

Delaware Addendum

to the Independent Contractor Agreement

Real Broker, LLC (the “**Company**”) makes this addendum a part of the Independent Contractor’s Agreement to set forth state specific policies and procedures for an agent affiliating with the Company in the State of Delaware. This addendum supersedes all previous Alabama addendums. The Company reserves the right to modify, suspend, or discontinue any of the terms, policies, procedures and/or benefits described in this addendum with proper notice.

Each company or branch office must be under the direction and supervision of a qualifying broker licensed at that address.

The law that governs your profession is found in the Delaware Code, Title 24, Chapter 29 (the “**Code**”). The Code created the Delaware Real Estate Commission (the “**Commission**”), which is empowered to create rules and regulations regarding your profession. Please familiarize yourself with the Code, and rules and regulations set forth by the Commission.

The Code can be found [HERE](#), and the regulations can be found [HERE](#).

LICENSE REQUIREMENTS

Company or Branch Requirements: The broker must maintain an office approved by the Commission or the State. If there is more than one office, the broker must have an additional broker’s license and office permit in the broker’s name for each branch office. The application for a branch office must state the address of the branch office and designated on-site supervisor.

All brokers’ offices must display a conspicuous sign on the outside of the office building.

If there is a change in the location of the office, the broker must give notice in writing to the Commission and include the names of each licensee included in any change of approved office location.

Each office must have a permanent sign indicating the name of the office that is registered with the Commission in a conspicuous location.

License Renewal: Licenses expire April 30 of each even numbered year. In the 2-year period prior to the established renewal date, licensees must complete the continuing education hours in an amount and subject matter as prescribed by the Commission. At the time of renewal, each licensee must disclose whether they have had any criminal convictions since the last license renewal.

Licensees must complete 21 acceptable CE in the following modules during the previous licensure period in order to renew their license:

- 3 hours in agency and fair housing
- 3 hours in professional standards
- 3 hours in real estate documents
- 3 hours in office management
- 3 hours in legislative issues
- 3 hours in practices of real estate
- 3 hours in elective courses

For licensees who have not been licensed the full 24 months before April 30 are eligible for prorated CE hours in accordance with the following schedule:

- No CE is required for less than 6 months of licensure
- 6 hours of CE is required for at least 6 months but less than 12 months of licensure. The 6 hours must cover 2 different modules above.
- 12 hours of CE is required after at least 12 months but less than 18 months of licensure. The 12 hours must consist of 4 different modules above.
- 18 hours of CE is required after at least 18 months but less than 24 months of licensure. The 18 hours must consist of 6 different modules above.

BUSINESS PRACTICES:

All listing agreements for the sale, lease or exchange of real property must be in writing and signed by the seller, owner or Broker.

Exclusive buyer agency agreements, or buyer agency agreements that obligate the buyer to pay the Broker must be in writing and signed by the buyer.

Every party to a listing agreement, agreement of sale, written buyer agency agreement, cooperation agreement between a Broker and Auctioneer or lease must be given a copy when the party signs or initials it, and a fully executed copy of the agreement after all parties have signed. It is the Licensee's responsibility to deliver the fully executed copy of the agreements to the principals within a reasonable time after execution by all parties. Copies may be in paper or electronic format.

Real Estate Teams: Team members must work under the direct supervision of the same broker in the same primary or branch office and conduct all real estate activity from the primary or branch office where their individual license is displayed. The Team Broker is responsible for the real estate activities of team members under the broker's supervision including advertising and posting of signs.

The broker must maintain a current list of Teams and Team members.

Disclosure Requirements: If a licensee has any personal interest in a transaction, they must disclose their status as a licensee to all persons related to the transaction, prior to the execution of any agreements and must include on the agreement the licensee's status.

A written confirmation of the agency relationship must be included in the agreement for a real estate transaction regardless of whether the relationship is a statutory or common law agency relationship.

Licensees must obtain a Radon Disclosure from the seller of residential property prior to accepting a written listing agreement, unless the property qualifies for an exemption, and must make the Radon Disclosure readily available to any prospective buyer. Licensees must provide the seller's most recent Radon Disclosure along with a copy of "Radon Rights, Risks and Remedy for the Home Buyer" to a buyer before the buyer enters into an agreement of sale and make the Radon Disclosure a part of any agreement of sale.

Open Houses: Only a licensee is permitted to host or staff an open house or otherwise show a listed property. The licensee may be assisted by non-licensed persons provided the licensee is on site. For new construction, subdivision, or development listed with a Broker for sale, a Licensee must always be on site when the site is open to the general public, except when the builder or developer hired a non-licensed person who is under direct supervision of the builder or developer for the purpose of staffing the project.

