

# AGENCY AGREEMENT ADDENDUM

This addendum is attached to and made a part of the agency agreement dated \_\_\_\_\_, between \_\_\_\_\_ (Broker) and \_\_\_\_\_ (Client).

**I. IF THE BROKER REPRESENTS THE OWNER:** If a broker enters into an agreement to represent an owner, the broker and all licensees associated with that broker represent the owner. An agent/subagent for the owner owes the owner the duties of loyalty, obedience, disclosure, confidentiality, reasonable care and diligence, and full accounting.

**II. IF THE BROKER REPRESENTS THE BUYER/TENANT:** If a broker enters into an agreement to represent a buyer/tenant, the broker and all licensees associated with the broker represent the buyer/tenant. An agent/subagent for a buyer/tenant owes the buyer/tenant the duties of loyalty, obedience, disclosure, confidentiality, reasonable care and diligence, and full accounting.

**III. IF THE BROKER REPRESENTS BOTH THE OWNER AND THE BUYER/TENANT:** A real estate broker acting directly or through an associate licensee can legally be the agent of both the owner and the buyer/tenant in a transaction, but only with the knowledge and written consent of both parties. If a buyer/tenant represented by a broker wants to see a property of an owner being represented by the same broker, the following provisions will govern the actions of the broker.

- A. The broker may not knowingly say anything or do anything which might place one party at a disadvantage, disclose personal confidences of one party or the other party, or any other information a party specifically instructs the broker in writing not to disclose, unless disclosure is required by law.
- B. The broker may not, without the prior express written consent of the owner, disclose to the buyer/tenant that the owner might accept a price less than the listing price, nor shall the broker, without the prior express written consent of the buyer/tenant, disclose to the owner that the buyer/tenant may be willing to pay a higher price, or accept terms less favorable to the buyer/tenant than those indicated in the buyer's/tenant's previous offer.
- C. The broker may not represent the interests of either the owner or buyer/tenant to the detriment of the other party. The broker is obligated to inform each party of all facts the broker knows which would affect the party's decision to permit the broker to represent both the owner and the buyer/tenant.

**CONSENT AGREEMENT:** If the owner elects to negotiate with a buyer/tenant that is a client of the broker, or a buyer/tenant elects to negotiate with an owner that is a client of the broker, it is understood that both parties will be required to confirm, in writing, their election to have broker act as a consensual limited agent.

**AGENT OBLIGATIONS:** Regardless of representation, the broker shall: Disclose all known material facts about the property which could affect the buyer's/tenant's use or enjoyment of the property, disclose information which could have a material impact on either party's ability to fulfill their obligations under the purchase/lease agreement, respond honestly and accurately to questions concerning the property, and deal honestly and fairly with all parties. The duties of the broker in a real estate transaction do not relieve an owner or buyer/tenant from the responsibility to protect their own interests. You should carefully read all documents to assure that they adequately express your understanding of the transaction. If you have questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding further.

**Having read and understood this information about agency, I instruct Broker as follows:**

\_\_\_\_\_ I agree to a potential limited agency representation as described in section III above.

\_\_\_\_\_ I do not agree to a potential limited agency representation.

\_\_\_\_\_ [ ] Buyer/Tenant [ ] Owner (date/time) [ ] Buyer/Tenant [ ] Owner (date/time)  
\_\_\_\_\_ by \_\_\_\_\_  
[ ] Broker (date/time) [ ] Agent (date/time)