

PAK HOME REALTY.

Welcome to PAK Realty!!! In order to better serve you as an agent, please complete the information below and return promptly to your office manager.

Date 03/29/2024 Sponsors Name GUSTAVO ROJAS

Full Name Johanna Cordova Esparza

Address 23502 Tayman Park Ln

City KATY State TEXAS Zip 77494

Phone 8325419495 Alternate Phone _____

DOB 06241976 Email REALTORJOHANNACESPARZA@GMAIL.COM

DRE License Number 04467916 Expiration Date 06242030

Last 4 of SSN 4128

Name of MLS JOHANNA C ESPARZA MLS ID JOIJOHANNA

Working as (Select One)

☒ Individual Agent

☐ Team Member

Team Name/Team Leader _____

Emergency Contact (Optional)

Name CARLOS ESPARZA, HUSBAND Phone 7134436783

Name AYLEEN ESPARZA, DAUGHET Phone 3469322210

Signature Johanna Cordova Esparza Date 03/29/2024





Exhibit B - Select one.

Date 03/29/2024



INDIVIDUAL

- One Time start up fee of \$199.
- \$75 - Monthly Tech Stack
 - Includes:
 - Business Downline Software
 - Skyslope
 - Digsign
 - Pak Design Center
 - CRM
- 85%/15% Split - \$12,500 CAP
- \$299 Post CAP fee - \$5,000 CAP
- \$55 Per file - \$550 CAP

*All CAPs have been met - \$100 per deal fee

TEAM MEMBER

- MUST BE on minimum of 20% with team leader
- One Time startup fee of \$199
- Monthly Tech Stack - \$75
 - Includes:
 - Business Downline Software
 - Skyslope
 - Digsign
 - Pak Design Center
 - CRM
- 85%/15% Split - \$6,250 CAP
- Post Cap fee - \$5,000 CAP
- \$55 Per file - \$550 CAP

*All CAPs have been met - \$100 per deal fee

** All CAPs reset on your anniversary date of registrations for **JoinThePAK.co**

**PLEASE NOTE, WE WILL NEED A 15 DAY NOTICE BEFORE ANY CANCELATION/REMOVAL.
THIS IS TO ENSURE YOU WILL NOT BE BILLED FOR THE NEXT BILLING CYCLE.**

Agent Name Johanna Cordova Esparza

Agent Signature

Johanna Cordova Esparza

Manager Name Michael Guerrero

Manager Signature

Michael Guerrero

Form W-9
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

| | |
|--|--|
| 1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. JOHANNA C ESPARZA | |
| 2 Business name/disregarded entity name, if different from above | |
| 3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____ | 4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small> |
| 5 Address (number, street, and apt. or suite no.) See instructions. | Requester's name and address (optional) |
| 6 City, state, and ZIP code | |
| 7 List account number(s) here (optional) | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

| | | | | | | | | | | |
|---------------------------------------|---|---|---|---|---|---|---|---|---|---|
| Social security number | | | | | | | | | | |
| 4 | 5 | 4 | - | 5 | 1 | - | 4 | 1 | 2 | 8 |
| or | | | | | | | | | | |
| Employer identification number | | | | | | | | | | |
| 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign
Here**

Signature of U.S. person ► *Johanna Condova Espanza*

Date ► **03/29/2024**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

PAK HOME REALTY.

EXHIBIT A

Agents shall have the opportunity to participate in revenue shares of Morel Real Estate Solutions, Inc. dba PAK Home Realty (“**Company**”). This Exhibit A is attached to the written agreement between Agent and Company (“**ICA**”). “**Agent**” shall mean a licensee with Company and includes associate-licensees, broker-associates, and other licensees. All defined terms shall be as defined in the ICA, except as otherwise defined in this Exhibit A.

The Company has three separate revenue sharing programs: Revenue Share Plan; Founders PAK; and 1001. Agents may collect revenue under all three programs simultaneously.

A. Revenue Share Plan

Agent has the opportunity to share in the revenue of the agents that Agent recruits, and the revenue those recruits recruit, up to 7 generations.

1. Basic Eligibility

Agent shall be eligible for the Revenue Share Plan by recruiting at least 1 Recruit. The Recruit must then close at least 1 transaction under the Company within 6 months prior to the Revenue Share Plan monthly payment date. **The Recruit will only be counted for the Revenue Share Plan if that Recruit closed a transaction with the Company in the 6 months before the Revenue Share Plan payment date, is a current agent with the Company, and is current on all technology fees, notwithstanding any other provision herein.**

2. Unlocking Levels

| Level | # recruited Recruit to unlock | % of Recruit's Revenue |
|-----------------------|-------------------------------|------------------------|
| 1- GARNET STAR | 1+ | 2.4% |
| 2- AMETHYST STAR | 5+ | 2.7% |
| 3 - EMERALD EXECUTIVE | 10+ | 1.7% |
| 4 - RUBY EXECUTIVE | 15+ | 1.2% |
| 5 - DIAMOND | 20+ | 0.7% |
| 6 - BLUE DIAMOND | 30+ | 1.4% |
| 7 - BLACK DIAMOND | 40+ | 3.1% |

To unlock Level 1, Agent must recruit 1+ Recruits. To unlock Level 2, Agent must recruit 5+ Recruits. To unlock Level 3, Agent must recruit 10+ Recruits. The same pattern shall apply for Levels 4 through 7, pursuant to the chart above.

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3. Revenue Share Based on Level

Once Agent unlocks Level 1 by recruiting 1+ Recrutee, then Agent shall receive 2.4% of that Recrutee's Revenue.

Once Agent unlocks Level 2 by recruiting 5+ Recrutees, then Agent shall receive 2.4% of that Level 1 Recrutee's Revenue; and if that Level 1 Recrutees had recruited Recrutees, then Agent shall also receive 2.7% of those Level 2 Recrutee's Revenue.

Once Agent unlocks Level 3 by recruiting 10+ Recrutees, then Agent shall receive 2.4% of that Level 1 Recrutee's Revenue; and if that Level 1 Recrutees had recruited Recrutees, then Agent shall also receive 2.7% of those Level 2 Recrutee's Revenue; and if those Level 2 Recrutees had recruited Recrutees, Agent shall receive 1.7% of those Level 3 Recrutees' Revenue.

The same pattern shall apply for Levels 4 through 7, pursuant to the chart above.

4. Example

For example, Anthony unlocked Level 1 by recruiting an agent named Bree. If Bree closes a transaction with gross commission of \$10,000, no referrals or third-party fees, and she is on a 15% split (and has not capped yet), then the Revenue is \$10,000. Anthony gets Level 1 percentage of Bree's revenue which is 2.4% of \$10,000= \$240. Anthony will continue getting this revenue from Bree's transactions with Company until Bree has reached the commission cap each year, as long as Anthony is still with the Company.

For example, if instead Anthony unlocked Level 3 by recruiting 10 agents who all closed a transaction within the last 6 months with the Company. Anthony recruited Bree who recruited Chris who recruited Don. He is now eligible for revenue shares as follows:

- If Bree closes a deal with gross commission of \$10,000, no referrals or third-party fees, and she is on a 15% split (and has not capped yet), then the Revenue is \$10,000 and Anthony gets Level 1 revenue share from Bree's revenue, which is 2.4% of \$10,000= \$240.
- If Chris closes a deal with gross commission of \$10,000, no referrals or third-party fees, and he is on a 15% split (and has not capped yet), then the Revenue is \$10,000 and Anthony gets Level 2 revenue share from Chris' revenue which is 2.7% of \$10,000= \$270.
- If Don closes a deal with gross commission of \$10,000, no referrals or third-party fees, and he is on a 15% split (and has not capped yet), then the Revenue is \$10,000 and Anthony gets Level 3 revenue share from Don's revenue which is 1.7% of \$10,000= \$170.

In the same example, if Anthony recruited 10 agents but only 9 of those agents closed a transaction within the last 6 months with the Company by the payment date of the revenue share plan, Anthony will only have unlocked Level 2 for that month. Anthony would still get 2.4% from Bree's transaction and 2.7% from Chris' transaction, but he would not get 1.7% from Don's

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transaction since Anthony didn't meet the Level 3 requirements that month. *These examples are merely demonstrative for calculation purposes only and should not be construed as any promise or anticipation of the amount of the Revenue Share Plan. Company retains control to make any adjustments in its sole judgment over commission splits and fees to Company's internal salespersons or independent contractors, cooperating brokers commission, and other fees, which are subject to change at any time without notice.*

B. Founders PAK

Agent has the opportunity to join the Founders PAK and share equally in 1% of the Company's cumulative net revenue, subject to the terms herein.

1. Basic Eligibility for Founders PAK Membership

To be eligible for Founders PAK Membership, Agent must either recruit 4+ Recruits that have Capped OR recruit 3+ Recruits that Capped & Agent has Capped to become a Founders PAK Member. Agents must do this within 2 years from the date Agent the agent registered at jointhepak.co.

2. Remaining Founders PAK Member

To remain a Founders PAK Member, Agent must:

- i. Be currently licensed with Company
- ii. Be current on all fees owed to Company, including the monthly tech stack fee
- iii. Have 4+ Recruits that are still Capped, current on fees owed the the Company, and licensed with Company; or have 3+ Recruits that are still Capped, current on fees owed the the Company, and licensed with Company and Agent is Capped
- iv. Participate in 1+ official eligible Company event (which may include the Pak Meet UP Annually, First Quarter Review, Mid Year Review, Business Planning, PAKnic, and Company Trips, but are subject to change) and
- v. Follow the Company Values, Mission Statement and Policy Manual

Founders PAK Membership will be evaluated annually. Company may in its sole and absolute discretion alter the requirements for remaining a member of Founders PAK.

3. Founders Profit Share

All current Founders PAK Members shall equally divide one percent (1%) of the Founders Profit for all closed transactions across the Company's operations throughout the USA each quarter. However, should an Agent become eligible for the Founders PAK after the start of any quarter, the Founders Profit will be prorated by the number of business days (Monday through Saturday) within that quarter and the number of Founders PAK Members each business day. here will be no other prorating.

4. Examples

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For example, if the net commission plus technology fees collected for the quarter were \$1,000,000 then the Founders Profit would be \$1,000,000 and 1% of the Founders Profit would be \$10,000. If the Founders PAK had 10 eligible Founders PAK Members the entire quarter, each Founders PAK Member would get \$1,000 for that quarter. If instead, the Founders PAK had 9 eligible Founders PAK Members the entire quarter and 1 member who joined in the last 20 days of Q1 2024, then \$10,000 would be divided by 90 business days (Monday through Saturday) in Q1 2024. \$111.11 would be the per day value. The Agent who had only been part of the Founders PAK for 20 days would get \$222.22 (\$111.11 per day x 20 days ÷ 10 agents). The other Agents who had been part the Founders PAK the entire quarter would each get \$1,086.41 (((\$111.11 x 20 days ÷ 10 agents) + (\$111.11 per day x 70 days ÷ 9 agents)).

This example is merely demonstrative for calculation purposes only and should not be construed as any promise or anticipation of the amount of the Founders Profit share. Company retains control to make any adjustments in its sole judgment over commission splits and fees to Company's internal salespersons or independent contractors, cooperating brokers commission, and other fees, which are subject to change at any time without notice.

C. 1001

Agent has the opportunity to get an equal monthly revenue based on the revenue from all recruited eligible agents, up to 7 generations.

1. Basic Eligibility for 1001 Membership

To be eligible for 1001 Membership, Agent must either recruit 9+ Recruits that have Capped OR recruit 8+ Recruits that Capped & Agent has Capped to become a 1001 Recruit. Agent must do this within 2 years from the date Agent the agent registered at jointhepak.co.

2. Remaining a 1001 Member

To remain a 1001 Member, Agent must:

- i. Be currently licensed with Company
- ii. Be current on all fees owed to Company, including the monthly tech stack fee
- iii. Have 9+ Recruits that are still Capped, current on fees owed the the Company, and licensed with Company; or have 8+ Recruits that are still Capped, current on fees owed the the Company, and licensed with Company and Agent is Capped
- iv. Participate in 1+ official eligible Company event (which may include the Pak Meet UP Annually, First Quarter Review, Mid Year Review, Business Planning, PAKnic, and Company Trips, but are subject to change) and
- v. Follow the Company Values, Mission Statement and Policy Manual

1001 Membership will be evaluated at least annually. Company may in its sole and absolute discretion alter the requirements for remaining a 1001 Member.

3. 1001 Revenue Share

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All 1001 Members share equally each month in the Revenue of recruited Recruiters across the Company, based on the generation that the Recruiter was recruited by.

| Level | % of Recruiters' Revenue into 1001 account |
|-------|--|
| 1 | 2.4% |
| 2 | 2.7% |
| 3 | 1.7% |
| 4 | 1.2% |
| 5 | 0.7% |
| 6 | 1.4% |
| 7 | 3.1% |

The 1001 account will receive a portion of the Recruiters' Revenue as follows:

- First Recruiter who was recruited is Level 1. The 1001 account shall receive 2.4% of that Level 1 Recruiter's Revenue.
- A Recruiter who was recruited by that Level 1 Recruiter is Level 2. The 1001 account shall receive 2.7% of that Level 2 Recruiter's Revenue.
- A Recruiter who was recruited by that Level 2 Recruiter is Level 3. The 1001 account shall receive 1.7% of that Level 3 Recruiter's Revenue.
- The same pattern shall apply for Levels 4 through 7, pursuant to the chart above.

All current 1001 Members share equally in 50% of the 1001 account earnings each month. The remaining 50% is applied to Company growth, marketing, savings, and events.

Eligibility for 1001 Membership will not be prorated in any way. Additionally, Agent shall only be paid after the first full month of eligibility.

4. Example

For example, Anthony has recruited 9 agents who are capped, so he is eligible for 1001 Membership. Anthony recruited Bree who recruited Chris. The 1001 account receives revenue shares as follows:

- If Anthony closes a deal with gross commission of \$10,000, no referrals or third-party fees, and he is on a 15% split (and has not capped yet), then the Revenue is \$10,000 and the 1001 account gets Level 1 revenue share, which is 2.4% of \$10,000= \$240.
- If Bree closes a deal with gross commission of \$10,000, no referrals or third-party fees, and she is on a 15% split (and has not capped yet), then the Revenue is \$10,000 and the 1001 account gets Level 2 revenue share, which is 2.7% of \$10,000= \$270.

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- If Chris closes a deal with gross commission of \$10,000, no referrals or third-party fees, and he is on a 15% split (and has not capped yet), then the Revenue is \$10,000 and the 1001 account gets Level 3 revenue share, which is 1.7% of \$10,000= \$170.

At the end of the month \$240 + \$270+ \$170 =\$680 in the 1001 account. If there were 10 of the 1001 Members at the time, each would get \$34 and \$340 would be put towards Company growth, marketing, savings, and events. *These examples are merely demonstrative for calculation purposes only and should not be construed as any promise or anticipation of the amount of the 1001 Revenue share. Company retains control to make any adjustments in its sole judgment over commission splits and fees to Company's internal salespersons or independent contractors, cooperating brokers commission, and other fees, which are subject to change at any time without notice.*

D. All Programs

1. Definitions

"Recruitees" shall mean actively licensed agents or individual brokers who were personally sponsored by the Agent, submitted by Agent into Company's website, and joined the Company within 1 year thereafter. Recruitees shall not include anyone returning who was previously licensed with the Company within the last 1 year. A Recruitee shall be considered recruited only by one Agent, and it shall be based upon whoever the Recruitee provides was most impactful in recruiting them. *The Company reserves the right to offer or decline any agent or individual broker from joining the Company for any reason whatsoever in its sole discretion, which may be withheld without reason.*

"Capped" shall mean Agent or Recruitees who:

- i. Reached the annual Percentage Cap of \$12,500 of broker commission (as further described in applicable exhibits)
- ii. Paid the technology set-up fee AND
- iii. Paid all monthly accrued tech stack fees

"Revenue" as used herein shall mean only gross commission actually collected by Company less commission to cooperating brokers or outside agents; referral fees; transaction coordinator fees; buyer/seller/client credits; legal and collection fees for the related transaction; and any third-party payments directly related to the transactions. **Revenue does not include any commission or flat rate fees after the Recruitee has reached the Percentage Cap of \$12,500 of broker commission (as further described in Exhibit B).** Revenue shall not include any commission or fees not collected; revenue derived from any ancillary services, settlement service providers, or market service arrangements; technology fees; E&O fees; or income from any source other than agent commissions.

