

EXCLUSIVE AUTHORIZATION TO SELL

The undersigned OWNER hereby grants to Fuller Group ("Broker") the exclusive right to sell the Subject Property for a period commencing January 24, 2020 and ending at midnight on July 31, 2020 (the "Term"). Upon expiration, the Term of this Agreement shall automatically renew for successive six (6) month periods unless terminated by either party with thirty (30) days written notice. The Subject Property is in the City of Longview, County of Cowlitz, State of Washington located at the 1332 Vandercook Way (Parcel 01654), Parcel 01653 and Parcel 01661 and further described as a 6,000 SF Commercial Building on 18,000 SF of commercial land commercial over 3 parcels; See Exhibit "A" attached.

The price shall be Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00), (approximately \$75/SF) to be paid as follows: All cash at closing or other terms and conditions acceptable to Seller.

References herein to the Subject Property shall be understood to include any portion of the Subject Property.

In consideration of this EXCLUSIVE AUTHORIZATION TO SELL and the Broker's agreement to pursue the procurement of a buyer for the Subject Property, Owner agrees to pay Broker a sale commission in accordance with the appropriate provisions of the SCHEDULE OF COMMISSIONS attached hereto and which is fully and completely incorporated herein by this reference.

1. Owner shall pay the commission to Broker if: (a) the Subject Property is sold or otherwise transferred whether through the Broker, or by the Owner, or through anyone else prior to the expiration of this Agreement or any extension thereof; or (b) a buyer is procured or introduced by Broker or the Owner or by or through anyone else who is ready, willing and able to purchase the Subject Property on the terms above stated or other terms acceptable to Owner prior to the expiration of this Agreement or any extension thereof; or (c) any contract for the sale, exchange, or other transfer of the Subject Property is made directly or indirectly by the Owner or its affiliate prior to the expiration of this Agreement or any extension thereof; or (d) prior to the expiration of this Agreement or any extension thereof, Owner removes the Subject Property from the market, renders the Subject Property unmarketable by Owner's voluntary act or contributes or conveys said property or any interest therein to a partnership, joint venture, or other entity, or the Subject Property is transferred due to eminent domain or the threat thereof, foreclosure, or conveyance in lieu of foreclosure; or (e) within sixty (60) days after the expiration of this Agreement or any extension thereof, the Subject Property is sold to or otherwise transferred, or an agreement is executed leading to a sale or other transfer with, any person or entity (or their successors, assigns or affiliates), whom Broker has negotiated or to whom Broker has submitted the Subject Property for consideration prior to such expiration in an effort to effect a transaction and whose name appears on any list of such persons or entities which Broker shall have mailed to Owner at the address stated below at any time within ten (10) days immediately following such expiration; provided, however, if Broker has submitted a written proposal to acquire the Subject Property prior to such expiration, then it shall not be necessary to include such person or entity's name on the list. Broker is authorized to continue negotiations with the persons or entities described in Subsection (e).

1 2. As used in this Agreement the term "sale" shall include an exchange of the Subject
2 Property, and also the granting of an option to purchase the Subject Property. Owner agrees that
3 in the event such an option is granted, Owner shall pay Broker a sales commission in accordance
4 with the Schedule of Commissions on the price paid for the option and for any extensions
5 thereof. This commission shall be paid upon receipt by Owner of any such payment(s). In the
6 event such an option is exercised, whether during the Term or thereafter, Owner shall also pay
7 Broker a sales commission on the gross sales price of the property in accordance with the
8 Schedule of Commissions. To the extent that all or part of the price paid for the option or any
9 extension thereof is applied to the sales price of the Subject Property, then any commission
10 previously paid by Owner to Broker on account of such option payments shall be credited
11 against the commission payable to Broker on account of the exercise of the option.

12 3. Owner further agrees that in the event a lease is entered into prior to expiration of
13 this Agreement or any extension thereof, or is made or negotiated during the one hundred eighty
14 (180) day period thereafter pursuant to the provision of Subsection 1(e) above, to any person or
15 entity whose name appears on the above list or from whom Broker has submitted a written offer,
16 Owner shall pay to Broker a lease commission in accordance with the appropriate provisions set
17 forth in the attached SCHEDULE OF COMMISSIONS.

