

REAL ESTATE AGENCY DISCLOSURE AND ELECTION

Document updated:
January 2009



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. Firm Name ("Broker") _____
2. acting through _____ hereby makes the following disclosure.
LICENSEE'S NAME

DISCLOSURE

- 3. Before a **Seller or Landlord (hereinafter referred to as "Seller")** or a **Buyer or Tenant (hereinafter referred to as "Buyer")** enters into
- 4. a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer should understand what type of agency
- 5. relationship or representation they will have with the broker in the transaction.
- 6. **I. Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the Buyer. In these
- 7. situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving compensation for services
- 8. rendered, either in full or in part, from the Seller or through the Seller's broker:
- 9. a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Buyer.
- 10. b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the same or similar
- 11. properties as Buyer is seeking.
- 12. **II. Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
- 13. a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings with the Seller.
- 14. b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is selling.
- 15. **III. Broker Representing both Seller and Buyer (Limited Representation):** A broker, either acting directly or through one or more
- 16. licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a transaction, but only with the
- 17. knowledge and informed consent of both the Seller and the Buyer. In these situations, the Broker, acting through its licensee(s),
- 18. represents both the Buyer and the Seller, with limitations of the duties owed to the Buyer and the Seller:
- 19. a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms other than
- 20. stated in the listing or that the Buyer will accept a price or terms other than offered.
- 21. b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential information may
- 22. be made only with written authorization.
- 23. Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the performance of the
- 24. Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known facts which materially and adversely
- 25. affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers, Lessors and Brokers are not obligated to disclose that
- 26. a property is or has been: (1) the site of a natural death, suicide, homicide, or any crime classified as a felony; (2) owned or occupied by a
- 27. person exposed to HIV, or diagnosed as having AIDS or any other disease not known to be transmitted through common occupancy of real
- 28. estate; or (3) located in the vicinity of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of
- 29. offers as confidential unless there is a confidentiality agreement between the parties.
- 30. **THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER FROM THE**
- 31. **RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD CAREFULLY READ ALL**
- 32. **AGREEMENTS TO ENSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR UNDERSTANDING OF THE TRANSACTION.**

ELECTION

- 33. **Buyer or Tenant Election** (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker (check any that apply):
- 34. represent the Buyer as Buyer's Broker.
- 35. represent the Seller as Seller's Broker.
- 36. show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and Seller provided that
- 37. the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's informed consent should be
- 38. acknowledged in a separate writing other than the purchase contract.
- 39. **Seller or Landlord Election** (Complete this section only if you are the Seller.) The undersigned elects to have the Broker (check any that apply):
- 40. represent the Buyer as Buyer's Broker.
- 41. represent the Seller as Seller's Broker.
- 42. show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both Seller and
- 43. Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and Seller's informed consent
- 44. should be acknowledged in a separate writing other than the purchase contract.

45. The undersigned Buyer(s) or Seller(s) acknowledge that this document is a disclosure of duties. This document is not an employment agreement.
46. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.
47. _____

^ PRINT NAME ^ PRINT NAME

48. _____
^ SIGNED MO/DA/YR ^ SIGNED MO/DA/YR

