

## **Burns Realty Group, LLC Company Policy on Agency: "Split" Agency**

### **SECTION A: GENERAL POLICY ON AGENCY**

- It is the policy of **Burns Realty Group, LLC ("Burns Realty")** to represent both sellers and buyers. Affiliated agents shall represent the seller when they list the property and shall act as a buyer's agent when working with a buyer.
- When representing a seller, Burns Realty and its agent owe the seller the duties of loyalty, obedience, confidentiality, accounting and reasonable skill and care in performing our duties, and any other duties contained in our listing agreement. We are required to act solely on behalf of the seller's interest to seek the best price and terms for the seller. Finally, as a seller's agent, we also have a duty to disclose to the seller all material information obtained from the buyer or from any other source.
- When representing a buyer, Burns Realty and its agent owe the buyer the duties of loyalty, obedience, confidentiality, accounting and reasonable skill and care in performing their duties and any other duties contained in an agency agreement. The agent and brokerage are required to act solely on behalf of the buyer's interests to seek the best price and terms for the buyer. Finally, a buyer's agent and brokerage also have a duty to disclose to the buyer all material information obtained from the seller or from any other source.
- On in-company transactions where both buyer and seller are represented by separate, non-management-level licensees, each party will be represented by their respective agent and those agents must not share confidential information with each other.

The brokerage and its management-level licensee are dual agents. In this situation, the brokerage's role is to do the following:

- Objectively supervise the agents involved so they can each fulfill their duties, as outlined above, to each of their clients.
- Assist the parties in an unbiased manner to negotiate a contract.
- Assist the parties in an unbiased manner to fulfill the terms of any contract.

As a dual agent, the brokerage cannot:

- Advocate or negotiate on behalf of either the buyer or seller.
  - Disclose confidential information to any party or any other employee or agent of the brokerage.
  - Use confidential information of one party to benefit the other party to the transaction.
- If the management-level licensee represents a party, either buyer or seller, on an in-company transaction, that management-level licensee must act as a dual agent. The other agent in the transaction, who represents the other party, is considered to only be the agent of the party he represents. The buyer and seller will acknowledge this relationship on the Agency Disclosure Statement.
  - If an agent sells his own listing to a buyer client, the agent is a dual agent. The agent may only act as a dual agent if both buyer and seller agree. A dual agent may not disclose any confidential information that would place one party at an advantage over the other party and may not disclose any of the following information without the informed consent of the party to whom the information pertains:
    - That a buyer is willing to pay more than the price offered;
    - That a seller is willing to accept less than the asking price;
    - Motivating factors of either party for buying or selling; or
    - That a party will agree to financing terms other than those offered.

## **SECTION B: PRINCIPAL BROKER AND MANAGEMENT-LEVEL POSITIONS**

The following positions in the brokerage are designated as principal broker level: Principal Broker.

The following positions in the brokerage are designated as management level: Principal Broker.

## **SECTION C: APPOINTMENT OF LICENSEES**

In the event an agent wants another agent in the brokerage to represent his client, that client must agree in writing to this agent being appointed to represent him. Such written appointments must be maintained in the brokerage file. Clients can authorize their agent to make appointments in the

agency agreement.

**SECTION D: WORKING WITH RELATIVES, BUSINESS ASSOCIATES, ETC.**

- If a person with whom an agent has a personal, family or business relationship wants to sell property, the agent shall act as a listing agent representing that person. In the event the agent acts as a dual agent and sells the property to a buyer he represents, the nature of the agent's relationship with the seller must be disclosed to the buyer before the buyer consents to the dual agency and the relationship also must be disclosed on the Agency Disclosure Statement. Any other agent in our brokerage or a cooperating brokerage representing a buyer must be notified of the relationship, and the relationship must be disclosed in writing prior to a contract being entered into.
- If a person with whom an agent has a personal, family or business relationship wants to purchase property, the agent shall act as a buyer's agent. Any family, business or personal relationship must be disclosed to the listing agent, or if there is none, to the seller, and disclosed on the purchase contract. In the event the agent acts as a dual agent because the property the buyer wants to purchase is listed with him, the nature of the agent's relationship with the buyer must be disclosed to the seller before the seller consents to the dual agency and it must be disclosed on the Agency Disclosure Statement as well.
- If an agent has a personal, family or business relationship with another agent involved in a transaction, that fact must be disclosed to the parties. This disclosure must be made prior to a contract being entered into.

