

McSHANE REALTY PARTNERS INC.

BROKERAGE RELATIONSHIPS POLICY

On January 1, 1994, the Brokerage Relationships in Real Estate Transaction Act (“BRRETA”), O.C.G.A. Section 10-6A-1 et seq., went into effect in Georgia. It requires each licensed broker to develop and enforce a brokerage relationship policy and to provide a copy of that policy and to make certain disclosures to all prospective clients before entering into a brokerage engagement relationship.

For purposes of BRRETA:

1. A **Client** is defined as a person who has entered into a brokerage engagement with a real estate broker.
2. A **Customer** is defined as a person who has not entered into a brokerage engagement with a real estate broker, but for whom such broker may perform ministerial acts in a real estate transaction.
3. A **Brokerage Engagement** means an express written or oral contract wherein a client promises to pay the real estate broker valuable consideration or agrees that a real estate broker may receive valuable consideration from another in consideration of the broker producing a seller, buyer, tenant or landlord ready, willing and able to sell, buy or rent real property or an interest in the property.

BROKERAGE POLICIES

LEASING TRANSACTIONS: It is Broker’s policy to treat each prospective tenant, who wishes Broker to assist him or her in locating and leasing property as a **Customer** unless that prospective tenant **enters** into a written contract for it to act as **Tenant’s Agent**. When a prospective tenant wishes Broker to act as **Tenant’s Agent**, a **Written Brokerage Engagement** must be signed. If there is such a **Brokerage Engagement**, the tenant is a **Client**.

It is Broker’s policy to treat each prospective landlord, who wishes Broker to assist him or her in finding tenants and leasing his or her property, as a **Customer**, unless that prospective landlord enters into an **Exclusive Leasing Contract** with Broker for it to act as the **Landlord’s Agent**. When a prospective landlord wishes Broker to act as **Landlord’s Agent**, a **Written Exclusive Leasing Contract** must be signed. If there is such a **Brokerage Engagement**, the landlord is a **Client**.

SALES TRANSACTIONS: It is Broker’s policy to treat each prospective **Buyer**, who wishes Broker to assist him or her in locating and purchasing property, as a **Customer** unless that prospective buyer enters into a written contract with Broker for it to act as **Buyer’s Agent**. When a prospective buyer wishes Broker to act as **Buyer’s Agent**, a **Written Brokerage Engagement** contract must be signed. When this occurs, the buyer is a **Client**.

It is Broker’s policy to treat each prospective **Seller**, who wishes Broker to assist him or her in selling property, as a **Customer**, unless that prospective seller wishes Broker to act as **Seller’s**

Agent. When a prospective seller wishes Broker to act as **Seller's Agent**, a **Written Exclusive Right To Sell Contract** must be signed. If there is such a **Brokerage Engagement**, the seller is a **Client**.

OTHER BROKERAGE RELATIONSHIPS

From time to time, one client of Broker will wish to buy or lease property of another client of Broker. In such a case, it is the further brokerage relationship of Broker to represent both the seller and buyer or landlord/sublandlord and tenant/subtenant as a limited agent. This **Dual Agency** is permitted under Georgia Law, if both clients consent in writing. Broker shall not disclose the confidential information of any of its clients to any other of its clients or to its customer, except to the extent required by applicable law.

Under Georgia Law, when a seller or landlord is a client, Broker and its salespersons may still show alternative properties not owned by client to prospective buyers or prospective tenants. In addition, when a buyer or tenant is a client, Broker and its salespersons may still show properties in which the buyer or tenant is interested to other prospective buyers or prospective tenants.

In some instances, in a specific disclosed transaction, Broker may act as a **Transactional Broker** and perform ministerial acts (i.e., acts which do not involve the exercise of its discretion or judgment pursuant to BRRETA), for both seller/landlord and buyer/tenant, without creating an agency relationship with either party.

COMMISSION ARRANGEMENTS

Broker's compensation in representing a seller or landlord or when acting as a dual agent in a particular transaction will generally be paid by such sellers or landlords, pursuant to an agency listing agreement or commission agreement. In those instances in which Broker represents buyers or tenants, Broker's compensation for services rendered to such buyers or tenants will be paid by [the buyer or tenant] [seller or landlord or its agent, unless specifically agreed to the contrary in writing between Broker and the buyer or tenant]. Broker will advise its clients of its compensation payable in connection with a specific transaction. Broker will not receive any undisclosed real estate brokerage commission in any real estate transaction and further will advise and obtain consent of all parties in the event that more than one party to a specific transaction pays its compensation.

Generally, Broker will cooperate with other licensed brokers who are properly authorized in writing to represent another party in a transaction; however, Broker will not recognize such cooperating brokers as subagents of Broker's clients, unless specifically agreed to in writing by Broker's clients and such cooperating brokers. Broker's compensation to and sharing of commissions with cooperating brokers will be set forth in the applicable agency listing agreement or other commission agreement with Broker's clients, who are responsible for compensating Broker.

DISCLOSURE STATEMENT AND OTHER INFORMATION AND NOTICES

Broker shall provide a **Disclosure Statement** to all parties to a specific transaction prior to the execution of a purchase and sale contract, a lease/sublease or other agreements regarding a transaction involving real property. The **Disclosure Statement** will provide disclosures as to whom Broker represents and from who Broker shall receive compensation in any specific transaction. In addition, Broker provides to each party to any specific transaction, whether **Client** or **Customer**, additional information and notices which appear on the reverse side of the Disclosure Statement.