

RELATED-PARTY DEVELOPER RELATIONSHIP AGREEMENT

is made by and between:

- Brokerage: _____ (“Broker”)
- Sales Agent/Associate: _____ (“Agent”)
- Developer/Seller: _____ (“Developer”)

Effective Date: _____

This Agreement is in addition to and does not replace the Independent Contractor / Sales Associate Agreement between Broker and Agent, or any separate agreement between Broker and Developer.

Section 1 – Purpose and definitions

1.1. Purpose. The purpose of this Agreement is to:

- Disclose and document any personal, familial, or business relationship between Agent and Developer;
- Clarify and limit Agent’s role with respect to development-related activities; and
- Allocate certain responsibilities and risks among Broker, Agent, and Developer.

1.2. Related-Party Developer Relationship. A “Related-Party Developer Relationship” means any ownership, financial, familial, or business relationship between Agent (or Agent’s spouse, domestic partner, immediate family member, or entity they control) and Developer or any entity affiliated with Developer.

Section 2 – Agent’s disclosure and relationship clarification

2.1. Agent represents and warrants to Broker and Developer that Agent has disclosed below all Related-Party Developer Relationships relevant to any property that Broker may list, market, or in which Broker may represent a buyer.

Agent’s Relationship Disclosure (property or project specific):

- Property/Project: _____
- Related Party Name(s): _____
- Entity Name(s): _____
- Nature of Relationship (check all that apply):
 - Spouse/domestic partner
 - Parent
 - Child

- Sibling
 - Other family: _____
 - Business partner
 - Member/manager/shareholder of entity
 - Other: _____
 - Description of Agent's ownership or financial interest (if any):
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Agent certifies the above is true, correct, and complete and will promptly update it in writing if anything changes.

Section 3 – Agent's limited role in development

Agent and Developer represent and agree that, with respect to the above Property/Project, Agent:

- 3.1. Was not involved in acquiring the land and did not participate in the selection, planning, design, engineering, or approval of any site plans, building plans, or specifications.
- 3.2. Did not provide or prepare any architectural, engineering, structural, mechanical, electrical, or other professional designs, drawings, or plans.
- 3.3. Did not apply for, obtain, or oversee any zoning approvals, variances, platting, or governmental entitlements, and did not apply for, obtain, or manage any permits or inspections.
- 3.4. Did not construct, supervise, manage, or control any construction, renovation, or repair work and had no role in selecting, supervising, or paying contractors, subcontractors, design professionals, or vendors.
- 3.5. Did not create or warrant any marketing materials, renderings, sketches, models, floor plans, square footages, finish schedules, or other descriptive or promotional materials, other than using or forwarding materials supplied by Developer and identified as such.

Agent and Developer agree to immediately notify Broker in writing if any of these statements become inaccurate.

Section 4 – Developer's obligations to keep agent separate

- 4.1. Developer agrees that, for any transaction in which Broker is involved, Developer will not request, expect, or permit Agent to:
 - Participate in design, engineering, permitting, or construction decisions;
 - Exercise supervision or control over contractors, subcontractors, or design professionals;
 - Sign or submit permit applications, construction documents, or governmental filings; or

- Make or approve representations about construction quality, structural matters, building code compliance, or future performance of the improvements.

4.2. Developer agrees to route all development-related decisions and instructions through Developer's own professionals (architects, engineers, contractors, consultants), and not through Agent or Broker.

4.3. Developer will provide to Broker and Agent in writing any marketing materials, plans, specifications, or descriptions Developer wants used in marketing, and acknowledges that Broker and Agent are entitled to rely on those materials as being accurate and complete.

4.4. Developer agrees to indemnify and hold harmless Broker from claims arising out of:

- Design, engineering, construction, or code compliance;
- Errors or omissions in plans, specifications, or marketing materials supplied by Developer; and
- Developer's failure to disclose known material defects or conditions.

To the extent permitted by law, Developer's indemnity will apply even if claims are asserted against Broker based on Developer-supplied information that Agent passed along in the ordinary course of brokerage services.

4.5 Developer agrees to add Broker as additional insured on Commercial General Liability Insurance, Professional Liability Insurance, and Builders Risk Insurance and provide a Certificate of Insurance to the Broker upon completion of this Agreement.

Section 5 – Broker protections and indemnity from agent

5.1. Agent acknowledges that Broker is not a builder, developer, architect, engineer, or contractor and makes no representations or warranties regarding the design, construction, materials, workmanship, code compliance, zoning, or use approvals of any property.

5.2. Agent agrees to comply with all applicable laws, TREC rules, professional codes of ethics, MLS rules, and all written Broker policies concerning conflicts of interest, disclosure of related-party interests, and documentation of such relationships.

5.3. Agent will not participate in any Related-Party Developer transaction under Broker's license unless and until:

- Agent has delivered a completed RELATED-PARTY DEVELOPER RELATIONSHIP AGREEMENT to Broker;
- Broker has approved Agent's participation in writing;
- Agent has completed the Relationship Disclosure Training; and

- Broker’s required consumer-facing BROKER AND SALES AGENT RELATIONSHIP DISCLOSURE have been executed by the necessary parties.

5.4. Agent agrees to indemnify, defend, and hold harmless Broker from all claims, losses, damages, and expenses (including reasonable attorneys’ fees) arising out of:

- Agent’s failure to accurately or timely disclose a Related-Party Developer Relationship;
- Any misrepresentation or omission by Agent regarding Agent’s role or relationship; or
- Agent’s involvement in development activities contrary to this Agreement or Broker policy.
- Agent’s failure to execute this Agreement prior to the commencement of any transaction between a buyer and your client.

Section 6 – General

6.1. This Agreement supplements, and does not limit, any other rights or remedies Broker may have under law or under other written agreements with Agent or Developer, including but not limited to refusing to allow this transaction to continue under this brokerage and/or designated broker.

6.2. This Agreement may be executed for a specific Property/Project (identified in Section 2) and may be renewed or updated by written addendum for additional projects as needed.

6.3. Each party acknowledges having the opportunity to consult independent legal counsel before signing this Agreement.

Signatures

Broker: _____ Date: _____

Agent: _____ Date: _____

Developer: _____ Date: _____