



LOCAL LISTING BROKER

## CONTRACT AGREEMENT

### 1. Services

This agreement is entered between the local listing broker (the "broker" or "LLB") undersigned below, and K.M. Minemier & Associates, LLC ("KMM"), as asset manager on behalf of the Department of Housing and Urban Development ("HUD").

The LLB shall provide listing and marketing services for single family (1–4 Unit) properties that are currently owned by HUD and managed and marketed by KMM. HUD's specific goals under the M&M 3.7 contract are to promote affordable housing, preserve communities and homeownership, minimize holding times, and achieve the highest yield possible.

The LLB under the terms of this agreement is expected to support achieving these goals.

### 2. License and Insurance

Upon execution of this agreement, the broker agrees that they are fully licensed and insured to act as a real estate broker in the State which this agreement covers. Updated license and insurance information shall be furnished and immediately uploaded into KMM's system of record ("TAZA").

LLB is required to maintain insurance coverage at a **minimum** level of:

**\$1,000,000 Errors & Omissions or Comprehensive General Liability Insurance,**  
**\$500,000 Motor Vehicle Liability,** and  
**\$500,000 Employer's Worker's Compensation or Proof of Insurance** for any team members or sub-contractors assisting LLB on the management of this agreement of minimum levels.

### 3. Listing Assignments

KMM does not guarantee any minimum or maximum listing assignments under this agreement. .

#### **4. Geographic Service Area**

The geographic service area(s) covered by this agreement is identified as a 30-mile radius of the physical office location derived from the LLB's response to the Request for Proposal Listing Broker Services DU204SB-15-D-03 Contract Area (3A) Illinois and (1P) Michigan.

#### **5. Commissions**

HUD agrees to pay LLB a commission of half of the total advertised commission as specified on the initial listing work order. Total commission may be up to 6% of the offer price. Commission will be the full and total compensation for the tasks outlined in this agreement.

The commission shall only be due, payable, and disbursed at the closing of escrow of each assigned property, not merely upon procurement of a willing and able buyer.

It is understood by the execution of this agreement that commission structure may modify in accordance with any alternative marketing strategy of specific categories of properties, and under certain listing programs offered by HUD the LLB may not be entitled to any listing commission.

The LLB may sell their listed HUD Properties to their own qualified purchasers and thereby earn a selling broker commission of up to 3% of the sales price. LLB shall not be entitled to any compensation or reimbursement for any expenditure incurred, without the preapproved consent of asset manager, other than the commissions for services performed under this agreement.

LLB acknowledges that if an actively listed property remains unsold within 90-days, at KMM's discretion the listing may reassign to another LLB. This listing agreement does not contain an exclusivity, and commissions will be paid to the broker who is marketing the property at the time of closing.

There will be no commissions paid on listings that fail to close due to the seller's inability to obtain marketable title, or other condition that causes the property to be removed from K.M. Minemier's managed inventory.

#### **6. Broker Guidelines**

LLB shall list properties and advertise for maximum market exposure, answer all inquiries regarding the property, and perform other such customary duties for bidding, or as requested by K.M. Minemier & Associates.

#### **Pre-List Guidelines**

##### **Initial Listing Tasks**

- Review of Property Condition Report (PCR) & HUD Property Inspection Report (HPIR)
- Initial Broker Inspection of Assignment

- Completed Initial AMPIR – Must be uploaded into KMM’s system of record within 48 hours of Initial Assignment
- Completed MLS Input Sheet or Draft Listing Sheet – Must be Uploaded within 48 Hours of Initial Assignment
- Marketing Photos – Minimum of 5
- Listing Photos Requirements
- Initial BPO

### **List for Sale Guidelines**

- Ready to List Broker Inspection of Assignment
- Completed RTL AMPIR – Must be uploaded into system of record within 48 hours of RTL Assignment
- Broker Installation of approved “For Sale” Signage at Property
- Lock Box Installation – The Property must be accessible at all times to HUD, KMM, its employees, subcontractors and real estate agents (regardless of affiliation to membership in MLS)
- If property is not accessible to all listed parties for any reason notify KMM immediately
- List for Sale Photo Requirements
- List for Sale in MLS – Must be uploaded into KMM’s system of record within 4 hours from tasking work order. Note - Show Instructions and lockbox code/access **must** be uploaded into KMM’s system of record at this time.
- Marketing Strategy to including but not limited to, Social Media Syndications, Virtual Tour, Targeted Advertising, Featured Listing Blog Article, Open House & On-Call Schedule – Uploaded into KMM’s system of record within 4 hours from tasking order.

### **Minimum Marketing Guidelines**

Marketing plan as submitted by LLB as part of the RFP/solicitation process is agreed to be incorporated into this agreement. Marketing plan must be primarily focused on effectively promoting HUD homes to increase homeownership opportunities to owner-occupants.

