

WGroup LLC Policy and Procedure Manual

Effective Date: November 25, 2025

This Policy and Procedure Manual (the "Manual") outlines the policies and procedures for WGroup LLC, a Texas limited liability company holding a real estate broker license issued by the Texas Real Estate Commission (TREC). This Manual is incorporated by reference into all Independent Contractor Agreements and Employment Agreements entered into by the Company and Sponsoring Broker. All Sales Associates and Employees must acknowledge receipt and understanding of this Manual in writing upon association with the Company and annually thereafter. Violations of this Manual may result in disciplinary action, up to and including termination of the relationship, and may subject the violator to reimbursement of any losses or expenses incurred by the Company or Sponsoring Broker. This Manual complies with the Texas Real Estate License Act, TREC Rules (including but not limited to §§535.154 and 535.155), and other applicable federal and state laws as of the effective date.

DEFINITIONS

The following terms are used in this Manual:

- **Agent:** A Sales Associate acting on behalf of a Principal.

- **Broker:** A person or entity holding a real estate broker license issued by TREC and that is unrelated to the Company or Sponsoring Broker.
- **Company:** WGroup LLC, a Texas limited liability company, which is an entity holding a real estate broker license issued by TREC.
- **Principal:** Sponsoring Broker and/or Company who has authorized an Agent to act on his/her behalf.
- **Sales Agent:** Any person holding a real estate broker or sales agent license issued by TREC.
- **Sales Associate:** A Sales Agent who works for the Sponsoring Broker and Company as an independent contractor pursuant to an Independent Contractor Agreement (as defined herein).
- **Sponsoring Broker:** "Bryan Bjerke" who is the broker responsible for all brokerage activities of the firm, and that holds a real estate broker license issued by TREC.
- **TREC:** Texas Real Estate Commission.

NOTICE TO SALES ASSOCIATE

Any of Sales Associate's actions that violate the provisions of this policies and procedures manual are unauthorized and outside the authority of the Sponsoring Broker – Sales Associate relationship. All expense or loss arising out of Sales Associate's acts shall be borne solely by Sales Associate. All expense or loss suffered by Sponsoring Broker as a result of Sales Associate's acts shall be reimbursed by Sales Associate. Any waiver of this provision by Sponsoring Broker with respect to any actions will not be construed as a waiver with respect to any other action.

1. ADVERTISING AND MARKETING

1.1. GENERAL

1.1.1. DEFINITIONS

(a) The term "advertisement" or "advertising" means any form of communication by or on

behalf of a Company or Sales Agent 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.

(b) The term “alternate name” means a name used by an individual Sales Agent other than the name shown on the license issued by TREC, such as a middle name, maiden name, or nickname. It does not include a common derivative of a name, such as Kim for Kimberly or Bill for William, which is considered the same as the name shown on the license.

(c) The term “assumed business name” means any name used in business by the Sponsoring Broker, other than the name shown on Sponsoring Broker's license issued by TREC, a team name, or an alternate name.

(d) The term “team name” means a name used by a group of one or more Sales Associates that performs real estate activities under an exclusive collective name other than the Sponsoring Broker's licensed name or assumed business name.

(e) The term “Sponsoring Broker’s name” means (i) Sponsoring Broker’s name as shown on a license issued by the TREC; (ii) if an individual, Sponsoring Broker’s alternate name registered with TREC; or (iii) any assumed business name registered with TREC.

1.1.2. EXCLUSION

An advertisement does not include a communication from a Broker or Sales Agent to a Broker or Sales Agent’s current client.

1.1.3. PROHIBITIONS

Sales Associate is prohibited from publishing or causing to be published an advertisement that:

- (a) misleads or is likely to deceive the public;
- (b) tends to create a misleading impression;
- (c) implies that a Sales Agent is responsible for the operation of Sponsoring Broker’s and/or Company’s real estate brokerage business;
- (d) fails to include Company’s name; or

(e) indicates a limitation or preference based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

1.1.4. REQUIREMENTS

All advertising must comply with the following:

- (a) The Texas Real Estate License Act;
- (b) TREC Rules, including, but not limited to §§535.154 and 535.155;
- (c) The Real Estate Settlement Procedures Act (RESPA);
- (d) The Truth in Lending Act (TILA);
- (e) The Fair Housing Act;
- (f) The Americans with Disabilities Act;
- (g) Municipal ordinances regulating signs or billboards;
- (h) Credit and third-party financing or lending requirements;
- (i) All federal and state laws regarding electronic marketing and solicitation; and
- (j) The National Association of REALTORS® Code of Ethics including, but not limited to, Article 12.