**SECTION E: AGENTS BUYING OR SELLING THEIR OWN PROPERTY**

- Agents selling their own property must list it with Burns Realty and act as their own listing agent.
  - If the agent's property is shown to a buyer represented by another brokerage, or another agent in Burns Realty, that buyer's agent shall be notified at first contact of the fact that the listing agent is also the seller and this must be noted on any subsequent contract that is entered into.

- If a buyer contacts the listing agent/seller directly, that buyer shall be treated as a customer, and told at first contact the property is owned by the listing agent, and this must be confirmed in any subsequent purchase contract. The buyer shall be given the Agency Disclosure Statement indicating that the listing agent represents himself as the seller. If the buyer wants representation he will be referred to another agent in the brokerage who can represent him. The fact that the listing agent is also the seller must be noted on any purchase contract that is entered into.
  
- If the listing agent/seller already has an agency relationship with a buyer interested in purchasing his property, he must disclose the fact that he is the owner of the property and cannot represent the buyer in the purchase of the property. The agent shall terminate his agency relationship with the buyer. The buyer shall be treated as a customer or another agent shall be appointed to represent the purchaser. The fact that the listing agent is also the seller shall be disclosed on the purchase contract.
  
- Agents buying property for themselves must also handle these transactions through the brokerage and act as a buyer's agent.
  - If the property the agent wishes to see is listed with another brokerage, the listing brokerage must be notified at first contact that the licensee is acting for himself. On any offer the agent makes, it must indicate that he is a licensed agent with Burns Realty and submit an Agency Disclosure Statement indicating that he is a buyer's agent.
  
  - If the property the agent wants to purchase is listed with him, the circumstances must be disclosed to the seller immediately and agent must terminate his representation of the seller. The seller shall be referred to another agent in the brokerage to represent him. The fact that the buyer is a licensed agent with (brokerage name) representing himself must be disclosed on the offer to purchase and the Agency Disclosure Statement shall indicate that the listing agent represents the seller and the buyer's agent represents himself as the buyer.
  
  - If the property the agent wants to see is listed with another agent in Burns Realty, the agent must immediately inform the listing agent

that he is interested in buying the property for himself. The listing agent shall not share any confidential information with the buyer/agent unless expressly authorized by the seller. If the buyer/agent wishes to make an offer to purchase, he shall indicate on the offer that he is a licensed agent with Burns Realty and submit an Agency Disclosure Statement indicating that he is acting as a buyer's agent.

- If the property an agent is interested in seeing for his own possible purchase is not listed (a FSBO), then the agent shall notify the seller at first contact that he is a buyer's agent representing himself. The agent shall also disclose any intention to seek compensation from the seller. The agent shall not have the seller sign a listing agreement. In the event the agent wishes to purchase this property, the fact that he is a licensed agent with Burns Realty shall be noted on the offer and an Agency Disclosure Statement indicating the agent is acting as a buyer's agent shall be delivered with the offer.

#### **SECTION F: CONFIDENTIAL INFORMATION**

Since agents within Burns Realty act as buyer's and seller's agents, it is possible that one agent could potentially be representing a buyer who is buying property listed with a different agent in our brokerage. In this instance, each agent has separate duties to his respective client. Therefore, it is necessary for the following steps to be followed to protect the confidential information of the buyer from being disclosed to another agent in our brokerage who could be representing the seller, and vice versa.

- **Office files.** Each agent shall maintain in his file cabinet all documents relating to a client he represents. Correspondence, offers, addenda, inspection reports and the like shall not be kept on desks or left out where they could be viewed by other agents. Agents shall keep their file cabinets locked when they are not in the office. The Principal Broker shall have a key to the agent's file cabinet in the event it is necessary for the Principal Broker to access this information. The agent shall place in the general office file only those documents that are non-confidential such as listing information.
- **Computerized records and messages.** All computer documents maintained by agents shall be password-protected so that other agents in the brokerage cannot retrieve or view this information. Agents shall not share their

passwords with one another for any reason.