"Founders Profit" is Revenue, less commission to Company's internal salespersons or independent contractors, plus flat commissions and technology fees. "Founders Profit" as as

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used herein shall mean only gross commission, technology start-up fees, and monthly technology fees actually collected by Company less commission to Company's internal salespersons or independent contractors; commission to cooperating brokers or outside agents; referral fees; transaction coordinator fees; buyer/seller/client credits; legal and collection fees for the related transaction; and any third-party payments directly related to the transactions. Founders Profit shall not include any commission or fees not collected; revenue derived from any ancillary services, settlement service providers, or market service arrangements; E&O fees; or income from any source other than agent commissions.

2. Payment Dates

Agent must be currently licensed with the Company, meet all eligibility requirements, and current on all technology set-up and monthly accrued tech stack fees at the time of the payment date for the revenue share to be considered fully earned and be paid.

The 1001 and the Revenue Share Plan shall be paid monthly, by the 21st of the month following. *i.e. January's revenue is paid by February 21.* Agent must still meet all of the eligibility requirements at the time of payment for it to be considered fully earned and paid.

Eligible Founders PAK Members shall receive their share of Founders Profit quarterly, on the 21st of the month after the quarter has taken place. *i.e. quarter 1 is paid April 21; quarter 2 is paid May 21; quarter 3 is paid October 21; quarter 4 is paid January 21 the following year.*

3. Teams

Team Recruits will NOT be eligible for the Revenue Share Plan, Founders PAK Membership, or 1001 Membership due to limited fees structure for team Recruits. Additionally, team Recruits will not be considered Recruits under any of these programs due to lower capping.

Team leaders will be eligible for the Revenue Share Plan, Founders PAK Membership, or 1001 Membership. Additionally, team leaders may be considered Recruits under any of these programs based on their individual production, not their team production.

4. Terms

The terms of this Exhibit A shall only be for licensees who join the Company between January 1, 2024 to December 31, 2024; thereafter the requirements for the revenue share plan, the Founder PAK Membership and/or 1001 Membership may change. Company may in its sole and absolute discretion alter the requirements for basic eligibility and remaining a member of the Revenue Share Plan, the Founders PAK Members, and/or 1001 Membership, including awarding membership in recognition of other contributions to the Company.

5. Terminations

The Revenue Share Plan, Founders PAK Membership, and 1001 Membership are for current licensees with Company and are only considered fully earned as of the date the Company remits payment. If Agent leaves, is released, or is otherwise no longer licensed with Company,

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then Agent automatically forfeits all unpaid and future payments under all of these programs. If Agent returns to the Company, their eligibility will start anew based on the new requirements at that time. Nothing herein shall alter Company or Agent's termination rights under their independent contractor agreement.

AGREED AND ACCEPTED:

Agent signature: *Johanna Cordova Esparza*

Agent name: Johanna Cordova Esparza

Date: 03/29/2024

Real Estate Agent Independent Contractor Agreement

Agent Name: Johanna Cordova Esparza ("Agent")

Former Names Used by Agent: JOHANNA ESPARZA

Agent License Number: 736456

State under this agreement: TEXAS ("State")

Effective Date: 03/29/2024 ("Effective Date")

This Real Estate Agent Independent Contractor Agreement ("**Agreement**") is entered into as of Effective Date between the individual Agent identified above and PAK Home Realty ("**Broker**"). In consideration of the mutual covenants and representations set forth herein, Agent and Broker (cumulatively, the "**Parties**") agree as follows:

1. **BROKER'S REPRESENTATIONS.** Broker represents that Broker is duly licensed as a real estate Broker corporation in the State identified above. Broker is a member of the National Association of REALTORS®, the State Association of REALTORS®, various local REALTORS® associations, and a participant in various Multiple Listing Services. Broker shall keep Broker's license current during the term of this Agreement in the states identified above.

2. **AGENT'S REPRESENTATIONS.** Agent represents that: (i) Agent is duly licensed in the State as a real estate licensee, agent, salesperson, or broker in good standing; (ii) Agent is a REALTOR®; (iii) Agent shall maintain a license in the State in good standing at all times during the term, including satisfying all applicable continuing education and provisional license requirements at Agent's sole cost; (iv) Agent has not used any other names within the past five years except as identified above; (v) Agent shall fully comply with all duties and responsibilities due to the Broker, clients, other agents, and the public by an agent/REALTOR® licensed in the State. ***Agent shall notify Broker within one (1) business day of learning of any restrictions, suspensions, or limitations proposed or placed upon Agent's license.***

3. **DEFINITIONS.** As used in this Agreement, the following definitions shall apply:

- "**Agent**" or "**Licensee**" or "**Associate-Licensee**" shall mean the licensee identified on the top of page 1 of this Agreement.
- "**Broker**" shall mean the specific licensed entity in the applicable State, which does business as PAK Home Realty
- "**Claim**" shall mean any actual or threatened claim, actions, causes of action, demands, controversies, liabilities, cross-claims, counterclaims, lawsuits, hearings, mediation, arbitration, ethical allegations, or other formal proceeding concerning any action taken or omitted by or on behalf of Agent in connection with services rendered or contemplated under this Agreement or otherwise allegedly related to this Agreement against Agent and/or any Indemnified Party.
- "**Co-Agents**" shall mean Agent and other licensees affiliated with Broker participate on the same side of a Transaction such as partners, teams, or co-listing agents.
- "**Commission**" shall mean compensation actually collected by Broker on listings or other agreements for services requiring a real estate license which are solicited and obtained by Agent and on Transactions of which Agent's activities are the procuring

cause

- **“Confidential Information”** means any non-public information that relates to the actual or anticipated business, research, or development of the Broker, or to the Broker’s technical data, trade secrets, systems, processes, or know-how, including but not limited to Broker’s financial information, profits, earnings, dividends, statistical reports, data, marketing plans, sales strategies, business growth plans, buyer/seller services fees/prices, buyer/seller lists, buyer/seller files, software, developments, inventions, technology, and any other information of a similar nature relating to the Broker and its business. Confidential Information includes Broker-owned scripts, strategies, reference materials, and presentations used to train employees, independent contractors, buyers, and/or sellers. Confidential Information does not include any of the foregoing items to the extent the same have become publicly known and made generally available through no wrongful act of Agent or of others. Confidential Information shall also include the sensitive and personal information of any consumers such as names, email addresses, telephone numbers, mailing addresses, and financial information.
 - **“Costs of Defense”** shall mean the actual costs of defending any Claim, settling any Claim, and the judgment or award from any Claim, including but not limited to court costs, mediation costs, arbitration costs, expert fees, consultant fees, and attorneys’ fees.
 - **“Effective Date”** shall mean the effective date identified on the top of page 1 of this Agreement.
 - **“Indemnified Parties”** shall means Broker, the Broker’s related entities, affiliated entities, closely held entities, franchisors, joint ventures, and successors, and each of their aforementioned brokers, managers, employees, independent contractors, directors, and officers
 - **“Laws”** shall mean any applicable federal, state, and/or local laws or regulations, including but not limited to the laws of the State. Laws shall also encompass federal, state, and/or local laws, regulations, professional association, and applicable multiple-listing service rules including but not limited to the NAR Code of Ethics.
 - **“Listing/Buyer Agreement”** means an agreement which may be brokered by a real estate licensee with a property owner or other party to locate a buyer or lessee to a transaction involving real property, a mobile home, or other property or transaction OR an agreement with a buyer or lessee to locate or negotiate for any such property or transaction.
 - **“Parties”** shall mean Agent and Broker, cumulatively. Each individually is a **“Party”**.
 - **“Remote Office”** shall mean a home or other office regularly maintained by Agent, at Agent’s sole option and expense.
 - **“State”** shall mean the state identified on the top of page 1 of this Agreement. Broker is licensed in various states and this is meant to identify which state is applicable to this Agreement.
 - **“Transaction”** means a sale, exchange, lease, or rental of real property, a business opportunity or a manufactured home, which may lawfully be brokered by a real estate licensee.
4. EXHIBITS. The following exhibits attached hereto are incorporated herein by reference: Exhibit A (Founders PAK) and Exhibit B (commission).

5. COMPENSATION.

- A. To Broker. Compensation shall be charged to parties who enter into a Listing/Buyer Agreement or other agreements for services requiring a real estate license pursuant to Broker's policy outlined in Broker's Office Policy Manual or with the prior written approval of an executive officer of Broker. Any compensation charged which is not approved in writing in advance by an executive officer of Broker shall be deducted from Agent's Commission (if lower than the amount or rate approved) or subject to Broker approval (if higher than the amount approved). ***In compliance with applicable Laws, under no circumstances may Agent represent that their services to a client are free or at no cost.***
- B. To Agent. Agent shall receive a share of Commission, which is further described in Exhibit B. All Commission collected by Broker and due to Agent shall be paid to Agent after deduction of expenses and offsets, immediately or as soon thereafter as practicable, except as otherwise provided in this Agreement or a separate written agreement.
- C. Pursuing Commission. Broker is under no obligation to pursue collection of any Commission. Under applicable Laws, Agent does not have the independent right to pursue collection of Commission. To the extent Broker attempts collection of the Commission, expenses which are incurred in the attempt to collect shall be paid by Broker and Agent in the same proportion as how the commission split is divided for the related Transaction, unless otherwise agreed in writing.
- D. Expenses and Offsets. Agent shall not be entitled to any advancement of Commission from Broker. If there is a known or pending claim against Broker or Agent on Transactions for which Agent has not yet been paid, Broker may withhold from Commission or other funds due Agent amounts for which Agent could be responsible under the provisions herein until such claim is resolved. Agent irrevocably instructs that Broker may deduct the following from Commission or other funds payable to Agent by Broker: any Commissions or expenses advanced to Agent or any other financial obligation, service, or fee owed by Agent to Broker or any other party that was not already paid.

6. INDEPENDENT CONTRACTOR RELATIONSHIP.

- A. Broker and Agent intend that to the maximum extent permissible by law this Agreement and the relationship between Broker and Agent does not and will not constitute an employment agreement by either Party. Broker and Agent are independent contracting parties operating as professional business owners with respect to all services rendered under this Agreement.
- B. Agent shall not be treated as an employee with respect to services performed hereunder for state and federal tax purposes. If Agent was providing any real estate services the year prior to the Effective Date, Agent represents that Agent has or will file an income tax return for a business or earnings from self-employment for the year prior to the Effective Date, as appropriate.
- C. Agent's only financial compensation under this Agreement shall be a share of Commission specified elsewhere herein, which shall be directly in relation to the Transactions that Agent closes. Agent shall provide and pay for all professional licenses, supplies, and materials connected with Agent's activities under this Agreement without reimbursement from Broker except as required by Laws.
- D. Broker and Agent acknowledge that Broker has certain legal obligations as a broker licensed in the State to ensure the ultimate work product of Agent complies with applicable Laws. Except as required by applicable Laws, Agent retains sole and absolute discretion and judgment in the methods, techniques, and procedures to be

used in soliciting and obtaining Listing/Buyer Agreements, the resulting Transactions, and in carrying out Agent's selling and soliciting activities. In no event will Broker restrict Agent's activities to particular geographical areas or dictate Agent's activities with regard to hours, leads, open houses, opportunity or floor time, production, prospects, sales meetings, schedule, inventory, time off, vacation, or similar activities. Agent shall not be required to accept an assignment by Broker for any Transactions. The fact that Broker may carry workers' compensation covering licensee is required by applicable Laws shall not create an inference of employment.

- E. Agent has no authority to bind Broker by any promise or representation. This Agreement shall not be construed as a partnership. Except as required by applicable Laws, Broker shall not be liable for any obligation or liability incurred by Agent.

7. LICENSED ACTIVITY.

- A. **Agent agrees that all licensed activities shall conform to the Broker's then current Office Policy Manual, which is periodically updated and can be accessed [here](#).**
- B. All Listing/Buyer Agreements, the Transactions, and all other advertisements, agreements, acts, or actions for performance of licensed activity which are taken or performed in connection with this Agreement shall be taken and performed in the name of Broker as the licensed broker of record. Agent agrees to and does hereby contribute all right and title to such Listing/Buyer Agreements and the Transactions to Broker for the benefit and use of Broker, Agent, and other licensees associated with Broker.
- C. Broker shall make available to Agent all current Listing/Buyer Agreements in Broker's office equally with other licensees associated with Broker, except any Listing which Broker may choose to place in the exclusive servicing of Agent or one or more other specific licensees associated with Broker. Broker referred leads may be subject to lower Agent splits than other Transactions.
- D. Agent shall work diligently and with Agent's best efforts in accordance with the Laws (i) to sell, exchange, lease, or rent properties listed with Broker or other cooperating brokers; (ii) to solicit additional Listing/Buyer Agreements, clients, and customers; and (iii) to otherwise promote the business of serving the public in real estate Transactions.
- E. Agent shall not commit any unlawful or ethical violation under the Laws while conducting any licensed activity, including anti-discrimination Laws. Agent shall comply with all Laws restricting the giving or accepting of a fee or other thing of value for the referral of business to title companies, escrow companies, home inspection companies, pest control companies, and/or other settlement service providers pursuant to applicable state law and the federal Real Estate Settlement Procedures Act, 12 U.S.C. section 2601, et seq. (RESPA), **and is advised that violations of RESPA may contain criminal penalties.**

8. ACTIVITIES REQUIRING BROKER APPROVAL. Agent hereby acknowledges that certain licensed activities may require additional licenses, disclosures, trust fund accounts, insurance, and/or expertise to comply with applicable Laws. Accordingly, Agent agrees not to engage in any of the following real estate licensed activities without the express written consent of Broker:

- Property management. (However, tenant placement or lease listings are permitted as long as rent/payments are made directly between the landlord/tenant. Agreements which obligate ongoing services to the property owner or landlord beyond tenant placement are not permitted)
- Loan Brokerage
- Business Brokerage

9. PROPRIETARY INFORMATION AND FILES.

- A. All files and documents pertaining to Listing/Buyer Agreements, leads, and Transactions are the property of Broker and shall be delivered to Broker by Agent immediately upon request or termination of this Agreement.
- B. Agent acknowledges that Broker's method of conducting business is the confidential information of Broker and is a protected trade secret. Agent shall not use to Agent's own advantage or the advantage of any other person, business or entity, except as specifically agreed in writing, either during the term of this Agreement or for ten (10) years thereafter, any Confidential Information. Nothing herein shall prevent Agent from disclosing Confidential Information to Agent's legal counsel or to comply with any subpoena or other order under applicable Laws.
- C. Agent acknowledges and agrees that the "PAK", "PAK Home", and "PAK Home Realty" trademarks shall not be used except as provided in Broker's Office Policy Manual; and Agent shall not register any similar names as a domain name, as a fictitious business name, or as a trademark with any trademark office.

10. SUPERVISION. Agent shall upload onto Broker's designated webportal within forty eight (48) hours (or sooner if required by applicable Laws) after preparing, signing, or receiving all documents which may have a material effect upon the rights and duties of principals in a Transaction, any documents or other items connected with a Transaction in the possession of or available to Agent. The same shall also apply for all documents associated with any real estate Transaction in which Agent is a principal, so that Broker may comply with any oversight requirements under applicable Laws (i.e. Transactions where an Agent is a buyer or seller.)

11. TRUST FUNDS. ***Agent is NOT authorized to hold any client funds or checks, or to lend/borrow money from clients.*** Agents are reminded that holding funds belonging to a client or others often involves separate bank accounts, accounting records, insurance/bonds, and other requirements under applicable Laws. Unless otherwise agreed by Broker's CEO in writing, any payments needing to be made by Agent's clients to escrow or other vendors should be delivered directly to escrow or other vendors by the clients.

12. TERMINATION OF RELATIONSHIP.

- A. Termination. Broker or Agent may terminate their relationship under this Agreement at any time, with or without cause. Those provisions of this Agreement that by their nature are intended to survive termination of this Agreement shall survive the termination, including but not limited to: 4-7, 9, 12, 13f, 14d, and 15-20. After termination, Agent shall not solicit: (i) prospective or existing clients or customers based upon company-generated leads obtained during the time Agent was affiliated with Broker; (ii) any principal with existing contractual obligations to Broker; or (iii) any principal with a contractual transactional obligation for which Broker is entitled to be compensated. Within 24 hours after notice of termination of this Agreement by either party, Agent must provide a list of all Listing/Buyer Agreements and Transactions to Broker.
- B. Payment Terms Upon Termination. If this Agreement is terminated while Agent has Listing/Buyer Agreement or pending Transactions that require further work normally rendered by Agent, Broker shall make arrangements with a licensee to perform the required work, which may include the designed broker or an office manager. The licensee performing the work shall be reasonably compensated for completing work on those Listing/Buyer Agreements or Transactions, and such reasonable compensation shall be deducted from Agent's share of Commission. Except for such offset, Agent shall receive the Commission otherwise due under the provisions set forth herein. Notwithstanding the foregoing, Broker may elect to allow Agent to transfer files not yet in

escrow to another broker in Broker's sole discretion (which may be withheld for any reason), and provided that Agent does not owe Broker any money; the client was not a Broker referral or procured through a Broker sponsored lead program; and Agent gets a written cancellation of any applicable listing and buyer's representation agreements within 48 hours of the termination of this Agreement.

