prior to Licensee's disclosure of an agency relationship with one or more parties to the transaction.
4. To provide services to each party with honesty and good faith.
5. To provide, upon request, timely and accurate information on market conditions that might affect the transaction, provided that such information is available through public records.
6. To account timely for earnest money deposits and other property received from any party to the transaction.
7. a) To engage in self-dealing or act on behalf of Licensee's immediate family, or any other individual, organization, or business entity in which Licensee has a personal interest, without prior disclosure and timely written consent; and
b) To refrain from recommending -- without proper disclosure -- the use of another individual, organization, or business entity in which Licensee has an interest or from which Licensee may receive a referral fee or other compensation for the referral, other than referrals to other Licensees to provide real estate services.

If Licensee is an agent, designated agent, or disclosed dual agent, Licensee has all of the above duties AND two additional duties to his/her client:

- 8. To obey all lawful instructions of the client within the scope of the agency agreement between Licensee and the client.
9. To be loyal to the client's interests by placing those interests before all others in negotiation of a transaction and in other activities, except where such duty of loyalty would violate any of the basic duties owed to all consumers or duties to another client in a dual agency situation.

The above duties of the real estate firm or licensee in a real estate transaction do not relieve Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to ensure that they adequately express your understanding of the transaction. A real estate licensee is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional in that field. On the reverse side of this page is an important explanation of terms.

The real estate firm, _____ :
[] is serving as a transaction broker (not an agent for either party).
[] is serving as an agent or subagent for the seller/landlord.
[] is serving as an agent for the buyer/tenant.
[] is serving as disclosed dual agent (for both parties), with the consent of both the buyer/tenant and the seller/landlord in this transaction.
[] has appointed _____ to serve as designated agent for the seller/landlord.
[] has appointed _____ to serve as designated agent for the buyer/tenant.

I ACKNOWLEDGE THAT I HAVE READ AND UNDERSTAND THIS DOCUMENT AND RECEIVED A COPY OF IT.

Signature of Buyer/Seller _____ Date _____ Time _____ Name of Firm Providing this Document _____

Signature of Buyer/Seller _____ Date _____ Time _____ By: _____ (Licensee's Signature)

EXPLANATION OF TERMS

Transaction Broker, Also Known as Facilitator (Not an Agent for Either Party):

Licensee's firm is not working as an agent for either party in this transaction; therefore, this firm is neutral and cannot serve as advocate for either party in the transaction. (By law, any firm which has not entered into a written agency agreement with either party in the transaction is considered a transaction broker, until such time as an agency agreement is established.)

Agent or Subagent for Seller:

Licensee's firm is working as an agent for Seller and owes a duty of loyalty to Seller. Even if Licensee is working with a prospective Buyer to locate property for sale, rent, or lease, it is legally bound to work in the best interests of any Sellers whose properties are shown to this prospective Buyer. An agency relationship of this type cannot, by law, be established without a written seller/landlord agency agreement.

Agent for Buyer:

Licensee's firm is working as an agent for the prospective Buyer, owes primary loyalty to Buyer, and will work as an advocate for the best interests of Buyer. An agency relationship of this type cannot, by law, be established without a written buyer/tenant agency agreement.

Disclosed Dual Agent (Agent for Both Parties):

Licensee's firm has become a disclosed agent for both parties in this transaction. Because of loyalties owed to both parties in the transaction, Licensee(s) involved in a disclosed dual agency relationship cannot legally serve as advocate(s) for either party, to the detriment of the other party in the transaction.

Designated Agent for Seller:

The individual Licensee is working as an agent for Seller in this transaction, to the exclusion of all Licensees in his/her firm. Even if someone else in Licensee's firm represents a possible Buyer for this Seller's property, the designated agent for Seller will continue to work as an advocate for the best interests of Seller. An agency relationship of this type cannot, by law, be established without a written agency agreement.

Designated Agent for Buyer:

The individual Licensee is working as an agent for Buyer in this transaction, to the exclusion of all other Licensees in his/her firm. Even if someone else in Licensee's firm represents a Seller in whose property this Buyer is interested, the designated agent for Buyer will continue to work as an advocate for the best interests of Buyer. An agency relationship of this type cannot, by law, be established without a written agency agreement.