18 4. In the event an escrow is opened for sale of the Subject Property or Owner accepts
19 an offer to purchase the Property during the Term, or any extension thereof, and the sale is not
20 consummated for any reason then, in that event, the Term shall be extended for a period of time
21 equal to the number of days that the escrow had been opened and/or the Property had been
22 removed from the market, whichever is longer, provided that, in no event shall such extension(s)
23 exceed one hundred eighty (180) calendar days in the aggregate.

24 5. Commissions shall be payable hereunder when earned or at closing, closing of
25 escrow, recordation of the deed, or possession by the buyer, transferee, or tenant, whichever
26 occurs first.

27 6. Owner agrees to cooperate with Broker in effecting the sale of the Subject Property
28 and to immediately refer to Broker all inquiries of any party interested in the property. All
29 negotiations shall be through Broker. Broker is authorized to accept a deposit from any
30 prospective buyer and to handle it in accordance with the instructions of the parties unless
31 contrary to applicable law. Broker is further authorized to advertise the property and shall have
32 the exclusive right to place a sign or signs on the Property if, in Broker's opinion, such would
33 facilitate the sale of the Subject Property. Broker may cooperate with other licensed real estate
34 brokers.

35 7. Owner agrees to comply with all applicable federal, state and local laws,
36 regulations, codes, ordinances and administrative orders having jurisdiction over the parties,
37 Property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil
38 Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the
39 Comprehensive Environmental Response Compensation and Liability Act, The Americans
40 With Disabilities Act, and all other applicable anti-discrimination laws and regulations. It is
41 understood that it may be illegal to refuse to display, lease or sell to any person because of
42 race, color, religion, national origin, sex, marital status, or physical disability.

1 8. Owner warrants that he is the sole owner of the Subject Property or has the full
2 written legal authority from any other owner(s) to execute this Agreement on their behalf and to
3 bind them thereto, and that, except as may be set forth in this Agreement, no person or entity
4 who has an ownership interest in the Subject Property is a foreign person as defined in the
5 Foreign Investment in Real Property Tax Act (commonly known as "FIRPTA"). Each signatory
6 to this Agreement represents and warrants that he has full authority to sign this Agreement on
7 behalf of the party for whom he signs and that this Agreement binds such party.

8 9. Owner agrees to disclose to Broker and to prospective buyers or tenants any and all
9 information which Owner has or is aware of regarding present and future zoning and
10 environmental matters affecting the Subject Property and the condition of the Subject Property,
11 including, but not limited to structural, mechanical and soils conditions, the presence and
12 location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and
13 underground storage tanks in, on or about the Subject Property. Broker is authorized to disclose
14 any such information to prospective buyers or tenants. Owner agrees to indemnify and hold
15 Broker harmless from any liability, costs or damages and/or expenses, including without
16 limitation attorney's fees, arising from or connected with any incorrect, incomplete or misleading
17 information supplied by Owner, any information which Owner fails to supply, or any incorrect
18 representation of Owner.

19 10. Owner acknowledges that in some cases Broker may represent prospective buyers
20 or tenants. Owner desires that the Subject Property be presented to such persons or entities, and
21 consents to the dual representation created thereby.

22 11. Owner and its counsel will be responsible for determining the legal sufficiency of
23 any purchase agreement and any other documents relating to any transaction contemplated by
24 this Agreement.

25 12. No amendments or alterations of the terms hereof or withdrawal of this Agreement
26 shall be valid or binding unless made in writing and signed by both Owner and an authorized
27 representative of Broker, and the Owner and Broker agree that there are no statements,
28 representations, inducements or promises made or relied upon by one or the other, except as
29 expressly stated herein. This Agreement contains the entire agreement and understanding of the
30 parties with respect to the subject matter of this Agreement and supersedes any prior agreements
31 among them with respect to such subject matter.