13. OFFICES. Broker shall make available for Agent's use any office operated by Broker. Only if Agent elects to maintain a Remote Office, the following terms shall apply:

- a. Agent shall timely notify Broker of the address of the Remote Office and of any changes.
- b. Agent shall be solely responsible for the costs and maintenance of the Remote Office unless expressly otherwise agreed in writing by Broker. Agents working from any Remote Office must still be in close communications with Broker and Broker's managers, and follow all Broker policies.
- c. Agent shall at Agent's sole expense be responsible for the following, if they are required by applicable Laws:
 - i. Any Broker or Agent registration/removal of the Remote Office with the applicable State real estate department;
 - ii. Business licenses associated with the Remote Office; and
 - iii. Fictitious business name (DBA) registrations.
- d. Agents are recommended to obtain insurance covering the Agent's and any Broker property at the Remote Office (such as a business property endorsement to a homeowners policy for a home based business).
- e. If Agent meets with any clients or other parties at the Remote Office: (i) Agent shall maintain the Remote Office in a professional and clean manner in keeping with Broker's brand; and (ii) Agent is required to maintain appropriate insurance covering bodily injuries (such as general liability or a home-based business endorsement to a homeowner's policy).
- f. Agent shall defend, indemnify, and hold harmless the Indemnified Parties from and against any the Costs of Defense of any Claim related to Agent's Remote Office or Agent's use of the Remote Office.

14. PERSONAL ASSISTANTS. If Agent elects to use a personal assistant, the following terms shall apply:

- a. Agent may make use of a personal assistant at Agent's own cost. In no event may an unlicensed assistant perform any licensed activity.
- b. Agent shall be solely responsible for compensating Agent's personal assistant and for worker's compensation (if applicable). It is recommended that Agent consult with an attorney concerning the worker classification of Agent's personal assistant.
- c. Agent shall have a written agreement with Agent's personal assistant, which shall obligate the personal assistant to comply with the confidentiality provisions herein, and provisions pertaining to the use of sensitive client information under Broker's policies and applicable Laws.
- d. Agent shall defend, indemnify, and hold harmless the Indemnified Parties from and against any the Costs of Defense of any Claim related to Agent's Personal Assistant or Agent's use of the Personal Assistant. In no event shall Broker be responsible for or be deemed to form any joint-employer relationship with a personal assistant.

15. PARTNERS, TEAMS, AND OTHER LICENSEES. Only if Agent elects to be a Co-Agent on a Transaction(s), the following terms shall apply:

- a. Co-Agents must both be licensed with Broker;
- b. Co-Agents must have a written agreement outlining the covered Transactions, responsibilities, and division of Commission;
- c. The Commission allocated to Co-Agents combined activities shall be divided by Broker and paid to the Co-Agents according to their written agreement. Co-Agents are jointly responsible for providing Broker with any updates to their written agreements or any clarifications as to covered Transactions. Broker shall not be responsible for any amounts owed between the co-Agents after paying following the provided written agreement;
- d. Broker shall have the right to withhold total Commission if there is a dispute between Co-Agents or if there is no written agreement that has been provided to Broker concerning division of Commission amongst Co-Agents; and
- e. Commission and Transactions with Co-Agents may not necessarily be counted for any Broker incentives such as caps, bonuses, awards, etc.

16. INDEMNITY AND HOLD HARMLESS.

- A. Defense Decisions. When a Claim is made against either the Agent or the Indemnified Parties by a third-party, the Broker may defend the Claim through insurance, in Broker's sole discretion. The Broker has the right to make all decisions concerning the management of a Claim, including choice of counsel. In the event Agent objects to any decision made by the Broker or if there is a legal conflict in having counsel represent both the Broker and Agent, Agent may obtain separate counsel at the Agent's own expense; however, the Agent shall not be relieved from the obligation to pay the Agent's portion of the defense of the Claim.
- B. Insurance Deductible. When a Claim is submitted and accepted by Broker's errors and omissions policy or if Broker is otherwise obligated to incur any Costs of Defense, Agent shall be responsible for the first twelve thousand, five hundred dollars (\$12,500) incurred in the Costs of Defense and the Broker shall pay any remaining deductible, subject to the other provisions set forth herein and as further described in Broker's Office Policy Manual. The shared Costs of Defense is due regardless of whether there is a finding of liability on the part of the Agent or any Indemnified Party.
- C. Indemnification. Except as otherwise specified herein, Associates-Licensee agrees to promptly indemnify, defend, and hold harmless the Indemnified Parties from the Costs of Defense from all Claims. Additional indemnification provisions also apply which are specified in Broker's Office Policy Manual.
- D. Commission Offset. Costs of Defense and/or other indemnification specified herein is due at the time Broker makes payment, if applicable.

17. DISPUTE RESOLUTION.

- A. Mediation. Broker and Agent agree to timely notify each other and mediate all disputes arising from them connected in any way to this Agreement before resorting to arbitration or court action.
- B. Arbitration. All disputes or claims between Broker and Agent not resolved through mediation shall be submitted to binding arbitration as set forth herein:
 - a. Broker and Agent mutually agree to use confidential individual binding arbitration instead of going to court for any disputes or claims that they may have against each other, their affiliates, and their former or current employees, including but not limited to those related to the payment of Commission. Such disputes shall be submitted to the Association of REALTORS® of which all such disputing

parties are members for arbitration pursuant to the provisions of its Bylaws, as may be amended from time to time.

- b. If the Bylaws of such Association do not cover arbitration of the dispute or if the Association declines jurisdiction over the dispute, then arbitration shall be governed by the then-current JAMS Expedited or Comprehensive Arbitration Rules and Procedures (available at <https://www.jamsadr.com/rules-comprehensive-arbitration/>). The arbitration shall be conducted by a single arbitrator. Broker will pay all costs of the arbitration that are in addition to or excess of the amount that a party would need to pay if the party filed a case in a court of law.
 - c. Arbitration shall be conducted digitally (via Zoom, Skype, or similar platforms), if available.
 - d. Each party shall be responsible for their own attorneys' fees and costs, except that the arbitrator may award such costs to the prevailing party.
 - e. The substantive Laws shall be applied.
 - f. Notwithstanding the foregoing, the following are not subject to these arbitration provisions: disputes or claims which either Broker or Agent may have against a client, customer, or vice versa, including cross claims between Broker or Agent in conjunction with such disputes or any disputes which are subject to exclusion from arbitration under any applicable Laws.
- C. Class Action Waiver. Notwithstanding any other provisions herein, Broker and Agent agree that any and all claims pursued by each other will be on an individual basis, and not on behalf of or as part of any purported class, collective, representation, or consolidated action. Broker and Agent hereby waive their right to commence, become a party to, or remain a participant in any group, representative, collective, or hybrid class/collective or group action in any court, arbitration proceeding, or other forum against each other.
- D. Consent to Dispute Resolution Provisions. **EACH PARTY ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT TO ARBITRATION WILL OPERATE TO WAIVE ITS RIGHT TO HAVE ITS DISPUTES LITIGATING IN COURT AND/OR DECIDED BY A JURY TRIAL. Agent represents and warrants that Agent understands the meaning and effect of the arbitration and waiver agreements set forth herein, and has been provided a reasonable opportunity to consult with legal counsel regarding this agreement to arbitrate and class action waiver.**

18. ATTORNEYS FEES. In the event of action, proceeding, or arbitration between Broker and Agent arising from or related to this Agreement the prevailing Broker or Agent shall be entitled to reasonable attorneys' fees and costs.

19. GOVERNING LAW. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State without regard to the principles of conflicts of law.

20. AUTOMOBILE INSURANCE. Agent shall maintain automobile insurance coverage with minimum limits of \$100,000 for each person, and \$300,000 for each accident. Agent shall carefully review Agent's automobile insurance policy for exclusions pertaining to business usage. Broker shall be named as an additional insured party on Agent's policies, and provided a copy of the endorsement.

21. MISCELLANEOUS.

- A. Entire Agreement. Except as otherwise provided herein, this Agreement may not be amended, modified, or altered except by a further agreement in writing executed by

Agent and by an executive officer of Broker. This Agreement, all exhibits hereto, and other documents referred to herein, constitute the entire agreement between the Parties and supersedes all previous agreements or understandings between the Parties, solely with regard to the subject matter hereof.

- B. Severability. If any term or provision of this Agreement is determined to be unenforceable or invalid, such provisions or part thereof shall be stricken from this Agreement, and shall not affect the legality, enforceability, or validity of the remainder of this Agreement.
- C. Assignment. To the extent permitted by applicable Laws, this Agreement shall extend to and be binding on Broker and its successors and assigns. This Agreement will be binding upon Agent's heirs, executors, administrators, and other legal representatives, but the services of Agent are personal and non-assignable.
- D. Headings. The headings used herein shall not affect the construction or interpretation of any of the provisions of this Agreement.
- E. General Interpretation. The terms of this Agreement have been negotiated by the Parties hereto. Both Parties have had the opportunity to consult with counsel of their choosing. This Agreement shall be construed without regard to any presumption or rule requiring construction against the drafting Party.
- F. Counterparts. This Agreement may be executed and delivered via digital transaction management platforms (such as DocuSign), and the executed signature therein shall be binding as originals. This Agreement may also be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. This Agreement may be delivered via email in a PDF or similar electronic format.

22. ADDITIONAL PROVISIONS. _____

AGREED TO AND ACCEPTED

"Agent"

Signed Name: Johanna Cordova Esparza Date: 03/29/2024
Printed Name: Johanna Cordova Esparza

"Broker"

By: Michael Guerrero Date: 04/03/2024
Printed Name: Michael Guerrero
Title: Broker Of Record

About The Company

The Company is licensed by the California Department of Real Estate as Morel Real Estate Solutions, Inc. and is doing business as PAK Home Realty (cumulatively and individually, the “Company”).

The brokerage is a member of the National, California, and several local boards/associations of Realtors.

Policy Manual

General Purpose

The purpose of this policy and procedure manual is to:

- Establish a system of advised daily conduct by and between us when dealing with each other, other members of the Company, our clients, and members of the public.
- Provide the associate with policies and guidelines to help provide quality service to our clients and avoid disputes with and liability to others.
- Provide an orderly system of conflict resolution.

As a representative of the Company, salesperson or broker-associate (also referred to herein as “Associate”) agree that, in the event of any possible conflict of interest, an Associate will immediately notify the Company in writing so that the Company can take appropriate steps in rectifying the conflict for the mutual protection of all parties.

Associates can be more successful if they use their best efforts in all real estate opportunities listed with the Company and for the solicitation of new clients and customers for future business. Furthermore, Associates always agree to act in a lawful and ethical manner for the greatest mutual benefit of both parties and their fiduciaries.

Incorporated Items

The following items are incorporated into this manual by reference:

- State and federal Real Estate Law - Associates agree to observe all applicable local, state, and federal laws, rules, and regulations, the Code of Ethics and Bylaws of the Local, State and National Associations of Realtors (also referred to herein as “NAR”) and the applicable Multiple Listing Service(s) (also referred to herein as “MLS”).

- The parties agree to conform to and abide by all laws, rules, and regulations that are binding on, or applicable to licensees of their state.
- Strict adherence to the governing rules and regulations of governing agencies in the state the Associates are licensed, the Code of Ethics of the National Association of Realtors, Local Association governing documents (Bylaws, MLS Rules and Regulations, etc.) will be followed by the Company and sales Associates.
- Each party acknowledges receipt of a copy of this Office Policy Manual, the NAR Code of Ethics, the local Board/Association Bylaws, and the Rules and Regulations of the MLS. The NAR Code of ethics can be found [here](#).

Associate Licensing, Legal and Affiliation Requirements

Real Estate License and Mandatory Continuing Education:

- All Associates shall maintain their own current real estate license in good standing. The Company will not permit Associates to perform any licensed activity with an expired or suspended license.
- All Associates shall meet all applicable Continuing Education (CE) requirements as established by the governing agency in the state they are licensed. Proof of CE compliance and license renewal shall be provided to Company no later than fifteen (15) days prior to the applicable renewal date.
- All Associates are responsible for all CE, licensing, and license renewal fees.

Membership in an Association of Realtors

- The Associate agrees to become a member of the local Association of Realtors, in their state Association, and NAR, and to be responsible for paying all applicable dues and fees in a timely manner.
- The Associate may choose to join any Association in which the Company holds membership.
- The Associate understands that the Company is a member of the California Association of Realtors and the National Association of Realtors, and agrees to abide by the rules and regulations of these organizations, as applicable.

Responsibilities

Company policies and procedures are established to comply with legal obligations and to prevent harm to our clients, the consumers, risks to Associates and the Company.

Exceptions to Policies and Procedures

When exceptions appear to be needed, they shall be discussed in advance with the Company Broker. Any exceptions shall be in writing and apply only to the situation for which the exception is granted.

Changes in Manual

This Office Policy Manual may be changed from time to time by the Company. Changes can be made at any time and will be distributed periodically. Proposals for a policy or procedural changes should be sent to the Broker. Any questions should be directed to the Broker.

Salesperson/Broker-Associate Independent Contractor Agreement

Every Associate is required to review and execute a Salesperson/Broker-Associate Independent Contractor Agreement or similar agency agreement setting forth the terms of the broker-licensee relationship with Company ("ICA").

Independent Contractor Relationship

Independent Contractor

Associates have chosen to enter into an ICA with the Company and are associated with this Company as an independent contractor. Unless Associates have a separate written employment agreement, they do not have an employee-employer relationship with this Company. The Company, however, has the responsibility under applicable state real estate law to supervise the conduct of those operating under the Company license. Associates are considered an independent contractor for federal and state tax purposes. Associates are also considered an independent contractor for statutory purposes including, but not limited to unemployment insurance. The Company will not provide worker's compensation insurance for Associates.

The Associate's ICA with the Company sets forth the duties and responsibilities of both parties. Please read and review it carefully. The ICA includes important terms and requirements, such as:

- The terms of compensation for services performed during the time of Associate's association with the Company or for any work still in progress but not yet completed prior to disassociation with the Company.
- After disassociation with the Company, the disposition of all active listings, pending sales and buyer agency agreements that the Associate obtained during association with the Company.
- As required by law, delivery by the Associate of all files and documents pertaining to listings, leads and transactions to the Company on an ongoing basis, including upon the Company's request and upon disassociation.

Tax Filing Requirements

The Company is not responsible or liable for deduction of Social Security, income or unemployment taxes for any brokerage sales and related income. Each Associate is responsible for maintaining all business and financial records necessary for purposes of reporting income as required by state and federal agencies and for reporting income as required by law. The Company's obligation is limited to providing a 1099 Miscellaneous Income form to the Associate and to government agencies as required.

Broker-Associates

We want to avoid confusion with other brokers, and also let the consumer know who is the brokerage firm for a transaction; therefore, if the Associate is a licensed broker (i.e. "Broker-Associate"), they may not associate with another broker or company nor engage in real estate brokerage transactions in the Associate's own name instead of the Company's name, without the prior written agreement between the Associate and Broker.

Company Authorization to Execute Agreements

The obligation, commitment, or binding of a promise of representation by the Company is not valid unless the Associate obtains authorization from the Company in writing. However, the Associate is authorized to execute listing agreements, buyer/seller agency agreements, and other expressly approved forms on behalf of the Company.

Associates do not have authority to terminate a listing agreement, buyer/seller representation agreement, or other legal or agency agreement, or make amendments to the agreement that

alter the term and/or change the amount of compensation unless such request is approved in writing by the Associate's Broker.

Association with the Company

Associates are associated with the Company for an unspecified term. Unless it is otherwise expressly agreed in writing by the parties, either the Associate or the Company may terminate the ICA at any time, with or without cause.

Lead Ownership Policy

All leads generated by the company through its marketing efforts or acquired through third-party sources shall be the property of the company. Such leads shall be distributed to agents in accordance with the company's lead distribution policies.

Agents may generate their own leads through their personal network, referrals, or other means outside of the company's marketing efforts. Such leads shall be the property of the agent and shall not be distributed to other agents or the company without the agent's prior consent.

In the KVCore/CHIME system the agent leads will be concealed and the broker will not be able to view or have access to agents leads.

In the event an agent leaves the company, any leads generated by the agent during their employment shall remain the property of the agent, unless otherwise agreed upon in writing between the agent and the company.

