

Kansas Addendum to the Real Broker, LLC Independent Contractor Agreement

Real Broker, LLC makes this addendum a part of the Independent Contractor's Agreement to set forth state-specific policies and procedures for an agent ("Agent") affiliating with the company in the State of Kansas. This Addendum supersedes all previous Kansas addenda. 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.

All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include reference to this Addendum and any other addenda attached to the Agreement, which are hereby incorporated by reference.

Advertising and Marketing

1. Definition. "Advertising" is any form of communication by or on behalf of a license holder designed to attract the public to use real estate brokerage services and includes, but is not limited to, all publications, brochures, radio, or television broadcasts, all electronic media including email, text messages, social media, the Internet, business stationery, business cards, displays, signs and billboards.
2. Exclusion. Advertisement does not include a communication from a license holder to the license holder's current client; and a directional sign that may also contain only the broker's name or logo.
3. Prohibitions and Requirements (Kansas Statute Chap. 58-3086)
 - a. No licensee shall use any promotion or advertisement in any type of media that:
 - i. Is misleading or inaccurate as to any material fact or that in any way misrepresents any property, terms, values, policies or services of the business conducted;
 - ii. Includes the trade name, trademark, collective membership mark, service mark or logo of any organization owning such name, mark or logo without being authorized to do so;
 - iii. Includes an office where real estate activity is conducted that is not designated as a primary or branch office with the commission; or
 - iv. Promotes the licensee's business in a manner that could confuse or mislead the public by using terms or a trade name or a business name that could be construed as the trade name or business name of a supervising broker.
 - b. Except as specified by subsection (c) all advertising conducted by a licensee shall:
 - i. Be conducted under the direct supervision of the supervising broker or branch broker;
 - ii. Include the name of the supervising broker's trade name or business name by prominently and conspicuously displaying or

- announcing the supervising broker's trade name or business name in a readable and identifiable manner; and
- iii. Include any other information that the supervising broker or branch broker considers necessary.
- c. The advertising of property for sale, lease or exchange shall not be required to include the supervising broker's trade name or business name if the property is not listed with a broker and if either of the following conditions is met:
 - i. The property is personally owned by a licensee; or
 - ii. A licensee has an interest in the property.
- d. If authorized by the supervising broker or the branch broker, an employed or associated salesperson or associate broker may include in the advertisement:
 - i. The contact information for the employed or associated salesperson or associate broker;
 - ii. A name of team name which cannot be construed as a supervising broker's trade name
 - iii. A slogan which does not include terms that are confusing to the public or which cannot be construed as a supervising broker's trade name or business name; and
 - iv. A domain name or website which does not include terms that are confusing to the public or which cannot be construed as a supervising broker's trade name or business name.
- e. Unless property personally owned by a licensee or in which a licensee has an interest is listed with a supervising broker or branch broker, all advertising caused by the licensee regarding the property shall be done in a manner that clearly informs the public that a real estate licensee is the owner of or has an interest in the property advertised.
- f. If a licensee does not have a buyer's agency agreement and is soliciting property for purchase for the benefit of the licensee or an entity in which the licensee has an interest, all advertising by the licensee that contains solicitation to purchase property from potential sellers shall clearly inform the public that a real estate licensee is involved in the solicitation of potential sellers of property.
- g. Each supervising broker who enters into an agreement that authorizes the supervising broker to utilize the name or trade name of any person or entity in the conduct of the supervising broker's real estate business shall file a copy of the agreement with the Commission.
- h. This section shall be part of and supplemental to the real estate brokers' and salespersons' license act.
- i. Team Advertising Further Defined. However, no affiliated licensee may include a name or team name in advertising which:
 - i. Uses the terms "realty," "brokerage," "company," or other terms that can be construed as a separate real estate company form their supervising broker's company;

- ii. Is more than 2x greater in font size than the supervising broker's business name or trade name; or
- iii. Is not adjacent to the supervising broker's trade name or business name in any internet, website, or social network advertisement.

4. Registration & Name of Team Leads

- a. A team or group sales associate who leads, supervises, directs, or manages a team must be approved as a supervisor by the state broker.
- b. If the team lead is no longer supervising any sales agents, the team lead will notify the broker within fifteen (15) days of stopping all duties of supervision.
- c. Team or group leads named as delegated supervisors with the Kansas Real Estate Commission ("KREC") to comply KREC requirements **shall not** be named as delegated supervisors on the Information About Brokerage Services, unless they are staff members of Company.
- d. Team Names shall be approved by State Broker and Company.
 - i. Team Names shall NOT use the terms "realty," "brokerage," "company," or other terms that can be construed as a separate real estate company from their supervising broker's company.

