



KENTUCKY REAL ESTATE COMMISSION

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The Kentucky Real Estate Commission's A GUIDE TO AGENCY RELATIONSHIPS

THIS IS NOT A CONTRACT. This is The Kentucky Real Estate Commission's A Guide To Agency Relationships ("Guide"). This brokerage company is required by law to ask you to sign this Guide as a way to acknowledge that you have received it. Your signature below will not obligate you to work with this brokerage company.

Whether you are selling, buying, or leasing real estate in the Commonwealth of Kentucky, this Guide will help you understand the various agency relationships available to you. This brokerage company is providing you this Guide as an introduction to their professional real estate agency relationship options. Depending on your specific needs, this brokerage company will offer you valuable assistance to achieve your goals.

This is a brief overview of real estate brokerage in the Commonwealth of Kentucky. To practice real estate brokerage for compensation, a person must be appropriately licensed, which requires extensive education and testing. There are two types of licenses, broker and sales associate. A principal broker is the person responsible for the operation of the real estate brokerage company. Licensed brokers and sales associates affiliate with a principal broker to engage in real estate brokerage. Darrell Lewis
 (INSERT NAME OF PRINCIPAL BROKER) is the principal broker of DIYFlatFee.com
 (INSERT NAME OF BROKERAGE COMPANY), and can be reached at 502-264-6900 (INSERT BROKERAGE COMPANY PHONE NUMBER).

To provide real estate brokerage services, a principal broker enters into an agency relationship with a client to act as an agent to represent the client's interests and provide necessary guidance to complete real estate transactions. A licensee affiliated with the principal broker may be your direct contact during a transaction and, depending on the type of agency, may also be your exclusive agent. These agency relationships are explained in more detail below. Each relationship imposes fiduciary duties owed by the agent to a client. A principal broker may also provide services to a party who is not a client and owe limited, or no, fiduciary obligations to that party, or, by written agreement, provide other than the minimum services proscribed by law. To learn more, reference Kentucky Revised Statutes, Chapter 324 and Kentucky Administrative Regulations, Title 201, Chapter 11.

This is not a contract or agreement for services. Your signature on this Guide is simply to acknowledge receipt and by law the real estate licensee presenting you this Guide must ask for your signature. Prior to the exchange of confidential information that could be interpreted as an agency relationship, you will be asked to consent in writing to a specific agency relationship for a contemplated transaction.

Carefully read about the available agency relationships below and ask the licensee providing you this Guide, Darrell Lewis
(INSERT NAME OF LICENSEE), any questions you may have to better understand agency. The duties and responsibilities of the principal broker, affiliated licensees, and the real estate brokerage company in a real estate transaction do not relieve the seller, buyer, lessor, or lessee from the duty and responsibility to protect their own interests. You are advised to carefully read all agreements to assure that they adequately express your understanding of the transaction. The principal broker and affiliated licensees are qualified to advise on real estate brokerage and transaction matters only. IF YOU NEED LEGAL OR TAX ADVICE, YOU SHOULD CONSULT THE APPROPRIATE PROFESSIONAL.

Single Agency: In a Single Agency relationship, the principal broker of a brokerage company, and all affiliated licensees, act as an agent for a client who is a seller or buyer, or a lessor or lessee, on one side of a transaction. If a party on the other side of the transaction is represented by an agent, that agent will be affiliated with another principal broker at another brokerage.

Dual Agency: In a Dual Agency relationship, the principal broker of a brokerage company, and all affiliated licensees, simultaneously act, in a limited fiduciary capacity, as agents for different clients who are either seller and buyer, or lessor and lessee, in the same transaction. Dual Agency relationships frequently occur when a listing agent simultaneously represents both seller and buyer clients in the same transaction and must take care to adequately represent the interests of both clients.

Designated Agent: In a Designated Agent relationship, one or more affiliated licensees are designated by their principal broker to act as an agent for a client who is a buyer or seller, or a lessor or lessee, to the exclusion of all other licensees affiliated with that principal broker. The principal broker shall not designate himself or herself as a designated agent. None of the other licensees affiliated with the principal broker represent the client in the transaction. Reference KRS 324.121(1).

