

Vermont 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 Vermont. This addendum supersedes all previous Vermont 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.

DEFINITIONS

“Broker in Charge” – Individual Broker responsible for a single office

“Principal Broker” – individual broker responsible for the brokerage firm and all associated branch offices

“Designated Agency” – The practice by which one or more licensees affiliated with a brokerage firm is appointed to act as an agent of the brokerage firm’s buyer or seller client. Designated Agents owe the client the duties of a fiduciary.

“Non-Designated Agency” – The practice by which all licensees affiliated with a brokerage firm act as the agent of the brokerage firm’s clients. All licensees affiliated with the brokerage firm owe the client the duties of a fiduciary.

LICENSE REQUIREMENTS

Activities that Require a License: Vermont requires individuals to obtain licensure if they do the following within the State of Vermont:

- listing, offering, attempting or agreeing to list real estate or any interest therein for sale or exchange;
- selling, exchanging or purchasing real estate or any interest therein;
- offering to sell, exchange or purchase real estate or any interest therein;
- negotiating, offering, attempting or agreeing to negotiate, the sale, exchange or purchase of real estate or any interest therein;
- buying, selling, offering to buy or sell, or otherwise dealing in options on real estate or any interest therein;
- advertising or holding oneself out as being engaged in the business of buying, selling or exchanging real estate or any interest therein; or
- assisting or directing in the procuring of prospects, calculated to result in the sale or exchange of real estate or any interest therein; however, a non-licensed employee of a licensee shall be allowed to respond to inquiries from members of

the public, so long as the employee makes it clear that he or she is not licensed and that any information provided should be confirmed by a licensed person.

Non-Resident Brokers: A nonresident of Vermont, who has held a real estate broker's or salesperson's license in the previous state of residence for a period of two years prior to applying for a license, may be licensed to act in a similar capacity in this State by conforming to the provisions of this chapter regarding application for and securing of license, except that the application shall be accompanied by a statement from the regulatory bod of the other state concerning whether the applicant has been the subject of any criminal or disciplinary investigation or action

License Renewal: Licenses and registrations renew on a fixed biennial schedule and must be renewed before they expire. The expiration date is stated on the license or registration. Before the expiration date, OPR will provide notification for renewal to the licensee's electronic mail address of record; however, failure to receive such notice shall not excuse any licensee from the obligation to maintain continuous licensure. Evidence of having completed the required hours of continuing and/or post-licensure education must be provided with license renewal applications.

Salespersons renewing for the first time must provide evidence of having completed the required hours of post-licensure education, approved by the Commission, within 90 days of obtaining their initial salesperson's license.

A real estate salesperson regulated under the laws of another jurisdiction, licensed and in good standing to practice in that jurisdiction, and who has been licensed for at least 24 months in that jurisdiction, is not required to complete the required post-licensure exam

Real estate licenses must be renewed every 2 years without examination and payment of fees. Licensees must complete 16 hours of continuing education, 4 hours of which must address legislation and other topics specified by the Commission for each renewal period. The courses taken must be approved by the Commission as continuing education courses.

Any person may seek individual approval of a course by petitioning the Commission no later than 90 days before licensing renewal.

The Commission will conduct continuing education audits of randomly selected licensees and licensees whose licenses are conditioned. The Commission may also audit late renewing licensees and licensees who in any of the preceding 2 renewal cycles were initially found to have not met continuing education renewal requirements.

Prior to expiration, a licensee may request that the license be placed in an inactive status by paying the fee to transfer the license to inactive status. No continuing education is needed to become inactive. Unless a licensee requests to be placed on inactive status prior to expiration, the license shall be designated as "expired."

Company or Branch Requirements: A principal broker must be in charge of the brokerage firm. The principal broker must maintain his or her place of business at the brokerage firm's main office. The principal broker must notify the Commission of the brokerage firm's main office location.

If a brokerage firm maintains more than one place of business within Vermont, a branch office registration is required for each branch office maintained. Branch offices shall use the same registered brokerage firm name as the main office and shall designate a licensed broker in charge for each branch office.

The firm's licensees must have a primary place of business at one of the brokerage firm's locations but may work out of any of the brokerage firm's offices.

All licenses must be conspicuously displayed within licensee's place of business.

A principal broker or broker in charge may not serve as principal broker or broker in charge for more than one office or brokerage firm at any one time.

