

Minnesota Addendum to The Real Broker, LLC Independent Contractor Agreement

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DEFINITIONS

The following terms are used in this manual:

State Broker Real Broker, LLC (Company)

Primary Broker: The Designated Managing Broker, responsible for brokerage activities for Real Broker, LLC in MN.

Principal: A person or entity who has authorized an Agent to act on his/her behalf.

Agent: A Broker licensee or a Salesperson licensee acting on behalf of a Principal.

Broker Licensee: A person holding a real estate broker license issued by DOC.

Salesperson Licensee: a person holding a real estate Salesperson license issued by DOC

Sales Associate: a Salesperson or Broker licensee who works for the State and Primary Broker as an independent contractor or employee.

DOC: MN Department of Commerce

NOTICE TO SALES ASSOCIATES

ANY OF A SALES ASSOCIATE'S ACTIONS THAT VIOLATE THE PROVISIONS THE POLICIES AND PROCEDURES CONTAINED HEREIN ARE UNAUTHORIZED AND OUTSIDE THE AUTHORITY OF THE STATE BROKER – SALES ASSOCIATE RELATIONSHIP. ALL EXPENSE OR LOSS ARISING OUT OF A SALES ASSOCIATE'S ACTS SHALL BE BORNE SOLELY BY THE SALES ASSOCIATE. ALL EXPENSE OR LOSS SUFFERED BY STATE OR PRIMARY BROKER AS A RESULT OF A SALES ASSOCIATE'S ACTS SHALL BE REIMBURSED BY THE SALES ASSOCIATE. ANY WAIVER OF THIS PROVISION BY THE STATE BROKER WITH RESPECT TO ANY ACTIONS WILL NOT BE CONSTRUED AS A WAIVER WITH RESPECT TO ANY OTHER ACTION.

GENERAL COMPANY POLICIES

All licensees doing business in the State of Minnesota with Real Broker, LLC are expected to abide by the Real Broker Agent Policy and Procedures Manual. If this document conflicts with Real Broker's general company policies, due to specific Minnesota laws, this document will govern. If there are any questions about this policy document or Real Broker, LLC policies in general, contact the State Broker or Support@TheRealBrokerage.com. This policy document may change from time to time, but associates will be notified if any changes occur.

Real Broker, LLC (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 Minnesota (Agent or Licensee). This addendum supersedes all previous Minnesota 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.

SECTION 1: ADVERTISING, MARKETING AND FAIR HOUSING

1.1 DEFINITION

"Advertisement" 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.

1.2 EXCLUSIONS

Advertisement does not include:

- a) A communication from a license holder to the license holder's current client; and a directional sign that may contain only the Company name or logo.

1.3 PROHIBITIONS

Sales Associate is prohibited from advertising in a way that is materially inaccurate or misrepresents the property, terms, values, services, or policies

1.4 ADVERTISING REQUIREMENTS

All advertising must comply with the following, including, but not limited to:

- a) All personal/team logos must be approved by the Primary Broker before placement or use.
- b) As an associate and licensee, you have both a legal and ethical obligation to be truthful when advertising property or services. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make materially

false statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the DOC.

- c) The name "Real Broker, LLC" and/or the official "Real" logo **must** be included in **all** advertisements and signs and conform to the Company's graphic standards regarding the style, color and uses of the name and logo.
- d) The name "Real Broker, LLC" and/or the official "Real" logo shall be conspicuous on all social media pages and posts owned by and made by the Sales Associate.
- e) The use of the term REALTOR® must be used in compliance with the National Association of REALTORS® guidelines.
- f) You are required to comply with the do-not-call laws which generally prohibit "telephone solicitations" to residential and cell phone numbers registered on the National Do-Not-Call Registry.
- g) There are state and federal laws prohibiting faxing to recipients with unsolicited commercial advertisements or solicitations. Exemptions include prior permission or an established business relationship.
- h) The Company is committed to equal opportunity and fair housing in all its advertising. Be aware that the selective use of words, phrases, symbols, visual aids and media in the advertising of real estate may indicate preferences held by the advertiser and lead to allegations of discriminatory housing practices. Words in a real estate advertisement which indicate a particular race, color, sex, handicap, familial status or national origin are considered likely violations of the Federal Fair Housing Act and may not be used in Company advertisements
- i) Additional protected classes in Minnesota are Creed, Marital Status, Sexual Orientation and Status with Regard to Public Assistance. Words in a real estate advertisement which indicate anything particular to the additional protected classes are considered likely violations of the Minnesota Human Rights Act and may not be used in Company advertisements.