1.1.5. TRADEMARKS AND LOGOS

This Sponsoring Broker's and Company's real estate brokerage business has purchased or otherwise has the right to use the following marks, logos, slogans or other intellectual property:

- (a) REALTOR®;
- (b) Intellectual property authorized for Company's use by a local affiliate of the Texas Association of REALTORS® as detailed on an attachment to this manual;
- (c) Intellectual property authorized for Company's use by a franchisor as detailed on an attachment to this manual; and/or
- (d) Other intellectual property authorized for Company's use as detailed on an attachment

to this manual.

No mark, logo, slogan or other intellectual property or practice other than as described above may be displayed or otherwise used without the written consent of the Company. Use of any mark, logo, slogan or other intellectual property or practice described above must be in compliance with any applicable license or agreement regulating such use.

1.1.6. SPONSORING BROKER'S ASSUMED BUSINESS NAMES

Company may not use any assumed business name of Sponsoring Broker unless Sponsoring Broker has registered the assumed business name with TREC and filed with the appropriate governmental office.

1.1.7. ALTERNATE NAMES/TEAM NAMES

Prior to the use of an alternate name or team name, Sales Associate must notify Sponsoring Broker of Sales Associate's intent to use the alternate name or team name, and Sales Associate must register the alternate name with TREC, and if applicable, with the appropriate governmental office. If Sales Associate stops using the alternate name or team name, Sales Associate must notify Sponsoring Broker and TREC not later than the 10th day after the date Sales Associate stops using the alternate name.

1.1.8. TEAM NAMES

Prior to the use of a team name, Sales Associate must submit the team name to Sponsoring Broker for approval and Sponsoring Broker must register the team name with TREC. Additionally, Sales Associate may not use the team name until Sales Associate files the team name with the appropriate governmental office. If Sales Associate stops using the team name, Sales Associate must notify Sponsoring Broker.

1.1.9. BUSINESS ENTITY FORMATION

Sales Associate must properly form any business entities in accordance with Texas law and operate the business entity in accordance with Texas law including, but not limited to, the timely filing of franchise tax returns with the Texas Comptroller of Public Accounts.

1.2. ADVERTISING AND MARKETING

1.2.1. PREAPPROVAL REQUIRED

Sales Associates must submit all advertising to Sponsoring Broker and receive written approval from Sponsoring Broker prior to publication or communication of the advertising. If advertising a specific property, the property owner's written consent to the terms and conditions of advertising must be submitted to Sponsoring Broker before publishing any advertising.

1.2.2. ADVERTISING REQUIREMENTS

All advertising must comply with the following:

(a) Each advertisement must include the following information in a readily noticeable location: (i) the name of Sales Associate or team placing the advertisement; and (ii) Company's name in at least half the size of the largest contact information.

(b) For an advertisement on social media or by text, this information may be located on a separate page or on the account user profile page of the Sales Associate, if: (i) The separate page or account user profile is readily accessible by a direct link from the social media or text; and (ii) The required information is readily noticeable on the separate page or in the account user profile.

(c) Sales Associate is prohibited from publishing or causing to be published an advertisement:

(i) that is inaccurate in any material fact or representation;

(ii) that does not comply with TREC rule §535.155;

(iii) that identifies a Sales Agent as a Company;

(iv) that uses a title, such as owner, president, CEO, COO, or other similar title, email or website address that implies a Sales Agent is responsible for the operations of a brokerage;

(v) that contains a team name with terms that imply that the team is offering brokerage services independent from Sponsoring Broker, including, but not limited to, "brokerage", "company", and "associates";

(vi) that contains the name of a Sales Agent that is not the name as shown on the Sales Agent's license issued by TREC or an alternate name registered with TREC;

(vii) that contains the name of a Sales Agent whose name is, in whole or in part, used in Company's name and that implies that the Sales Agent is responsible for the operation of

Company's name and that implies that the Sales Agent is responsible for the operation of the brokerage;

(viii) that causes a member of the public to believe that a person not licensed to conduct real estate brokerage is engaged in real estate brokerage;

(ix) that contains the name or likeness of an unlicensed person that does not clearly disclose that the person does not hold a license;

(x) that creates confusion regarding the permitted use of the property;

(xi) about the value of a property, unless it is based on an appraisal that is disclosed and readily available upon request by a party or it is given in compliance with TREC rule §535.17;