Any disputes regarding lead ownership shall be resolved in accordance with the company's dispute resolution policy.

This lead ownership policy is subject to change at any time at the discretion of the company.

Jointhepak.co/ TechStack Fees:

Initial payment for Jointhepak.co is \$199.00. This sale is final and no reimbursements will take place. Disclosure on the front page and all Associates are advised to share this information with onboarding recruits. Auto-payments for tech stack will be \$75.00 Monthly recurring every 30 days from date of sign up. If payment is not received for monthly payout, Associate will have 5 business days to re-submit updated payment information in order to avoid loss of services. Services include but are not limited to: Slack Communication, Skyslope/Digisign, Jointhepak.co Accounting & Organization tree, Pakdesigns, PakCRM. Cancellation must take place a minimum of 5 business days in advance of the next billing cycle in order to not be charged. Please contact accounting@pakrealty.co for cancellation of subscription. All sales are final.

Revenue Share

Revenue Share Monthly Payouts are based on Level of Achievement. For Revenue Share Qualification and Earnout refer to table below:

| Sponsored Level Agent | # of Agents to Unlock Level Achievement: (Agents must have closed 1 transaction in last 6 months to qualify and be personally sponsored by revenue sharing agent) | Rev Share % |
|------------------------------------|--|-------------|
| 1 (Personally Sponsored) | ANY | 2.4% |
| 2 (Personally Sponsored Pos. 1) | 5 Agents | 2.7% |
| 3 (Personally Sponsored Pos. 2) | 10 Agents | 1.7% |
| 4 (Personally Sponsored Pos. 3) | 15 Agents | 1.2% |
| 5 (Personally Sponsored Pos. 4) | 20 Agents | 0.7% |
| 6 (Personally Sponsored Pos. 5) | 30 Agents | 1.4% |
| 7 (Personally Sponsored Pos. 6) | 40 Agents | 3.1% |

Revenue Share is Paid on the 21st of the Month for the previous month's closings. Check for closing must be received in order for depositing to be considered a closing for that month. Associate must be caught up on Monthly Tech Stack fee and Active on their Jointhepak ID in order to receive Revenue share.

Founder's Pak

Associate understands and hereby acknowledges that in order to qualify for Founders PAK Participation (1% of Company Revenue = to Gross Company Dollar + Tech Fee, which is to be divided evenly between qualified members) Agent must meet and maintain Qualifications below:

1. Hire Date (Based on hire date the qualification standard is subject to change)
2. Minimum of 3 Fully Capped Personally Sponsored Members in Personal Organization, (Personal Production can Apply). \$12,500.00 CAP + \$299.00 Post Cap Fee to \$5,000.00 CAP Totaling \$17,500 per person. Team Members do not count towards Founder's Pak. All Agents must be actively licensed with Company. All agents must also be up to date on fees for Tech Stack.
3. Agent agrees to review and sign Founders PAK Addendum delivered upon meeting requirements for entry.

General Office Procedures

Observed Holidays

The following holidays will be observed, and the offices will be closed:

New Year's Day

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Day After Thanksgiving

Christmas Eve

Christmas Day

New Year's Eve

While the offices may be closed, Associates provided with office access may use the office at their own discretion and for everyone's safety, must assure the office is closed and locked when they leave.

Substance Use

Associates shall abstain from being under the influence of or impaired by any illegal or controlled substance, alcohol, or marijuana while at the office, interacting with clients, or otherwise performing licensed activities. Violations may be grounds for termination of an Associate's ICA and disassociation or suspension of an Associate's association with the Company.

Under no circumstances is an Associate to perform his/her services with a client who is substance impaired. In the event that the Associate suspects that a client is under the influence of drugs, alcohol, or is otherwise impaired, the Associate should cease transacting business and resume only when the client is no longer under the influence.

Smoking

Smoking is not permitted on the Company premises, except in specifically designated areas if any. This smoking prohibition applies to all smoking devices, including but not limited to the use of electronic smoking or vaping devices.

Company Meetings

Sales and other types of meetings are held on a regular basis. The purpose of these meetings is to provide a format for the exchange of market opinions and ideas, helpful anecdotes, market statistics, recent sales, new listings, mortgage news, training, and any other information deemed valuable. These meetings are voluntary, but all Associates are encouraged to attend.

At these meetings, the Company informs Associates of changes to the ICAs, laws affecting the practice of real estate, and amendments to this Office Policy Manual. Company meetings will assist an Associate in compliance with the applicable laws and should be given high priority.

The Company regularly conducts risk management seminars. The Company recommends its Associates attend at least one Risk Management Seminar each calendar year. New Associates to the real estate business (less than 24 months) should plan on attending all risk management sessions.

Office Security

By accepting a key or other means of accessing the Company's office, Associates are also accepting responsibility for safeguarding the office. Immediately inform the Company of any lost key, card, fob, or other office access technology. There will be a charge for the replacement of

lost or stolen keys, cards, fobs, or other office access technology. The Company is not responsible for any theft or loss of personal items left in the office. The last person leaving the office must make sure that all accesses into the building are firmly secured, all lighting and business equipment and appliances are turned off, and that the security alarm is activated before leaving the building.

Guests and Visitors

For the safety of Associates, guests who enter the office should sign in at the front desk and wait in the lobby, where applicable. Emergencies in which Associate's children must be in the office for an extended length of time are to be kept to an absolute minimum. The Company may not be used as a substitute for regular childcare of Associates' children. On those occasions where children are present, they should not be allowed to disrupt others in the office and should be supervised at all times.

Office Appearance

The Company may employ cleaning services to do general interior cleaning of the offices on a regular basis. However, it is the Associate's responsibility to keep their work area clean, tidy, and professional in appearance. An Associate's office appearance is a reflection on the Associate as well as the firm when clients and customers are visiting. As a courtesy to others, any public areas, including conference or meeting rooms, should be reorganized and cleaned after usage.

Professional Dress

Business or business-casual attire is appropriate when Associates are serving the public in real estate transactions and when representing the Company.

Pets

Associates should see the Broker for the policy in the office. Contact the human resources department for any service or support animal concerns.

Changes in Contact Information

All changes in name, address, telephone numbers, email address, and other pertinent information of any Associate must be reported immediately by the Associate to the Broker, who will make a record of the changes. Associates are responsible for any fees associated with a name, address, and telephone number changes charged by the DRE or the Association of Realtors. Associates are responsible for payment of any costs of printing new materials to reflect these changes.

Desk

Desk space in the office may be available for use and may be shared or used with others unless otherwise agreed between the Associate and the Broker. Associates are responsible for keeping any desk an Associate uses and the area immediately around it in a neat and professional appearance. There may be fees associated with dedicated desk use, and the Associate should discuss this with the Broker.

Business Cards

The cost of business cards is an Associate expense. Business cards must be ordered through the Company using Company approved designs.

Sign Policy

Each Associate is responsible for the purchase of their yard signs (if customized), A-frames, riders, and other onsite marketing items. Due to the real estate law requirements, trademark, and other laws, it is the Associate's responsibility to assure that the signs meet Company format and legal requirements.

Associates must acquire signage consistent with the Company's sign formats/design through their office staff.

All signage must comply with advertising laws and the regulations in effect in each community. Information regarding such regulations may be obtained from the Company. Any fines incurred due to the Associate's improper use of signage will be paid by the Associate.

"Pending Sale" or similar signs may be posted, with the seller's permission, after acceptance of an offer.

If a listing agreement expires or is canceled, a For Sale sign should not be left on the property. Such signs must be removed promptly upon expiration or cancellation.

Conference Rooms

Conference rooms may be available for Associate use. They are available on a first-come, first-served basis unless a reservation system has been set up, which varies by office. Be considerate of others. When Associates finish using the room, leave promptly and be sure to clean up when they leave.

Office Equipment

There are shared copiers, scanners, computers and other necessary office equipment for the Associates to use to conduct their real estate business. Please be considerate of others when

working with shared equipment. Associates are expected to provide their primary computer for their own business and personal use.

Keys and Access Cards

With the permission of the office, Associates will receive a door key, fob, access card, and/or other access technology. Do not allow anyone else to use these items absent the Broker's prior written consent. All these items must be surrendered immediately upon the Associate's disassociation with the Company.

Professional Conduct

As a member of the National Association of Realtors, Associates are expected to be familiar and comply with the Code of Ethics, cooperate, and be courteous to other professionals. If Associates receive notice from the Association of Realtors for an ethics, MLS, or arbitration matter, they must immediately notify the Broker.

We place a high value on cooperation in the Company between our Associates, both in the sharing of market and inventory information, as well as working together to provide a high level of service to our clients. Cooperation and courtesy between Associates foster a congenial workplace ultimately benefits everyone and fosters a high level of service to our clients.

Open Houses

Associates may *only* hold open houses for other agents with Company to be compliant with applicable agency and governing broker supervision laws, as well as due to significant insurance risks. Likewise, the open houses of Company's Associates may only be managed by Company's Associates or unlicensed assistants who follow the applicable guidelines. (See our policies for Unlicensed and Licensed Assistants herein). Company's Broker can provide Associates with Company resources to support getting and covering open houses.

Working Remotely

When working remotely, remember that the Broker is required to supervise the Associate's activity as a salesperson. For legal compliance, be sure that all listings, transactions, files, and documents that Associates work on are placed into our online transaction management system within 24 hours of execution. When working remotely, Associates are encouraged to make reasonable efforts to maintain confidential and sensitive information about their transactions, such as using secure, password-protected internet, locking physical files, using two-factor authentication where available, and refraining from computer sharing. Where reasonably practicable, hard drives or other storage media containing sensitive or confidential files should be encrypted.

Fees and Commissions

As provided by law, all fees and commissions must be made payable to the Company. Associates will be paid out of the fees and commissions earned by the Associate based on their ICA. Payment to the Associate, less any expenses and offsets, is conditioned upon actual receipt of the compensation by the Company. For compliance reasons, the file must include the documents at the appropriate time in the transaction. Payment is conditioned upon a review of the Associate's transaction file by the Company and the file being deemed to be complete in the Company's reasonable discretion.

Additionally, if Associate receives compensation from more than one party in a real estate transaction, full disclosure to and consent from each party is necessary (i.e. A buyer's agent receiving compensation from the seller).

Deductions

All expenses are due upon receipt including expenses of any kind incurred by the Associate with the Company; incurred by the Company on the Associate's behalf, including expenses for advertising, supplies, signs, etc.; and/or any such expenses that the Associates have agreed to pay the Company but have not paid. If not paid upon receipt, charges will be deducted from the next commission payments due to the Associate. Any Buyer or Seller deductions or credits must be previously approved by the Associate's Broker in writing or they will be deducted from the Associate's payout. Additionally, any Buyer or Seller deductions or credits must go through escrow to avoid mortgage fraud or related issues.

Commission split percentages are based on the gross commission earned by the salesperson, and any commission credits will be disbursed from the agent's net commission after split to the Company..

Fees for Referrals and Leases will be treated the same as a residential sale transaction and based on the agreement of compensation between agent and company in the Hire Packet.

Trust Fund Handling

The Company does not maintain a trust account for the purpose of sales or leasing transactions. Any payments needing to be made by the Associate's clients to escrow or other vendors shall be delivered directly to those vendors by the clients. Additionally, Associates shall refrain from being added as a signatory, being granted a power of attorney, or otherwise exerting control over any clients' individual financial affairs with the limited exception of pre-existing relationships with persons directly related to the Associate by blood or marriage.

Safe Work Environment

The Company is committed to providing a safe work environment. If Associates observe any situation or condition which could pose a health or safety risk to employees, Associates, clients or members of the public on any of the Company's premises, promptly notify the Broker.

Personal Transactions

Associates may buy or sell real property for their personal use subject to the following guidelines:

Associate-Owned Property

Any property in which Associates have or will acquire, an ownership, financial or other legal, or other interest, either wholly or partially, is "Associate-Owned Property." This also includes property owned by a corporation, LLC, or other entity in which the Associate maintains at least 10% ownership or property owned by a person directly related to the Associate by blood or marriage. The purchase, sale, or lease of Associate-Owned Property is business belonging to the Broker, unless otherwise agreed in writing. Associates must comply with the same contract, disclosure, and other requirements for Associate-Owned Property as with other transactions.

In the event Associates are selling, purchasing, or leasing Associate-Owned Property, they must:

- Notify their Broker in advance;
- Obtain, in advance, the Branch/Broker's approval of all marketing material and disclosure documents; any purchase contract provisions prior to their execution; and any correspondence or other writings that pertain to the purchase or sale;
- Associates and those part of Associate's team must not represent buyers or prospective buyers in the sale of Associate's Property;
- Notify the Broker immediately in the event that any of the Company's other Associates writes an offer on the Associate-Owned Property;
- Use state or local board approved standard sales contracts, or one drafted by a licensed attorney and approved by the Branch/Broker;
- A home inspection and home warranty must be done, or waived in writing by the buyer prior to closing;
- Associates must disclose their licensed status in the MLS agent and public remarks for any properties they are selling. Associates must disclose in the offer or counteroffer their license status for any property they are buying or selling. Associates must also disclose the nature and extent of their direct or indirect ownership interest in the property by a person related to them by blood or marriage, by an entity in which they have any ownership interest, or by any other person with whom they have a special relationship. Associates must disclose to the owner or owner's agent in writing that they are a real estate licensee whenever they acquire

an interest in or buy or present offers for themselves, any member of their immediate family, their firm, any member of their firm, or any entity in which they have an ownership interest.

Buying from or Selling to Prior Clients

In addition to the terms applicable to Associate-Owned Property (above), in the event Associates try to buy properties they currently have listed or have previously listed:

- The Associate and the Associate's team should not represent the seller. The Listing should be canceled or referred out to another licensee who is not directly related to the Associate or to Associate's team by blood or marriage, as applicable;
- The seller should be referred out to another licensee who is not related to the Associate or the Associate's team
- The seller should be reminded in writing that the Associate no longer represents the seller;
- The seller should be advised to seek advice from another real estate professional; and
- The Associate shall refrain from using any of the seller's confidential information including the seller's willingness to accept a lower price, seller's financial position, motivations, bargaining position, etc.

In addition to the terms applicable to Associate-Owned Property (above), in the event Associates try to sell a property they own to a buyer they previously represented:

- The Associate and the Associate's team should not represent the buyer.
- The Buyer should be referred out to another licensee who is not directly related to the Associate or to Associate's team by blood or marriage, as applicable;
- The buyer should be reminded in writing that the Associate no longer represents the buyer;
- The buyer should be advised in writing to seek advice from another real estate professional; and
- The Associate shall refrain from using any of the buyer's confidential information including buyer's willingness to pay a higher price, buyer's financial position, motivations, bargaining position, etc.

Wholesaling, Assignments, or Flipping of Contract

Associates are prohibited from engaging as a principal in wholesaling, assignments, or flipping sales contracts during escrow of the right to purchase a property to a third-party, unless they obtain prior consent from the Broker.

Flipping, Renovating, Converting, or Refurbishing of Properties

In addition to the terms applicable to Associate-Owned Property (above), in the event Associates are flipping, renovating, converting, or refurbishing properties (when an Associate purchases a property and resells it within 6 months) they must:

- Follow all of the terms applicable to Associate-Owned Property (above);

- Obtain prior consent from the Broker;
- Associates are encouraged to be cognizant of any loan restrictions on reselling properties within a short period of time after purchase, and shall check with their mortgage provider.

Commission Splits when Selling or Buying Your Own Property

Upon the sale or purchase of an Associate-Owned Property in a state where Associates are licensed under Company, even if they waive their own commission for escrow purposes, Associates still agree to pay to the Company the amount that the Company would have received, net of any commission paid to Associates in relation to their commission split; in no circumstance will the commission be based on less than 2.5% of the sales price.

Upon the lease of an Associate-Owned Property in the state where Associates are licensed under Company, Associates still agree to pay to the Company a commission in the amount that the Company would have received, net of any commission paid to Associates in relation to their commission split; in no circumstance will the commission be based on less than 3% of the annual rental payments. Notwithstanding the foregoing, Associates may, at their discretion, choose to handle leasing of their own property as a principal. Provided that Associate does not market the lease within the Company or use Company's resources, there will be no fees payable to the Company. Moreover, Associates may not use Company forms or any standard forms that list the Company name, logo, or contact information. When acting as a principal only, there is no Errors and Omissions coverage for the transaction.

Dependent on the Associate having closed two or more non-exempt transactions in the prior 12 months with Company or one of the Company's merged entities, an exemption exists for two transaction sides of Associate-Owned Property each 12 months. With an exempt transaction, the Associate will be allowed to keep the entire commission paid for their respective side of the transaction. The Associate will need to let their Broker know in advance of the transaction that they are trying to have their transaction qualify under this exemption.

