

CONSUMER GUIDE TO AGENCY RELATIONSHIPS

TW Shortt Realty, FlatFeeDirect.com

We are pleased you have selected TW Shortt Realty, FlatFeeDirect.com to help you with your real estate needs. Whether you are selling, buying or leasing real estate, we can provide you with expertise and assistance. Because this may be the largest financial transaction you will enter into, it is important to understand the role of the agents and brokers with whom you are working. Below is information that explains the various services agents can offer and their options for working with you.

For more information on agency law in Kentucky, you may also contact the Kentucky Real Estate Commission at (502) 429-7250, or on its website at www.krec.ky.gov.

Representing the Sellers: Most sellers of real estate choose to list their home for sale with a real estate brokerage. When they do so, they sign a listing agreement that authorizes the brokerage and the listing agent to represent their interests. As the seller's agent, the brokerage and listing agent must: follow the seller's lawful instructions, be loyal to the seller, promote the seller's best interests, disclose material facts to the seller, maintain confidential information, act with reasonable skill and care, and account for any money they handle in the transaction. In some circumstances a listing broker may also offer "subagency" to other brokerages which would also represent the seller's interests and owe the seller these same duties. Unfortunately, the Kentucky Real Estate Commission (KREC) does not permit sellers to work with licensees as "Transaction brokers". Under the rules of the KREC you as a seller must accept representation whether you want it or not.

Representing Buyers: When purchasing real estate, buyers usually choose to work with a real estate agent as well. Often the buyers want to be represented in the transaction. This is referred to as buyer's agency. A brokerage and agent that agree to represent a buyer's interest in a transaction must: follow the buyer's lawful instructions, be loyal to the buyer, promote the buyer's best interests, disclose material facts to the buyer, maintain confidential information and, account for any money they handle in the transaction.

Dual Agency: In some transactions, the same agent and brokerage that represent the seller also represent the buyer. This is referred to as dual agency. When a brokerage and its agents become "dual agents," they must remain loyal to both clients. They may not advocate the position of one client over the best interests of the other client or disclose any personal or confidential information to the other party without written consent.

Working With TW Shortt Realty, FlatFeeDirect.com: TW Shortt Realty, FlatFeeDirect.com does represent both buyers and sellers. When TW Shortt Realty, FlatFeeDirect.com lists

property for sale, all agents in the brokerage represent the seller. Likewise, when a buyer is represented by a TW Shortt Agent agent, all of the agents represent that buyer . Therefore, when a buyer represented by a TW Shortt agent wishes to purchase property listed by our company, the agent(s) involved act as dual agents. This is true whether one agent is representing both parties or two separate agents are involved.

In the event that both the buyer and seller are represented by TW Shortt agents, these agents and TW Shortt will act as dual agents, but only if both parties agree. As dual agents, they will treat both parties honestly, prepare and present offers at the direction of the parties, and help the parties fulfill the terms of any contract. They will not, however, disclose any confidential information that will place one party at an advantage over the other or advocate or negotiate to the detriment of either party.

If dual agency occurs, you will be asked to consent to that in writing. If you do not agree to your agent acting as a dual agent, you can seek representation from another brokerage.

As a buyer, you may also choose to represent yourself on properties TW Shortt Realty, FlatFeeDirect.com has listed. In that instance, TW Shortt Realty, FlatFeeDirect.com will represent the seller and you would represent your own best interests. Because the listing agent has a duty of full disclosure to the seller, you should not share any information with the listing agent that you would not want the seller to know.

Working With Other Brokerages: When TW Shortt Realty, FlatFeeDirect.com lists property for sale, it also cooperates with, and offers compensation to, other brokerages that represent buyers.

As a seller, you should understand that just because TW Shortt Realty, FlatFeeDirect.com shares a fee with a brokerage representing the buyer, it does not mean that you are represented by that buyer's brokerage. Instead, that company will be representing the buyer and TW Shortt Realty, FlatFeeDirect.com will be representing your interests.

When acting as a buyer's agent, TW Shortt Realty, FlatFeeDirect.com also accepts compensation offered by the listing broker. If the property is not listed with any broker, or the listing broker does not offer compensation, we will attempt to negotiate for a seller-paid fee.

.We hope you find this information to be helpful to you as you begin your real estate transaction. When you are ready to enter into a transaction, you will be given an Agency Disclosure Statement that specifically identifies the role of the agents and brokerages. Please ask questions if there is anything you do not understand.

Because it is important that you have this information, Kentucky law requires that we ask you to sign below, acknowledging receipt of this pamphlet. Doing so will not obligate you to work with our company if you do not choose to do so.

Name (Please Print)

Signature Date

Name (Please Print)

Signature

Date

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