1.5 IDENTIFICATION AND DISPLAY

- a) All advertising (see definition) must **clearly and conspicuously** identify and display the name "Real Broker, LLC" or the official "Real" logo.
- b) If a salesperson or broker is part of a team or group within the company, the licensee may include the team or group name in the advertising only under the following conditions:
 - (1) The inclusion of the team, group name or its logo is authorized by the Real Broker, LLC and the State of Minnesota Primary Broker and
 - (2) "Real Broker, LLC" or the official "Real" logo must be clearly and conspicuously displayed in the advertising.
- c) Advertising may not, in any way, imply that a licensee is responsible for the operation of Real Broker, LLC.
- d) Advertising may identify the licensee as "Sales Agent," "Agent", Licensed Real Estate Professional", "Broker Associate" , "REALTOR®", "Advisor" or any other approved title by the State Broker, to identify the advertiser as a real estate agent.
- e) Licensee may not use any other titles such as CEO, COO, Owner, Manager, Partner, Managing Broker, or another similar title in advertisements, email or a website address that implies a licensee is responsible for the operation of Real Broker, LLC.

- f) Sales Associates must determine the requirements for registering their team or group names as a LLC, Corporation or similar with all applicable governmental entities and comply with those requirements (e.g. Secretary of State and County Clerks).
- g) Each page of all Internet, electronic bulletin board, social media or similar displays must comply with these Identification and Display requirements.
- h) Licensees of Real Broker, LLC wishing to promote any Real Broker, LLC - Minnesota listings may do so on their social media or web pages.

1.6 REGISTRATION AND USE OF TEAM OR GROUP NAMES

- a) A team or group of one or more sales associates that performs real estate activities under a collective name must be registered and approved by the Primary Broker and Real Broker, LLC. Agents should send their request to: support@therealbrokerage.com or would have registered the name at time of application to Real Broker, LLC.
- b) A team or group must identify all the members of the team or group to the Primary Broker by email to: MNbroker@therealbrokerage.com.

1.7 REGISTRATION OF TEAM LEADS

- a) A team or group licensee who leads, supervises, directs, or manages a team must be registered with Primary Broker as the “team or group lead”.
- b) If a team member or group member leaves the team or group to operate as an “independent agent” with Real Broker, LLC the team lead will notify the Primary Broker and Support@TheRealBrokerage.com immediately of such change.

1.8 REGISTRATION OF ALTERNATE NAME

- a) An Alternate Name (commonly known as an alias) means a name used by a licensee other than the name shown on the license issued by the DOC, such as a middle name or nickname. It does not include a common derivative of a name.
- b) An alternate name must be registered and approved with the Primary Broker
- c) The licensee using an alternate name must notify the Primary Broker immediately upon deciding to no longer use the alternate name.

SECTION 2: WORK AGREEMENTS AND COMPENSATION

2.1 WORK AGREEMENTS

The relationship between Real Broker, LLC; and licensees will be governed by the Real Broker, LLC Independent Contractor Agreement.

- a) Prior to commencing work with Real Broker, LLC each independent contractor licensee will sign the Real Broker, LLC Independent Contractor Agreement (ICA).
- b) State Addendums to the ICA will be given to the associate before they commence work with Real Broker, LLC and at the time they become available or have changed.

2.2. COMPENSATION

Any and all compensation paid to licensee must comply with all applicable laws, including, but not limited to, MN DOC rules and the Real Estate Settlement Procedures Act (RESPA).

Licensee shall receive compensation only from, or authorized by, Real Broker, LLC.