The purchase or sale of an Associate-Owned Property for which no commission is paid to the Company, will not count towards Associate's compensation schedule, any caps, or for any award programs.

In any sale, purchase, or lease of Associate-Owned Property, Associates shall be solely responsible for costs of defense, settlement or judgment on any claim, suit or action of any nature arising therefrom, regardless of whether Associates handle the matter as Company business or as their personal transaction. Associates agree to indemnify, defend, and hold harmless the Company from any and all claims against them and/or the Company arising out of the purchase, sale, or lease of any Associate-Owned Property.

Leave of Absence

Associates should discuss any request for a leave of absence with the Broker, how any pending business will be handled, and how the Associate's compensation may be affected.

Associates' Time Off

The Company does not control Associate's time off except as noted herein. For regulatory and licensing reasons, when Associates plans to be absent from the Company for any significant period of time, they must inform the Company in writing, particularly if there are any transactions in progress. A substitute Associate approved by the Broker must be assigned to cover for the Associate during any absence. Failure to do this will require the Company to make necessary assignments and determine the appropriate compensation if any.

Jury Duty

Jury service is a civic duty. If Associates are called to serve on a jury, advise the Broker and arrange with him or her to have a fellow Associate handle the Associate's business while on jury duty.

Injury at Work

If Associates are injured at work or in a work-related activity, they must report the injury to the human resources department at the earliest practicable time.

Antitrust Guidelines

In order to avoid antitrust claims against the Company, Associates are reminded not to engage in any verbal or written conversations with agents, or brokers from other companies that could be construed as an antitrust violation, including, but not limited to, the following:

- the setting of commissions, charges, or other fees to the public;
- boycotting or not doing business with a particular person or entity;
- the setting of rates or percentages of compensation to be paid to cooperating brokers;
- refraining from conducting business in specified territories, refraining from providing certain services, or refraining from servicing certain customers.

Associates should read the NAR guide "You Said What? An Antitrust Compliance Brochure," which can be found [here](#).

Transaction Coordinators

Associates who are new licensees are required to use the services of a transaction coordination for their first three transactions.

If you are considering retaining the services of a transaction coordinator, the following policies shall apply:

- As the fiduciary, Associates remain fully responsible for the completeness and accuracy of their files.
- Individual agents or team may engage TCs
- TCs must have written agreements which: 1) clearly identifies the TC as an independent contractor; 2) includes sign class action waiver & arbitration agreement where possible; and 3) is for a fixed period of time (i.e. 1 month, 1 transaction, etc.)
- TCs completely set their own rates, but all rates must be based on files closed not hours worked
- TCs are not exclusive and can work with other brokers
- TCs completely set their own working hours
- TCs are responsible for all costs associated with providing their TC services, and are expected to pay for their own educational and training resources
- TCs may not work out of any Company office (although the agent and TC may use the office for purposes of executing documents or meeting with the agent's clients)
- TCs do not get access to Company's regular education and training, Company's email address, Company's technical support, Company's risk department, etc.
- TCs may not advertise using Company's name
- TCs may utilize assistants rather than personally performing the work if permitted in their written agreement
- Company will not control TC's work but Company may reject files from the agent using the TC if the file does not meet Company's standard file requirements
- TCs must maintain their own business licenses

Associate Business Expenses

The Company will not be responsible for paying any expenses that Associates may incur, absent the prior written consent of their Broker.

- Any expenses relating to customer/clients, transactions, entertainment, or Associate's personal promotion will be paid for by the Associate, not the Company unless otherwise agreed in writing by the Broker.

- All other advertising, promotional, and office expenses will be paid for as negotiated and stipulated in the ICA between the Associate and the Company.

Associate business expenses included MLS and associations membership or related fees or fines. Many MLS's and associations will charge the broker for any unpaid fee of their licensees. Associates who fail to pay such fees that result in billing to the Company are subject to immediate termination or repositioning to "referral only status". Additionally, in the event that Company is charged for any such fees, Associates shall immediately reimburse the Company and the Company shall be authorized to deduct such fees from any amounts payable to Associate.

Associate Transportation

- Transportation will not be provided by the Company. All operating, maintenance, repair and other related expenses will be paid for solely by the Associate. Associates are expected to keep their automobiles properly maintained and in safe operating condition at all times. They are responsible for damage or injury caused while driving. It is the Associate's obligation to drive in a safe, responsible, and alert manner.
- Associates driving in connection with providing licensed real estate activity must maintain a valid driver's license.
- Because the automobile is part of the Associate's image, it is recommended it be kept clean and have a professional appearance in order to reflect well on the Associate and the Company. It must always be maintained in a safe operating condition. Associates shall always carry liability insurance on the automobile with coverage for personal injury and property damage. Liability coverage of \$100,000 per person / \$300,000 per accident must be obtained.
- Associates must consult carefully with their insurance agent. Associates must have the Company named as an additional insured in their insurance policy and pay the cost of that additional coverage. In the event Associates make any changes to their automobile insurance policy, Associates should timely notify their Office administrator and provide a copy of the changed policy.
- Associates must strictly comply with all seat belts, car seats, and booster seat applicable state laws. Associates should never drive or permit those in their car to drive without wearing a seat belt.
- Associates must strictly comply with all applicable laws concerning cell phone usage while driving. Drivers are generally prohibited from using a wireless telephone, except a hands-free telephone, and from reading, writing, or sending a text message while driving. Cell phones can be a distraction; do not become distracted while driving.

Disability Accommodation

The Company will make reasonable accommodations for the known physical or mental limitations of the Associate. Any Associate who requires accommodation should contact the human resources department.

General Safety Practices

Client Appointments

We are concerned about the Associate's safety and the safety of the Associate's clients. Therefore, the following are highly recommended:

- Associates should ask buyers to meet at the office for appointments, not at the property. Get to know customers before being alone with them.
- When buyers arrive at the office, introduce them to others there, so if necessary, colleagues can tell the broker, the police, or others what the people look like.
- Verify clients' contact information—name, address, and phone number—when the clients come in for the first time. If clients refuse to identify themselves, Associates should explain that their office policy requires it. If the refusal persists due to safety concerns, Associates must not work with them.
- Associates should always carry a cell phone with them and make sure it is fully charged and has reception. Program 911 into the speed dial and don't hesitate to call for help.
- Associates should enter itineraries into a log: where they are going, with whom they are going, the times of the scheduled showings, and when they are expected back. Don't carry a lot of cash or wear expensive watches or jewelry when showing property.
- Exceptional situations. In some cases, it's not practical for buyers to meet first at the office. If buyers call and say they're at the property and want the Associate to meet, Associates should have a friend to go along with them.

Associate ID Form

The Company keeps vital information on all Associates for emergency, and other situations. This form includes the Associate's name, address, emergency contact, information on the car driven by the Associate and more.

Weapons

Weapons of any kind, including but not limited to firearms, airsoft guns, paint pellet guns, knives, switchblades, brass knuckles, swords, bows and arrows, explosives, and electronic stunning devices are strictly prohibited at all Company offices and Company-sponsored events. Pepper spray and mace is permitted if it otherwise complies with local laws. Pocket utility knives with blades less than three inches, and knives intended to be used as an eating utensil stored or

maintained in office kitchens or lunchrooms are permitted. Associates who are unsure whether an instrument or device is prohibited under this policy are obligated to request clarification from human resources. Associates who feel additional weapons are necessary for their individual safety are encouraged to contact human resources.

Workplace Violence

The Company has zero-tolerance for acts of violence and threats of violence. A threat includes but is not limited to, any indication of intent to harm a person or damage property. Threats may be direct or indirect, and they may be communicated verbally or nonverbally. Without exception, acts and threats of violence are not permitted and may lead to immediate termination.

Maintaining Files

General

The Associate's files are a record of every event relative to their dealings with their client on a listing, sale, or lease transaction. For regulatory reasons, the Associate must retain copies, whether paper or electronic, of all transaction documents executed by themselves, their client, or obtained by them in connection with a real estate transaction, whether the sale is consummated or not. Associates must maintain a neat and orderly file on every listing and sale on which they work. Since the business is being conducted using the broker license of the Company, all files are the property of the Company and are to remain either in the Associate's possession or the Company's possession until the file is closed. All closed files will be promptly uploaded to and remain with the Company for digital storage, as otherwise directed by the Broker. All files will be held in storage a minimum of five years from the date of closing or the date of last activity involving the property if the transaction is not completed in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy.

Local Area Issues

Many areas have unique requirements around forms, disclosures, inspections, property retrofits, use restrictions, and more (local area issues). Associates are required to comply with all the various local issues, including the local contract addenda. The Company maintains documents for local requirements in many areas, which may include special procedures to be followed. For areas we have not yet documented, Associates are still responsible to research and comply with all local area issues. See the Broker for documentation and/or assistance with local area issues.

File Review

To assist with compliance with the real estate laws, Associates must promptly submit all signed documents to our online transaction management platform. The Associate's documents will be reviewed for completeness and accuracy. Any incomplete or incorrect items or documents must be promptly corrected and loaded into the platform.

All agency forms and contracts must be uploaded to the online system within 72 hours. Other documents should be uploaded on an ongoing basis, as soon as practical. Five days prior to the close of every escrow, Associates are required to have a completed file uploaded for a pre-closing review. Any missing or incomplete items will be noted, and The Associate will be given a time period within which to comply. The Associate's file must be complete to receive compensation.

File Requirements for Legal Compliance

- A. The Associate's file must contain an accurate, comprehensive communications log and journal of their activities relative to that file
- B. Always document the following:
 - The name of any person spoken with
 - The date and time of the conversation or activity
 - The subject matter of the conversation or activity and the result of the conversation or activity.
 - Any significant decision or discussion not documented elsewhere in writing.
- C. Also, include in the file:
 - A checklist and calendar of important information and deadlines
 - Copies of all correspondence and significant emails to and from the client
 - Copies of all offers and counteroffers and contract addenda
 - Copies of all disclosures and reports or any other writing delivered to the Associate or the client
- D. Be sure all documents contain signatures of all parties required to sign. Whenever the Associate's client receives a written document regarding the transaction, the Associate must provide a copy to the client and retain a copy of the same document for their file.
- E. Retain copies of emails and other electronic documents that are part of the transaction or as required by applicable real estate laws.

F. Additional file requirements may apply by local law. The Company may maintain digital storage of files. If Associates are not sure how to maintain a proper file, get help from their Broker.

Get it in Writing

As a rule, all agreements must be in writing. If Associates don't have a written agreement with the principal, they may not receive their commission. If Associates discuss anything with any party or another broker/agent, always confirm the discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of the client, another agent, or anyone else.

Listing and Commission Agreements

Many states require that a compensation agreement be in writing and signed by the party to be charged in order to be enforceable. If Associates represent a buyer in a for-sale-by-owner (FSBO) transaction and the buyer is to pay a commission, the Associate must have a written agreement with the buyer to pay that commission, such as a buyer-broker agreement. Associates should also confirm the non-agency relationship with the seller. (e.g. CAR Form Seller Non-Agency Agreement SNA)

If the seller has not signed (or will not sign) a listing agreement, and if the seller is to pay the commission, Associates must have a written agreement with the seller, such as a single party compensation agreement. Associates should also confirm the non-agency relationship with the seller (e.g. CAR Form Seller Non-Agency Agreement SNA)

Check the preliminary title report to make sure that you have obtained all necessary signatures to be able to list and sell the property. If you are uncertain, contact your Broker.

Unless approved in advance by the Broker, all listings will be "Exclusive Authorization and Right to Sell" listings. All listing and commission agreements will be taken on the most current Association of Realtors Standard Forms.

Co-listings or co-representations with different brokers can be complicated, and expose all parties to legal risks. Any Associate contemplating a co-listing or co-representation must first contact their Broker for approval.

Do Not Use Outdated Forms

Associates **MUST** always use current forms. Keep the online forms database up to date with the most current forms. Always check with the office to ensure that out-of-date forms are not being used.

Prior Transaction Material Facts

Associates who have sold a property previously, for which the brokerage and/or Associate still maintains a transaction file, shall be responsible for delivering to any subsequent buyer represented by the Associate all applicable material facts that are a part of the prior transaction records. Associates are responsible to review the prior file and ensure the Buyer is made aware of material facts from the previous file.

For multi-unit condominium buildings, Company policy is that the listing agent is required to research prior transactions for the unit being sold only. However, the listing agent must disclose any material facts relating to the condominium complex that s/he has knowledge of and that are not present anywhere else.

Dead Deal and Rejected Contract Form Maintenance

Associates are to retain contracts and related documents for failed transactions and rejected offers. Each office will maintain an online transaction management platform that Associates can use to deposit the necessary documents.

If Associates have submitted an offer on a property that has been rejected, indicate "Rejected" on the first page of the partially executed contract along with the date that the rejection took place. Then deposit the form in the online transaction management platform.

For listings that have received offers that were rejected by the seller, the partially executed contract should be kept in the listing file. For listings that have expired or been withdrawn, the partially completed file should be uploaded and marked accurately in the online transaction management platform.

Early Occupancy

Early occupancy of the property by a prospective buyer tends to create additional exposure for sellers, buyers, and Associates. For this reason, it is our policy that Company Associates **MUST** have written sales management approval before obligating our sellers or facilitating our buyers in an early move into a property. Early occupancy should always be formalized in a contract (CAR form BEO). Associates who fail to obtain management approval may be responsible for the full E&O policy deductible.

Marketing Considerations

Square Footage Disclosure

Should Associates choose to market the square footage of their listing in any manner, an appropriate Square Foot Advisory form must be used to identify all available third-party

source(s) of the information (e.g. CAR form SFLS Square Footage and Lot Size Disclosure and Advisory). Associates must never measure property themselves to determine the square footage for marketing purposes.

Wire Fraud Policy

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

The Company has implemented the following wire fraud policy at the company:

- Associates are barred from any involvement in client wire transfers
- Clients are to be referred to their escrow officer for instructions and financial accounting for their closing. They should be advised to verify all wire instructions in person or via telephone using previously known contact information, and not one provided via email
- Clients are advised to use bank cashier's checks to deliver deposits to escrow
- Associates shall NOT forward closing documents to clients
- Associates are to continue to use the Wire Fraud Advisory form in their transactional Documents

Clear Cooperation Policy Regarding Fines

Associates must strictly comply with the clear cooperation policy of their local Realtor association. In most MLSs, listing agents will be held accountable for their listings becoming public more than one day prior to placement in MLS. The definition of public varies by local association but can include things such as putting up a "for sale" sign and private social media posts. Associates must also carefully comply with the "coming soon" requirements of their local association. Moreover, all Associates must refrain from making Company exclusive listing information public. In an attempt to fairly assign penalties for violations, Associates who make the listing of another Company Associate public prior to the listing being placed in the MLS, shall assume all liabilities for MLS fines that may be imposed. If necessary, Associates shall indemnify, defend, and hold harmless the Company for any claims arising from a violation by Associate of this paragraph.

Handling Clients

Proprietary Information

Associates must treat all client information as confidential and proprietary. Associates have a

duty to their clients and should never use any information learned during the course of their representation of their clients in any manner adverse to their interests. Of course, this does not override the requirement to disclose material facts or to be honest. If there is an issue with a client instructing an associate to commit fraud or not to disclose material facts, contact the Broker immediately before proceeding.

Fair Housing

We live and work in a diverse, multi-cultural society. The Company is committed to equal opportunity, fair housing, and complying with all applicable local, state, and federal fair housing laws, Article 10 of the NAR Code of Ethics and the NAR Code of Fair Housing Practices. Please also see Section XI, titled "Discrimination Policy."

Agency Relationships and Duties

In any given transaction, Company and its Associates may represent one or more parties, unless otherwise prohibited by applicable law. These relationships include representing the seller, the buyer, or both in the same transaction. It is also possible that there may be multiple sellers or multiple buyers at any given time that may be interested in the same property or buyer.

If the Company has the listing agreement with the seller, the Broker and Associate represent the seller only, unless the Associate or another Associate working for the Company also represents the buyer, in which case the broker is a dual agent or multiple representation broker if required by applicable state law.

If the Company is representing the buyer and does not have a listing agreement with the seller, the Broker and Associate represent the buyer.