LLB shall be required to maintain advertising on at least two social media accounts (Facebook, Twitter, Pinterest, Instagram, YouTube, or any other relevant social media service) and provide evidence to KMM of the same.

LLB shall also be required to utilize some combination of the following: list properties on customary real estate websites, utilize newspaper advertising (print or online), radio advertising, open houses, list on Craigslist, etc. to effectively market each assigned property.

LLB Advertising must be in compliance with Marketing Guideline “Do’s & Don’ts” provided by KMM.

## **MLS Management**

LLB is responsible for the accuracy and completeness of all MLS information. Failure to follow MLS guidelines may result in termination of this agreement. LLB will notify potential purchasers that any licensed Broker may assist in the purchase of HUD properties.

MLS Listing Sheets must include the following:

- Contain a statement that the HUD property is sold in "as-is" condition.
- Contain fair housing non-discrimination clause, "Equal housing Opportunity"
- Refer potential purchasers to HUDHomeStore.com & kmmealty.com
- Pre-1978 Lead Based Paint Notifications
- Instructions to selling brokers and potential purchasers concerning bidding & contract procedures, including;
- Provide that cooperating Brokers will receive up to 3% selling commission
- Property Condition Report
- FHA Insurability code & Case Number
- LLB shall be responsible for complying with all State/Local disclosure requirements and MLS and real estate board rules and regulations.

MLS management must be made within 4 hours by notification through KMM's system of record. Proof of MLS must be uploaded at this time. MLS Management includes, Initial listings and "change of status". For example, offer acceptance, property close-outs, BOM's, or any other changes as needed.

The LLB shall, at their expense:

Determine the appropriate MLS board(s) for each listing and advertise for wide market exposure of all assigned properties. It may occur that KMM assigns a property outside of broker's normal geographic area, it is the responsibility of the LLB to pay for any additional board & MLS fees to properly market assigned property under the terms of this agreement.

## **Weekly Routine Inspection Guidelines**

- Routine Broker Inspection of Assignment
- Completed Routine Report – Must be uploaded within 36 hours of Routine Assignment
- Routine Inspection Photo Requirements

**If any changes in property condition are discovered, KMM should be notified the same business days as the inspection, and sent detailed photographs and information regarding the change separate from the inspection report.**

## **Offer Submission Guidelines**

LLB shall direct all offers to be submitted via HUDhomestore.com. Broker shall not represent that offers must be submitted through them. Broker shall not sign any purchase agreements or purchase agreement addendums on behalf of HUD or K.M. Minemier & Associates.

## **Earnest Money Deposits**

Unless otherwise directed to do so, Broker shall deposit all earnest money deposits into their escrow account within 2 business days of receiving fully executed purchase agreements. Broker shall abide by all state and local laws regarding record-keeping and reconciliation of funds.

Immediately upon receipt of Earnest Money Deposit LLB must upload scanned copy of EMD via KMM's system of record. Failure to verify receipt of deposit will cancel accepted contract acceptance and multiple failures will result in reassignment of listing. The LLB shall hold the earnest money deposit in their escrow account until such a time as the property is ready to close or the sales contract is cancelled. If the sales contract is cancelled the LLB will be responsible to return the earnest money either to the purchaser or to HUD as directed by KMM.

## **Weekly Listing Review**

Broker shall complete weekly listing reviews and submit to KMM reporting each week the assigned inventory currently available for sale, a detailed explanation as to why the property did not sell, number of showings, any feedback received, current marketing efforts and suggestions to procure a highest and best offer based on the as-is condition of the property.

## **Other Inspections & Responsibilities**

If requested, LLB is to order, arrange, and pay for any city, county, and/or well and septic inspections required for transfer of sale. LLB will be reimbursed for pre-authorized actual costs of inspections, not for any additional time, travel, etc.

LLB in addition to the initial BPO shall provide within 48 hours or upon request, a BPO on any assigned property.

Facilitate Communication with HOA – Any listing assignments that are part of an HOA or a managed community LLB is required to obtain contact information and supply that to KMM via our system of record. Access including common door keys, pin codes, LLB's must make every attempt to facilitate the coordination of obtaining.

## **Broker Responsibilities Regarding Staffing and Office**

In each coverage area, the LLB shall provide and maintain:

- A minimum of one (1) professional office space
- All necessary supplies, furniture, and equipment to perform under the terms of this agreement, including at a minimum personal computer system and copier/scanner
- Prominently display standard Fair Housing non-discrimination signage
- LLB shall certify that they have adequate information technology security in place to protect against threats, and ensure confidentiality of NPI
- A toll free phone number, available for public use
- Dedicated Email Address
- Field mobile technology to include smartphone/tablet devices operating on either an iOS or Android operating system
- Office Hours and accessibility Mon-Sat, from 8:00 AM to 5:00 PM to include a licensed agent available to take inquiries from interested parties and give appropriate information on all listed properties
- LLB shall be responsible for personally responding to all inquiries within one (1) business day of point of contact during required office hours
- LLB must make available a 24/7 showing service to accommodate showing requests outside of business hours
- Administrative staff as need to perform under the terms of this agreement

## **7. Legal Compliance**

The LLB, in furnishing products or services to KMM hereunder does so as an independent contractor. LLB has the sole obligation to supervise, manage, contract, direct, procure, perform or cause to be performed, all services required by this agreement unless otherwise directed by KMM. LLB shall not have any authority to bind KMM or HUD to do, or not do, any act with respect to any third party nor shall the LLB purport to do so.