5. Registration of Alternate Name

- a. An Alternate Name (commonly known as an alias) means a name used by an individual license holder other than the name shown on the license issued by the KREC, such as a middle name, maiden name, or nickname. It does not include a common derivative of a name.
 - i. Prior to using an alternate name, the license holder must register the name with KREC on a form approved by KREC.
 - ii. The Agent must notify the State Broker and KREC no later than the 10th day after the date the Agent stops using the alternate name.

Compensation

- 1. Receipt of Commission. All compensation received or earned by Agent for performing licensed activities must be paid directly to Company. Should Agent expect to receive any compensation from anyone, other than the party represented, Agent must disclose this in writing and obtain written consent from the party represented to receive such compensation. A copy of such disclosure and consent must be included in the transaction file in reZEN.
- 2. Payment of Commission. All commission due to Agent will be paid by Company to Agent in their individual capacity. Upon written request, Company will pay commission to Agent's entity when properly registered and licensed with KREC. It is the sole responsibility of Agent to ensure their entity is properly registered and otherwise in compliance with KREC.
- 3. Disclosure of Affiliated Business. Agent will provide disclosure of all Company affiliated businesses as well as any affiliations that Agent may have individually, if any.

Establishing Competency

1. Newly Licensed Agents. When Agent performs a real estate brokerage activity for the first time, the Agent is REQUIRED to receive additional coaching, assistant, mentoring from an experienced licensee with experience and competency completing that activity.
2. Designations at State Managing Broker's Discretion. The decision to authorize Agent as competent to act is solely at the discretion of the State Broker and may be modified by the State Broker at any time.
3. Notification of KREC Changes. State Broker will endeavor to provide Agents with notice of any changes to the Kansas Real Estate License Act, KREC rules or KREC promulgated contract forms before the effective date of the changes, however, it is the responsibility of each Agent to remain educated and commit themselves to the highest standards of professionalism through continuing education.

Records Management

1. Records Defined. Company will maintain the following ("Records"):
 - a. Disclosures;
 - b. Compensation agreements (including listings agreements, buyer representation agreements and other written commission and compensation agreements);
 - c. Substantive communications with parties to a transaction;
 - d. Offers, contracts and related addenda;
 - e. Receipts and disbursements of compensation for services;
 - f. Appraisals, broker price opinions and comparative market analyses; and
 - g. Agreements between Company and Agent.
2. Duration of Maintenance. Company will maintain the Records in an easily accessible format for at least four years from the: (a) date of closing, (b) termination of contract, or (c) end of a real estate transaction.
3. Ownership of Records. All Records created or maintained in connection with Agent's activities under the Agreement are the property of Company.
4. Costs of Creation and Delivery. Agent is responsible for the payment of any expenses or costs incurred in connection with the creation and delivery of the Records relating to the Agent's activities under the Agreement.
5. Verification upon Termination. Upon termination of the Agreement, Agent will verify that Company has copies of all Records created during the term of the Agreement.

Fiduciary Duties of Agents

1. Relationships. Agents may: (a) represent individuals or entities who have authorized Agent to act on their behalf ("Principals"), and (b) assist other with whom no agency relationship exists. Agents must provide all parties with a clear explanation of their relationship as being one of the following: (a) a client, being represented as a Principal by the Agent; (b) a customer, with no agency

relationship, but receiving assistance; or (c) an unrepresented party, with no agency relationship and receiving no assistance.

2. Disclosure of Status as Sales Agent or Broker. Agent must disclose his or her status as a Sales Agent (one holding a real estate sales agent license issued by KREC) or Broker (one holding a real estate broker license issued by KREC) in writing, either before entering into any sales contract or lease or within the sales or lease contract itself, when engaging in a transaction on behalf of:
 - a. Agent;
 - b. A business entity in which Agent is more than a 10% owner;
 - c. A trust for which Agent acts as trustee or is a beneficiary; or
 - d. Agent's spouse, parent or child, including situations in which they may be a beneficiary of a trust.
3. Verification of No Existing Representation. Before representing a party, Agent must determine that the party is not currently represented. Agent may not interfere with an existing exclusive agency relationship or suggest to the party how to terminate an existing relationship.
4. Information About Brokerage Services. Agent shall comply with Kansas Stat. 58-30,110 which states:

58-30,110. Real estate brokerage relationships. (a)(1) The commission shall adopt a rule and regulation prescribing language which describes a seller's agent, a buyer's agent and a transaction broker for inclusion in a brochure entitled "real estate brokerage relationships".