- a) Unless authorized in writing by Real Broker, LLC/Primary Broker or to whom the licensee was licensed at the time of the transaction, a licensee shall not pay and a licensee shall not accept a commission, compensation, referral fee, BPO fee, or other valuable consideration for the performance of any acts requiring a real estate license from any person except Real Broker, LLC or to whom the licensee was licensed at the time of the transaction.
- b) All compensation received or earned by licensee for performing licensed activities must be paid directly to Real Broker, LLC for all transactions consummated while licensed with Real Broker, LLC or as required and agreed to in the Real Broker, LLC Independent Contractor Agreement.
- c) A licensee shall not accept, give, or charge any undisclosed compensation or realize any direct or indirect remuneration that inures to the benefit of the licensee on an expenditure made for a principal. All compensation must be disclosed in writing and agreed to with the principal whom Real Broker, LLC represents.
- d) All compensation earned by licensee will be paid by Real Broker, LLC directly to the licensee in their individual capacity.
- e) A licensee may assign or direct that commissions or other compensation earned in connection with a real estate transaction be paid to a corporation, limited liability company, or sole proprietorship of which the licensed real estate broker or salesperson is the sole owner. "Sole owner" means the licensee is the sole owner and may include the licensee's spouse. If the licensee is not the sole owner and does not own the entity with a spouse, all owners of the entity must be licensed for the entity to be paid by Real Broker, LLC.

2.3 DISCLOSURE OF AFFILIATED BUSINESS (RESPA)

- a) The Real Estate Settlement and Procedures Act (RESPA) relates to transactions that involve loans secured with a mortgage placed on one-to-four family residential properties.
- b) The RESPA Affiliated Business Arrangement (AfBA) Disclosure form is required whenever a licensee that's involved in a RESPA covered transaction refers a consumer to a settlement service provider (including but not limited to mortgage, title and insurance related services), with whom the referring licensee, their spouse, child, parent or any "associate" with Real Broker, LLC has an ownership or other beneficial interest.
- c) Licensee will provide disclosures of all Real Broker, LLC affiliated businesses, if any, as required by RESPA.
- d) Licensee shall NOT enter an Affiliated Business Arrangement without prior written consent of Real Broker, LLC and its Primary Broker.

2.4 REFERRALS VS MARKETING SERVICES AGREEMENTS (RESPA)

REAL BROKER, LLC REQUIRES ALL AGENTS REVIEW AND FOLLOW THE GUIDELINES SET OUT BELOW AS THEY RELATE TO MARKETING SERVICES AGREEMENTS. AND, THE LICENSEE SHALL NOT BIND OR SIGN ANY MARKETING SERVICES AGREEMENTS IN THE ENTITY NAME OF REAL BROKER, LLC.

RESPA Section 8(a) FAQ 1, looks at “referrals” and Marketing Services Agreements (MSAs) completely differently.

“Referrals include any oral or written action directed to a person where the action has the effect of affirmatively influencing the selection of a particular provider of settlement services or business incident thereto by a person paying a charge attributable to the service or business. 12 CFR § 1024.14(f)(1).”

For example, referrals include a settlement service provider directly handing clients the contact information of another settlement service provider that happens to result in the client using that other settlement service provider.

In contrast, a marketing service is not directed to a person; rather, it is generally targeted at a wide audience. For example, placing advertisements for a settlement service provider in widely circulated media (e.g., a newspaper, a trade publication, or a website) is a marketing service.

- a) An MSA can be lawful under RESPA if it is structured and implemented **consistently** as an agreement for the performance of actual marketing services and where the payments under the MSA are **reasonably related to the value of the services performed**. 12 USC § 2607(c)(2); 12 CFR § 1024.14(g)(1)(iv) and (g)(2).
- b) MSAs that involve payments for referrals are **prohibited** under RESPA Section 8(a), whereas MSAs that involve payments for marketing services **may be** permitted under RESPA Section 8(c)(2), based on the facts and circumstances of the structure and implementation.
- c) Under RESPA Section 8(a), if an MSA involves an agreement or understanding to refer business incident to or part of a settlement service in exchange for a fee, kickback, or thing of value, then the MSA or conduct under the MSA is **prohibited**. For example, this can include (but is not limited to) agreements structured or implemented to provide payments based on the number of referrals received.
- d) Under RESPA Section 8(b), if the MSA serves as a method of splitting charges made or received for real estate settlement services in connection with a federally related mortgage loan, other than for services actually performed, the MSA or the conduct under the MSA is **prohibited**.
- e) MSAs violate RESPA Section 8(b) if they disguise kickbacks by purporting to provide payment for services, but a split charge is paid even though the person receiving the split charge does not actually perform services. Similarly, a violation of RESPA Section 8(b) occurs if the services are performed, but the amount of the split charge exceeds the value of the services performed by the person receiving the split.