(xii) that implies Sales Associate was involved in a transaction regarding a property when Sales Associate had no such role;

(xiii) about a property that is subject to an exclusive listing agreement without the permission of the listing Company and without disclosing the name of the listing Company unless the listing Company has expressly agreed to waive disclosure;

(xiv) offering a listed property that is not discontinued within 10 days after the listing agreement is no longer in effect;

(xv) about a property ten (10) days or more after closing of a transaction unless the current status of the property is included in the advertisement;

(xvi) that offers to rebate a portion of a Company's or Sales Agent's compensation to a party if the advertisement does not disclose that payment of the rebate is subject to the consent of the party the Company or Sales Agent represents in the transaction;

(xvii) that offers to rebate a portion of a Company's or Sales Agent's commission contingent upon a party's use of a specified service provider, or subject to approval by a third party such as a lender, unless the advertisement also contains a disclosure that payment of the rebate is subject to restrictions;

(xviii) that offers or promotes the use of a real estate service provider other than Sales Associate and Sales Associate expects to receive compensation if a party uses those

Associate and Sales Associate expects to receive compensation if a party uses those services, if the advertisement does not contain a disclosure that Sales Associate may receive compensation from the service provider;

(xix) that ranks Sales Associate or another service provider unless the ranking is based on objective criteria disclosed in the advertisement;

(xx) that states or implies that Sales Associate teaches or offers TREC-approved courses in conjunction with an approved school or other approved organization unless Sales Associate is approved by TREC to teach or offer the courses; or

(xxi) that indicates a limitation or preference based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

1.2.3. COMPLIANCE WITH CODE OF ETHICS

Sales Associate will comply with the National Association of REALTORS® Code of Ethics with regard to advertising including, but not limited to, the following:

(a) Sales Associate must ensure their status as a real estate professional is readily apparent in the advertisement.

(b) If Sponsoring Broker is an individual, Sales Associate must disclose the name of the Sponsoring Broker's firm, if applicable, in a reasonable and readily apparent manner either in the advertisement or in electronic advertising via a link to a display with all required disclosures.

1.2.4. REVIEW BEFORE SUBMISSION

Sales Associate will carefully prepare and review all proposed advertising to ensure compliance with the ADVERTISING REQUIREMENTS detailed in 1.2.2 and COMPLIANCE WITH CODE OF ETHICS detailed in 1.2.3 before submitting the proposed advertising to Sponsoring Broker for review.

1.2.5. ADVERTISING CONTRACT APPROVAL REQUIRED

Sales Associate must submit all contracts and agreements for any type of advertising or advertising products (including, but not limited to, web design, web hosting, graphic-arts

advertising products (including, but not limited to, web design, web hosting, graphic arts design, printing and sign fabrication) to Company and receive written approval from Company prior to entering into the contract or agreement.

1.2.6. CHANGES

No changes may be made to any advertising unless the proposed changes are submitted to and approved by Company in the same manner as described above for the initial submission.

1.2.7. OTHER BROKERS' LISTINGS

Unless Company is a participant in a multiple listing service's internet data exchange policy where consent is presumed, Sales Associate must provide to Sponsoring Broker written consent from the third-party Company holding the listing of property Sales Associate wishes to advertise.

1.2.8. JOINT ADVERTISING

Joint advertising with a Broker must comply with all of the requirements in this Article 1.

1.2.9. EMAIL SOLICITATION POLICY

Sales Associate will comply with Company's email policy. Company has adopted the Texas Association of REALTORS® Model Policy concerning solicitations sent by email as Company's email policy unless a different email policy has been adopted by Company.

1.2.10. COLD CALLING POLICY

Sales Associate will comply with Company's cold calling policy. Company has adopted the Texas Association of REALTORS® Model Policy concerning cold calling as Company's cold call policy unless a different cold calling policy has been adopted by Company.

1.2.11. INTERNET POLICY

Sales Associate will comply with Company's internet policy. Company has adopted the Texas Association of REALTORS® Model Policy as Company's internet policy unless a different internet policy has been adopted by Company.

1.2.12. DIGITAL MILLENNIUM COPYRIGHT ACT (DMCA) POLICY

Sales Associate will comply with Company's DMCA policy. Company has adopted the

Sales Associate will comply with Company's DMCA policy. Company has adopted the Texas Association of REALTORS® Model Policy as Company's DMCA policy unless a different DMCA policy has been adopted by Company.