32 13. In the event of any dispute between Owner and Broker relating to this Agreement,
33 the Subject Property or Owner or Broker's performance hereunder, Owner and Broker agree that
34 such dispute shall be resolved by means of binding arbitration in accordance with the
35 commercial arbitration rules of the American Arbitration Association, and judgment upon the
36 award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
37 Depositions may be taken and other discovery obtained during such arbitration proceedings to
38 the same extent as authorized in civil judicial proceedings in the state where the office of Broker
39 executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory
40 damages and shall have no authority to award punitive, exemplary or similar type damages. The
41 prevailing party in the arbitration proceeding shall be entitled to recover its expenses, including
42 the costs of the arbitration proceeding, and the prevailing party's attorneys' fees, court costs,

1 expert witness fees and other expenses related to such attempt to recover, including such fees,
2 costs and expenses on any appeal and review.

3 14. In the event any commissions or other payments are due and owing hereunder to
4 Broker and not promptly paid when due and owing, they shall, from the date of such default bear
5 interest at the rate of eighteen percent (18%) per annum, or if less, the maximum non-usurious
6 rate of interest to which the parties could contract in writing for the forbearance of money under
7 appropriate state and federal law, on the date of such default.

8 15. In the event that Owner lists the Subject Property with another broker after the
9 Term of this Agreement, Owner agrees to provide in the subsequent listing agreement that a
10 commission will not be payable to the new broker with respect to transactions for which Owner
11 remains obligated to pay a commission to Broker under this Agreement.

12 16. If security, earnest money or similar deposits are forfeited, in addition to any other
13 rights of Broker pursuant to this Agreement, Broker shall be entitled to one-half (1/2) thereof,
14 but not to exceed the total amount of the anticipated commission.

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1 Owner acknowledges receipt of a copy of this EXCLUSIVE AUTHORIZATION TO SELL
2 and the attached SCHEDULE OF COMMISSIONS, and EXHIBIT "B" LAW OF REAL
3 ESTATE AGENCY each of which Owner has read, fully understands, and has executed.
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Dated: 1/23/20

Dated: 1/23/2020

OWNER:

BROKER: Fuller Group

By: *[Signature]*

By: *[Signature]*
Paul Young

By: _____

Address:

Address: 900 Washington Street, Suite 850
Vancouver, WA 98660

Phone:

Phone: 360-597-0565

Email:

Email: pyoung@fg-cre.com

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6 **CONSULT YOUR ADVISORS – THIS DOCUMENT HAS LEGAL CONSEQUENCES. NO**
7 **REPRESENTATION OR RECOMMENDATION IS MADE BY BROKER AS TO THE**
8 **LEGAL TO TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION(S)**
9 **WHICH IT CONTEMPLATES. THESE ARE QUESTIONS FOR YOUR ATTORNEY AND**
10 **FINANCIAL ADVISORS.**

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12 **THIS FORM SHOULD NOT BE MODIFIED WITHOUT SHOWING SUCH**
13 **MODIFICATIONS BY REDLINING, INSERTION MARKS, OR ADDENDA.**
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900 Washington Street, Suite 850 • Vancouver, WA 98660
(360) 750-5595 • fax (360) 750-5594 • www.fg-cre.com

SCHEDULE OF FEES

Leases:

A. Fees on all leases are due and payable as soon as the lease has been signed by both parties.

~~B. **Gross Leases:** Our fee is five percent (5%) of the aggregate rental for the first five (5) years of the lease and three and one half percent (3 1/2%) of the aggregate rental thereafter, except in the event the lease term is three (3) years or less, our fee will be seven percent (7%) of the aggregate rental with a minimum fee of one (1) month's rent.~~

~~C. **Net Leases:** Our fee is six percent (6%) of the aggregate rental for the first five (5) years of the lease term and three and one half percent (3 1/2%) of the aggregate rental thereafter, except in the event the lease term is three years or less, our fee will be seven percent (7%) of the aggregate rental with a minimum of one (1) month's rent.~~