Designated Agency: In a Designated Agency relationship, two or more Designated Agents within one brokerage act as agents for their respective clients on different sides of a transaction, while their principal broker and any designated manager simultaneously act in a limited fiduciary capacity as a dual agent for all clients on both sides of the transaction. This type of agency relationship allows Designated Agents affiliated with same principal broker to offer each client exclusive representation with full fiduciary obligations, not limited as they would be in a Dual Agency relationship, while still safeguarding clients' confidential information. Reference KRS 324.121(2).

Transactional Brokerage: In a Transactional Brokerage relationship, the principal broker of a brokerage company, and an affiliated licensee(s), if so designated by the principal broker, provide real estate brokerage services to either, or both, party(ies) to a transaction. They owe the party(ies) only the duties of good faith and fair dealing, and do not relay confidential information between the parties, unless so directed by the sending party. A party to Transactional Brokerage is not a client or prospective client.

Unrepresented Party: From time to time in a real estate transaction, a party will not be represented by an agent, but will otherwise interact with a licensee. This party is known as an Unrepresented Party and a licensee owes an Unrepresented Party the duties of good faith and fair dealing. An Unrepresented Party is not a client or prospective client. If you elect to be an Unrepresented Party to a transaction, take the steps necessary to protect your best interests. If the other party is represented by an agent, you may be at a disadvantage in the transaction due to the skill and experience of that agent.

Real Estate Teams: In the course of your real estate transaction, you may engage with a real estate team. Teams are defined as a group of more than one licensee working together who are affiliated with the same principal broker, led by a team leader, and representing themselves to the public utilizing the same authorized alternate or assumed name to brand, advertise, and broker real estate. Teams form for a variety of reasons, including sharing branding and expenses, to broker real estate under the supervision of the principal broker. A team does not operate independently of the principal broker or agency law and must not represent themselves as a separate brokerage company providing real estate brokerage services. Make sure you understand who specifically is representing you as an agent if you choose to work with a team.



Confidential Information: If you are a client or prospective client as defined by law, you are owed the fiduciary obligation of confidentiality, which means that the licensee must protect information provided by you that would materially compromise your negotiating position in a transaction if disclosed to the other party, unless disclosure is required by law. You may also designate in writing other information you wish to maintain confidential. If you have any questions or concerns about confidentiality, seek a satisfactory answer prior to providing the information you wish to maintain confidential. During the course of a transaction, including when sending offers, information delivered to the other party will not be confidential unless a previous agreement is in place to maintain confidentiality.

Cooperation: This brokerage company may, during the course of a transaction, share fees or compensation with another brokerage company. This typically occurs when a listing brokerage company shares compensation with another brokerage company representing a buyer for a specific listed property. The fact that brokerage companies may share compensation during the course of a transaction does not mean that you are in an agency relationship with any brokerage company. If you are concerned about compensation and how it may be shared, seek a satisfactory answer prior engaging in a transaction.

Fair Housing Statement: It is illegal, pursuant to the Kentucky Fair Housing Law and Federal Fair Housing Law, to refuse to sell, transfer, assign, rent, lease, sublease, or finance housing accommodations, or refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status, disability, national origin, sexual orientation (in some counties) or gender identity (in some counties) or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the providing of real estate brokerage services. It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.

We hope you find this information helpful as you begin your real estate transaction. When you are ready to enter into a transaction, you will be asked to sign an Agency Consent Agreement that specifically identifies the agency relationship between you, the principal broker of this brokerage company, and any affiliated licensees. Please ask questions if there is anything you do not understand.

Your signature below will not obligate you to work with this brokerage company if you do not choose to do so. A copy of this signed Guide will be provided to you and a record of it maintained by the brokerage company. Please add this Guide to your records for reference even if you refuse to sign.

<p>Signature Signed by:</p> 	<p>Date/Time 10/21/2024 10:05 PM EDT</p>
<p>Signature Signed by:</p> 	<p>Date/Time 10/21/2024 10:08 PM EDT</p>