DUTIES OF A LICENSEE:

- Licensees working for a brokerage firm employed by a seller or seller's agent must fully and promptly disclose to a prospective buyer all material facts within the licensee's knowledge concerning the property being sold. This obligation continues until the sale is closed or has been canceled. Some examples of material facts include, but are not limited to, the following:
 - A defect that could significantly diminish the value of the land, structures, or structural components such as the roof, wiring, plumbing, heating system, water system, or sewage disposal system;
 - A limitation in the deed that could substantially impair the marketability or use of the property and thereby diminish its value;
 - A recognized or generally accepted hazard to the health or safety of a buyer or occupant of the property; or
 - Facts a licensee reasonably believes may directly impact the future use or value of the property.
- If the client refuses to consent to disclosure after being informed that the licensee considers disclosure to be necessary, then the licensee must withdraw from the agency relationship.
- A licensee, before showing real property, must disclose any known significant limitations on the seller's ability to convey a fee simple interest in the property, such as options, rights of first refusal, or being subject to prior closings.
- A licensee buying or selling on his or her own account shall disclose the existence of his or her real estate license and that the property under consideration belongs to the licensee or will be purchased for the licensee's use. These disclosures are to be made on initial contact with the seller, buyer, or their representatives.

- A licensee shall comply with all federal, state and local requirements related to the marketing, transfer or development of real estate.
- Each licensee shall notify OPR in writing within 30 days of any change of the licensee's principal business location, phone number or email.
- As soon as reasonably practicable or within 30 days, whichever is sooner, a licensee shall respond in good faith when contacted regarding any matter related to the regulation of the licensee's profession by the Commission, or the Office of Professional Regulation acting on behalf of the Commission.

Broker Supervision:

- A principal broker may be vicariously responsible for the professional conduct of licensees and employees of the brokerage firm, including all branches
- A broker in charge may be vicariously responsible for the professional conduct of all licensees and employees of the branch office.
- Licensees must work under the supervision and training of the principal broker or broker in charge

Deals and Transactions:

- At the time of first contact with a member of the public who expresses an interest in buying or selling real property, a licensee shall give an oral or written disclosure informing the person that there is no confidentiality between the licensee and the person until and unless there is a signed brokerage service agreement.
- A brokerage firm, and its licensees, shall provide to any unrepresented person with whom a licensee of the brokerage firm has substantial contact, including via electronic communication, a true copy of the most recent consumer disclosure form. The disclosure shall occur at the first reasonable opportunity, and it must occur before:
 - entering into a brokerage service agreement; or
 - showing a property.
- If it has been more than twelve (12) months since the consumer disclosure form was given, a new consumer disclosure form must be given.
- The current consumer disclosure form adopted by the Commission can be accessed [here](#).
- If the person required to receive the written disclosure form does not sign the form, the licensee shall:
 - note that information on the form;
 - sign and date the form; and
 - provide a copy of that form to the person.
- The licensee's signature shall constitute a certification by the licensee that the form was provided to the person with the recommendation to read the disclosure.

- The disclosure form is not required for unrepresented persons¹ in the following instances:
 - for an open house where the host brokerage firm conspicuously displays a poster containing a replica of the disclosure form, with copies available on request;
 - for any Vermont broker or salesperson licensee; or
 - for any customer of a cooperating firm brought to a principal firm pursuant to a cooperation agreement between brokerage firms when that customer has already received the disclosure form from the cooperating firm.

Unprofessional Licensee Conduct:

- Commingling money or other property to which the licensee's clients or other persons are entitled with the licensee's own, except to the extent nominal sums of the licensee's funds may be required to maintain an open trust account
- Failing to inform clients, establish trust and escrow accounts, maintain records, and otherwise act in accordance with the provisions of section 2214 of this chapter with respect to all monies received by the licensee as a real estate broker, or as escrow agent, or as the temporary custodian of the funds of others, in a real estate transaction
- Failing promptly to segregate any properties received that are to be held for the benefit of others
- Failing to fully disclose a buyer all material facts within the licensee's knowledge concerning the property being sold
- Failing to fully disclose to a buyer the existence of an agency relationship between the licensee and the seller

TRUST ACCOUNTS:

- Every brokerage firm shall maintain a pooled interest-bearing trust account in a bank or other regulated financial institution licensed in Vermont, so long as the firm holds the funds of others in the course of its real estate business, and shall establish individual interest-bearing trust accounts as needed to comply with these rules. Interest on the pooled trust account shall be remitted as provided by 26 V.S.A. § 2214.

¹ An unrepresented person means any person who:

- is under a brokerage service agreement for representation, but is not at the time in the presence of their agent; or
- is not under contract with a brokerage firm for representation.