- f) However, under RESPA Section 8(c)(2), if the MSA or conduct under the MSA reflects an agreement for the payment for **bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed**, the MSA or the conduct **is not prohibited**. 12 USC § 2607(c)(2); 12 CFR § 1024.14(g)(1)(iv).
- g) RESPA Section 8 does not prohibit payments under MSAs if the purported marketing services are **actually provided**, and if the payments **are reasonably related to the market value of the provided services only**. Note that under Regulation X, the value of the referral, i.e., any additional business that might be provided by the referral, cannot be taken into consideration when determining whether the payment has a reasonable relationship to the value of the services provided. 12 CFR § 1024.14(g)(2). See also 12 CFR § 1024.14(b).
- h) An MSA can be lawful under RESPA if it is structured and implemented consistently as an agreement for the performance of actual marketing services and where the payments under the MSA are reasonably related to the value of the services performed. 12 USC § 2607(c)(2); 12 CFR § 1024.14(g)(1)(iv) and (g)(2).

The Bureau's Office of Enforcement has identified violations of RESPA Section 8 in investigations that involved the use of oral or written MSAs. An MSA is or can become unlawful if the facts and circumstances show that the MSA as structured, or the parties' implementation of the MSA—in form or substance, and including as a matter of course of conduct—involves, for example:

- a) An agreement to pay for or accept payment for referrals.
- b) An agreement to pay for or accept payment for marketing services, but the payment is in excess of the reasonable market value for the services performed.
- c) An agreement to pay for or accept payment for marketing services, but either as structured or when implemented, the services are not actually performed, the services are nominal, or the payments are duplicative.
- d) An agreement designed or implemented in a way to disguise the payment for kickbacks or split charges.

For example, assume a lender or title company enters into an MSA with a real estate agent that also makes referrals to the lender or title company. The MSA requires the real estate agent to perform marketing services, including deciding on and coordinating direct mail campaigns and media advertising for the lender or title company. However, the real estate agent either does not actually perform the MSA's identified marketing services or the real estate agent is paid compensation that is in excess of the **reasonable market value** of those marketing services.

In this scenario, the lender or title company and real estate agent would not meet the standard in RESPA Section 8(c)(2), because the marketing services are not actually provided, or the payments are not reasonably related to the value of the marketing services provided. 12 CFR § 1024.14(g)(1)(iv).

Further, if in the example the MSA was structured or implemented as a way for the lender or title company to compensate the real estate agent for client referrals to them, the MSA would violate RESPA Section 8(a).

SECTION 3: DISCLOSURE REQUIREMENTS

3.1 AGENCY DISCLOSURE REQUIREMENTS

- a) All licensees shall provide to a consumer in the sale, purchase or lease of a residential real property transaction at the **first substantive contact** with the consumer, the Agency Relationships in Real Estate Transactions form provided by the Minnesota Association of Realtors or in the same format of the form provided by the Minnesota Association of Realtors.
- b) This disclosure requirement applies only to residential real property transactions 1-4 units, which includes the leasing of real property.

3.2 AGENT OF BROKER REQUIREMENTS

- a) A salesperson shall only conduct business under the licensed name of and on behalf of the broker to whom the salesperson is licensed.
- b) An individual broker shall only conduct business under the brokerage's licensed name.
- c) A broker licensed to a business entity shall only conduct business under the licensed business entity name.
- d) A licensee shall affirmatively disclose, before the negotiation or consummation of any transaction, the licensed name of the brokerage under whom the licensee is authorized to conduct business.

3.3 FINANCIAL INTEREST DISCLOSURE

- a) Before the negotiation or consummation of any transaction, a licensee shall affirmatively disclose to the owner of real property that the licensee is a real estate broker or agent salesperson, and in what capacity the licensee is acting, if the licensee directly, or indirectly through a third party, purchases for himself or herself or acquires, or intends to acquire, any interest in, or any option to purchase, the owner's property.
- b) When a principal in the transaction is a licensee or a relative or business associate of the licensee, that fact must be disclosed in writing before negotiating or consummating any transaction.

3.4 MATERIAL FACTS DISCLOSURE

- a) A licensee shall disclose to a prospective purchaser all material facts of which the licensee is aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensee is aware.
- b) A licensee, when selling their own property, can **never** choose to waive disclosure. This would be a direct violation of license law.

