

Kansas Addendum To The Real Broker, LLC Independent Contractor Agreement

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Real Broker, LLC (Company) makes this addendum a part of the Independent Contractor's Agreement to set forth state specific policies and procedures for an agent affiliating with the Company in the State of Kansas (Agent). This addendum supersedes all previous Kansas addendums. The Company reserves the right to modify, suspend, or discontinue any of the terms, policies, procedures and/or benefits described in this addendum with proper notice.

DEFINITIONS

The following terms are used in this manual:

| | |
|--------------------------|---|
| Agent: | an Associate Broker or a Sales Agent acting on behalf of a Principal. |
| Broker: | a person or entity holding a real estate broker license issued by KREC. |
| Principal: | a person or entity who has authorized an Agent to act on his/her behalf. Sales |
| Agent: | a person holding a real estate Sales Agent license issued by KREC. |
| Associate Broker: | A person holding real estate Broker's license issued by KREC sponsored by Real |
| Sales Associate: | a Sales Agent or Associate Broker who works for the Sponsoring Broker as an independent contractor or employee. |
| State Broker: | The Designated Managing Broker, responsible for all brokerage activities for Real Broker, LLC in Kansas. |
| KREC: | Kansas Real Estate Commission. |

NOTICE TO SALES ASSOCIATES

ANY OF A SALES ASSOCIATE'S ACTIONS THAT VIOLATE THE PROVISIONS OF THIS POLICIES AND PROCEDURES MANUAL ARE UNAUTHORIZED AND OUTSIDE THE AUTHORITY OF THE STATE BROKER – SALES ASSOCIATE RELATIONSHIP. ALL EXPENSE OR LOSS ARISING OUT OF A SALES ASSOCIATE'S ACTS SHALL BE BORNE SOLELY BY THE SALES ASSOCIATE. ALL EXPENSE OR LOSS SUFFERED BY SPONSORING BROKER AS A RESULT OF A SALES ASSOCIATE'S ACTS SHALL BE REIMBURSED BY THE SALES ASSOCIATE. ANY WAIVER OF THIS PROVISION BY THE STATE BROKER WITH RESPECT TO ANY ACTIONS WILL NOT BE CONSTRUED AS A WAIVER WITH RESPECT TO ANY OTHER ACTION

GENERAL COMPANY POLICIES

All sales agents and brokers doing business in the State of Kansas with Real Broker, LLC are expected to abide by the Real Broker, LLC Independent Contractor Agreement and Agent Policy and Procedures Manual. If this document conflicts with Real Broker, LLC general company policies, due to specific Kansas laws, this document will govern. If there are any questions about this policy document or Real Broker, LLC policies in general, contact the State Broker or designated supervisors below. This policy document may change from time to time, but associates will be notified if any changes occur.

SECTION 1: ADVERTISING AND MARKETING

1.1 DEFINITION

"Advertisement" is any form of communication by or on behalf of a license holder designed to attract the public to use real estate brokerage services and includes, but is not limited to, all publications, brochures, radio or television broadcasts, all electronic media including email, text messages, social media, the Internet, business stationery, business cards, displays, signs and billboards.

1.2 EXCLUSIONS

Advertisement does not include:

A communication from a license holder to the license holder's current client; and a directional sign that may also contain only the broker's name or logo.

1.3 PROHIBITIONS AND REQUIREMENTS

58-3086. Advertising; prohibitions; requirements of; information disclosed; filing of agreements.

- (a) No licensee shall use any promotion or advertisement in any type of media that:
 - (1) Is misleading or inaccurate as to any material fact or that in any way misrepresents any property, terms, values, policies or services of the business conducted;
 - (2) includes the trade name, trademark, collective membership mark, service mark or logo of any organization owning such name, mark or logo without being authorized to do so;
 - (3) includes an office where real estate activity is conducted that is not designated as a primary office or branch office with the commission; or
 - (4) promotes the licensee's business in a manner that could confuse or mislead the public by using terms or a trade name or a business name that could be construed as the trade name or business name of a supervising broker.
- (b) Except as specified by subsection (c) all advertising conducted by a licensee shall:
 - (A) Be conducted under the direct supervision of the supervising broker or branch broker;
 - (B) include the name of the supervising broker's trade name or business name by prominently and conspicuously displaying or announcing the supervising broker's trade name or business name in a readable and identifiable manner; and
 - (C) include any other information that the supervising broker or branch broker considers necessary.
- (c) The advertising of property for sale, lease or exchange shall not be required to include the supervising broker's trade name or business name if the property is not listed with a broker and if either of the following conditions is met:
 - (1) The property is personally owned by a licensee; or
 - (2) a licensee has an interest in the property.
- (d) If authorized by the supervising broker or the branch broker, an employed or associated salesperson or associate broker may include in the advertisement:
 - (1) The contact information for the employed or associated salesperson or associate broker;
 - (2) a name or team name which cannot be construed as a supervising broker's trade name or business name;
 - (3) a slogan which does not include terms that are confusing to the public or which cannot be construed as a supervising broker's trade name or business name; and
 - (4) a domain name or website which does not include terms that are confusing to the public or which cannot be construed as a supervising broker's trade name or business name.
- (e) Unless property personally owned by a licensee or in which a licensee has an interest is listed with a supervising broker or branch broker, all advertising caused by the licensee regarding the property shall be done in a manner that clearly informs the public that a real estate licensee is the owner of or has an interest in the property advertised.
- (f) If a licensee does not have a buyer's agency agreement and is soliciting property for purchase

for the benefit of the licensee or an entity in which the licensee has an interest, all advertising by the licensee that contains a solicitation to purchase property from potential sellers shall clearly inform the public that a real estate licensee is involved in the solicitation of potential sellers of property.

- (g) Each supervising broker who enters into an agreement that authorizes the supervising broker to utilize the name or trade name of any person or entity in the conduct of the supervising broker's real estate business shall file a copy of the agreement with the Commission.
- (h) This section shall be part of and supplemental to the real estate brokers' and salespersons' license act.
- (i) Team Advertising further defined; However, no affiliated licensee may include a name or team name in advertising which:
 - Uses the terms "realty," "brokerage," "company," or other terms that can be construed as a separate real estate company from their supervising broker's company.
 - Is more than 2x greater in font size than the supervising broker's business name or trade name.
 - Is not adjacent to the supervising broker's trade name or business name in any internet, website, social media or social networking advertisement.

1.4 REGISTRATION & NAMES OF TEAM LEADS

- (a) A team or group sales associate who leads, supervises, directs, or manages a team must be approved as a supervisor by the state broker.
- (b) If the team lead is no longer supervising any sales agents, the team lead will notify the broker within (15) days of stopping all duties of supervision.
- (c) Team or group leads named as delegated supervisors with the Kansas Real Estate Commission to comply with KREC **shall not** be named as delegated supervisors on the Information About Brokerage Services, unless they are staff members of Real Broker, LLC.
- (d) Team Name shall be approved by state broker and Real Broker, LLC.
 - (i) Team name shall NOT use the terms "realty," "brokerage," "company," or other terms that can be construed as a separate real estate company from their supervising broker's company.

1.5 REGISTRATION OF ALTERNATE NAME

(a) An Alternate Name (Commonly known as an alias) means a name used by an individual license holder other than the name shown on the license issued by the Commission (KREC), such as a middle name, maiden name, or nickname. It does not include a common derivative of a name.

- (i) Prior to using an alternate name the license holder must register the name with KREC on a form approved by KREC.
- (ii) The Sales Agent must notify the broker and KREC no later than the 10th day after the date the license holder stops using the alternate name.

SECTION 2: WORK AGREEMENTS AND COMPENSATION

2.1 WORK AGREEMENTS

(a) INDEPENDENT CONTRACTOR AGREEMENTS

The relationship between Real Broker, LLC and Sales Associates will be governed by the Real Broker, LLC Independent Contractor Agreement. Prior to commencing work with Real Broker, LLC each independent contractor Sales Agent or Broker Associate will sign

the Real Broker, LLC Independent Contractor Agreement (ICA). Addendums to the ICA must be signed before the associate commences work with Real Broker, LLC.

2.2. COMPENSATION

Any and all compensation paid to Sales Associate must comply with all applicable laws, including, but not limited to, the Kansas Real Estate License Act, KREC rules and the Real Estate Settlement Procedures Act (RESPA).

(a) RECEIPT OF COMMISSION

All compensation received or earned by Sales Associate for performing licensed activities must be paid directly to Real Broker, LLC. Should Sales Associate expect to receive any compensation from anyone, other than the party represented, Sales Associate must disclose this in writing and obtain written consent from the party represented to receive such compensation. Sales Associates must provide the State Broker a written copy of such disclosure and consent.

(b) PAYMENT OF COMMISSION

All compensation earned by Sales Associate will be paid by Real Broker, LLC directly to the Sales Associate in their individual capacity. Upon written request Real Broker, LLC will pay compensation to a Sales Associate's entity when properly registered and licensed with the Kansas Real Estate Commission. It is the sole responsibility of the Sales Associate to ensure their entity is properly registered and is in compliance with Kansas Real Estate Commission.

(c) DISCLOSURE OF REAL AFFILIATED BUSINESS

Sales Associate will provide disclosures of all Real Broker, LLC affiliated businesses, if any.

SECTION 3: ESTABLISHING COMPETENCY

3.1. AUTHORIZATION TO ACT

Sales Associate is authorized to act on behalf of Real Broker, LLC only in areas that the Sales Associate is competent to engage in, this includes but is not limited to geographic areas. Sales Associates are not to engage in types of business (i.e.; Commercial, Farm & Ranch, etc.) without being knowledgeable, educated, trained and experienced either through previous transactions or through the assistance of a seasoned mentor in that specialty.

3.2 NEWLY LICENSED SALES AGENTS

When a sales agent performs a real estate brokerage activity for the first time the sales agent is REQUIRED to receive additional coaching, assistance, mentoring from an experienced licensed holder competent for that activity.

3.3 DESIGNATIONS AT STATE MANAGING BROKER'S DISCRETION

The decision to authorize a Sales Associate as competent to act is solely at the discretion of the State Broker and may be changed or altered by the State Broker at any time.

3.4 NOTIFICATION OF KREC CHANGES

State Broker will endeavor to give each Sales Associate notice of any changes to the Kansas Real Estate Licensing Act, KREC rules or KREC promulgated contract forms before the effective date of the changes, however, it is the responsibility of each associate to remain educated and commit

themselves to the highest standards of professionalism through continuing education.

SECTION 4: RECORDS MANAGEMENT

4.1. RECORDS DEFINED

Real Broker, LLC will maintain the following (the "Records"):

- (a) Disclosures;
- (b) Compensation agreements (including listing agreements, buyer representation agreements and other written commission and compensation agreements);
- (c) Substantive communications with parties to the transaction;
- (d) Offers, contracts and related addenda;
- (e) Receipts and disbursements of compensation for services;
- (f) Appraisals, broker price opinions and comparative market analyses;
- (g) Agreements between Real and Sales Associates, including independent contractor and employment agreements.

4.2 DURATION OF MAINTENANCE

Real Broker, LLC will maintain the Records in an easily accessible format for at least four years from the: (i) date of closing, (ii) termination of the contract, or (ii) end of a real estate transaction.

4.3 OWNERSHIP OF RECORDS

All Records created or maintained during the relationship between Real Broker, LLC and a Sales Associate are the property of Real Broker, LLC.

4.4 COSTS OF CREATION AND DELIVERY

Each Sales Associate is responsible for the payment of any expenses or costs incurred in connection with the creation and delivery of the Records relating to the Sales Associate's activities.

4.5 VERIFICATION UPON TERMINATION

Upon termination of the relationship between Real Broker, LLC and a Sales Associate, Sales Associate will verify that Real Broker, LLC has copies of all records created while that associate was representing Real Broker, LLC. in the associate's possession.

SECTION 5: FIDUCIARY DUTY OF AGENTS

5.1 RELATIONSHIPS

Brokers and Sales Agents may: (i) represent Principals, and (ii) assist others with whom no agency relationship exists. Sales Associates must provide all parties with a clear explanation of their relationship as being one of the following:

- (a) A client, being represented as a principal by the agent;
- (b) A customer, with no agency relationship, but receiving assistance;
- (c) An unrepresented party, with no agency relationship and receiving no assistance

5.2 DISCLOSURE OF STATUS AS SALES AGENT OR BROKER

Sales Associate must disclose his or her status as a Sales Agent or Broker in writing, either before entering into any sales contract or lease or within the sales or lease contract itself, when engaging in a real estate transaction on behalf of:

- (d) Sales Associate;
- (e) A business entity in which Sales Associate is more than a 10% owner;
- (f) A trust for which Sales Associate acts as trustee or is a beneficiary; or
- (g) Sales Associate's spouse, parent or child, including situations in which they may be a beneficiary of a trust.

Sales Associate will also comply with the National Association of REALTORS® Code of Ethics requirements regarding disclosure of interest including, but not limited to, Articles 4 and 5.

5.3 VERIFICATION OF NO EXISTING REPRESENTATION

Before representing a party, Sales Associate must determine that the party is not currently represented. A Sales Associate may not interfere in any way with an existing exclusive agency relationship, or suggest to the party how to terminate the relationship.

5.4 INFORMATION ABOUT BROKERAGE SERVICES

58-30,110. Real estate brokerage relationships. (a)(1) The commission shall adopt a rule and regulation prescribing language which describes a seller's agent, a buyer's agent and a transaction broker for inclusion in a brochure entitled "real estate brokerage relationships".

(2) Except as provided in subsection (a)(3), a licensee shall furnish a prospective buyer or seller with the brochure at the first practical opportunity.

(3) A licensee is not required to provide a copy of the brochure to a prospective buyer or seller in the following instances:

- (A) The licensee is acting solely as a principal and not as an agent for another;
- (B) the communication from the licensee is a solicitation of business;
- (C) the transaction is regarding the sale of commercial property or the sale of residential property of more than four units;
- (D) the transaction is regarding the sale of property by public auction;
- (E) the licensee is only performing ministerial acts; or
- (F) the customer or client has already received the brochure from the licensee's brokerage firm.

(4) Acknowledgment of receipt of the brochure by the seller and buyer shall be included in any contract for sale.

(b)(1) Except for instances when a licensee is providing information through an advertisement or other form of public notice of the licensee's representation of a client, a licensee representing a client in a proposed real estate transaction shall disclose the representation at the time of the initial contact with another licensee representing the other party. The disclosure may be made orally or in writing.

(2) Each time a licensee is contacted by another licensee who requests permission to show property to a prospective buyer, the licensee shall inquire whether or not the licensee represents the buyer.

(c) The disclosure of the brokerage relationship between all licensees involved and the seller and buyer shall be included in any contract for sale and in any lot reservation agreement.

5.5 EXPLAIN AGENCY CONCEPTS

As soon as an agency relationship between a Principal and an Agent appears likely to exist, the Agent will inform the Principal of the following:

- (a) The agency relationship will be a special agency. The Agent cannot bind the Principal. The Principal will be required to approve, in writing, all materials terms and conditions of any transaction documents;
- (b) The terms and conditions under which the agent expects to receive compensation;
- (c) The date and, if relevant, the time when the agency relationship begins;
- (d) The authority Agent is granted including, but not be limited to:
 - (i) The creation and use of marketing, advertising or other promotional displays related to the property and its owner
 - (ii) Access to the property for the Agent and others, including Brokers, Sales Agents, inspectors and the public;
- (e) The terms and conditions under which confidential information may and should be disclosed to others;
- (f) The efforts the Agent will use to market or locate a property;
- (g) The duties of the Agent to disclose information that might affect a buyer's or seller's decision; and
- (h) The duties of accounting for monies or other things of value by the Agent. Sales Associate will comply with the National Association of REALTORS® Code of Ethics requirements regarding the necessity of written agreements including, but not limited to, Article 9.

5.6 DISCLOSURE OF REPRESENTATION

Sales Associates must disclose who they represent at the first contact with another party, or with a Broker or Sales Agent who represents a different party (including at open houses). The disclosure of representation may be made orally or in writing. If the disclosure is made orally, it must be confirmed in writing in the contract or lease or other written document not later than the time of execution of the contract or lease.

5.7 PRESENTATION OF OFFERS

Sales Associates will present all offers received to buy, sell, lease or rent property as quickly as possible to the client, and will present subsequent offers after the client has accepted an offer, unless the client has agreed otherwise in writing.

5.8 BROKER PRICE OPINIONS

In the process of negotiating a listing, Sales Associates may prepare a broker price opinion or comparative market analysis on the property to provide to the client. The broker price Opinion or comparative market analysis must include the following written statement:

"This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice."

5.9 DISCLOSURE TO PRINCIPALS

Agents will convey to their Principals all known information that would affect the Principal's decision on whether to make or not make, accept or reject offers, and all other significant information applicable to the transaction.

5.10 DISCLOSURE TO BUYERS

Sales Associates will disclose, in writing, any known significant defect to the property to a potential buyer that would be a significant factor to a reasonable and prudent buyer in making a decision to purchase the property.

5.11 CONFIDENTIALITY REQUIRED

All Sales Associates must maintain all confidential information of all parties. Only the appointed Sales Associate may offer opinions and advice to the party to whom appointed.

5.12 DECISIONS TO TERMINATE REPRESENTATION

Sales Associates must consult with State Broker in response to a Principal's request or Sales Associate's desire to terminate an agency relationship. State Broker's decision will control with respect to any action to be taken, including any demand for compensation or reimbursement owed by the Principal.

5.13 ACTIONS UPON TERMINATION OF REPRESENTATION

Upon the termination of the agency relationship with the client, Sales Associate must immediately cease acting as the client's representative and comply with the following:

- 5.13.1 Cease all advertising about the property.
- 5.13.2 Remove all signs and lockboxes from the property;
- 5.13.3 Remove all MLS listings concerning the property;
- 5.13.4 Remove all information about the property from websites controlled by Sales Agent or State Broker; and
- 5.13.5 Cease publication of all other communication in any form about the property.

SECTION 6: NOTIFICATION OF FUTURE REVISIONS**6.1. NOTIFICATION OF POLICY AND PROCEDURE MANUAL REVISION**

Real Broker, LLC reserves the right to revise this Kansas Policies and Procedures Manual at any time. Associates are encouraged to review this document regularly to review any revisions.

SECTION 7: Notice of Meetings, Broker Hours and contact information**7.1 NOTICE OF MEETINGS**

- a) Weekly State meetings held on Wednesday at 1pm CST via Zoom, recorded for those unable to attend and uploaded into KS group on Workplace.
- b) Regular "Office hours" are scheduled throughout the week on Workplace Rooms but times and dates vary, invitations sent through KS Group on Workplace in advance.

Kansas Broker Contact information:

Traci Ratzlaff

1 N Main St Suite 717

Hutchinson, KS 67501

Mobile 620-694-9300

ksbroker@therealbrokerage.com