2. WORK AGREEMENTS AND COMPENSATION

2.1. WORK AGREEMENTS

2.1.1. INDEPENDENT CONTRACTOR AGREEMENTS

The relationship between Sponsoring Broker, Company, and Sales Associate will be governed by an independent contractor agreement (each, an "Independent Contractor Agreement") that has been approved by Sponsoring Broker. Prior to commencing work, each Sales Associate will execute an Independent Contractor Agreement that will include the following:

- (i) Details of all duties, approved activities, areas in which Sales Associate is authorized to act on behalf of Sponsoring Broker and Company;
- (ii) Describes in detail the licenses, certifications, and other qualifications Sponsoring Broker and Company require Sales Associate to maintain to continue to qualify as competent in any area pursuant to the authorized real estate activities, which shall be attached as an exhibit to the Independent Contractor Agreement; and
- (iii) Details the additional education instruction Sponsoring Broker and Company require Sales Associate to complete to continue to be competent in any area.

An Independent Contractor Agreement may be amended by written agreement signed by Sponsoring Broker, Company, and Sales Associate, which may amend, expand, or delete areas of practice in which Sponsoring Broker has elected or not elected to practice or to authorize or prohibit Sales Associate from practicing.

Each year a Sales Associate will execute a Statement of Understanding (TAR 2302) or other similar document that is approved by Sponsoring Broker, to confirm the independent contractor relationship by and between Sponsoring Broker, together with the Company, and Sales Associate.

2.1.2. UNLICENSED AND LICENSED EMPLOYMENT AGREEMENTS

Prior to commencing work, each unlicensed or licensed employee (an "Employee") who will

Prior to commencing work, each unlicensed or licensed employee (an "Employee") who will not perform the functions of a Broker or Sales Agent will sign an employment agreement with Company (each, an "Unlicensed Assistant Agreement"). Each Unlicensed Assistant Agreement will include all of the following at a minimum:

- (a) Description of duties the Employee has been hired to perform;
- (b) Describe acts the Employee is forbidden to perform or may perform only under the direct supervision of another even if the Employee is a Broker or Sales Agent;
- (c) Terms of compensation (e.g., hourly, salaried, or other);
- (d) Confirm employment relationship is an employment at will;
- (e) Recite any employee benefits; and
- (f) Any sample timekeeping or payroll form to be completed by Employee showing hours and days worked, overtime, leave or other information upon which compensation is calculated.

2.2. COMPENSATION

2.2.1. RECEIPT OF COMMISSION

- (a) All compensation received or earned by Sales Associate for performing licensed activities must be paid directly to Company unless Company has authorized, in writing, an alternative method of payment.
- (b) 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 Associate must provide Sponsoring Broker and Company a written copy of such disclosure and consent. If a party Sales Associate does not represent agrees to pay a service provider in the transaction, the Sales Associate must also obtain written consent from that party to accept any compensation from the service provider. Sales Associate must also provide Sponsoring Broker and Company a written copy of such consent.

2.2.2. PAYMENT OF COMMISSION

All compensation earned by Sales Associate will be paid by Company directly to the Sales Associate unless otherwise agreed upon in writing by Company and Sales Associate.

Company will pay compensation to Sales Associate's entity only if Sales Associate provides evidence of being properly licensed with TREC, and completes the required records to the ClientMGR.

(a) If a commission is paid to the Company, then the compensation paid to the Sales Associate is paid at the end of one of the two pay periods in which the commission was received.

2.2.3. DISCLOSURE OF FEES FROM RESIDENTIAL SERVICE COMPANIES

Sales Associates will use TREC Form RSC-2 to disclose fees paid by residential service companies to Sales Associate for advertising or other services.

2.2.4. INVOICING POLICY

All invoicing and property follow up will be handled by our centralized invoicing department. If a property should contact you asking for help resolving an invoicing issue, please direct them to our main line (214)396-3888 or (866)986-3708. Contacting the property or their management company is prohibited unless you get written permission from either the invoicing department or the Broker.

2.2.5. LEASE VERIFICATION POLICY

It is the agent's obligation to get written confirmation of any lease that is obtained. Should the property decline signing the lease verification, the agent must get some other form of written confirmation from the property. If the property should still decline to provide any and all written forms of confirmation of the lease then an 'Opt-Out Lease Verification' is to be used (available in the agent portal).