SECTION 4: ESTABLISHING COMPETENCY

4.1. AUTHORIZATION TO ACT

- a) Sales Associate is authorized to act on behalf of Real Broker, LLC only in areas that the Sales Associate is competent to engage in. This includes but is not limited to geographic areas and types of business such as Commercial, Short Sales and Farm & Ranch.
- b) Sales Associates are not to engage in types of business without being knowledgeable, educated, trained, and experienced, either through previous transactions or through the assistance of a seasoned mentor in that specialty.

4.2. NEWLY LICENSED SALES AGENTS

- a) When a sales agent performs a real estate brokerage activity for the first time the sales agent is **REQUIRED** to receive additional coaching, assistance, mentoring from an experienced licensed holder competent for that activity or from the State Broker.

4.3. DESIGNATIONS AT STATE BROKER'S DISCRETION

- a) The decision to authorize a Sales Associate as competent to act is solely at the discretion of the State Broker and may be changed or altered by the State Broker at any time.

4.4. NOTIFICATION OF FORMS AND REGULATORY CHANGES

- a) State Broker will endeavor to give each Sales Associate notice of any changes to the MN DOC rules or MAR promulgated contract forms before the effective date of the changes, however, it is the responsibility of each associate to remain educated and commit themselves to the highest standards of professionalism through continuing education.
- b) Licensees shall regularly review and read MN Chapter 82 to remind themselves of the laws that apply to licensing and any changes to them.
- c) Minnesota Chapter 82 can be found at: <https://www.revisor.mn.gov/statutes/cite/82>

SECTION 5 – CONTINUING EDUCATION

Sales Associate is required to complete DOC mandated continuing education at their own expense.

5.1. STATE REQUIREMENT OF MANDATORY HOURS

- a) All licensees shall be required to successfully complete 30 hours of real estate continuing education, in courses of study approved by the commissioner, during the initial license period.
- b) During each succeeding 24-month license period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period.
- c) Licensees may not claim credit for continuing education not actually completed.

5.2. STATE REQUIREMENTS OF MANDATORY COURSES

As part of the continuing education requirements of the DOC, all licensees shall comply with the following:

- a) During each 24-month licensing period each licensee shall complete at least one hour of training in courses in laws or regulations on agency representation and disclosure; and
- b) At least one hour of training during each license period in courses in state and federal fair housing laws, regulations, and rules, other antidiscrimination laws, or courses designed to help licensees to meet the housing needs of immigrant and other underserved populations.
- c) All real estate licensees shall complete either 3.75 or 7.5 hours of that current year's "required module" training **every** (12 months) within the 30 hours of continuing education required during each two-year license period.
- d) For each license year, the commissioner shall determine what modules are required and how many hours they will be.
- e) Additional hours needed outside of the above mentioned for the 30 hour requirement for 2 year license period (15 hours per year) shall be elective courses chosen by the licensee, so long as they are approved courses and delivered by a DOC approved educator.

5.3. BROKER MANDATED EDUCATION DUE DATE

Required hours of education shall be completed and submitted **NO LATER THAN June 1st of each year.**

- a) Failure to comply with the June 1st date may result in your license not being renewed by Real Broker, LLC
- b) In the event you have not met the June 1st deadline, and your license has not been renewed by Real Broker, LLC, licensee shall be responsible for all costs associated with re-application and reinstatement of the license.

SECTION 6 - RECORDS MANAGEMENT

6.1. RECORDS DEFINED

Real Broker, LLC will maintain the following (the "Records")

- a) Disclosures.
- b) Compensation agreements (including listing agreements, buyer representation agreements and other written commission and compensation agreements)
- c) Substantive communications with parties to the transaction that is saved in the Real Broker, LLC transaction management system.
- d) Offers, contracts and related addenda.
- e) Receipts and disbursements of compensation for services.
- f) Appraisals, broker price opinions and comparative market analyses, if applicable.
- g) Agreements between Real Broker, LLC and Sales Associates, including independent contractor and employment agreements, if any.

6.2. DURATION OF MAINTENANCE

Real Broker, LLC will maintain the Records in an easily accessible format for at least six years from the:

- a) Date of closing
- b) Termination of the contract, or
- c) The end of a real estate transaction or agency relationship.