~~D. Our fee for a month to month tenancy is one (1) average month's rental with a minimum fee of \$400.00.—~~

~~E. When a lease contains an option to renew, our fee is computed on the regular schedule as though the option period was an extension of the original term and is due when the option is exercised.~~

~~F. Fees for subleases, assignments or transfers of leases are the same as regular leasing fees, plus two percent (2%).~~

Ground Leases:

~~Fees in connection with ground leases are normally treated in accordance with the foregoing section. However, by mutual agreement, the transaction may be treated as a cash sale, in which case the fee due will be in accordance with the paragraph regarding Sales. The valuation of the property will be determined by capitalizing the average annual net rental at the rate currently charged for net ground leases or the rate used in the specific transaction.~~

Sales:

A. Fees on sales or exchanges of property are due in full when the transaction closes.

B. For selling or exchanging any class of improved property, our fee is:

Six percent (6%) of the sales price for buyers represented by another broker (split 50/50).

Five percent (5%) of the sales price for buyers found by the listing broker, Paul Young.

~~C. For selling or exchanging unimproved land, our fee is ten percent (10%) of the sales price.~~

~~D. In an exchange of properties, both owners pay our regular brokerage fee on each property.~~

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EXHIBIT "A"

**LOTS 5, 6 AND 15, BLOCK 99, PLAT OF LONGVIEW 11, AS RECORDED IN VOLUME 6 OF
PLATS, AT PAGE 19, RECORDS OF SAID COUNTY.**

SITUATE IN COWLITZ COUNTY, STATE OF WASHINGTON

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EXHIBIT "B"

THE LAW OF REAL ESTATE AGENCY

This pamphlet describes your legal rights in dealing with a real estate broker or salesperson. Please read it carefully before signing any documents.

The following is only a brief summary of the attached law:

Sec. 1. Definitions. Defines the specific terms used in the law.

Sec. 2. Relationships between Licensees and the Public. States that a licensee who works with a buyer or tenant represents that buyer or tenant - unless the licensee is the listing agent, a seller's subagent, a dual agent, the seller personally or the parties agree otherwise. Also states that in a transaction involving two different licensees affiliated with the same broker, the broker is a dual agent and each licensee solely represents his or her client - unless the parties agree in writing that both licensees are dual agents.

Sec. 3. Duties of a Licensee Generally. Prescribes the duties that are owed by all licensees, regardless of who the licensee represents. Requires disclosure of the licensee's agency relationship in a specific transaction.

Sec. 4. Duties of a Seller's Agent. Prescribes the additional duties of a licensee representing the seller or landlord only.

Sec. 5. Duties of a Buyer's Agent. Prescribes the additional duties of a licensee representing the buyer or tenant only.

Sec. 6. Duties of a Dual Agent. Prescribes the additional duties of a licensee representing both parties in the same transaction and requires the written consent of both parties to the licensee acting as a dual agent.

Sec. 7. Duration of Agency Relationship. Describes when an agency relationship begins and ends. Provides that the duties of accounting and confidentiality continue after the termination of an agency relationship.

Sec. 8. Compensation. Allows brokers to share compensation with cooperating brokers. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.

Sec. 9. Vicarious Liability. Eliminates the common law liability of a party for the conduct of the party's agent or subagent, unless the agent or subagent is insolvent. Also limits the liability of a broker for the conduct of a subagent associated with a different broker.

Sec. 10. Imputed Knowledge and Notice. Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.

Sec. 11. Interpretation. This law replaces the fiduciary duties owed by an agent to a principal under the common law, to the extent that it conflicts with the common law.

Sec. 12. Effective Date. This law generally takes effect on January 1, 1997.