- All deposits in the possession of a brokerage firm to be held as an escrow agent under a Purchase and Sale Agreement shall be deposited in the firm's trust or escrow account not later than five (5) banking days after the Purchase and Sale Agreement is executed by both seller and buyer. Any licensee affiliated or associated with that brokerage firm is required to utilize the brokerage firm's accounts in the discharge of his or her responsibility under this rule and under 26 V.S.A. § 2214. Unless otherwise agreed to in writing, all deposits held by any licensee shall be placed in the account of the brokerage firm with which the seller has a seller service agreement, or, if there is no listing broker, in the account of the buyer's brokerage firm. No earnings of the accounts shall be made available to the brokerage firm or any associated licensee.
- If a deposit is reasonably expected to earn more than \$100, it shall be transferred to or placed in an individual interest-bearing trust account, if requested by the person making the deposit, specifying the Social Security account number or taxpayer identification number of the person who paid the money or is entitled to receive the interest. A deposit which is not reasonably expected to earn more than \$100 shall be placed in the brokerage firm's pooled trust account.
- Disputed deposits--When the brokerage firm learns of a dispute concerning the proper party to receive a deposit held in a trust account, the broker shall notify the parties, in writing, that the deposit will remain in the trust account until (1) the parties to the disputed deposit give written authority to the broker to disburse the funds, or (2) a court of competent jurisdiction determines the proper party entitled to the proceeds of the disputed deposit.
- Augmented deposit--When a person making a deposit increases the amount of the deposit for any reason, it shall be deposited in the firm's trust account not later than five (5) banking days after receipt thereof. If the recalculated interest is reasonably expected to exceed \$100, the brokerage firm shall transfer the principal amount of the total deposit to an individual interest bearing trust account, if requested by the person making the deposit.
- When a payment is made out of an individual interest bearing trust account to the person entitled to it, any interest accrued on that account shall be paid out simultaneously to that person or to such other person designated in the contract.
- The responsibility for the account and all transactions concerning the account remains with the principal broker or broker in charge.
- A brokerage firm may deposit its own funds in the account to cover bank service charges or meet a minimum balance to avoid bank service charges. Check printing charges, wire transfer charges, overdraft charges, and other charges for specialized services are a business expense of the brokerage firm. Ordinary bank service charges may be offset against the interest in the account, but the brokerage firm shall not permit the principal amount of the trust funds to be depleted.

RECORD MANAGEMENT:

The brokerage firm shall keep accurate records of all deposits held by it. Such records shall include:

- the name(s) from whom the money was received and to whom it was disbursed;
- the amount of each deposit;
- the amount of each disbursement;
- the date each amount was received, the date disbursed and the amount of any interest earned on an individual interest bearing trust account; and
- all contracts, documents and other records related to a trust account and all its activity, including copies of all related brokerage service agreements, deposit receipts, withdrawal receipts and sales agreements.

A brokerage firm shall maintain for at least seven years at its usual place of business all records (paper or electronic) of brokerage services provided and they shall be available to the Commission and its agents during regular business hours.

The principal broker, broker in charge, or a designee must cooperate in good faith with the Commission's agent during any inspection, and the principal broker, broker in charge, or a designee may remain present during any inspection. The Commission's agent may not be denied access to the records if the principal broker, broker in charge, or a designee is not present.

SERVICE AGREEMENT REQUIREMENTS:

Before rendering any brokerage services, a brokerage firm must have: a written seller service agreement; or a written buyer service agreement; or a written cooperation agreement between brokerage firms.

Agreements for brokerage services shall contain a specific expiration date not to exceed one (1) year from the effective date of the agreement. A brokerage service agreement shall not contain any provision for automatic extension or renewal. All information in a brokerage service agreement shall be current as of the date signed, and shall be current as of the date of the most recent extension or renewal.

All seller and buyer service agreements shall contain clear language that states whether the firm is a Designated or Non-Designated Agency Firm. If the firm elects to practice designated agency, the designated agent(s) must be named in the seller or buyer service agreement. Any changes to the designated agent(g) shall be in writing and approved by the client. Brokerage service agreements must contain a provision indicating that a designated agent may reveal confidential information of the client to the extent reasonably necessary to obtain proper guidance from any supervising licensee in charge of such

agent, as long as that supervising licensee is not acting as an agent for another party in a transaction with the client. The supervising licensee shall protect from further disclosure any such confidential information received in a supervisory capacity.

Copies of all agreements for brokerage services shall be given to all parties to the agreements at the time of execution, or as soon as possible thereafter.

Use of a net listing or any variation is prohibited.

