

**OUTLINE FOR**

**7/1/25-6/30/26 SALESPERSON & BROKER REQUIRED MODULE (CONTRACTS)**

3.75 Hours (165 classroom minutes + 30 minutes for exam + 30 minutes in breaks = 225)

1.0 Hour Broker Module Requirement Covered – **Sections Highlighted in Yellow**

- I. Welcome and Course Objectives
  
- II. Elements of a Binding Contract (15 Min.)
  - A. Licensees may draw up contracts (M.S. 481.02, Subd. 3a)
    - 1. Drafting: Who, what, where, when, and how
  - B. Enforceability
    - 1. Contingencies
  - C. Essential elements (15 Min.)
    - 1. Capacity
    - 2. Mutual agreement
    - 3. MN Plain Language statute
    - 4. Performance
    - 5. Discharge
    - 6. Breach
    - 7. Remedies
    - 8. Delivery
  - D. Assignability
  
- III. **Agency Relationships in Real Estate Transaction (10 Min.)**
  - A. MN Law
  - B. Disclosure only, not a contract for representation
  
- IV. Disclosure Issues (15 Min.)
  - A. Seller Disclosure Statute (M.S. 513.55)
    - 1. Disclosure
    - 2. Private inspection
    - 3. Waiver
      - a. Other statutory requirements
  - B. Licensee's material fact disclosure obligations (M.S. 82.68, Subd. 3)
  - C. Other Disclosure Obligations
    - 1. Lead Based Paint (42 U.S.C. § 4852d)
    - 2. Methamphetamine (M.S. 152.0275, Subd. 2)
    - 3. Radon (M.S. 144.496)
    - 4. Predatory Offenders (M.S. 82.68)
    - 5. Airport Zoning (M.S. 513.56, Subd. 3; 82.68, Subd. 3)
    - 6. Sewage Treatment Systems (M.S. 115.55)
    - 7. Wells (M.S. 1031.235)
    - 8. Chronic Wasting Disease (M.S. 35.155)

V. Representation Contracts and Facilitator Services Agreements (15 Min.)

A. Timing of entering into a representation contract (Post Settlement)

B. Required Elements:

1. Property address
2. Name
3. Effective Dates
4. Price
5. Terms
6. Authorization
7. Hold over clause
8. Compensation Options
  - a. Buyers
  - b. Sellers
9. Closing services
10. Additional costs
11. Agency representation
12. Electronic signatures
13. Acceptance and dates

VI. Showing and Broker to Broker Compensation Agreement (10 Min.)

- A. Secures compensation
- B. Specific buyer
- C. One-year time frame

VII. Residential Purchase Agreement (15 Min.)

- A. Parties' names
- B. Property address
- C. Earnest money obligations
- D. Personal Property
- E. Price
  1. Financing
  2. Closing date
- F. Deeds
- G. Property taxes and assessments
- H. Linked Devices
- I. Possession
- J. Title and examination
  1. Dual agency
- K. Mechanics Liens
  1. Lien waiver required
- L. Definition of dimensions
- M. Risk of Loss
- N. Time is of the essence
- O. Default

P.	FIRPTA	
Q.	Entire Agreement	
R.	Compensation Clause	
S.	Final acceptance	
	1. Signatures/dates of all parties	
	2. Delivery	
VIII.	Counter Offers and Addenda	(15 Min.)
	A. Termination of original offer	
	B. Signatures required on purchase agreement	
IX.	Common Contingencies	(15 Min.)
	A. Financing	
	1. Two contingency options	
	2. Mechanics of both contingencies	
	B. Inspection	
	1. Mechanics of the contingency	
	C. Sale of Buyer's Property	
	1. Two contingency options	
	2. Mechanics of both contingencies	
X.	<b>Condominium Townhouse CIC Addendum (M.S. 515B)</b>	<b>(15 Min)</b>
	A. Calculation of days	
	B. Exempt properties	
	C. Right to cancel provision	
XI.	"As Is" Addendum	(5 Min)
	A. Seller disclosure alternatives with waiver	
	B. Limitation of Seller Liability/legal advice	
	C. Warranties	
	D. Risk of loss	
XII.	<b>Default and Cancellation of a Purchase Agreement</b>	<b>(15 Min)</b>
	A. Default	
	B. Cancellation agreement signed by both parties	
	C. Statutory cancellation	
	D. Earnest money issues	
XIII.	Wrap Up, Summary and Questions	(5 Min)

Exam – 30 minutes

**Learning Objectives:** After completing this course, real estate licensees will:

- Gain a clearer understanding of legal requirements in real estate contracts.

- Analyze various contracts, addendums, and agreements while identifying common form-related issues in transactions.
- Develop strategies to prevent contractual risks and mistakes.
- Enhance their ability to guide buyers and sellers through complex real estate transactions with confidence.