2.2.6. REBATE POLICY

We are an ethically run company and if we tell a client that they will receive a rebate, then we are going to do everything we can to make sure they do as fast as reasonably possible. The effort we give will build a strong ethical name for our company and for you, the agent. With that in mind the following guidelines apply to all rebates offered.

(a) Rebate form must be completed with the written terms provided by the Company. A personal rebate form page can be requested by the agent.

(b) All effort will be given by the sales associate to pay a rebate when a client has been told they will receive one.

(c) If the rebate form has not been completed by the client then no rebate will be sent to the client.

(d) Unclaimed rebates are paid to the agent after 6 months after payment is received, and proof that all reasonable effort has been given to contact the client by the sales associate to inform them of the missing rebate form. (At least 6 attempts are required spread out over the 6 month period.) After the agent has received payment of the unclaimed rebate, the agent is then responsible for payment of the rebate should the client try to claim it.

(e) The Company is not responsible for getting clients to request their rebate, nor if the client does not claim the rebate that was sent to them by the company.

3. ESTABLISHING COMPETENCY

3.1. GENERAL POLICY

3.1.1. AUTHORIZATION TO ACT

Sales Associate is authorized to act on behalf of Company and Sponsoring Broker only in areas in which Sponsoring Broker has designated Sales Associate as competent to act, pursuant to an approved real estate activities exhibit that is attached and incorporated into an Independent Contractor Agreement.

3.1.2. DESIGNATIONS AT SPONSORING BROKER'S DISCRETION

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

3.1.3. MAINTENANCE OF REQUIRED LICENSES AND CERTIFICATIONS

Sales Associate will ensure that their licenses, certifications, or other qualifications, that are necessary to act in all areas in which Sponsoring Broker and/or Company has authorized them to act, remain active, current and in good standing.

3.1.4. REQUIRED EDUCATION REQUIREMENTS

Sales Associate will complete all continuing education requirements in a timely manner

Sales Associate will complete all continuing education requirements in a timely manner.

3.1.5. ADDITIONAL LICENSES, CERTIFICATIONS, AND EDUCATION

Requirements for a Sales Associate to obtain additional licenses, certifications and additional education instruction are solely at the joint discretion of Sponsoring Broker and Company.

3.1.6. COMPLIANCE WITH CODE OF ETHICS

Sales Associate will comply with the National Association of REALTORS® Code of Ethics with regard to competency including, but not limited to, Article 11 of the same.

3.2. MAINTENANCE OF REQUIRED LICENSES AND CERTIFICATION

Sales Associate will maintain the licenses, certifications and other qualifications required by Sponsoring Broker. Sponsoring Broker will regularly confirm that each Sales Associate maintains the licenses, certifications and other qualifications designated in the agreement.

Sales Associate will provide Sponsoring Broker documentation for each Sales Associate showing: (a) the timely renewal of all licenses and certifications and (b) the completion of continuing education classes, and (c) the completion of additional education instruction that may be required by Sponsoring Broker and/or Company.

3.3. CHANGE AUTHORITY TO ACT

3.3.1. REQUEST TO CHANGE AUTHORITY TO ACT

Sales Associate may request Sponsoring Broker to consider expanding Sales Associate's areas of competency and authorization. Upon such request, Sponsoring Broker will inform Sales Associate of the additional licenses, training, certifications and education Sponsoring Broker requires of Sales Associate to achieve such additional competency and authorization.

3.3.2. NOTIFICATION OF TREC CHANGES

Company will give each Sales Associate notice of any changes to the Texas Real Estate Licensing Act, TREC rules or TREC promulgated contract forms before the effective date of

the changes.

3.3.3. FORWARDING OF TREC NOTICES

Company will forward to each Sales Associate any mail or other correspondence from TREC received by Company concerning Sales Associate within ten (10) calendar days after receipt. Requests to share compensation must be submitted to Company in writing and include an explanation detailing the purpose of the compensation sharing. Sales Associate must also obtain the written consent of a client if any part of the Sales Associate's compensation is shared with a party to the client's real estate transaction.

If Sponsoring Broker elects to change or alter Sales Associate's authority to act, Sponsoring Broker will immediately notify Sales Associate in writing.

4. RECORDS MANAGEMENT

4.1. GENERAL POLICY

4.1.1. RECORDS DEFINED

Sponsoring Broker 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) Contracts, leases, and related addenda;
- (d) Receipts and disbursements of compensation for services;
- (e) Lease verifications from a client or property manager with acknowledgment of a lease with a client;
- (f) Appraisals, broker price opinions and comparative market analyses; and
- (g) Agreements between Sponsoring Broker, Company, and Sales Associate, including, but not limited to, Independent Contractor Agreements, Employment Agreements, and delegations of authority.