COMPENSATION/COMMISSION: Licensees cannot use commissions or income received from commissions as rebates or compensation paid to or given to non-licensed persons, partnerships or corporations as inducements to do or secure business, or as a finder's fees, unless those fees are paid pursuant to a written cooperation or affiliation agreement signed by all parties.

A licensee may give a rebate or discount or any other thing of value directly to the purchaser or seller of real estate.

A licensee has an affirmative obligation to make timely disclosure, in writing, to the Licensee's principal of any rebate or discount that may be made to the other party.

A licensee may not accept compensation from more than one party to a transaction without disclosure to all parties to the transaction.

When acting as an agent, a licensee may not accept any commission, rebate, or profit on expenditures made for the Licensee's principal without the principal's knowledge and informed consent.

ADVERTISING: Any licensees who advertise real property personally owned or real property in which the Licensee has an ownership interest must include that the Licensee is the owner of the property and the Licensee is a real estate Licensee.

Any licensee who advertises any real property for sale, lease, exchange or transfer that is listed with a Broker must include in the advertisement the complete Brokerage Organization name and phone number that is registered with the Commission for that office location. The Brokerage Organization name and phone number must be displayed in greater size and visibility than the Licensee's name in the advertisement. All advertising

must also contain language or abbreviations that clearly identify each number listed, i.e., office, home, cell, etc.

Team advertising must prominently display the name of the supervising broker's brokerage organization adjacent to the team name in greater size and visibility than the team name.

All advertisements for personal promotion of Licensees must include the complete Brokerage Organization name and phone number that has been registered with the Commission for that location.

Any licensee advertising real estate for sale stating "If we cannot sell your home, we will buy your home," or any words to that effect, must disclose in the original listing agreement at the time they obtain the signature on the listing agreement the price they will pay for the property if no sales agreement is executed during the term of the listing. The licensee will have 60 days to purchase and settle for the property upon expiration of the original listing or any extension.

Online Advertising: Internet electronic advertising must include in the advertisement the complete Brokerage Organization name and phone number registered with the Commission for that office location, it shall prominently display the Brokerage Organization name and phone number in greater size and visibility than the Licensee's name, and must contain language that clearly identifies each phone number listed. The disclosures must include the city and state that the Broker's main office is located and the Broker's jurisdiction of licensure.

RECORD MANAGEMENT:

The broker must maintain a complete record of all money received or escrowed on real estate transactions, including the sources of the money, the date of receipt, depository, and date of deposit; and when a transaction has been completed, the final disposition of the moneys. The records shall clearly show the amount of the Broker's personal funds in escrow at all times. The records must be in the office or available electronically in the office and retained for at least 3 years.

ESCROW ACCOUNTS:

Unless agreed to in writing by the parties, a Licensee cannot accept, as a good faith or earnest money deposit in connection with a real estate transaction, a photocopy, fax, or other copy of a personal check or draft, nor can a Licensee accept as a good faith or earnest money deposit a check or draft that is postdated.

An escrow account must be opened and maintained by the broker in a bank with an office located in Delaware in order to receive and maintain a valid license.

Interest accruing on the money held in escrow belongs to the owner or owners of the funds unless otherwise stated in the agreement of sale or lease.

GROUND FOR DISCIPLINE

Licensees will be subject to disciplinary sanctions if they:

- Make a substantial misrepresentation or false promise of a character likely to influence, persuade or induce
- Failed, within a reasonable time, to account for or to remit any money coming into their possession which belongs to others; has incompetently or negligently practiced real estate services.
- Illegally practice real estate services
- Incompetently or negligently practice real estate services that does not safeguard the interest of the public
- Paid a commission or valuable consideration to any person for acts or services that are in violation of the Code
- Assisted a person in providing real estate services who does not have a license in Delaware
- Received or made an arrangement to receive, directly or indirectly, any form of valuable consideration for products or services relating to a real estate service transaction without prior written disclosure by the licensee to the customer or client of the licensee and the payor for the product or service
- Misrepresented the availability or content of any statutorily required form such as the seller's disclosure of real property condition report form and/or the radon disclosure
- Employed or knowingly cooperated in fraud or material deception in order to acquire a license or renew a license as a real estate service provider
- Impersonated another individual holding a license or allowed another individual to use their license
- Have been convicted of a crime that is substantially related to the practice of real estate services
- Has had a license as a real estate service provider suspended or revoked