Dual agency/multiple representation relationships are when either the Associate represents both buyer and seller in a transaction or if different Associates affiliated with the broker each represent the buyer and seller, respectively, unless otherwise defined by applicable state law. If Associates have listed the property for a seller and another salesperson from this Company brings an offer from a buyer, the broker is a dual agent or multiple representation agent and both salespersons may be dual agents or multiple representation agents. If such is created, a Dual Agency Disclosure Statement or Consent to Act (as a multiple representation agent) may be required by applicable law. If Associates have questions on how to complete the agency disclosure forms, contact the managing broker. It is important that Associates read and understand the agency duties as set forth in the law and the state-mandated agency disclosure and confirmations forms. The laws of the Associate's local region may prohibit some or all dual agency or multiple representation relationships. Please discuss with the Broker if Associates are unsure.

Duties and Standards of Conduct

When Associates represent a principal in a transaction they have a duty to that person. This means Associates have a duty of utmost care, integrity, honesty, and loyalty in dealings with that principal. In addition, a seller's agent owes the buyer, and a buyer's agent owes the seller the following duties:

- Honesty
- Good faith and fair dealing
- Disclosure of facts materially affecting the value or desirability of the property that are not within the diligent attention or observation of the parties
- The exercise of reasonable skill and care in the performance of their duties

In situations involving dual agency or multiple representation agency (created by one Associate representing both buyer and seller, one Associate representing multiple buyers regarding the same property, or two different Associates working under the same Broker with one representing the buyer and the other representing the seller), it is particularly important for each Associate to understand the client information that must be held confidential in accordance with the applicable state law, agency agreements, and the NAR Code of Ethics. "Confidential information" may include but not be limited to facts regarding the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price. This information may not be disclosed without express permission of the client. Associates with questions should consult the Broker or Office Broker. Company policy is that Associates may never represent two or more competing buyers offering to purchase the same property at the same time.

Please also review the Company policies described in the section, "Drafting and Negotiating Contracts" herein.

Agency Disclosure

The California agency disclosure law applies to sales, exchanges, and leases for more than one year, involving real property improved with one-to-four dwelling units and residential 5+ properties, stock cooperatives, vacant land, mobile homes, and commercial property. Associates must provide a statutory disclosure form in every applicable transaction as follows: CA- "Disclosure Regarding Real Estate Agency Relationships".

If Associates represent the seller, they must provide the disclosure form to the seller BEFORE entering into the listing agreement. Get a signed "Acknowledgement of Receipt."

If Associates represent the buyer, the law requires that they must provide the buyer with an agency disclosure as soon as practicable BEFORE executing an offer to purchase. Don't forget to get a signed acknowledgment of receipt. Delivery may be made in person, by mail, facsimile, or email.

Sharing Information

It is the Company's policy to make a full, open, and sincere effort to cooperate with other Company salespersons including sharing information unless the principal has given instructions to the contrary. This does not mean, however, that Associates should disclose confidential information about their client or the Company.

Taking Listings

A compensation agreement must be in writing and signed by the party to be charged in order to be enforceable. Unless approved in advance by the Broker, all listings will be "Exclusive Right and Authorization to Sell" listings.

Any exclusive listing agreement (including an exclusive agency or an exclusive buyer-broker agreement) must include a definite, specified date of final and complete termination. The claiming of compensation under an exclusive agreement that does not contain a definite, specified termination date can lead to revocation or suspension of a real estate license.

Absent the Broker's prior consent, Associates must have all owners of a property sign the listing agreement before they begin marketing the property in any way. If someone signs on behalf of another, they must have written evidence of the authority to act, such as a power of attorney or letter of administration. If a party refuses to sign the listing agreement, notify the signing parties in writing that it is Company policy not to market the property until all parties have signed the agreement.

When there are multiple sellers of a property, an Associate should obtain contact information for all of the sellers. The Associate should communicate at least once with all sellers of the transaction. In the event one seller directs that all communication goes through another seller or third party, that direction must be confirmed in writing by the seller.

Before taking the listing, search the MLS to determine whether the property is currently listed with another broker. It is this Company's policy to not have a new listing start until the existing listing has expired, whether or not the existing listing is exclusive. NOTE: With the approval of the Broker, and subject to Article 16 of NAR's Code of Ethics, Associates may enter into a listing agreement now which will not become effective until after the expiration of the prior listing agreement.

If the property is in escrow, continue marketing the property unless the seller agrees otherwise in writing. Get all modifications or extensions in writing.

All listings are taken in the name of the Company, which reserves the right to reassign the listing upon request of the seller, if the listing has not been handled properly, or the Company deems it in the best interest of the client to do so. Any decision by the Company to reassign a listing is conclusive.

If Associates represent a buyer in a for-sale-by-owner (FSBO) and the buyer is to pay a commission, they must have a written agreement with the buyer to pay that commission, such as a buyer-broker agreement. If the FSBO seller is to pay the commission, they must have a written agreement with the seller, such as a single-party compensation agreement or a separate commission agreement.

Negotiating Commissions

While commissions are negotiable, the Company reserves the right to set minimum acceptable commissions on commission agreements. Associates must get their Broker's permission if the Company is to receive its cut based on less than a 2.0% commission per side. Further, without advance approval from the Broker, Associates must offer a 2.0% minimum cooperating broker fee.

No Advance Fees

The payment by a principal to the Company prior to the performance of services is known as an "Advance Fee". Company policy prohibits Advance Fees. Any exceptions to this must be with a Broker's prior written consent and must strictly follow applicable law.

Drafting and Negotiating Contracts

A. The Associates applicable Realtor Association contracts or contracts that were drafted by a licensed attorney should be used for every transaction.

B. When a client is asked to sign a contract, addendum, or disclosures that are not standard Realtor Association forms (such as a broker prepared form or a bank owned addendum), the client should be advised to consult with their own attorney as non-standard forms may contain terms that are not in the client's best interest (CA- should use CAR Form Use of Non-Standard Forms Advisory). Similarly, when Associates are including Company provided disclosures that are not standard Realtor Association forms and the buyer/seller declines to sign them, an email where the disclosure was sent should be saved in the file to document that the disclosure was sent.

C. When preparing an offer to purchase on a purchase agreement form, or completing an addendum or counter-offer form, make sure of the following:

- Any inserted written language can be clearly understood by someone who is not familiar with the discussions Associates may have had with their client. Do not draft contractual language on the client's behalf.
- Review the document considering all prior offer terms, addenda, and/or counter offers to make sure that there are no ambiguities or conflicts between the various terms.
- Review the document to be sure it reflects the client's wishes prior to asking them to read and sign it.

D. Remember, as a listing agent, Associates must present all offers to the seller, even if the property is in escrow unless the seller has given the Associate written instructions to the contrary. Upon receiving the offer, review it thoroughly for completeness, accuracy and clarity. Pay close attention to time limits set out in the offer, ESPECIALLY the time within which the seller must respond. Make an appointment as soon as possible to present the offer.

E. As with all contracts, Associates must obtain all parties' signatures. If a party signs on behalf of another, Associates must have evidence of that person's authority to do so in writing. If Associates must present an offer missing a signature, they must disclose this fact to the seller or listing agent. Be sure to condition the offer on obtaining any missing signature(s).

F. If the Associate's clients receive a counteroffer, be sure the terms are clear and complete. Be sure to review it against the original offer to purchase and all previous counter offers. Act expeditiously to present the counteroffer for consideration, signature, and timely delivery to the other agent.

G. If Associates represent multiple buyers wanting to write an offer on the same property at the same time, they should refer out the second buyer.

H. It is Company policy that if Associates have a listing and there are multiple offers, they may not represent both buyer and seller in the contract negotiations without the Broker's prior written consent and involvement in the process to ensure fair dealing and treatment of offers.

I. Even if an Associate may be a qualified professional in the financial or legal fields, all Associates are strictly prohibited from giving any tax or legal advice or legal opinions. If questions of a legal or tax nature arise, the Associate should advise the client to consult with his or her own tax advisors or legal consultants.

J. The Company does not allow participation in hidden financing or addenda that are not disclosed to the principals or to interested third parties such as lenders as such activity may constitute fraud.

K. Associates are prohibited from acting as a mortgage broker and representation in attempting to secure a loan modification.

Tenant Placement

Select Associates, with management's written advance approval, may provide tenant placement services to their clients. Please note that the Company prohibits Associates from conducting ongoing property management.

Property Management

Associates may not engage in the management of property for others without the express written consent of the Broker. If Associates have questions about whether certain activities requested by a client are property management services, please consult with the Broker.

Management of Associate's Own Properties: Associates managing their own property rental holdings must make sure that the tenant understands that, although Associates work at the Company, they are managing the property outside of their professional role as a licensed Associate. Use of electronic forms that place the PAK Home Realty or Morel Real Estate Solutions, Inc. name on the bottom of the form or refer in any way to the Company are precluded from use. Associates agree to indemnify and defend the Company against any claims from a tenant.

Gifts

It is the policy of this Company that Associates may give gifts to their clients at closing and other times as an appreciation of their business, but Associates must be aware of the laws against referral arrangements, fees, and secret profits including accepting gifts from vendors. Gifts given to clients are an expression of the agent's appreciation for the client and there should be no established expectation of a referral to any unlicensed person.

Out-Of-Area Business, Different Property Types

Associates should only conduct business that is in their field of competence.

If Associates are requested by a client to handle the listing or sale of property in either a property type or geographic market with which they are not familiar, it is the policy of this Company that Associates refer that business to a broker who is familiar with that area or property type, unless they have received approval in advance from the Broker. Alternatively, Associates may choose to partner with an agent who is experienced in said area of practice.

Associates are encouraged to utilize the services of our Relocation and Referral Department to identify agents with whom to refer business.

Settlement Provider Referral Fees

The Real Estate Settlement Procedures Act (RESPA) generally prohibits a settlement provider (real estate agent, lender, title company, etc.) from giving or receiving cash or anything else of value for the referral of business or in expectation of the receipt of future business, pursuant to a pre-existing agreement. Associates may not, personally or on behalf of the Company, offer to give to, or accept from, any person without a real estate license a fee or thing of value for the referral of a client pursuant to a pre-existing agreement. This policy applies to referrals for settlement service providers such as escrow, mortgage, title, credit reporting agencies,

appraisers, pest inspectors, etc. If Associates have any questions as to whether to pay or accept such a fee or anything of value, contact the Broker. Any exceptions to this policy must first be approved by the Broker in writing.

Powers of Attorney

It is Company policy that Associates never act as an attorney-in-fact under a power of attorney for their clients, future clients, or former clients. If the Associate's clients will not be available to sign documents related to a transaction, they should secure someone, other than the Associate or someone connected with the Company, to act on their behalf. Associates should have the escrow company review any power of attorney to determine its sufficiency for its purposes for the attorney-in-fact to execute necessary documents.

Recommendations of Vendors and Contractors

Associates will only recommend that their clients use licensed and insured contractors and vendors. When making recommendations for a contractor or vendor (e.g. terminate inspector, home inspector, repair person, etc.), Associates shall provide clients with at least three options.

Personal Assistants

General

Associates may find hiring a personal assistant to be helpful to their business. In hiring a personal assistant, Associates may become an employer, and have numerous employer responsibilities under state and federal law (e.g., compliance with applicable requirements on minimum wage, mealtime, and breaks, etc.). Interviewing, hiring and contracting with the assistant will be solely up to the Associate. If the assistant engages in any conduct that would violate this Office Policy Manual, or in any way acts in a manner to bring disrepute or potential liability to the Company, the Company reserves the right to demand that the Associate terminate the assistant or otherwise prohibit him/her from entering the office for any reason, at any time.

Any compensation due to the assistant shall be arranged between the Associate and the assistant and will be the Associate's sole responsibility.

Unlicensed and Licensed Assistant

The Company's general policy is that unlicensed office personnel (secretaries, assistants, personal assistants, receptionists, accounting personnel, etc.) are to be used in a support role to the main real estate business function of the Company. UNDER NO CIRCUMSTANCES will Associates authorize or allow unlicensed office personnel to engage in acts for which a real estate broker or salesperson's license is required.

Associates must immediately disclose to the Company if their personal assistant has a real estate license. The personal assistant may not engage in any activity which requires a real estate license without: (1) the prior written consent of the Company; (2) entering into a written Broker/Associate-Licensee/Assistant three-party agreement or independent contractor agreement detailing the personal assistant's relationship with the Company; and (3) submission of the personal assistant's real estate license to the Company.

Licensed and unlicensed personal assistants are not subject to, nor paid in accordance with, the Company's Compensation schedule. Personal assistants are compensated solely through the Associate's contractual arrangement with them. The Company shall never be obligated to pay the Associate's licensed or unlicensed personal assistant except as may be paid to such assistant out of funds in escrow, or from escrow funds actually received by the Company, and for which Associates have given specific instructions to the Company to pay such assistant.

Payment/Tax Reporting

In consultation with the Associate's attorney and accountant, the Associates are responsible for determining whether their relationship with the personal assistant is that of employer-employee or independent contractor, and for proper withholding and reporting of taxes. For compliance purposes, the Company strongly recommends that these matters shall be discussed with an attorney and/or accountant before any decisions are made.

Salesperson – Personal Assistant Contract

Associates are required to have a written agreement with their personal assistant that expresses the nature of the relationship and each party's duties and responsibilities. The Company shall be given a copy of the agreement for its approval and records prior to its effective date.

Supervision

Associates are responsible for supervising all activities of their personal assistant, whether or not such activity requires a real estate license. However, when the real estate license is under the Company license, then the broker is ultimately responsible for regulatory supervision and takes priority over the Associate's personal assistant when required by law.

Worker's Compensation

No Workers' Compensation insurance is provided by the Company for unlicensed assistants hired by Associates. Associates who hire unlicensed assistants shall be responsible for providing Workers' Compensation insurance for those assistants when required. Associates should discuss this matter with a Workers' Compensation insurance representative.

Limitations of Unlicensed Assistants

Associates using unlicensed assistants must be familiar with applicable legal and ethical requirements concerning unlicensed assistants' activities.

Agents are advised to utilize extra caution concerning unlicensed assistants in the following areas:

- Cold Calls: Unlicensed assistants can make cold calls on the Associate's behalf to canvas for general interest, but cannot solicit business. Should the person answering indicate an interest in using the Associate's services, the call should be transferred to a licensed agent.
- Open Houses: Unlicensed assistants can put out signs, greet the public, provide flyers, etc. However, only licensed agents can show the property, discuss the terms of a possible sale, discuss the property's features, or any other conduct for solicitation purposes.
- Documentation and Advertising: Any transactional documents and/or advertising prepared by an unlicensed assistant must be done under the supervision and direction of a licensed agent, and the agent must review and approve before such are used.

Associates using unlicensed assistants should read their state respective guidelines: (CA DRE "Guidelines for Unlicensed Assistants" available [here](#)).

Advertising Guidelines

These rules (except as otherwise noted) apply to all forms of advertising including social media pages, printed flyers, postcards, magazines, brochures, newspapers, electronic media such as websites, email signatures, radio, billboards, signs, etc.

Approval of Advertising

For compliance purposes, all advertising must be approved by the Company before your placement or use.

You may only advertise property listed for sale or for rent by the Company. Further, because it is not your personal listing, approval to promote the listing from another Company listing agent is required. All advertising words and content created by you, other than the Company's logo, trademarks, and other intellectual property or proprietary content belonging to Company, shall remain your property unless specified elsewhere in writing. You grant the Company a non-exclusive, perpetual, royalty-free license to use such advertising words and content in connection with the Company's real estate business. This license

includes but is not limited to the sublicensable right to reproduce and make copies, derivative works, and publicly display the works.

Third party service providers (e.g. escrow, mortgage, title, etc.) may not appear on any of your advertising without written approval from your Broker.

Company Logo Usage and Size

The Company logo must be three times bigger than any licensee or team logo used in advertising. Your use of the Company's name and logo must conform to the Company's graphic standards regarding the style, color and uses of the name and logo. These standards are available through your office staff.

Fair Housing in Advertising

The Company is committed to equal opportunity and fair housing in all of 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. For example, words in a real estate advertisement which indicate a particular race, color, sex, disability, familial status, national origin, religion, creed, age, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income or genetic information may violate the Federal Fair Housing Act and/or the applicable state fair employment and housing laws and may not be used in Company advertisements at any time.

Federal law states that a broker may not print, publish or make any discriminatory notice, statement or advertisement which indicates a preference, limitation or discrimination in the sale or rental of a dwelling. The prohibition against discriminatory advertisements applies to all oral and written statements, including flyers, brochures, signs, banners, posters and billboards used in the sale of a dwelling.

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. For example, words in a real estate advertisement which indicate a particular race, color, sex, disability, familial status, national origin, religion, creed, age, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income or genetic information may violate the Federal Fair Housing Act and/or applicable state law, and may not be used in Company advertisements at any time.