Seller Service Agreement Requirements

Each type of seller service agreement shall be on a separate form and identified with only one of the titles below in boldface type at the top of the agreement:

NONEXCLUSIVE (Open) AGENCY MARKETING AGREEMENT;

EXCLUSIVE AGENCY MARKETING AGREEMENT; or

EXCLUSIVE RIGHT TO MARKET AGREEMENT

A seller service agreement shall contain:

- 1) a clear description of the property and its location;
- 2) the price, terms and conditions upon which the brokerage firm has authorization to market the property;
- 3) the specific brokerage services the firm will provide, including any limitation on services;
- 4) the agreement date, specific expiration date and the effective date if different from the agreement date;
- 5) a provision for avoiding dual agency and other conflicts with respect to the brokerage firm's buyer service agreements;
- 6) a statement of the amount of transaction fee or other compensation to be paid the brokerage firm, the method of computation and the person who will pay it;
- 7) the signatures of all owners or their authorized agents and a licensee associated with the brokerage firm;
- 8) a clear description of whether, and how, cooperating brokerage firms will be compensated; and
- 9) a clear description of whether, and how, a brokerage firm representing the buyer will be compensated.

A seller service agreement may contain a clause which provides for compensation following expiration or termination when:

- 1) a purchase and sale agreement is signed, a closing held, or the property is otherwise conveyed, within a specified number of months following the expiration

or termination date of the seller service agreement, but not to exceed twelve months;

- 2) the brokerage firm, during the term of the seller service agreement, was procuring cause of the sale;
- 3) the brokerage firm provided the name of the purchaser to the seller in writing not later than 10 days after the expiration or termination date of the seller service agreement; and
- 4) the property has not been listed with another brokerage firm under a valid, exclusive right to market agreement with terms and conditions similar to those contained in the expired or terminated seller service agreement.

No other provision for compensation following expiration or termination is authorized.

Buyer Service Agreement Requirements:

Each type of buyer service agreement shall be on a separate form and identified with only one of the titles below in boldface type at the top of the agreement:

NONEXCLUSIVE (Open) BUYER AGENCY AGREEMENT;

EXCLUSIVE BUYER AGENCY AGREEMENT; or

EXCLUSIVE RIGHT TO REPRESENT BUYER AGREEMENT

A buyer service agreement shall contain:

- 1) the agreement date, specific expiration date, and the effective date if different from the agreement date;
- 2) all terms of the agency authorized;
- 3) a description of the services that the brokerage firm will perform under the agreement, including any limitations on services;
- 4) a provision for avoiding dual agency and other conflicts with respect to the brokerage firm's seller service agreements;
- 5) a statement of the amount of transaction fee or other compensation to be paid the brokerage firm, the method of computation and the person who will pay it;
- 6) the signatures of all parties to the buyer service agreement and a licensee associated with the brokerage firm; and
- 7) a clear description of whether, and how, cooperating agents will be compensated.

A buyer service agreement may contain a clause which provides for compensation following expiration or termination when:

- 1) a purchase and sale agreement is signed, a closing held, or a property is otherwise purchased, within a specified number of months following the expiration or termination date of the buyer service agreement, but not to exceed twelve months;

- 2) the brokerage firm, during the term of the buyer service agreement, was procuring cause of the purchase;
- 3) the brokerage firm provided the name of the seller and identification of the property to the buyer in writing not later than 10 days after the expiration or termination date of the buyer service agreement; and
the buyer has not retained another brokerage firm under a valid exclusive right to represent buyer agreement with terms and conditions similar to those contained in the expired or terminated buyer service agreement.

No other provision for compensation following expiration or termination is authorized.

ADVERTISING

Every real estate advertisement shall conspicuously display the brokerage firm's registered name. This is the name that appears on the brokerage firm's registration issued by OPR. The brokerage firm's registered name shall be the most prominent and largest identifier. This means the brokerage firm's registered name shall be larger than items such as the agent's name, phone number, team name and web address.

When properly in which a licensee has an ownership interest is marketed, all advertisements shall disclose the fact that said owner is a Vermont licensee.

Signs used in advertising must comply with Vermont state and municipal sign laws, including but not limited to the following:

- a "for sale" sign, or multiple signs on the same premises taken together, shall not have an area of more than six (6) square feet, including panel, frame and riders;
- signs attached to "for sale" signs which state "sold," "sale pending," "sale under contract," or similar messages shall not be permitted;
- a "for sale" sign may only be erected and maintained on the same premises that is for sale and may not be erected or maintained off-premise; and
- a "for sale" sign may not be erected and maintained along a highway and visible from the highway which is located upon a tree, or painted or drawn upon a rock or other natural feature.

