

**BROKERAGE RELATIONSHIP POLICY
FOR
PEAK REAL ESTATE CONNECTION, LLC
BROKERAGE FIRM**

1155 Kelly Johnson Blvd. #111
Colorado Springs, CO 80920

Broker: Mai Robinson

I. GENERAL PROVISIONS & DEFINITIONS.

- A. This Brokerage Firm consists of one natural person, the Broker identified above, and no other Licensees who associate under the license of the Employing Broker.
- B. The “**Company**” and the “**Brokerage Firm**” mean the same thing in this policy and are defined to include the Broker. If the Brokerage Firm is part of, or becomes, part of a franchise, the Brokerage Firm only refers to our franchise office, as a single entity, and not those owned by other franchisees.
- C. The term “**Customer**” shall have the same meaning which it has under Colorado license law: “*a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed a broker.*”
- D. A “**Client**” is a party to a real estate transaction with whom the Broker has a brokerage relationship as defined by Colorado law, because such party has engaged or employed the broker as either an agent or a transaction-broker.
- E. A “**One Licensee Transaction**” shall mean a transaction in which only the Broker and no other Colorado real estate licensees from other brokerage firms are involved in the transaction. It shall have the same meaning as the term “**In-Company Transactions.– One Broker**” used in the Real Estate Commission Approved forms.
- F. Since this Brokerage firm has only one Broker, an “**In-Company Transaction**” shall mean the same thing as a One Licensee Transaction.
- G. If a Client or Customer asks to have a copy of this policy, Broker shall provide that person with a current copy.
- H. Broker shall comply with all Colorado and Federal Fair Housing Laws, regardless of the broker relationship Broker serves.
- I. If the Brokerage Firm assists landlords or tenants with the leasing of real property then references to a seller selling property shall also refer to a landlord leasing property and references to a buyer buying property shall also refer to tenants renting property.

II. WORKING WITH SELLERS AS LISTING BROKER

Initial Broker Relation Status: Broker may allow sellers who wish to engage their services to do so as either a designated **seller’s agent** or a designated **transaction-broker**.

A. Seller Listing Procedures:

1. Seller must execute a written listing agreement utilizing the Company approved form. Unless otherwise specified, the Company approved form is the appropriate Exclusive Right-to-Sell (Seller Agency) or Exclusive Right-to-Sell (Transaction Broker) Colorado Real Estate Commission (“CREC”) form.

2. All listing agreements shall specify the amount or percentage of commission offered to the different types of cooperating licensees.

B. Addressing Choices for One Licensee Transactions:

1. When Broker is a transaction-broker, and sells his or her own listing, then broker shall work with both the seller and the buyer as a transaction-broker.

2. When Broker is an agent, then the Broker shall address the choices to be made for In-Company Transaction. – One Broker, currently section 4.3 of the Colorado Real Estate Commission’s Exclusive Right-to-Sell Listing Contract, as provided in this subsection 2. Said section 4.3. currently states:

4.3.1 **Seller’s Agent.** If the Seller Agency box at the top of page 1 is checked, the parties agree the following applies:

4.3.1.1 **Seller Agency Only.** Unless the box in § 4.3.1.2 (**Seller Agency Unless Brokerage Relationship with Both**) is checked, Broker shall represent Seller as Seller’s agent and shall treat the buyer as a customer. A customer is a party to a transaction with whom Broker has no brokerage relationship. Broker shall disclose to such customer Broker’s relationship with Seller.

4.3.1.2 **Seller Agency Unless Brokerage Relationship with Both.** If this box is checked, Broker shall represent Seller as Seller’s agent and shall treat the buyer as a customer, unless Broker currently has or enters into an agency or Transaction-Brokerage relationship with the buyer, in which case Broker shall act as a Transaction-Broker.

4.3.1.2. Broker shall strive to address the choices to be made for In-Company Transaction–One Broker by checking box 4.3.1.2 so that Broker shall work as a transaction- broker on One Licensee transactions.

- C. **Disclosure Obligations to Buyers who are not Clients:** Broker shall make the disclosure to buyers who are not their Clients on the appropriate Colorado Real Estate Commission approved form, the “**Buyer’s Disclosure**” in this Policy. Such disclosure shall be identical to the selection made on the listing contract as indicated above.