Do-Not-Call Rules

The Company has established and implemented the following Do Not Call Policy. It is our

intent to honor anyone's do-not-call request in a systematic and timely manner. It is also our intent to fully comply with all applicable do-not-call rules as a matter of course in our routine business practices. We require all employees and agents to read, understand, and adhere to the following rules and procedures:

A. Calling Hours

No employee/agent shall initiate any telephone solicitation, as defined by law, to any residential telephone subscriber before the hour of 9:00 a.m. or after 9:00 p.m., local time at the called party's location.

B. Outgoing Numbers

When soliciting business, agents/employees shall use a phone number that displays their name (if available through their phone carrier) and phone number. Numbers used for outgoing calls shall not be blocked.

C. Dialing Technology

Any dialing technology used should not disconnect a call before 15 seconds or at least 4 rings, and must require you to interact with the technology before the next number is called. Employees/agents shall refrain from using any program that randomly generates phone numbers or has the capability of randomly generating phone numbers. Employees/agents should refrain from using any dialer that calls multiple numbers at once.

D. Pre Recorded Messages

Employees/agents shall refrain from placing calls using any prerecorded voice messages.

E. National Do-Not-Call Requests

The Company may maintain a subscription to the Do-Not-Call National database for certain area codes that will be digitally available solely for Company employees and agents. The list is updated monthly. This list shall not be shared outside of the Company under any circumstance. Alternatively, agents may directly get their own access directly here: <https://telemarketing.donotcall.gov/default.aspx> Agents are responsible for getting their own subscription when placing calls in area codes that Company does not maintain Do-Not-Call National Database subscription.

F. Honoring National Do-Not-Call Requests

Prior to making a call to any home or cell phone to solicit business, employees/agents shall check the Do-Not-Call National database. This includes: 1) referrals if the person you are calling has not provided written consent and 2) properties that are for sale by owner if the purpose of calling is to procure a listing. This does not apply to calls: 1) made to a business, 2) where prior written consent to call was given, 3) where the person was a client of company within the last 18 months, 4) where the person inquired about company's products or services within the last 3 months, and/or 5) if you have a personal relationship (family member, friend or acquaintance).

G. Requests for Our Do-Not-Call Policy

If you receive any request (written or verbal) for our Company's policy for maintaining a do-not-call list, you must immediately bring this to the attention of the Company's legal department for proper handling.

H. Text Messages

These Do-Not-Call policies also apply to text messages.

It is your responsibility to adhere to these laws and policies and you will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs.

Fax and Email Advertising

There are state and federal laws limiting faxing or emailing unsolicited commercial advertisements or solicitations. Exemptions include prior permission or an established business relationship. It is the Company's policy to adhere to these legal guidelines. Contact the Broker if you have any questions. Any unsolicited emails used for advertising purposes must include:

- 1) An identification that the message is an advertisement
- 2) An opt-out notice and method for opting out and
- 3) Address of one of our offices

It is your responsibility to adhere to this policy and you will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs

Legal and Ethical Considerations

All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any advertisement that the Company deems to be false or misleading may immediately be withdrawn by the Company without notice to you. 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, or face disciplinary action.

Finally, licensees who place listings in the Multiple Listing Service in expectation of compensation may be responsible for the truth of all representations in such listings, of which the licensee had knowledge, or reasonably should have had knowledge.

REALTOR® Trademark

The use of the name REALTOR® must be used in compliance with the National Association of REALTORS® guidelines governing the use of that name and mark. The term “REALTOR®” should always be in all caps and with the ® logo next to it. Additional guidelines are available on-line at: <https://www.nar.realtor/>

Listing Photography

Quality, truthful, and professional photography is required for all listings marketed through Company.

Websites

Individual agent/team websites must make it clear that the website is only for the agent/team and not for the entire broker. The agent or team should be clearly identified “above the fold” on the landing page of your website. Also, see the Policy Manual for website privacy terms.

Websites- Privacy

The Company maintains a website which advertises Company listings. It is the Company's intention to respect the privacy of persons visiting our website, and to comply with all applicable privacy laws. See the Company website Privacy Policy statement online for more details.

If you maintain your own personal website, you must conform to the Privacy Policy statement on the Company website and all applicable privacy laws in all your interactions with visitors to your website. Your personal website must also conform to this Office Policy Manual, to MLS rules and to the NAR Code of Ethics.

Websites- ADA and Related Disability Compliance

The Americans with Disabilities Act (ADA) and related laws have been interpreted by the courts to include websites accessibility and apps for the blind, hearing impaired and others. Company takes steps to be compliant with ADA and related laws for our main website and the Company-provided agent websites. However, changes or customizations that Associates make to the Company-provided agent websites may invalidate or lessen existing ADA compliance measures.

Associates are responsible for confirming that any online advertisements or websites they use are compliant with the ADA and related laws. Generally, compliance will include but might not be limited to the following:

- Websites are generally set up to enable persons with disabilities to use the websites
- Websites should address accessibility for visually impaired individuals, through mechanisms such as a "screen reader" (which vocalizes visual information) to navigate and interact with a website; mechanisms to increase text size; mechanisms to change background and text colors; mechanisms to magnify the screen, etc. Websites should be cautious not to have poor color contrast and not to use color alone to provide information. Images should incorporate text alternatives or alt text.
- Websites should address accessibility for those who find a keyboard or mouse hard to use by being compatible with speech recognition software technology that allows the user to navigate using voice controls
- Websites should address accessibility for those who are deaf or hard of hearing through text transcripts on videos; captioning; volume controls, etc.
- Websites should have a statement that provides contact information and a phone number for anyone having difficulty accessing it (for example, see NAR's statement at nar.realtor/accessibility)
- To minimize risk, Associate's are encouraged to discuss with their website provider how to best implement a plan for making your site compliant with WCAG 2.1 AA, although this is currently an unsettled area of law
- Associates are encouraged to add information on their website that if users need assistance due to a disability, how can they contact you.

Standard Errors and Omissions Insurance typically does not cover ADA compliance and related disability accommodations. Please be aware that if you are named in a legal matter concerning ADA or related compliance in advertising for a website that you have developed directly with an outside vendor or for customization of any Company-provided agent website, any legal exposure will rest on you individually.

Virtual Staging

You may only use virtual staging provided that you strictly follow these rules:

1. At least one original photo depicting a substantial portion of the exterior must be used on the MLS
2. Virtual staging may only be used to add furniture, furnishings, or alter lighting. In no event should virtual staging change wall colors, cover up defects or stains, or be used to add/remove fixtures such as curtains, ceiling fans, recessed lighting, or chandeliers.
3. Virtual staging should be done in as close to a realistic manner as possible.
4. Any photographs that are virtually staged must be clearly labeled in all advertising. In MLS, where permitted by the MLS rules and functionality, the description under the staged photos must disclose: "Photo has been virtually staged"
5. Any advertising with virtual staging should include the following (on the advertising, in MLS public remarks, etc.): "Buyers are advised that 'virtual staging' has been used to show how the property 'might' look, and are advised to conduct their own due diligence into the state of the property"

CALIFORNIA SPECIFIC

All printed or digital advertisements must include:

1. Your name
2. Your DRE license number
3. Term broker, agent, REALTOR®, agt., or similar and
4. Company Name

This should be on all first point of contact materials, such as business cards, stationery, websites, all promotional materials, online advertising, print advertising, for sale/rent/open house signs. The font size of required items #1-4 cannot be any smaller than what's used elsewhere. The Company logo must be three times bigger than any licensee or team logo used Note: Company's license number is never required.

Nicknames

In compliance with DRE rules, agents may use a nickname in lieu of their first name without registering a fictitious business name so long as they are using their full surname as it appears on their license and their license number.

Team names

Teams require at least 2 licensed members with Company. When advertising using a team name, you must also include the name and DRE license number of at least one team member.

Unregistered names for teams must include:

- Surname of at least one licensed team member
- One of the words "team", "group" or "associates". (Cannot use the words "broker", "real estate broker", "brokerage" or any other term that implies they do not work for a supervising brokerage)

Ex. Mary Smith and Jane Jones can form a team and advertise as "The Smith Team". Jane Jones' advertising might say: The Smith Team, Jane Jones REALTOR® DRE#12345, Company Name

If the above are followed, the team does not need to register a fictitious business name.

If the above are not followed then the team may be able to operate under a fictitious business name, at the Company's sole discretion. Team leaders wishing to use a fictitious business name shall be responsible for any and all costs associated with the registration and abandonment of the name. All advertisements using the fictitious name must also include the licensee's full name and license number. Ex. Mary Smith and Jane Jones can form a team and advertise as "The Momentum Team". Jane Jones' advertising might say: The Momentum Team, Jane Jones REALTOR® DRE#12345, Company Name

Fictitious Business Names (DBAs) For Individual Licensees

Company reserves the right to approve or deny usage of any fictitious business name. Individual licensees wishing to use a fictitious business name shall be responsible for any and all costs associated with the registration and abandonment of the name. In selecting a fictitious business name, please [review RE 282](#):

Except as noted in “Team names” and “Nicknames”, to use a fictitious business name the following steps must be taken:

- For A Licensed Salesperson

1. Must complete and submit to broker for approval CAR Salesperson Owned Fictitious Business Name Agreement (CAR SOFBN)
2. Must register the fictitious business name with the county clerk in San Bernardino County. The registration must reflect the mailing address of 1330 LOMA SOLA AVE UPLAND, CA 91786. The registration should identify the salesperson as the owner of the fictitious business name and that the business is being conducted by an individual.
3. The licensee will also need to have the name published in a newspaper and an affidavit of publication submitted to the county clerk.
4. Must complete DRE Form RE 247, have it signed by the broker, and mail it to the DRE along with the applicable DRE fee to add the name to Company's license
5. All advertisements using the fictitious name must also include the salesperson's full name and license number.

- For A Broker-Associate

1. Must submit usage of the name to the broker of record.
2. Must register the fictitious business name in the county where your main office is located
3. You will need to have the name published in a newspaper and an affidavit of publication submitted to the county clerk
4. Must complete DRE Form RE 204 to add the name to your individual license

Information Technology

Company Computers

Where applicable, the Company provides a limited number of computers for use by Associates and others. The following rules apply:

- Computers are for Associates or employee use only - first come, first served
- Do not store personal files or information on these computers – security of the Associate's personal information is not guaranteed
- For real estate related business use only. Please don't waste materials, or waste time on the computers to the detriment of others
- Don't send unsolicited junk or nuisance mail
- Files and emails may be read by persons for whom they were not intended
- The Associate's use must be lawful, honest, and decent, and must have regard for, and respect the rights and sensitivities of other people
- Log off any online services when finished
- All outside source software, disks, or data input sources must be checked for viruses and pre-approved by the Company before downloading, loading, or importation
- Don't delete, disable or tamper with any software provided by the Company
- Don't tamper with the hardware or any network or power connections
- Associates should not connect their own equipment to the network except in approved locations provided for that purpose
- It's the Associate's responsibility to keep their passwords and usernames secure; never allow anyone to else access them
- Never use anyone else's account, with or without their permission, Associates must make sure they log out when they finish using the computer.
- Transmission or importing of any material or data in violation of any federal or state law or regulation is prohibited, including, but not limited to, copyrighted material, threatening, pornographic, or obscene material, or information constituting trade secrets.
- Any duplication of copyrighted software, except for backup purposes, is a violation of the Federal Copyright Law. Associates who are aware of any misuse of software on the information systems or in related documentation shall immediately notify the Broker.

Websites

Associates may have their own personal website if desired. The Company offers Company provided agent websites as well. Associates should carefully follow all applicable disability accommodation and privacy laws related to websites, apps, and online advertising. Please refer to Company's Advertising Guidelines for more information. All regulations of the Associate's state should be followed as to content and identification of the Company.

Email

Any Associate who receives threatening, harassing, or improper communications shall immediately report the situation to the Company. All emails involving real estate transactions should be treated carefully and, when appropriate, encrypted to prevent fraud.

Email Disclaimer Footer

For the protection of Associates and clients, all emails generated from the Company and associates will contain the following disclaimer as a templated footer:

“WIRE FRAUD WARNING: Do not respond to ANY wire instructions that appear to be from me or anyone at the Company. They are likely to be an attempt to steal your money. Coordinate all wire transfers via phone conversation with your escrow officer.

This email may be confidential. If you are not the intended recipient, please notify me immediately and delete this copy from your system.

© 2023 Morel Real Estate Solutions, Inc.. All rights reserved. Morel Real Estate Solutions, Inc. fully supports the principles of the Fair Housing Act and the Equal Opportunity Act.”

We require that Associates who utilize an outside resource for their email mirror the Company's application of this disclaimer. Please inquire with the company's Technical Support if Associates need help in placing the disclaimer as a standard for their outbound email.

Tech Equipment Insurance

Though insurance for the office and its contents is maintained by the Company, each Associate may wish to purchase coverage on their personal computer, printer, and other equipment and gadgets as deemed appropriate since these personal items may not be covered by Company's insurance. The Company is not responsible for any damage or loss of the Associate's personal computer or data on their personal computer.

Each Associate is responsible for acquiring and maintaining all software and hardware needed to provide professional real estate services, such as a computer, printer, computer faxing software, and Realtor. forms software.

The World Wide Web

Internet communications may not be secure, including communication via social media and apps. The Internet should not be used for communications that require confidentiality or involve financial transactions without ensuring the security of the communication via an accepted mechanism and procedures (e.g., encryption, two-factor authentication when appropriate).

There are steps Associates can take to help avoid cyber crime. These include:

- Use secure, encrypted WIFI connections and be skeptical of unsecured, public WIFI
- Be careful when using social media. Do not provide your location information on social networks or check-in sites because criminals often find potential victims using this shared information.

- Use email cautiously. Enable two-factor authentication. Check access details regularly to ensure no compromises have occurred. Your email service may offer alerts to notify you of unusual activity, so you should activate this service if available. Think carefully before clicking on an embedded link and select only those from a confirmed legitimate source or destination you recognize. When in doubt, contact the sender to confirm the email is legitimate, or delete the email entirely. Avoid sending personal information in emails or texts. If you need to send personal information, use an encrypted email service. In no event should Associates be communicating wire instructions to clients via email. Associates should have clients directly coordinate with escrow concerning wire instructions.

Anti-Discrimination Policy

Fair Housing Laws

The major federal fair housing law is the Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), or disability (including persons with AIDS). It is illegal to discriminate against any person because of age, race, creed, color, religion, sex, disability, familial status or national origin:

- In the sale or rental of housing or residential lots
- In advertising the sale or rental of housing
- In the financing of housing
- In the provision of real estate company services
- In the appraisal of housing

Blockbusting or inducing or attempting to induce for profit a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes is also illegal.

In addition to the protected classes described above, state and local laws may also prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on other grounds. Discrimination is prohibited based upon: race; color; national origin or ancestry; religion; sex; familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18); disability; sexual orientation; gender identity and gender expression (a person's gender-related appearance and behavior whether or not stereotypically associated with the person's assigned sex at birth); marital status; ancestry; breastfeeding and any medical conditions connected to breastfeeding; age; medical condition (including HIV status); a victim of domestic violence; source of income (including Section 8, FHA, or VA loans); religious grooming

or clothing practices; genetic information; immigration status or the absence of immigration or citizenship documentation; citizenship; primary language; or *any arbitrary classification*. This list may be updated as legally required.

NAR and the U.S. Department of Housing and Urban Development (“HUD”) developed a Realtor Fair Housing Declaration, a guideline of general fair housing principles, to which the Company firmly subscribes. Under the fair housing principles, Associates agree as follows:

- Provide equal professional service without regard to the race, color, religion, sex, handicap, familial status or national origin of any prospective client, customer, or of the residents of any community.
- Keep informed about fair housing law and practices, improving the Associate’s clients’ and customers’ opportunities and the Associate’s business.
- Develop advertising that indicates that everyone is welcome, and no one is excluded, expanding an Associate’s clients’ and customers’ opportunities to see, buy or lease property.
- Inform clients and customers about their rights and responsibilities under the fair housing laws by providing brochures and other information.
- Document efforts to provide professional service, which will assist in becoming a more responsive and successful Realtor.
- Refuse to tolerate non-compliance.
- Learn about those who are different, and celebrate those differences.
- Take a positive approach to fair housing practices and aspire to follow the spirit as well as the letter of the law.
- Develop and implement fair housing practices to carry out the spirit of this declaration.

All Associates of the Company will adhere to the process as outlined in the National Association of Realtors Fair Housing Handbook, which is attached to this Office Policy Manual. If an Associate has any questions or concerns, please immediately contact the Broker.