Advertisements of properties listed by another brokerage firm shall also conspicuously display that listing brokerage firm's registered name and listing agent's name.

DESIGNATED AGENCY:

- If the brokerage firm has more than 2 licensees, they may elect to practice Designated Agency
- Designated Agencies must disclose this status in seller and buyer service agreements

- A Designated Agency Firm shall delegate to its individual licensees all brokerage firm agency and fiduciary responsibilities for specific clients of the firm pursuant to written agreements for brokerage services.
 - Delegations may be made to a single licensee or multiple licensees associated with the brokerage firm.
 - The Licensee(s) delegated shall be known as designated agent(s). Only the designated agent(s) owe the client the duties of a fiduciary
- A Designated Agency Firm must ensure that there is a supervising licensee within the firm to provide guidance to the designated agent(s) in the event of a conflict where the principal broker and/or broker in charge is acting as a designated agent for one of the parties to the transaction.
- A Designated Agency Firm and the designated agent(s) with respect to a specific client shall:
 - Obtain written consent of the client to the appointment of the initial and any subsequent designated agent(s) at the time the seller or buyer service agreement is executed or amended;
 - Take ordinary and necessary care to protect all client confidences from disclosure to third parties, except disclosure may occur pursuant to authorization of all clients affected thereby;
 - Until closing, submit all offers to or from the client, with or without a deposit, whether oral or written, whether above or below the listed price; and
 - If true, disclose the fact that the firm provides brokerage services to both buyers and sellers in the market. The disclosure shall be part of any seller or buyer service agreement executed on behalf of the firm.
- A Designated Agency Firm and its designated agent(s) for a particular client shall not:
 - Practice dual or limited agency by acting as agent for both a buyer and seller in the same transaction. The designated agent(s) may act as an agent for one party in a transaction where the other party is an unrepresented customer;
 - Practice Non-Designated Agency;
 - Provide or offer to provide services as an Intermediary, a Transactional Broker, a Facilitator or any other form of representation not involving an agency relationship for which fiduciary duties are owed.
- A Designated Agency Firm may retain and compensate another brokerage firm to assist it in providing services to its clients without thereby creating an agency relationship between the client and the other firm. This practice shall be known as broker agency.
- A Designated Agency Firm may permit one of its licensees with a customer who may be interested in buying from or selling to a client of the firm to practice broker agency with the designated agent(s) of the client. No written cooperation agreement is required. In such case the licensee with a customer owes the designated agent(s), but not the firm's client, the duties of a fiduciary.

- All confidential information of the seller or buyer client may not go beyond the designated agent(s) or the supervising licensee, except with the client's prior authorization. A designated agent may reveal confidential information of a client to the extent reasonably necessary to obtain proper guidance from the supervisor in charge of such agent, as long as that supervisor is not acting as an agent for another party in a transaction with the client. The supervisor shall protect from further disclosure any confidential information received in a supervisory capacity. All seller and buyer service agreements shall contain clear language that notifies the client that this can occur.
- When a designated agent is appointed, information known to or acquired by the designated agent shall not be imputed to the brokerage firm or to other licensees within the same brokerage firm.
- The principal broker and broker in charge shall remain vicariously responsible for breach of duty in his or her supervisory capacity, however, they do not by virtue become dual agents
- A Designated Agency Firm shall terminate the seller service agreement prior to a designated agent associated with the brokerage firm entering into negotiations on his or her own behalf to purchase a property in which he/she is a designated agent for the property listed by the brokerage firm. In addition, the brokerage firm shall provide an opportunity for the client to seek outside representation, and disclose in writing that a conflict of interest is automatically created due to the competing interests of the client and the licensee. Prior to entering into negotiations for the sale of property owned by a licensee of the brokerage firm who is the designated agent of the buyer under a buyer service agreement with the brokerage firm, the Designated Agency Firm must terminate the buyer service agreement. In addition, the brokerage firm shall provide an opportunity for the client to seek outside representation, and disclose in writing that a conflict of interest is automatically created due to the competing interests of the client and the licensee. In these instances, a Designated Agency Firm cannot advance the interests of the client and provide undivided loyalty while negotiating with a licensee associated with the brokerage firm. The client may elect to remain an unrepresented customer of the brokerage firm, and not seek outside representation, if the client provides informed written consent. A Designated Agency Firm and its associated licensees must show affirmatively that they acted in good faith in the transaction.