- **Office meetings and discussions.** Agents shall not share confidential information regarding their clients at office meetings or discuss such information with others in the office unless the client specifically permits such disclosure. If the client so authorizes, this authorization should be noted by the agent in his file. Confidential information includes, but is not limited to, a client's motivation to purchase or sell, a client's financial information, the amount of any offer or counter-offer that a client has made or is considering making or the amount of any pending contract. Office meetings involving such confidential information shall take place in private, so as not to be overheard by others.
- **Facsimile transmissions.** When faxing documents that contain confidential information such as offers and counter-offers, agents must not leave the original documents on the fax machine where they could be viewed by others. Incoming faxes shall only be retrieved by the receptionist. The fax shall then be hand-delivered to the agent, if the agent is in the office, or sealed in an envelope and placed in the agent's mailbox. Clients and cooperating agents shall be directed not to fax you confidential information during non-working hours unless it is confirmed that you will be there to retrieve it.
- **Telephone and inter-office messages and conversations.** Telephone and inter-office messages that contain confidential information shall be hand-delivered in writing to the appropriate agent or placed in an envelope on either the agent's desk or in his mailbox. Conversations between agents, with management-level licensees or other staff concerning clients shall be held in private if the conversation involves confidential information.
- **Meetings and conversations with clients.** All meetings with clients shall take place in a private meeting room or other similar space. Telephone conversations with clients that involve confidential information shall take place only in private. Agents shall not utilize the speaker phone when having conversations of a confidential nature, unless the conversations take place in a closed office.
- **Internet websites including social networking sites and blogs.** Agents shall not share confidential information regarding their clients on any internet

websites including social networking sites and blogs unless the client specifically permits such disclosure.

### **SECTION G: DUAL AGENCY**

- Agents acting as a dual agent shall disclose to the parties all relevant information necessary for them to make an informed decision about whether to consent to the dual agency. This would include, but not be limited to, the nature of the relationship the agents have with a party to the transaction. This must be done on the Agency Disclosure Statement. If this information later changes, this change must be provided in writing to the parties as soon as possible and they must be given an opportunity to revoke their consent to the dual agency.
- In the event a party refuses to consent to the dual agency, or seeks to terminate any agency relationship as a result of the proposed dual agency, Principal Broker shall be notified immediately. If the client's consent cannot be obtained, Burns Realty and its agents cannot act as dual agents. The Principal Broker shall attempt to obtain the objecting party's consent to another agent in the Burns Realty being appointed to represent him. If this cannot be agreed upon, the Principal Broker shall, depending on the circumstances and wishes of the parties, determine which relationship shall be terminated.

### **SECTION H: CHANGING AGENCY RELATIONSHIPS**

Agents shall not change agency relationships once they have been established, unless approved by the Principal Broker. If such a change is approved, the client whose agency relationship is being terminated must consent in writing and any persons who know of the previous relationship must be notified in writing as well.

### **SECTION I: POLICY ON COOPERATION AND COMPENSATION**

- It is the policy of Burns Realty to cooperate with all other brokerages on an equal and consistent basis. This means Burns Realty and its agents will make its listings available to other brokerages to show, provide information that is not confidential, and present all offers written by other brokerages in a timely and objective manner.
- Unless the seller does not authorize it, Burns Realty will offer compensation to the following other brokerages: buyer brokers only,

consistent with market rates.

- Burns Realty does reserve the right, in some instances, to vary the compensation it offers to other brokerages, whether as subagency or buyer agency compensation. Therefore, the compensation it offers cooperating brokers may not always be equal and consistent.
- When acting as a buyer's agent, Burns Realty also accepts compensation offered by the listing broker through the multiple listing service.

**SECTION J: PRINCIPAL BROKER IN MORE THAN ONE BROKERAGE**

Victoria Burns is the principal broker for Burns Realty and is also the principal broker in the following brokerages:

USA Home Buyer Auctions LLC d.b.a.  
EZ Real Estate Offer Burns Realty Group  
1600 Valley Parkway Drive  
Broadview Heights, Ohio 44147

Affiliated licenses understand that they may only perform licensed activity under the brokerage with which they are licensed.

**SECTION K: ACKNOWLEDGEMENT OF RECEIPT**

Every employee, independent contractor, and affiliated licensee of Burns Realty must be provided and document receipt of Burns Realty's company policy. By signing below, you acknowledge receipt of Burns Realty's company policy and agree to adhere to these policies.

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Licensee/Employee Signature	Date
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Print Name: \_\_\_\_\_