Sec. 1. Definitions

As used in this act unless the context clearly requires otherwise:

- (1) "Agency relationship" means the agency relationship created under this chapter or by written agreement between a licensee and a buyer and/or seller relating to the performance of real estate brokerage services by the licensee.
- (2) "Agent" means a licensee who has entered into an agency relationship with a buyer or seller.
- (3) "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof.
- (4) "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.
- (5) "Buyer's agent" means a licensee who has entered into an agency relationship with only the buyer in a real estate transaction, and includes subagents engaged by a buyer's agent.
- (6) "Confidential information" means information from or concerning a principal of a licensee that:
 - (a) was acquired by the licensee during the course of an agency relationship with the principal;
 - (b) the principal reasonably expects to be kept confidential;
 - (c) the principal has not disclosed or authorized to be disclosed to third parties;
 - (d) would, if disclosed, operate to the detriment of the principal; and
 - (e) the principal personally would not be obligated to disclose to the other party.
- (7) "Dual agent" means a licensee who has entered into an agency relationship with both the buyer and seller in the same transaction.
- (8) "Licensee" means a real estate broker, associate real estate broker, or real estate salesperson, as those terms are defined in chapter 18.85 RCW.
- (9) "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.
- (10) "Principal" means a buyer or a seller who has entered into an agency relationship with a licensee.
- (11) "Real estate brokerage services" means the rendering of services for which a real estate license is required under chapter 18.85 RCW.
- (12) "Real estate transaction" or "transaction" means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this act, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.
- (13) "Seller" means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.

- (14) "Seller's agent" means a licensee who has entered into an agency relationship with only the seller in a real estate transaction, and includes subagents engaged by a seller's agent.
- (15) "Subagent" means a licensee who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the agent in writing to appoint subagents.

Sec. 2. Relationships Between Licensees and the Public.

- (1) A licensee who performs real estate brokerage services for a buyer shall be deemed a buyer's agent unless:
 - (a) The licensee has entered into a written agency agreement with the seller;
 - (b) The licensee has entered into a subagency agreement with the seller's agent;
 - (c) The licensee has entered into a written agency agreement with both parties;
 - (d) The licensee is the seller or one of the sellers; or
 - (e) The parties agree otherwise in writing after the licensee has complied with section 3(l)(f).
- (2) In a transaction in which different licensees affiliated with the same broker represent different parties, the broker is a dual agent, and must obtain the written consent of both parties as required under section 6 of this act. In such a case, each licensee shall solely represent the party with whom the licensee has an agency relationship, unless all parties agree in writing that both licensees are dual agents.
- (3) A licensee may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the licensee complies with this act in establishing the relationships for each transaction.

Sec. 3. Duties Of A Licensee Generally.

- (1) Regardless of whether the licensee is an agent, a licensee owes to all parties to whom the licensee renders real estate brokerage services the following duties, which may not be waived:
 - (a) To exercise reasonable skill and care;
 - (b) To deal honestly and in good faith;
 - (c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;
 - (d) To disclose all existing material facts known by the licensee and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the licensee has not agreed to investigate;

- (e) To account in a timely manner for all money and property received from or on behalf of either party;
 - (f) To provide a pamphlet on the law of real estate agency in the form prescribed in section 13 of this act to all parties to whom the licensee renders real estate brokerage services, before the party signs an agency agreement with the licensee, signs an offer in a real estate transaction handled by the licensee, consents to dual agency, or waives any rights, under section 2(1)(e), 4(1)(e), 5(1)(e), or 6(2)(e) or 6(2)(f) whichever is soonest; and
 - (g) To disclose in writing to all parties to whom the licensee renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the licensee, whether the licensee represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."
- (2) Unless otherwise agreed, a licensee owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the licensee to be reliable.

Sec. 4. Duties Of A Seller's Agent.

- (1) Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in section 3 of this act and the following, which may not be waived except as expressly set forth in (e) of this subsection:
- (a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;
 - (b) To timely disclose to the seller any conflicts of interest;
 - (c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;
 - (d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and
 - (e) Unless otherwise agreed to in writing after the seller's agent has complied with section 3(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.
- (2) A seller's agent may show alternative properties not owned by the seller to prospective buyers and may list competing properties for sale without breaching any duty to the seller.

Sec. 5. Duties Of A Buyer's Agent.