The LLB must be fully licensed in the state or states of their coverage area. LLB agrees that they will list, sell, and otherwise deal with all property in full compliance with any and all city, state, and federal laws, including The Fair Housing Act, and will market without any regard to a person's race, color, sex, disability, religion, national origin, marital status, age, or other protected class.

Broker agrees to report any and all suspected fraudulent activity to KMM immediately for investigation. LLB will upload any training documents (broker handbook, etc.) provided by KMM to the MLS where available.

## **8. Indemnification**

Broker agrees to hold KMM and HUD harmless from any loss, damage, liability, attorney's fees, or claims resulting from any negligent or wrongful acts or omissions of

the broker in connection with this agreement or as a result of breach of this agreement. This section shall survive the termination of this agreement.

## **9. Non-disclosure Agreement**

Broker, its employees, agents, and contractors, hereby agrees that all confidential information will be held in the confidence to the same extent and using at least the same degree of care as the broker uses to protect its own confidential or proprietary information.

## **10. Electronic Systems/Portals**

KMM will assign listings electronically. This electronic assignment is the LLB's authorization to market and advertise each property to comply with the terms of this master listing agreement. LLB is responsible to learn and utilize the electronic systems, websites and portals that KMM provides including but not limited to YARDI P260, TAZA, HUDHomesStore, etc.

## **11. Disclosures and Representations**

The LLB shall not make any warranties or representations concerning the condition of any property  
Not attempt to negotiate sales or contract terms on behalf of KMM or HUD  
Make all disclosures concerning fiduciary representation as required by State or local law  
Prepare any disclosure statements required by State or local law for KMM to execute, including information about Point of Sale inspection ordinances where applicable.

## **12. Training**

LLB is required to attend or view all KMM offered training courses and update courses regarding changes to procedures, marketing, and expectations. To include but not be limited to the following offerings: HUD Listing Broker Training, MLS Requirements, Successful Open Houses, KMM University, FOCUS, P260, Routine Inspection Requirements, KMM Resource Tree, Picture Requirements, BPO, Property Condition Standards, Hub Spot Lead Generation, Listing Broker Scorecarding & Accountability, Ongoing All Hands Web Training. LLB will not disclose, publish, release, transfer or make otherwise available any confidential information in any form to be used by any other person or entity. Broker is authorized to release such information to relevant employees, agents, and contractors, only to the extent that it is necessary for the performance of duties in this agreement.

LLB will be expected to work closely with selling brokers and respond to inquiries making sure they are fully knowledgeable in HUD requirements and bidding processes. LLB shall be required to host quarterly trainings regarding the selling of HUD homes for buyer's agents and or potential buyers for every year this agreement is valid.

### **13. Termination, Expiration or Re-Assignment of Inventory**

It is understood and agreed that upon expiration, termination or by KMM's reassignment of listings in "active" status assigned to LLB there shall not be any commissions earned for those properties that they have entered into the local MLS and have advertised for wide market exposure, nor will they be reimbursed for any expenses incurred in performing duties and responsibilities under the terms of this agreement.

### **14. Conflict of Interest**

LLB understands that neither they, nor any persons related to them by blood or marriage, nor any of the agents or employees in their office, nor any persons related to the agents or employees can purchase or own interest in any HUD home. Violation of this policy is grounds for immediate termination of this listing agreement and possible deactivation of the LLB NAID.

### **15. Performance Scorecards**

Performance scorecards are an integral component to ensure the successful relationship between KMM and LLB. LLB understands that brokers that do not meet scorecard standards, failure to comply with the guidelines of this master listing agreement, or fail to act in the best interests of HUD or KMM will have their listing agreement terminated immediately.

LLB agrees that this agreement can be terminated by either party at any time without cause, with 24 hour written notice.

Contacts:

Asset Manager: K.M. Minemier & Associates, LLC  
4975 Lacross Road, Suite 314, Charleston, SC 29406  
877-394-8736  
[assetmanagement@kmmrealty.com](mailto:assetmanagement@kmmrealty.com)

[ ] BY CHECKING THE BOX, BROKER ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING PROVISIONS AND THOSE SUCH PROVISIONS ARE REASONABLE AND ENFORCEABLE. VENDOR ACCEPTS THE BROKER AGREEMENT & TERMS.

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NAID Authorized Broker Signature:

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Date:

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Asset Manager Signature:  
K.M. Minemier & Associates, LLC

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Date: