

## REAL BROKER COMMISSION AND FEE SCHEDULE ADDENDUM

This Commission and Fee Schedule Addendum (this "Addendum") is part of the Residential Independent Contractor Agreement (together with all addenda, the Manual, Terms and Conditions, and Privacy Policy, the "Agreement"). In the event of conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include reference to this Addendum and any other addenda attached to the Agreement, which are hereby incorporated by reference.

### Article 1 DEFINITIONS

**1.1** "Agent" means a real estate agent that is affiliated with the Company or its subsidiaries and has signed the Agreement.

~~**1.2** "Agent Cap" means the dollar amount of the Company's split of commissions required to be paid to the Company on Agent's closed transactions, after which the agent will no longer split commissions with the Company. The Agent Cap is set forth in the Agreement between the Agent and the Company, and is most commonly \$4,000, \$6,000, or \$12,000, but could be another amount. Agent's contributions toward the Agent Cap reset to \$0 every year on the Anniversary Date.~~

~~**1.3** "Anniversary Date" for an Agent means the first day of the calendar month following Agent's Join Date with the Company unless otherwise specified in the Agreement.~~

~~**1.4** "Anniversary Year" for an Agent means the 12 month period that begins on the Agent's Anniversary Date.~~

~~**1.5** "Join Date" shall be the date on which Agent completes the onboarding process and transfers Agent's license to the Company.~~

### Article 2 FEES

**2.1** Agent shall be subject to the following fees:

**2.1.1 Joining Fee.** Agent shall be charged \$249 at the time of signing the Agreement.

**2.1.2 Brokerage Fee.** Company will charge Agent a \$750 brokerage fee each Anniversary Year, payable to Company in three (3) equal installments of \$250 out of the Agent's first three (3) transactions under the Agreement following the Anniversary Date.

**2.1.3 Processing Fee (BEOP Fee).** Company will assess Agent a \$30 processing fee per transaction, including Personal Transactions. This fee is for broker review, E&O insurance, and processing of transactions.

**2.1.4 Revenue Sharing Fee.** Company will assess Agent a \$175 annual fee to participate in Company's revenue sharing program, and a 1.2% fee on all revenue share payments from Company to Agent. The \$175 participation fee will be deducted from the first revenue share payment paid to Agent in any Anniversary Year. The processing fee will be deducted from the first and each subsequent revenue share payment paid to an Agent.

**2.1.5 Relocation Referral Fee.** Company will assess Agent a \$350 fee per real estate transaction that is referred by a relocation home sale company.

**2.2 Minimum Transaction Fee.** Unless Agent has reached the Agent Cap, and excluding Personal Transactions, the minimum amount that the Company will receive as the Company's portion of the Commission split is \$75500. If a Commission on a transaction results in the Company receiving less than \$75500 as its portion of the Commission split, then Agent will promptly pay the difference so that the Company receives \$75500 as its Commission split.

## **Article 3      COMMISSIONS**

**3.1 Commission Split.** Unless otherwise agreed in a separate written agreement between Company and Agent, when Agent performs any services under this Agreement for which a commission or any payment governed by applicable real estate license law is earned and collected by Company (collectively, "Commission"), Company shall pay Agent as follows:

- (i) Agent will be at a Commission split of 85/15, with eighty five percent (85%) of the Commission paid to the Agent and fifteen (15%) of the Commission paid to Company until the total amount of Commission paid to the Company equals the Agent Cap. Referral agreements from another agent to receive a portion of the Commission will be paid from the gross amount of commission paid to the Company on behalf of the agent (before any Commission split) unless stated otherwise in the referral agreement.
- (ii) Once the amount of Commission paid to the Company on Agent's closed transactions reaches the Agent Cap, Company will pay Agent one hundred percent (100%) of any additional Commission generated in the Agent's Anniversary Year, less the fees detailed in this Addendum. With respect to a transaction which is paid out over multiple Anniversary Years, only amounts paid during an Anniversary Year will count toward the Agent Cap in that year (with any amounts related to a transaction that are paid in a subsequent Anniversary Year counting toward the Agent Cap of that subsequent year).

In the event Agent represents both the purchaser and seller of the same property address, then each "side" will represent a separate transaction and will be subject to

Company splits and transaction fees per side.

**3.2 Rate of Commission Charged to Clients.** Agent may use Agent's discretion regarding the Commission fees charged to clients for real estate brokerage services provided. ~~"State Broker" means a supervising Agent in the state(s) in which Agent is licensed.~~

**3.3 Commissions on Leases.** Agent may list a rental property on the MLS, market it, and show it to potential tenants. Agent may not accept a rental and/or lease payment or deposit on behalf of the landlord. Agent shall direct any such payments directly to the owner, property management, or closing company. Agent shall not accept any type of direct compensation regarding a rental and/or lease transaction. All compensation to an Agent in connection with a rental and/or lease transaction must be paid through the Company unless otherwise agreed in writing by Company.

**3.4 Company Charges on Leases.** Company shall be entitled to the greater of \$125 or fifteen percent (15%) of the lease Commission amount on lease transactions until the Agent Cap is reached.

**3.5 [RESERVED]**

**3.6 Commissions.** All Commissions, including those resulting from purchases, sales, leases, broker price opinions, or administrative fees, shall be made payable in the name of the Company. Agent is prohibited from accepting compensation from buyer representation from any source that exceeds the amount or rate agreed to in the buyer representation agreement. An Agent is prohibited from requesting any entity to pay a commission directly to either Agent's personal name, Team (as defined in the Agreement) name, or corporate entity. Violation of this policy will result in termination of the Agent's Agreement. Payment of Commissions will comply with all federal, state, and local rules. Commissions will be made payable to the name listed on the W-9 on file with the Company. Company may pay an Agent's corporate entity if such payment complies with the state licensing department rules and regulations. Agent warrants that all information entered into reZEN, including tax information, payment information, and transaction information, is accurate and that the social security number, tax identification number or EIN number provided is for an individual or entity authorized to receive commission payments under state and local laws. It is the Agent's responsibility to ensure that all information entered into the Agent's reZEN account is accurate and complies with all applicable laws, rules and regulations.

**3.7 Referrals.** All referrals ~~will~~, relocations, or similar arrangements ("Referral") must be in writing in the form of a signed referral agreement. Referral commissions or fees ("Referral Fees") shall only be paid by the Company in accordance with the terms contained in the ~~referral~~applicable agreement. Unless the ~~referral~~Referral is generated from a master ~~referral~~Referral agreement with the Company, the ~~referral~~Referral agreement ~~is to~~

~~be signed by the Agent, State Broker, and referring salesperson/broker and~~ must be approved by the Company prior to execution of the ~~closing of any transaction~~ agreement. Referrals will only be paid to licensed agents and are subject to the rules and regulations of the state(s) where the agents do business. Commission splits pursuant to the Agreement will be applied after fees to referring salesperson/brokers have been paid.

Agent must notify the Company of any Referral that is accepted by Agent, agreed to or Acknowledged by Agent, or that is applicable to any of Agent's representations or transactions. Notice must be given as soon as possible and no later than two weeks before the transaction subject to a Referral Fee closes. Notice must include entering the Referral into reZEN in connection with the appropriate transaction and uploading into reZEN the relevant referral documentation, including the referral acceptance documentation and referral agreement(s). If Agent does not comply with the notice requirements of this Article and the Company does not pay the Referral Fee from the gross commission paid to the company, then Agent shall be liable for the full Referral Fee, regardless of whether the Agent is still affiliated with the Company or has transferred to another brokerage.

**3.8 Bonuses, Broker Price Opinions, and Fees.** All bonuses, broker price opinions, and fees will be made payable to Company and are subject to the Commission split. The referring broker's social security number, tax identification number or EIN number is required, along with referring broker contact information and referral agreement.

**3.9 Commission Advances.** All companies advancing commissions must be approved in advance by an authorized representative of Real Broker, LLC. Each commission advance must be approved in advance by the State Broker. An Agent may only receive up to seventy (70%) of the net commission due as part of the advance.

**3.10 Collection of Unpaid Commissions.** Only the Company is authorized to pursue unpaid commissions. An Agent is not permitted to initiate any type of legal action to collect unpaid commissions without written approval of the Company. The Company is not required to pay an Agent for any commissions unpaid by another brokerage or party. In no event shall Company or its directors or employees be personally liable to agent for Agent's share of commissions not collected. Agent shall not be entitled to any advance or payment from Company upon future Commissions for such uncollected commissions.

**3.11 Commission Reimbursements.** Agent shall be responsible for any previously earned Commission reimbursement, rebate, or refund that may be ordered by a court of law or by a professional arbitration or mediation panel, or as part of a settlement, for any reason.

**3.12 Team Member/Leader Fee Split.** Each team leader that has entered into a Team Member Addendum to Independent Contractor Agreement with a team member ("Team

Agreement") agrees to split commission, transaction and other fees with such team leader's team member as set forth in the Team Agreement.

**3.13 Commission Disputes.** A dispute of any kind involving compensation from a transaction may result in that compensation being held by the Company until the dispute is resolved. It is agreed that the Company will incur no liability for such withholding.

**3.14 Commission Disclosures and Searches.** Agents must accurately disclose their total compensation to their client for any transaction and may not make any representations or claims that their services are free when that is not the case. Agents must also disclose to prospective home sellers and buyers and state in conspicuous language that commissions are fully negotiable and not set by law. This disclosure must be included in their listing agreements, buyer representation agreements and pre-closing disclosure documents if such documents are not a government or MLS-specified form, and if they are a government or MLS-specified form, then Agent will provide such disclosure in conspicuous language. The Company does not require listing Agents to offer compensation to prospective buyers' Agents, or a buyer's Agent to accept an offer of compensation from a listing Agent. Further, if an offer of compensation is made, the Company does not require that the offer be blanket, unconditional, or unilateral. If a listing Agent, on behalf of the brokerage, chooses to offer compensation to a buyers' Agent, the listing Agent's offer of compensation for prospective buyers' agents must be made as soon as possible in each active listing. Agent may not sort listings (manually or using technology) by offers of compensation, unless specifically requested by client. —, and must disclose at the earliest moment possible any offer of compensation made in connection with each home marketed to prospective buyers in any format. Agent's must show properties regardless of the existence or amount of compensation offered to buyer brokers or other buyer representatives provided that each such property meets the buyer's articulated purchasing priorities. Agents may not make offers of compensation to prospective buyers' Agents on a multiple listing service.

#### **Article 4 PERSONAL TRANSACTIONS AND TRANSACTION FEE AFTER AGENT CAP**

**4.1 Personal Transactions.** A "Personal Transaction" is the sale of any residential real property for which an Agent, the Agent's spouse, a business entity controlled by the Agent or his spouse, or a revocable trust controlled by the Agent or his spouse has an ownership interest. Agent may take three (3) Personal Transactions per Anniversary Year and will pay to Company a \$250 transaction fee per Personal Transaction. In addition, the Company will assess Agent a \$30 BEOP Fee per Personal Transaction. To be eligible to transact a Personal Transaction, Agent must be in Good Standing (as defined in the Agreement) with Company, and the Agent's name, or Agent's spouse's name or business entity controlled by the Agent or Agent's spouse, must be on the title for the transaction to be eligible as a Personal Transaction. Personal Transaction commissions are not included

in revenue share plan calculations and do not count towards the Agent achieving Elite Agent status.

**4.2 Transaction Fee after Agent Cap.** When the Agent reaches the Agent Cap, the Company will not retain fifteen percent (15%) of the Commission from Agent's transactions under the Agreement. Instead, the Company will assess a transaction fee of \$285 per transaction or fifteen (15%) of the gross Commission on a transaction, whichever is lower (the "Post Cap Transaction Fee") up to \$6,000 per year. The Post Cap Transaction Fee is "per transaction" and not "per agent" and is split between all agents on a transaction in proportion to the percentage of Commission each agent earns. If Agent is considered an Elite Agent (as defined in the Manual), after the Agent reaches the Agent Cap, the Company will assess a Post Cap Transaction Fee of \$129 per transaction.

**4.3 Lease Fee after Agent Cap.** After the Agent Cap is reached, lease and/or rental transactions will be charged at a fee of \$125 per transaction, or fifteen percent (15%) of the gross Commission, whichever is lower.

## **Article 5      PAYMENT SCHEDULE**

**5.1 Payment of Commission.** All Commission collected by Company and due to Agent shall be paid to Agent after deduction of expenses (if any, including wire transfer fees) unless otherwise expressed in the Agreement. Company may withhold payment to Agent until such time when the applicable real estate transaction and its corresponding file is closed and complete, which determination shall be in Company's absolute discretion. In case of a known or pending claim against Company or Agent in connection with a transaction for which Agent has yet to be paid, Company may withhold from the amount that Agent would otherwise have been paid an amount for which Agent could be responsible for under the Agreement in connection with the disputed transaction until such claim is resolved. Agent is not entitled to any advance payment by the Company on behalf of future compensation. Company may withhold a portion of Agent's Commission (or a Commission in full) to offset sums owed to Company by Agent.

**5.2 Offset.** Agent understands and agrees that unpaid fees, charges, repayments, billbacks, and any other amounts Agent owes to Company, including, but not limited to, any amounts due and owing by Agent to any boards, associations, or MLS, and all unpaid fees, charges, repayments, billbacks, and any other amounts Agent owes to Company will be deducted directly from any and all of Agent's pending and future earnings that would otherwise be payable to Agent by Company.

**5.3 Commission Payment Delays and HUD Homes.** Delays in Commission payments to Company by closing/title companies may result in delays in payment to the Agent. This particularly applies to HUD homes and may include delays caused by Commission check(s) clearing time.

**Article 6 REVENUE SHARE**

**6.1 Revenue Share.** Agents who refer other agents to the Company are paid a referral fee in the form of revenue share when the incoming agent identifies the agent(s) as being a Sponsoring Agent as defined in the Agreement. The Sponsoring Agent receives revenue share until the producing agent reaches the Agent Cap in each of such Agent's Anniversary Year. This program is subject to change. Agents found to be enticing or "gaming" the system in any manner are subject to being removed from the revenue share program at the discretion of the Company.

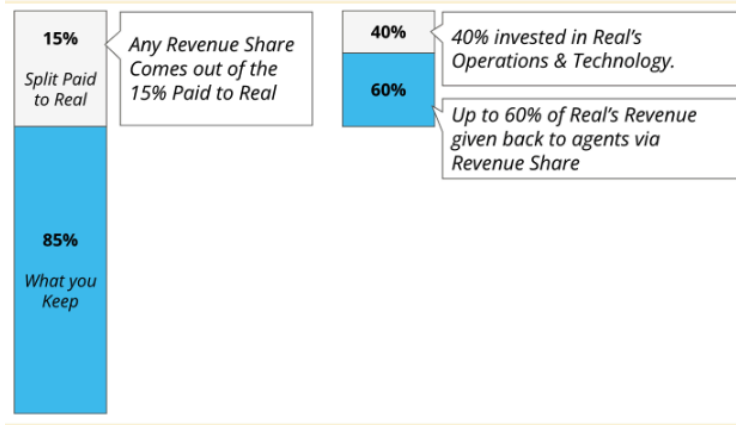
**Prior to November 1, 2023**

	<b>Referral Bonus CGI % Up to Agent's Annual Cap</b>	<b>Number of Tier 1 Active Agents Required to Unlock Tier</b>	<b>Max/Agent/Year</b>
<b>Tier 1</b>	5%	1+	\$4,000
<b>Tier 2</b>	4%	105+	\$3,200
<b>Tier 3</b>	3%	15+	\$2,400
<b>Tier 4</b>	2%	20+	\$1,600
<b>Tier 5</b>	1%	25+	\$800

**On or after November 1, 2023**

	<b>Referral Bonus CGI % Up to Agent's Annual Cap</b>	<b>Number of Tier 1 Active Agents Required to Unlock Tier</b>	<b>Max/Agent/Year</b>
<b>Tier 1</b>	5%	1+	\$4,000
<b>Tier 2</b>	4%	5+	\$3,200
<b>Tier 3</b>	3%	15+	\$2,400
<b>Tier 4</b>	2%	20+	\$1,600
<b>Tier 5</b>	1%	25+	\$800

The revenue share paid to an agent comes out of the Company's portion of the commission for a transaction. ~~As of November 1, 2023, if~~ if the amount of revenue share that is paid to agents were to exceed 60% of the Company's portion of the commission for a given month, then revenue share payments would be capped at 60% and pro-rated among agents before restarting the following month. Revenue share will be dynamically calculated each month to ensure that the Company retains at least 40% of the company dollar (40% of the 15% split with agents). Additionally, when the Residential Independent Contractor Agreement between the Company and Agent terminates, the Company shall, for revenue share purposes, take the place of that Agent in the Agent's downline and this amount will continue to be considered revenue share paid to agents for purposes of the 60% cap.



The Company's credit related offerings, products and programs may be secured by an agent's revenue share, commission and other items as determined by agreement and the Company reserves the right to offset any losses incurred due to agent's default against agents' revenue streams and the revenue share pool.

~~The table below outlining terms applicable to agents who receive revenue share in excess of \$85,000 per month will no longer be in effect as of November 1, 2023.~~

~~(Deleted); share for earners receiving above \$85,000 per month~~

MONTHLY REVENUE SHARE PAYOUT	% PAYOUT TO AGENT	MAXIMUM PAYOUT TO AGENT
\$85,001 – \$170,000	85%	\$157,250 = (\$85,000 * 100%) + (\$85,000 * 85%)
\$170,001 – \$255,000	75%	\$221,000 = (\$85,000 * 100%) + (\$85,000 * 85%) + (\$85,000 * 75%)
\$255,001 – \$340,000	70%	\$280,500 = (\$85,000 * 100%) + (\$85,000 * 85%) + (\$85,000 * 75%) + (\$85,000 * 70%)
\$340,001 – \$425,000	65%	\$335,750 = (\$85,000 * 100%) + (\$85,000 * 85%) + (\$85,000 * 75%) + (\$85,000 * 70%) + (\$85,000 * 65%)
\$425,001+	60%	= (\$85,000 * 100%) + (\$85,000 * 85%) + (\$85,000 * 75%) + (\$85,000 * 70%) + (\$85,000 * 65%) + (rest of earnings * 60%)

**6.2 Unlocking Tiers.** For the purposes of unlocking revenue share tiers, a producing



agent with a single sponsor will count as one (1) Qualified Tier 1 Agent for the Sponsoring Agent. A producing agent (as defined below) with two sponsors (Co-Sponsors as defined by the Agreement) will count as one half (.5) of a Qualified Tier 1 Agent for the Sponsoring Agent.

### **6.3 Distribution of Revenue Share.**

**6.3.1 No Sponsoring Agent Named.** If no sponsor is indicated as Sponsoring Agent in the Agreement, no agent will participate in revenue sharing for the incoming agent.

**6.3.2 One Sponsoring Agent Named.** If only one agent is named as Sponsoring Agent in the Agreement, the Sponsoring Agent shall receive one hundred percent (100%) of the eligible amount to be paid in revenue share, based on the sponsored Agent's monthly closed transaction(s).

**6.3.3 Two Sponsoring Agents Named.** If two agents are named as Sponsoring Agents in the Agreement, each Sponsoring Agent shall be considered a Co-Sponsor as defined in the Agreement and shall receive forty-five percent (45%) of the eligible amount to be paid in revenue share based on the sponsored agent's monthly closed transactions. The Company shall receive ten percent (10%) of the eligible amount to be paid in revenue share.

**6.4 Definition of Producing Agent.** To receive revenue share, an agent must be a producing agent. A "producing agent" is defined as an affiliated agent from whom the Company has received at least \$450 from the Company's fifteen percent (15%) share of that Agent's Commission in the prior six (6) month period.

**6.5 Qualification of Tier 1 Agents.** For Agent to qualify as a Tier 1 agent in revenue share calculations, Agent must be a producing agent. An agent not meeting this definition will not be considered in revenue share calculations and may not be considered in unlocking tiers.

**6.6 Revenue Share Upon Retirement.** As of January 1, 2024, if Agent has been a producing agent with the Company for at least three full consecutive years, as determined by the Company in its sole discretion, Agent may continue to receive a specified percentage of Agent's revenue share payments as specified in the chart below even if Agent is no longer a producing agent after the three full consecutive years, provided (i) Agent continues to be affiliated with the Company or its affiliates through an independent contractor agreement, and (ii) maintains an active real estate license that is affiliated with the Company or its affiliates.

<b>Number of Consecutive Years as a Producing Agent</b>	<b>Percentage of Revenue Share that Agent may Receive</b>
After 3 full consecutive years	60%
After 4 full consecutive years	80%
After 5 full consecutive years	100%

The percentage of revenue share that an agent may receive pursuant to the table above will be a percentage of the amount of revenue share that the agent is receiving at the time a revenue share payment is made. If at any time Agent's independent contractor agreement with the Company is terminated, for any reason, the Agent will no longer be eligible to receive revenue share payments pursuant to this provision.

[\[SIGNATURE PAGE FOLLOWS\]](#)

[Commission and Fee Schedule Acknowledgement](#)

[I acknowledge that I have received a copy of the Company Commission and Fee Schedule Addendum, and that I read it, understood it, and agree to it.](#)

[Signature: \\_\\_\\_\\_\\_](#)

[Date: \\_\\_\\_\\_\\_](#)

[Printed Name: \\_\\_\\_\\_\\_](#)

<b>Summary report:</b>	
<b>Litera Compare for Word 11.0.0.61 Document comparison done on 7/31/2024 5:00:14 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> 3. Commission and Fee Schedule Addendum (Jan 2024).docx	
<b>Modified filename:</b> 3. Commission and Fee Schedule Addendum (June 2024) - SH Clean + RB Edits.docx	
<b>Changes:</b>	
<u>Add</u>	33
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Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>59</b>