4.1.2. DURATION OF MAINTENANCE

Sponsoring Broker will maintain the Records in the ClientMGR for at least four (4) years

Sponsoring Broker will maintain the Records in the CREMATION for at least ten (10) years from the: (a) date of closing of a Contract; or (b) termination of a Contract. Sponsoring Broker may elect to maintain the Records for a longer period.

4.1.3. DISASTER PLAN COMPLIANCE

Sponsoring Broker will maintain all Records in accordance with a written disaster recovery plan that has been approved by Sponsoring Broker.

4.1.4. OWNERSHIP OF RECORDS

All Records created or maintained during the relationship between Sponsoring Broker, together with the Company, and Sales Associate are the property of Sponsoring Broker.

4.1.5. PRIVACY POLICY

Sales Associate will comply with Sponsoring Broker's privacy policy. Sponsoring Broker has adopted the Texas Association of REALTORS® Model Privacy Policy as Sponsoring Broker's privacy policy unless a different privacy policy has been provided by Sponsoring Broker.

4.1.6. CONFIDENTIALITY OF RECORDS

A client's personal information including, but not limited to, any personal identification information (e.g., social security number, driver's license number, birth date), and financial information (e.g., bank account information, credit card number) is considered confidential. Sponsoring Broker will continue to maintain such information with the same level of privacy and confidentiality after termination of the relationship between Sponsoring Broker and Sales Associate that was required while Sales Associate was associated with Sponsoring Broker.

4.2. PROCEDURE

4.2.1. COSTS OF CREATION AND DELIVERY

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 Sales Associate's activities.

4.2.2. DELIVERY TO SPONSORING BROKER

Sales Associate will deliver to Sponsoring Broker any Records created or executed by Sales

Sales Associate will deliver to Sponsoring Broker any records created or executed by Sales Associate within one business day after creation or execution via the ClientMGR tool.

4.2.3. PROTECTION OF PERSONAL INFORMATION

A client's personal information including, but not limited to, any personal identification information (e.g., social security number, driver's license number, birth date), and financial information (e.g., bank account information, credit card number) may not be disclosed to third parties unless approved in writing by Sponsoring Broker.

4.2.4. VERIFICATION UPON TERMINATION

Upon termination of the relationship between Sponsoring Broker and Sales Associate, Sales Associate will verify that Sponsoring Broker has copies of all Records in Sales Associate's possession.

5. FIDUCIARY DUTY OF AGENTS

5.1. GENERAL POLICY

5.1.1. DUTIES

In a principal-agent relationship, the Principal is owed the highest level of fiduciary duty by the Agent. This duty includes the following:

- (a) Trust;
- (b) Confidential treatment of information;
- (c) Honest business dealings;
- (d) The highest duty of performance;
- (e) Loyalty;
- (f) Reasonable care in all matters of representation; and
- (g) Proper accounting for all monies and other things of value.

5.1.2. RELATIONSHIPS

Sales Agents may represent Principals, and 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; or
- (d) A party represented by a Broker other than Sponsoring Broker.

5.1.3. DISCLOSURE OF STATUS AS SALES AGENT OR BROKER

Sales Associate must disclose that he or she is a Sales Agent acting on his or her own behalf or in a capacity described below, 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:

- (a) Sales Associate;
- (b) A business entity in which Sales Associate is more than a 10% owner;
- (c) A trust for which Sales Associate acts as trustee or is a beneficiary; or
- (d) 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 therein.

5.1.4. INTERMEDIARY RELATIONSHIPS OPTIONAL

Sponsoring Broker has no obligation to agree to enter into an intermediary relationship. However, without an intermediary relationship, Principals on both sides of the transaction may not be jointly represented. An intermediary relationship is the only method available to jointly represent Principals on both sides of the transaction.

5.1.5. AUTHORIZATION OF INTERMEDIARY RELATIONSHIPS

Sales Associate will consult with Sponsoring Broker to determine if an intermediary relationship will be permitted in connection with any given transaction.

5.1.6. LIMITATION OF INTERMEDIARY ACTIONS

Sponsoring Broker's and all Sales Associates' actions are limited as an intermediary.