- (1) Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in section 3 of this act and the following, which may not be waived except as expressly set forth in (e) of this subsection:
- (a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;
 - (b) To timely disclose to the buyer any conflicts of interest;
 - (c) To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

- (d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and
 - (e) Unless otherwise agreed to in writing after the buyer's agent has complied with section 3(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to: (i) Seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or (ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.
- (2) A buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching any duty to the buyer.

Sec. 6. Duties Of A Dual Agent.

- (1) A licensee may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with section 3(1)(f), which consent must include a statement of the terms of compensation.
- (2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in section 3 of this act and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:
- (a) To take no action that is adverse or detrimental to either party's interest in a transaction;
 - (b) To timely disclose to both parties any conflicts of interest;
 - (c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;
 - (d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;
 - (e) Unless otherwise agreed to in writing after the dual agent has complied with section 3(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and
 - (f) Unless otherwise agreed to in writing after the dual agent has complied with section 3(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to: (i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or (ii) show properties as to which there is no written agreement to pay compensation to the dual agent.
- (3) A dual agent may show alternative properties not owned by the seller to prospective buyers and may

list competing properties for sale without breaching any duty to the seller.

- (4) A dual agent may show properties in which the buyer is interested to other prospective buyers without breaching any duty to the buyer.

Sec. 7. Duration Of Agency Relationship.

- (1) The agency relationships set forth in this chapter commence at the time that the licensee undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:
 - (a) completion of performance by the licensee;
 - (b) expiration of the term agreed upon by the parties; or
 - (c) termination of the relationship by mutual agreement of the parties.
- (2) Except as otherwise agreed to in writing, a licensee owes no further duty after termination of the agency relationship, other than the duties of:
 - (a) Accounting for all monies and property received during the relationship; and
 - (b) Not disclosing confidential information.

Sec. 8. Compensation.

- (1) In any real estate transaction, the broker's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between brokers.
- (2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the licensee.
- (3) A seller may agree that a seller's agent may share with another broker the compensation paid by the seller.
- (4) A buyer may agree that a buyer's agent may share with another broker the compensation paid by the buyer.
- (5) A broker may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.
- (6) A buyer's agent or dual agent may receive compensation based on the purchase price without breaching any duty to the buyer.
- (7) Nothing contained in this act shall obligate a buyer or seller to pay compensation to a licensee, unless the buyer or seller has entered into a written agreement with the licensee specifying the terms of such compensation.

Sec. 9. Vicarious Liability.

- (1) A principal is not liable for an act, error, or omission by an agent or subagent of the principal arising out of an agency relationship
 - (a) unless the principal participated in or authorized the act, error, or omission; or
 - (b) except to the extent that: (i) The principal benefited from the act, error, or omission; and (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.
- (2) A licensee is not liable for an act, error, or omission of a subagent under this act, unless the licensee participated in or authorized the act, error or omission. This subsection does not limit the liability of a real estate broker for an act, error, or omission by an associate real estate broker or real estate salesperson licensed to that broker.

Sec. 10. Imputed Knowledge And Notice.

- (1) Unless otherwise agreed to in writing, a principal does not have knowledge or notice of any facts known by an agent or subagent of the principal that are not actually known by the principal.
- (2) Unless otherwise agreed to in writing, a licensee does not have knowledge or notice of any facts known by a subagent that are not actually known by the licensee. This subsection does not limit the knowledge imputed to a real estate broker of any facts known by an associate real estate broker or real estate salesperson licensed to such broker.

Sec. 11. Interpretation.

This act supersedes only the duties of the parties under the common law, including fiduciary duties of an agent to a principal, to the extent inconsistent with this act. The common law continues to apply to the parties in all other respects. Nothing in this act affects the duties of a licensee while engaging in the authorized or unauthorized practice of law as determined by the courts of this state. This chapter shall be construed broadly.

Sec. 12. Effective Date.

This act shall take effect on January 1, 1997, except that this act shall not apply to an agency relationship entered into before January 1, 1997, unless the principal and agent agree in writing that this act will, as January 1, 1997, apply to such agency relationship.