(2) Except as provided in subsection (a)(3), a licensee shall furnish a prospective buyer or seller with the brochure at the first practical opportunity.

(3) A licensee is not required to provide a copy of the brochure to a prospective buyer or seller in the following instances:

- (A) The licensee is acting solely as a principal and not as an agent for another;
- (B) the communication from the licensee is a solicitation of business;
- (C) the transaction is regarding the sale of commercial property or the sale of residential property of more than four units;
- (D) the transaction is regarding the sale of property by public auction;
- (E) the licensee is only performing ministerial acts; or
- (F) the customer or client has already received the brochure from the licensee's brokerage firm.

(4) Acknowledgment of receipt of the brochure by the seller and buyer shall be included in any contract for sale.

- (b) (1) Except for instances when a licensee is providing information through an

advertisement or other form of public notice of the licensee's representation of a client, a licensee representing a client in a proposed real estate transaction shall disclose the representation at the time of the initial contact with another licensee representing the other party. The disclosure may be made orally or in writing.

(2) Each time a licensee is contacted by another licensee who requests permission to show property to a prospective buyer, the licensee shall inquire whether or not the licensee represents the buyer.

(c) The disclosure of the brokerage relationship between all licensees involved and the seller and buyer shall be included in any contract for sale and in any lot reservation agreement.

5. Explanation of Agency Concepts. As soon as an agency relationship between a Principal and Agent appears likely to exist, Agent will inform the Principal of the following:
 - a. The agency relationship will be special agency. The Agent cannot bind the Principal. The Principal will be required to approve, in writing, all material terms and conditions of any transaction documents;
 - b. The terms and conditions under which Agent expects to receive compensation;
 - c. The date and, if relevant, the time when the agency relationship begins;
 - d. The authority Agent is granted including, but not limited to:
 - i. The creation and use of marketing, advertising or other promotional displays related to the property and its owner; and
 - ii. Access to the property for the Agent and others, including brokers, sales agents, inspectors and the public;
 - e. The terms and conditions under which confidential information may and should be disclosed to others;
 - f. The efforts the Agent will use to market or locate a property;
 - g. The duties of the Agent to disclose information that might affect a buyer's or seller's decision; and
 - h. The duties of accounting for monies or other things of value by the Agent.
6. Disclosure of Representation. Agent must disclose who they represent at the first contact with another party, or with a licensee who represents a different party (including at open houses). The disclosure of representation may be made orally or in writing. If the disclosure is made orally, it must be confirmed in writing in the contract or lease or other written document not later than the time of execution of the contract or lease.
7. Presentation of Offers. Agent will present all offers received to buy, sell, lease or rent property as quickly as possible to the client and will present subsequent offers after the client has accepted an offer, unless the client has otherwise agreed in writing.
8. Broker Price Opinions. In the process of negotiating a listing, Agent may prepare a broker price opinion or comparative market analysis on the property to provide

to the client. The broker price opinion or comparative market analysis must include the following written statement:

“This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice.”

9. Disclosure to Principals. Agent will convey to its Principals all known information that would affect the Principal's decision on whether to make or not make offers, accept or reject offers, and all other significant information applicable to the transaction.
10. Disclosure to Buyers. Agent will disclose, in writing, any known or significant defect to the property to a potential buyer that would be a significant factor to a reasonable and prudent buyer in making a decision to purchase the property.
11. Confidentiality Required. Agent must maintain all confidential information of all parties. Only the appointed Agent may offer opinions and advice to the party to whom appointed.
12. Decision to Terminate Representation. Agent must consult with State Broker in response to a Principal's request or Agent's desire to terminate an agency relationship. State Broker's decision will control with respect to any action to be taken, including any demand for compensation or reimbursement owed by the Principal.
13. Actions Upon Termination of Representation. Upon the termination of an agency relationship with the client, Agent must immediately cease acting as the client's representative and comply with the following:
 - a. Cease all advertising about the property;
 - b. Remove all signs and lockboxes from the property;
 - c. Remove all MLS listings concerning the property;
 - d. Remove all information about the property from websites controlled by Agent or State Broker; and
 - e. Cease publication of all other communications in any form about the property.