(a) Intermediaries may not disclose:

(i) That the seller will accept a price less than the asking price, unless the disclosure is authorized in writing by the seller;

(ii) That the buyer will pay a price greater than the price submitted in a written offer, unless the disclosure is authorized in writing by the buyer; or

(iii) Any confidential information of either the buyer or the seller unless: (1) authorized by the buyer or the seller in writing, (2) required by law, (3) required by the Texas Real Estate License Act, (4) required by a court order, or (5) the information materially relates to the condition of the property.

(iv) Any opinions or advice to the other party in the transaction.

(b) Intermediaries may not treat either party dishonestly or violate the Texas Real Estate License Act.

5.1.7. APPOINTMENTS TO EXPAND INTERMEDIARY RELATIONSHIP

Company may elect to expand the intermediary relationship by appointing separate Sales Associates to offer opinions and advice to each of the parties. In the event Company makes the appointments, written notice of the appointments and the identity of the specific Sales Associates must be given to the parties.

5.1.8. INTERMEDIARY WITHOUT APPOINTMENTS

If no appointments are made, Company and all Sales Associates remain as intermediary. However, no opinions or advice may be provided to any party.

5.1.9. WAIVER OF REPRESENTATION BY THE NON-REPRESENTED PARTY

If the non-represented party refuses an appointed agent, and refuses to acquire representation from another brokerage, then the ACKNOWLEDGEMENT OF SELF-

REPRESENTATION AND WAIVER OF REPRESENTATION BY A LICENSED REAL ESTATE AGENT form is required to be signed by both the parties and the agent before proceeding with the transaction.

5.1.10. CONFIDENTIALITY REQUIRED

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

5.2. PROCEDURE

5.2.1. VERIFICATION OF NO EXISTING REPRESENTATION

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

5.2.2. 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 material 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 limited to:
 - (i) The creation and use of marketing, advertising or other promotional displays related to the property and its owner; and
 - (ii) Access to the property for the Agent and others, including, 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 therein.

5.2.3. 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.

5.2.4. INFORMATION ABOUT BROKERAGE SERVICES

(a) Sales Associate must provide a link to a completed TREC Information About Brokerage Services Notice (IABS) in a readily noticeable place on the homepage of each business website, labeled:

(i) Either (1) "Texas Real Estate Commission Information About Brokerage Services", in at least 10 point font; or (2) "TREC Information About Brokerage Services", in at least 12 point font.

(ii) A "business website" means a website on the internet, including a social media platform, that (1) is accessible to the public; (2) contains information about Sales Associate's real estate brokerage services; and (3) the content of the website is controlled by Sales Associate. For the purposes of providing the required link on a social media platform, the link may be located on (X) the account holder profile; or (Y) a separate page or website through a direct link from the social media platform or account holder profile.

(b) Sales Associate must also provide, at the first substantive communication with a party relating to a proposed transaction regarding specific property, the IABS and explain the

IABS to the party. The IABS can be provided: (i) by personal delivery; (ii) by first class mail or overnight common carrier delivery service; (iii) in the body of the email; or (iv) as an attachment to an email, or a link within the body of an email, with a specific reference to the IABS in the body of the email. A substantive communication can be a meeting or written communication, excluding conversations at an open house. A substantive communication can occur when communicating by email, texting or other electronic communication.

(c) Sales Associate must document, in writing, the nature of the relationship with the person and attempt to obtain his or her initials on the IABS. In the event the person refuses to initial the IABS, Sales Associate will note the refusal in writing, preferably on a copy of the IABS.

5.2.5. CONSUMER PROTECTION NOTICE

Sales Associate must provide a link to a TREC Consumer Protection Notice (CPN) in a readily noticeable place on the homepage of each business website, labeled: (i) “Texas Real Estate Commission Consumer Protection Notice”, in at least 10 point font; or (ii) “TREC Consumer Protection Notice”, in at least 12 point font. A “business website” means a website on the internet, including a social media platform, that (1) is accessible to the public; (2) contains information about Sales Associate’s real estate brokerage services; and (3) the content of the website is controlled by Sales Associate. For the purposes of providing the required link on a social media platform, the link may be located on (X) the account holder profile page; or (Y) a separate page or website through a direct link from the social media platform or account holder profile.

Sales Associate must ensure the CPN is displayed in a readily noticeable location in each place of business Sponsoring Broker maintains.

5.2.6. PRESENTATION OF OFFERS

Sales Associate 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.