Buyer Interest, Bio, or Love Letters

A. Buyer’s Agents

Associates are not prohibited from submitting buyer letters with offers, but they should be cautious over Fair Housing considerations. For example, “our kids love the backyard” might encourage the seller to pick a married couple over an unwed individual, which could be discrimination on the basis of marital and familial status. Associates should try to emphasize why their buyer is the most qualified or focus on objective criteria and even subjective matters, such as taste, flattery, and style while striving to avoid language in the letter that may directly or indirectly indicate belonging to a protected class or having protected characteristics. In no event should Associates include a photo of their buyers, and Associates should avoid mention of race, nationality, and religion in their letters.

B. Listing Agents

Associates should ask the seller if they want to consider buyer letters since they can expose the seller to fair housing violation allegations. If the seller does not want to see any buyer letters, the Associate should confirm this in writing, and also put it in the agent's remarks on the MLS (unless prohibited by the Associate's MLS) (CAR forms now default to seller NOT receiving buyer interest letters). Associates should present all offers equally and encourage the seller to pick an offer based upon the merits of the offer, the likeliness of timely close of escrow, buyer financial qualifications, and related legitimate non-discriminatory business purposes. Sellers should be made aware that Associates do not review buyer letters.

Discrimination Charges

The Company will investigate any accusation of discrimination. If the investigation confirms a possible violation of discrimination laws, the Associate's actions may be reported to applicable governmental agencies for further investigation and disciplinary action. The Associate's ICA with the Company may also be terminated.

Professional behavior is a requirement around fellow Associates, Brokers, Company employees, staff, and customers. Harassment is strictly prohibited in this Company. Some examples of harassment include, but are not limited to, the following:

1. Sex-related harassment

Displaying power over a person because of gender through disparaging gender-related remarks and threatening behavior. Unnecessary touching, unwelcome jokes of a sexual nature, inappropriate gestures or use of suggestive materials, intimidating or otherwise inappropriate behavior, such as asking for, or offering, sexual favors, homophobic remarks, threats to disclose sexuality, and intimate questions about sexual activity.

2. Racial harassment

Inappropriate comments, slurs, questions, and/or jokes about racial or ethnic origin, offensive graffiti, and intimidating behavior, including threatening gestures.

3. Personal harassment

Making fun of personal circumstances or appearance.

4. Bullying

This can be physical or psychological. Examples of psychological bullying include unmerited criticism, isolation, shunning, gossip, essential information withheld, or behavior that is intimidating or demeaning.

5. Harassment of disabled people

Discussion of the effects of a disability on an individual's personal life, uninvited touching or staring, and inappropriate comments or questioning about the impact of someone's disability.

6. Age harassment

Derogatory age-related remarks and unjustifiable dismissal of suggestions on the grounds of the age of the person.

7. Stalking

This can be physical or psychological. Examples include leaving repeated or alarming messages on voicemail or email, following people home, or approaching others to ask for personal information.

In the event any Associate feels that they have been harassed, they must immediately report the incident to the Company. The Broker shall take reasonable precautions to keep confidential the identity of the accuser, as well as the accused. The Company will commence an investigation and prepare a written report. Under certain circumstances, such as if the accused is the Broker, an outside investigator may be retained. Retaliation against complainants is strictly prohibited. Any employee, Associate, or staff found guilty of engaging in harassment may be subject to disciplinary action up to and including reprimand, counseling, suspension, and termination.

Hate Speech

Associates are expected to refrain from using any "hate speech" while conducting their business and while at any Company office. The NAR Code of Ethics prohibits "hate speech" by Realtors as follows: "Realtors must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity." NAR Code of Ethics extends to all real estate activity, and may even extend to Associate's personal social media accounts if they are also used to advertise or conduct business.

Conflicts of Interest

The Company desires to create a conflict-free and professional environment. Associates are discouraged from becoming romantically or sexually involved with any Company employee, client, contractor, co-worker, vendor, or supplier. In the event such a relationship creates conflict or hostility in the workplace, it may result in termination of the Associate.

Indemnification, Litigation, and Claims Handling

General

Associates are required to immediately report problems to the Company, cooperate in the defense, and pay to Company any amounts due hereunder upon notice as follows:

- Any party having complaints (written or verbal) involving any listing agreement or other real estate transaction should be reported to the Broker
- Automobile accidents involving the Associate or others occurring while the Associate is engaging in Company business should be reported to the legal department. However, Associates should see “Associate Transportation” section herein for more information concerning automobile insurance
- Physical injuries within the office or while participating in duties on behalf of the Company should be reported to human resources
- Criminal charges against the Associate except for minor traffic offenses, civil lawsuits, or administrative actions should be reported to the broker
- Anytime Associates are contacted by the state real estate department/division or any Association of Realtors for any matter pertaining to an infraction, dispute, or disciplinary action should be reported to the broker
- Anytime Associates are contacted MLS for any matter that may pertain to an infraction should be reported to the Broker
- Threatened legal or administrative actions involving a real estate transaction or any party who defaults under an accepted contract should be reported to the broker
- Acts of discrimination or harassment committed by Associates or parties to transactions should be reported to human resources or legal department
- Disputes between Associates should be reported to the Broker

The terms of this indemnification, litigation, and claims handling section in their entirety shall survive the termination of any ICA. As used herein “Claim” shall mean any actual or threatened claim, actions, causes of action, demands, controversies, liabilities, cross-claims, counterclaims, lawsuits, hearings, mediation, arbitration, ethical allegations, or other formal proceeding concerning any action taken or omitted by or on behalf of Associate in connection with services rendered or contemplated under the ICA or otherwise allegedly related to the ICA. The “Costs of Defense” shall mean the actual costs of defending any Claim, settling any Claim, and the judgment or award from any Claim, including but not limited to court costs, mediation costs, arbitration costs, expert fees, consultant fees, and attorneys’ fees.

Legal Defense

- When a Claim is made against either the Associate or the Company by a third-party, the Company, in its sole discretion, may defend the Claim through insurance.

- The Company has the right to make all decisions concerning the Costs of Defense and management of a Claim, including choice of counsel and decision to defend through insurance. In the event the Associate object to any decision made by the Company or if there is a legal conflict in having counsel represent both the Company and Associate, the Associate may obtain separate counsel at the Associate's own expense; however, the Associate shall not be relieved from the obligation to pay the Associate's portion of the Costs of Defense of the Claim.
- If a question arises in which Associates feel that legal advice must be obtained, they will inform the Company, at which time the Company shall make the decision as to whether legal consultation is necessary. Failure to follow these procedures will exempt the Company from responsibility for any legal expenses incurred.

Indemnify and Allocation of Costs of Defense

A. Shared Costs of Defense. When a Claim is submitted and accepted by Company's errors and omissions policy or if the Company is otherwise obligated to incur the Costs of Defense, Associate shall be responsible for the first twelve thousand, five hundred dollars (\$12,500) incurred in the Costs of Defense and the Company shall pay any remaining deductible. In the event of a dual agency, subject to the other provision set forth herein, each Associate shall be responsible for the first twelve thousand, five hundred dollars (\$12,500) incurred in the Costs of Defense and the Company shall pay any remaining deductible (i.e. the Associates shall share the cost of the first twenty five thousand dollars equally). The shared Costs of Defense is due regardless of whether there is a finding of liability on the part of the Associate or the Company.

B. Indemnification and Associate Defense Costs. Except as otherwise specified herein, Associates agree to promptly indemnify, defend, and hold harmless the Company, the Company's related entities, affiliated entities, closely held entities, franchisors, joint ventures, and successors, and each of the aforementioned's brokers, Brokers, employees, independent contractors, directors, and officers harmless, including the actual costs of defending, settling, and the judgment, fines, or award, including but not limited to court costs, mediation costs, arbitration costs, expert fees, consultant fees, and attorneys' fees, from each of the following:

- Any Claim that establishes that dishonest, criminal, or malicious acts, errors or omissions were committed;
- Any Claim that results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties;
- Any Claim that establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other protected classification, including for any licensed activity as well as for any Associate advertisement or marketing of any kind;
- Any actual or threatened claim, actions, causes of action, demands, controversies, liabilities, cross-claims, counterclaims, lawsuits, hearings, mediation, arbitration, ethical allegations, or other formal proceeding that does not involve the business operations of the Company (no

coverage is afforded for transactions or underlying events that pre-date Associate joining Company) or that seeks redress for actions outside the scope of Associate's ICA;

- Any Claim that is based on or arising out of the formulation, promotion, syndication, or operation or administration of any limited or general partnership, property syndication, real estate investment trust, joint venture or corporation, or any interest therein;
- Any Claim that is based on or arising out of bodily injury or property damage;
- Any Claim that is excluded from the Company's errors & omissions insurance policy, which is subject to change;
- Any Claim that arises out of the purchase, sale, lease, or management of any real property in which Associate or an immediate family member has or will acquire, any ownership or possessory interest;
- Any Claim that is related to an Associate making the listing of another associate public prior to the listing being placed in the MLS;
- Any Claim where Associate refused to follow the direction of a Company Broker, broker, or Company risk management staff or engaged in activities prohibited in Associate's ICA; and/or
- Any matter arising from Associate's usage of a transaction coordinator and/or unlicensed assistant.

C. Commission Disputes. The Company shall have no obligation to bring a legal action, mediation, or arbitration on the Associate's behalf to recover a disputed commission or other allegation. The Company shall participate in the costs and fees of prosecuting such a disputed commission only if the Company agrees to do so, and the costs shall be allocated between the Associate and the Company in the same percentage as the Associate's commission split for the contested transaction.

Disputes During Escrow

If a dispute arises during an escrow between the seller, buyer, the listing or cooperating broker, or third-party vendors, servicers, or other entities, and/or the Company:

- Which cannot be resolved by negotiations between the parties and the real estate licensees involved; or
- The Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after the close of escrow or for another reason; then the Company has the right to negotiate a resolution of the dispute on its own behalf, and on the behalf of the Associate, which may involve a reduction in the commission to be received, and/or credit is given to one of the parties. In that event, and regardless of actual Company or real estate licensee liability or responsibility in the dispute, the Associate and the Company will participate in the commission reduction or credit pro rata in the same proportion as commission split(s) of the real estate licensees involved for that transaction.

Resolution of Disputes

General

In order to reach a fair resolution, disagreements between Associates or other personnel within the Company regarding leads or sales are to be handled through the process specified below.. Such disputes may involve, among other things: the asserted ability to work with a certain prospect; the right to a share of the commission when more than one Associate knowingly or unknowingly works with the same customer/client; the percentage split of commission or fee earned when two Associates have worked with the same customer/client; or issues between team members

Intra-Office Disputes between Associates

It is the Company's policy to limit the involvement of the clients in any dispute between Associates. The Associates must try to come to an acceptable resolution themselves. All intra-office disputes must be reported promptly to the Broker(s) and/or Broker of Record. In the event Associates cannot meet a satisfactory agreement among themselves, the Broker shall hear both sides of the argument in a meeting with the involved parties. If in the sole judgment of the Broker, a legitimate dispute exists, the Broker may make a determination of action or refer the matter to an outside service to adjudicate, at the Associate's shared expense.

Usage of In-House Counsel

The Company, in Company's sole discretion, may engage in-house counsel to represent the Company, to assist in Company's licensed activities, to defend the Company against alleged violations of NAR Code of Ethics, MLS rules, and/or real estate law, and to educate Associates. In-house counsels, in compliance with legal rules of ethics, have a duty to act in the Company's best interest. Unless expressly agreed in writing, in-house counsel's client is only the Company and not the individual Associate. In compliance with legal rules of ethics, attorney-client confidentiality may not exist between the individual Associate and in-house counsel. In-house counsel may be obligated to report certain information to the Company and/or Broker. Associates who are unsure should consult with their own independent counsel.

Access to in-house counsel may be limited in the sole and absolute discretion of the Company and of in-house counsel. In-house counsel may not be licensed in every state, and may have legal conflicts of interest. In no event may Associates use in-house counsel for their personal legal problems unrelated to real estate transactions.

Usage of Outside Counsel

In matters of an alleged violation of the NAR Code of Ethics, MLS rules, and/or real estate law, outside counsel attorneys may be employed at the discretion of the Company. The responsibility for payment of such attorneys' fees will be determined on a case-by-case basis by the Company unless otherwise provided by the terms elsewhere herein.

Confidentiality

All records of this Company, as well as conversations between the Associates, the Company and the Associates, and the Associates and clients, are considered confidential information. No files shall be removed or deleted from our systems without the permission of the Company and no other information obtained while working for this Company shall be used to the detriment of the Company, its Associates and employees, and its clients and customers.

Associates must safeguard the privacy and personal information of the Company's customers in compliance with federal and state laws, and per the Company's other written policies.

Associates must be sensitive to confidential information within the office and among the Associates of the Company. The following procedures and policies are intended to protect the confidentiality of the Company's clients.

1. Associates should refrain from discussing confidential information of the client with anyone (including another Associate) absent the client's consent.
2. Comments at sales meetings should not reveal confidential information of the client without the client's permission.
3. Office files of listings and pending sales should be kept confidential and may not be accessed except by authorized staff and the Associate involved in the listing or transaction.
4. Fax, email, and text transmissions should be kept confidential.
5. Contracts, offers, counteroffers, or other transactional documents will be delivered to the person addressed in envelopes or delivered securely based on reasonable industry standards. Persons other than the addressee/intended recipient are not authorized to open any such envelope or access the transmitted documents.
6. Associates should carefully follow the NAR Code of Ethics concerning what confidential information of clients may not be disclosed.

In no event will Associates be required to maintain client confidentiality concerning latent (hidden) defects, which should be disclosed by Associate. Associates should contact their Broker with any issues.

Disassociation

Grounds for Disassociation from Company

Unless otherwise specified elsewhere in writing, the Associate's ICA with the Company can be terminated by either party, with or without cause, at any time upon written notice given to the other party.

Disassociation for cause could result from any violation of Company policies, the MLS rules, the NAR Code of Ethics, any conviction of any illegal act or any violation of the Real Estate License Law or any dishonest or unethical act.

Associate's Compensation Upon Disassociation:

Unless otherwise limited by applicable local law, the following are the Company's policies for what happens to an Associate's files upon the termination of the ICA:

If the ICA is terminated while Associate has a listing not yet in escrow or buyers not yet in escrow, Associates can take that file to their new brokerage as long as: 1) Associates don't owe the Company any money; 2) the client was not a Company referral or procured through a Company sponsored lead program; and 3) Associates get a written cancellation of any applicable listing and buyer's representation agreements within 48 hours of ICA termination.

If the ICA is terminated while Associates have a seller and/or buyer already in escrow, those files stay with the Company and will be assigned to another agent within Company by the Broker, as specified in the ICA. The agent completing the file shall be reasonably compensated, and this compensation shall be deducted from the Associate's share of the commission. Each Associate's normal splits and fees shall also apply. "Reasonable compensation" shall generally mean that if an escrow has been opened but contingencies have not been removed, the commission will be divided between the leaving and replacement Associate equally; if escrow has been opened and contingencies have been removed, the commission will be divided with 75% to the exiting Associate and 25% to the replacement Associate; or if there are unusual circumstances or complications with the file, the split may be divided differently to reasonably compensate the Associate closing the file. Alternatively, leaving Associate may pre-arrange for a replacement Associate to close out the transaction and agree to the splitting of commission, provided that both Associates and the Broker consent in writing.

Listings are the property of the Company, even upon disassociation. Within 24 hours after notice of termination of the ICA by either party, Associates must provide the Broker with a list of all active listings taken by the Associate, and all pending transactions in which, if completed, Associates would be entitled to compensation from the Company in accordance with the terms of the Associate's ICA, or other written agreement.

Company policy is that Associates are free to move their listings not yet in escrow to their new brokerage, provided: 1) Associates do not owe the Company money; 2) the listing was not a Company referral, a relocation referral, or procured through a Company sponsored lead program; and 3) the seller and new broker timely consent to the transfer, and confirm their consent via Company's standard transfer forms returned to Company.

Acknowledgment of Receipt

I understand that I am an independent contractor and that my association with the Company is not for a specified term. I understand that the Office Policy Manual is not an express or implied contract of employment. Initial JCE

Furthermore, I acknowledge that the Office Policy Manual contains this Company's Policy Against Harassment. I agree to comply with all aspects of the policy against sexual harassment and other forms of harassment. I understand that if I violate any aspect of the Company's Policy Against Harassment, I may be subject to disciplinary action, including disassociation with the Company. Initial JCE

My signature below certifies that I have received the Office Policy Manual and downloaded the [NAR Fair Housing Handbook](#), and agree to abide by their provisions during my association with the Company. By signing below, I further certify that the Office Policy Manual supersedes all prior agreements, understandings, and representations concerning my association with the Company unless expressly stated otherwise therein.

Print Name: Johanna Cordova Esparza

Associate's Signature: Johanna Cordova Esparza Date: 03/29/2024