6.3. OWNERSHIP OF RECORDS

All Records created or maintained during the relationship between Real Broker, LLC and a licensee are the property of Real Broker, LLC.

6.4. VERIFICATION UPON TERMINATION

Upon termination of the relationship between Real Broker, LLC and a Sales Associate, the Sales Associate will verify that Real Broker, LLC has copies of all records created while that associate was representing Real Broker, LLC that are in the associate's possession.

SECTION 7: FIDUCIARY DUTY OF AGENTS

7.1. RELATIONSHIPS

Brokers and Sales Agents may: Represent Principals and assist others with whom no agency relationship exists. Sales Associates 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 (Buyer or Seller, Dual Agency Representation) Note: Contract for representation is required. And, to be involved in Dual Agency, all parties must agree to that relationship for it to exist.
- b) A consumer, with no agency relationship, but receiving assistance; (Facilitator)

7.2. DISCLOSURE OF LICENSE STATUS

Sales Associate must disclose his or her status as a licensee in writing, either before entering into any sales contract or lease or within the sales or lease contract itself, when engaging in a real estate transaction on behalf of:

- a) Themselves
- b) A business entity in which licensee is an owner, partner, principal or partial owner.
- c) A trust for which the licensee acts as trustee or is a beneficiary.
- d) The licensee's spouse, parent or child, or relative including situations in which they may be a beneficiary of a trust.
- e) Sales Associate will also comply with the National Association of REALTORS® Code of Ethics requirements regarding disclosure of interest including, but not limited to, Articles 4 and 5.

7.3. VERIFICATION OF NO EXISTING RELATIONSHIPS

- a) Before entering into a representation agreement, licensee must determine that the party is not currently represented by another agency.
- b) A licensee may not interfere in any way with an existing exclusive agency relationship or suggest to the party how to terminate the relationship.

7.4. DISCLOSURE OF REPRESENTATION

Sales Associates must disclose who they represent at the first contact with another party, or with a Broker or Sales Agent who represents a different party (including at open houses).

- a) The disclosure of representation may be made orally or in writing.
- b) 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.

7.5. PRESENTATION OF OFFERS

- a) Licensees will present all offers received to buy, sell, lease or rent property when received by the licensee and as quickly as possible to the client.
- b) Licensee will present subsequent offers after the client has accepted an offer, unless the client has agreed otherwise in writing.
- c) Licensees shall not "hold" offers on behalf of the principal.

7.6. BROKER PRICE OPINIONS AND COMPARATIVE MARKET ANALYSIS

- a) In the process of negotiating a listing, licensees may prepare a broker price opinion or comparative market analysis on the property to provide to the client.
- b) 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."

7.7. DISCLOSURE TO PRINCIPALS

Licensee will convey to their Principal(s) all known information that would affect the principal's decision on whether to make or not make, accept or reject offers, and all other significant information applicable to the transaction.

7.8. DISCLOSURE TO BUYERS

Licensee will disclose, in writing, any known significant defect to the property to a potential buyer that would be a significant factor to a reasonable and prudent buyer in deciding to purchase the property.

7.9. CONFIDENTIALITY REQUIRED

All licensees must always maintain all confidential information of all parties unless instructed IN WRITING by their Principal to share specific information.

7.10. DECISIONS TO TERMINATE REPRESENTATION

Sales Associates must consult with the State Broker in response to a Principal's request or Sales Associate's desire to terminate an agency relationship.

- a) 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 or commission owed by the licensee.

7.11. ACTIONS UPON TERMINATION OF REPRESENTATION

Upon the termination of the agency relationship with the client, Sales Associate 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 Sales Agent or State Broker; and
- e) Cease publication of all other communication in any form about the property.

SECTION 8 – ACCESS TO NORTHSTAR MLS (Applicable to all agents located or conducting business in the Twin Cities 7 county metropolitan area)

8.1. NORTHSTAR MLS – REQUIRED PROVIDER

- a) Unless specific arrangements have been made, all licensees in Minnesota and conducting business in Minnesota in the Twin Cities 7 county metropolitan area, by utilizing Northstar MLS, shall have SPAAR (Saint Paul Area Association of Realtors) be their provider of Northstar MLS.
- b) Licensees are welcome to have Local Realtor Association membership with whomever they choose and who is the best fit for their area.
- c) Northstar MLS access needs to be paid by the licensee and provided through SPAAR.