5.2.7. BROKER PRICE OPINION, COMPARATIVE MARKET ANALYSIS, OR ESTIMATED WORTH OR SALE PRICE

In the process of negotiating a listing, Sales Associate will prepare a broker price opinion or comparative market analysis on the property to provide to the client. Before providing to a client, Sales Associate will submit a broker price opinion, comparative market analysis, or estimated worth or sale price to Sponsoring Broker for approval. The broker price opinion, comparative market analysis, or estimated worth or sale price must include the following written statement in at least 12-point font: "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."

5.2.8. DISCLOSURE TO PRINCIPALS

Sales Associates 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.

5.2.9. DISCLOSURE TO BUYERS

Sales Associate 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.

5.2.10. DECISIONS TO TERMINATE REPRESENTATION

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

5.2.11. 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:

- (a) Cease all advertising about the property within ten (10) days;
- (b) Remove all signs from the property;
- (c) Remove all MLS listings concerning the property;
- (d) Remove all information about the property from websites controlled by Sales Associate

or Sponsoring Broker; and

(e) Cease publication of all other communication in any form about the property.

5.2.12. CONSENT FOR INTERMEDIARY RELATIONSHIP

Before representing both parties to a transaction, both parties must be Principals, and written permission must be obtained from both Principals. In order to obtain written consent, Sales Associate will provide the appropriate listing agreement or buyer/tenant representation agreement to the respective parties and will obtain the appropriate signatures. Both parties to a transaction may be represented only as an intermediary. Without the consent of both parties, only the initial client may be represented.

5.2.13. APPOINTMENTS TO EXPAND INTERMEDIARY RELATIONSHIP

In the event Principal makes appointments of Sales Associates to communicate with and carry out instructions of the Principals in an intermediary relationship, notice of the appointments and the identity of the specific Sales Associates must be given to the Principals, using the Texas Association of REALTORS® Intermediary Relationship Notification form (TAR 1401).

6. CONDUCT POLICY FOR AGENTS AND STAFF

6.1. HARASSMENT, DISCRIMINATION, AND BULLYING

Discrimination, harassment and bullying in any form is prohibited – verbal, physical, or visual. If you believe you've been bullied, harassed, or discriminated against by any agents or employees of the Brokerage, we strongly encourage you to immediately report the incident to your supervisor or Broker. Similarly, agents or staff who learn of any such incident should immediately report it to your supervisor or Broker.

6.2. DRUGS AND ALCOHOL

Consumption of alcohol is not banned, but use good judgment and never drink in a way that leads to impaired performance or inappropriate behavior, endangers the safety of

others, or violates the law. Illegal drugs in our offices or at sponsored events are strictly prohibited. If a manager has reasonable suspicion to believe that an agent or employee's use of drugs and/or alcohol may adversely affect the agent or employee's job performance or the safety of the agent or employee or others in the workplace, the manager may request a drug screening. A reasonable suspicion may be based on objective symptoms such as the agent or employee's appearance, behavior, or speech.

6.2.1. PROPERTY OR SOCIAL EVENTS

Happy Hours, Open Houses, or other social events where alcohol use is permitted, and you are there in a professional capacity as a representative of the brokerage, you are limited to 2 drinks total while attending. If you choose to drink more than 2 drinks, please leave the event and do not return so as not to tarnish the Brand of the Brokerage.

6.3. SAFE AND HEALTHY WORKPLACE

We are committed to a safe, healthy, and violence-free work environment. Behavior that poses risk to the safety, health, or security of other employees, agents, our extended workforce, or visitors is prohibited. If you become aware of a risk to the safety, health, or security of our workplace, you should report it to your supervisor or Broker immediately. If it is life-threatening or an emergency, call your local police, fire, or other emergency responders first, and then report it to your supervisor or Broker.

6.3.1. CONDUCT WHILE ON-SITE AT A PROPERTY

This policy extends to while you are on-site at a property as a representative of the Brokerage.

6.4. VIOLATIONS OF THIS POLICY

Violations or refusing to adhere to this Conduct Policy may result in your immediate termination. Any monetary damages to the Brokerage or Broker resulting from the actions

of the employee or agent are due upon request, and any wages and/or commission may be withheld by the Brokerage in order to recover the damages caused by the agent and/or employee.

ACKNOWLEDGMENT

I, [Sales Associate/Employee Name], acknowledge that I have received, read, and understand this Policy and Procedure Manual and agree to abide by its terms as a condition of my association with WGroup LLC and the Sponsoring Broker. I understand that this Manual may be updated from time to time, and I will be notified of any changes.

Signature: _____ Date: _____

Printed Name: _____