If Broker has listings where the election within § 4.3.1 is inconsistent, then Broker shall address the disclosure obligations to buyer Customers on a case-by-case basis. Broker shall make the disclosure at the point in time required by Colorado Real Estate Commission Rule E-35.

- D. **Cooperation:** Broker shall cooperate with and offer compensation to other licensees who are the procuring cause for buyers’ purchases and have either transaction-broker or agency relationships with buyers, who are bound to arbitrate procuring cause disputes through a local board of REALTORS®, an MLS arrangement or, if not otherwise so bound, who agree in writing to be bound by such arbitration. Such licensees shall be referred to as “**Selling Brokers**” herein. The amount or percentage of cooperation shall be the same for Selling Brokers who work as transaction-brokers or buyer’s agents and shall be indicated in the listing agreement.
- E. **Duties:** When acting as a Seller’s Agent, Broker shall have the duties identified in C.R.S. § 12-61-804. When acting as a Transaction-Broker, Broker shall have the duties identified in C.R.S. § 12-61-807.

III. WORKING WITH BUYERS ON BUYER LISTINGS

Initial Broker Relationship Status: Broker may allow buyers who wish to engage its services to do so as either a designated **buyer’s agent** or a designated **transaction-broker**.

- A. **Buyer Listing Procedures:** Buyer must execute a written buyer listing agreement utilizing the Company approved form. Unless otherwise specified, the Company approved form is the appropriate Exclusive Right-to-Buy (Buyer Agency) or Exclusive Right-to-Buy (Transaction Broker) Colorado Real Estate Commission (“**CREC**”) form.

B. **Addressing Choices for One Licensee Transactions:**

1. When Broker is a transaction-broker, and assists a buyer in the purchase of his or her own property, then the Broker shall work with both the seller and the buyer as a transaction-broker.

2. When Broker is an agent, and assists a buyer in the purchase of an unlisted property, then Broker shall address the choices to be made for In-Company Transaction. – One Broker, currently section 4.3 of the Colorado Real Estate Commission’s Exclusive Right-to-Buy listing contract, as provided in this subsection 2. Said section 4.3 currently states:

Buyer’s Agent. If the Buyer Agency Box at the top of page 1 is checked, the parties agree the following applies:

4.3.1.1 **Buyer Agency Only.** Unless the box in § 4.3.1.2 (**Seller Agency Unless Brokerage Relationship with Both**) is checked, Broker shall represent Buyer as Buyer’s Agent and shall treat the seller as a customer. A customer is a party to a transaction with whom Broker has no brokerage relationship. Broker shall disclose to such customer Broker’s relationship with Buyer.

4.3.1.2 **Buyer Agency Unless Brokerage Relationship With Both.** If this box is checked, Broker shall represent Buyer as Buyer’s Agent and shall treat the seller as a customer, unless Broker currently has or enters into an agency or Transaction-Brokerage relationship with the seller, in which case Broker shall act as a Transaction-Broker.

4.3.1.2. The Broker **shall** strive to address the choices to be made for In-Company Transactions–One Broker by checking **box 4.3.1.2** in section 4.3.1 so that Broker shall work as a transaction-broker on Once Licensee transactions.

C. **Disclosure Obligations to Sellers Who are not Clients (FSBO Sellers):** Broker shall make the disclosure to sellers who are not their Clients on the appropriate Colorado Real Estate Commission approved form, the “**Seller’s Disclosure**” in this Policy. Such disclosure shall be identical to the selection made on the Licensees listing contract as indicated above.

If Broker has listings where the election within section 4.3.1 is inconsistent, then he or she shall address the disclosure obligations to seller Customers on a case-by-case basis. Broker shall make the disclosure at the point in time required by Colorado Real Estate Commission Rule E-35.

D. **Duties:** When acting as a Buyer’s Agent, Broker shall have the duties identified in C.R.S. § 12-61-805. When acting as a Transaction-Broker, Broker shall have the duties identified in C.R.S. § 12-61-807.

IV. ONE-LICENSEE TRANSACTIONS

A. **Relationship.**

1. Transaction-Broker/Transaction-Broker. On a One-Licensee Transaction in which the Broker initially agreed to work with the seller as a transaction-broker and initially agreed to work with the buyer as a transaction-broker, Broker will assist the buyer and the seller as a transaction-broker.

2. Other One-Licensee Transactions. On other One-Licensee transactions, the brokerage relationship with which the Broker shall work with the buyer and the seller shall be determined by the interaction of the choices made in the “In-Company Transactions-One Broker” sections of the Seller listing agreement (if there is such a listing agreement) and

the Buyer listing agreement (if there is such a listing agreement). If Box 4.3.1.2 is not checked in the seller listing agreement and Broker has any Client relationship with the buyer, then there is a potential conflict between the duties which the Broker owes the seller and the buyer. If Box 4.3.1.2 is not checked in the buyer listing agreement and Broker has any Client relationship with the seller, then there is a potential conflict between the duties which Broker owes the seller and the buyer. If there is such a conflict, Broker shall address the conflict on a case-by-case basis.

3. For a One-Licensee transaction, Broker shall not maintain a brokerage relationship with one party as an agent and the other party as a transaction-broker.

- B. **Special Relationships.** Broker may have a special relationship with either a seller or buyer in a transaction which may make it difficult for Broker to act neutrally between buyer and seller (a “**Special Relationship**”). Such Special Relationships are addressed in Article VI below.
- C. **Notice of Change of Status.** If Broker changes his or her status with a buyer or seller, then Broker shall inform the seller, buyer or both of them of the change of status at the time Broker begins assisting both parties but in no event later than the signing of the contract by a party.
- D. **Duties of a Transaction Broker:** When acting as a Transaction Broker, Broker shall have the duties identified in C.R.S. § 12-61-807.

V. MAINTENANCE OF CONFIDENTIAL INFORMATION

The following information is confidential between Broker and his or her Client:

1. The seller or landlord is willing to accept less;
2. The buyer or tenant is willing to pay more;
3. Information regarding motivating factors for the parties;
4. Information that a party will agree to other financing terms;
5. Material information about a party not required by law to be disclosed;
6. Facts or suspicions which may psychologically impact or stigmatize a property;
7. All information required to be kept confidential pursuant to sections 12-61-804(2), 12-61-805(2) and 12-61-807(3), C.R.S.

Confidential information does not include information which is required to disclose by law.

VI. SPECIAL RELATIONSHIPS

- A. **Listing a Property Owned By a Relative of Broker:** When Broker sells a property owned by a relative of Broker, Broker shall disclose to the other party the exact relationship that Broker has to the relative prior to the formation of the contract.

- B. **Other Special Relationships.** Broker may have a special relationship with either a seller or buyer in a transaction which may make it difficult for Broker to act neutrally between buyer and seller in a One Licensee Transaction (a “**Special Relationship**”). Such special relationships may occur, for example, when Broker has a listing relationship with a builder who provides a high number of referrals to Broker. Another example might be where one side to the transaction is a close family member. If Broker has a special relationship with one principal to a transaction, then Broker will address the potential conflicts of interest, at the time the One-Licensee transaction begins, on a case-by-case basis.

VII. MISCELLANEOUS

- A. **Writings.** In addition to a letter sent by surface mail, any form of communication which leaves a record (such as fax or e-mail) which is retrievable by a Brokerage Firm shall be considered written notice in this Policy.

- B. **File.** Any references to a file in this Policy shall include a physical file or records stored electronically, or the combination of both of them.

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*This Company Broker Relationship Policy has been prepared for Peak Real Estate Connection, LLC based upon the Frasca, Joiner, Goodman, and Greenstein, P.C. Master Broker Relationship Policy. While this Company Broker Relationship Policy is the exclusive property of Peak Real Estate Connection, LLC, Frasca, Joiner, Goodman, and Greenstein, P.C. will create substantially identical, if not identical, Broker Relationship policies for other real estate brokers. **This policy is based upon the state of Colorado real estate license law as of April 2015. Changes in statutes, Real Estate Commission rules, Real Estate Commission forms, and precedent may necessitate changes to this policy. Periodically the Employing Broker should confer with legal counsel to keep Policy up to date.***