JOHNSON TEAM MEMBER AGREEMENT

1. Definitions and Roles

1.1. **THE JOHNSON TEAM ("Company," "The Team")**: Trinity Peaks Investments, DBA The Johnson Team is a company providing marketing and operations services to real estate brokers in Colorado.

1.2. **TEAM MEMBER**: Also referred to as Member Agent, these are the agents who are in an active team agreement with The Johnson Team, including the undersigned.

1.3. **TEAM LEADS**: Leads that come directly from the team, referrals from such leads (no matter how far removed), and clients who previously closed with the Team. This includes any referrals from outside agents with whom the Member does not have an existing relationship and any inquiries made on the Member's profile page, on Zillow, or the team website. If a Team Member closes with any client gained directly or indirectly from a team lead, it is considered a Team Lead, no matter how far removed. As an example, a referral from a referral that came from a referral is still a team lead.

1.4. **PERSONAL LEADS**: Any lead procured by a Team Member that is not a Team Lead as defined above, directly or indirectly. From time to time, a word of mouth referral from a personal lead will come through team channels. In order for this to be considered a personal lead, Team Member is responsible for providing written or recorded evidence that the lead was procured as a result of a personal referral.

1.5. **LEADERSHIP**: Leadership is defined as any of the following: Chief Executive Officer, Director of Sales, Lead Agent, or Agent Coach, all of which are defined below.

1.6. **CHIEF EXECUTIVE OFFICER ("CEO")**: The CEO has overall responsibility and authority for the operations of the team.

1.7. **DIRECTOR OF SALES**: The Director of Sales is a delegate who holds authority and responsibility for the sales team, composed of Agents, Lead Agents, Agent Coaches, ISAs, and Agent Assistants.

1.8. **LEAD AGENT**: This is a Team Member who does not hold an official management position but does have leadership responsibilities on the team. They provide advice, guidance, and support to other Team Members and assist with accountability toward goals.

1.9. **AGENT COACH**: This is the Team Member who takes responsibility for ensuring new Team Members have the technical, legal, and administrative knowledge necessary to fully comply with all Johnson Team policies for client transactions. During the Agent Coaching period, Team Members receive supplemental training and coaching to be their best.

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1.10. **TRANSACTION COORDINATOR ("TC")**: TCs are administrative staff who provide leverage for our Team Members. Because they handle the bulk of communication with Title, Lenders, and other adjacent parties, our Team Members can focus on doing more transactions and can spend their time primarily on those things that are revenue generating and/or those things that require a license. The scope of TC's work is outlined in our action plans.

2. Team Services

2.1. The Johnson Team recognizes the obligation from the company to our Member Agents. Joining our team represents a decision to leverage our expertise in supporting the business of our Team Members so that they can focus on, and achieve, closing more business than they could otherwise procure and manage. The following are the services and resources provided by The Johnson Team to our Member Agents:

- All signs, lockboxes, and open house materials.
- Errors & Omissions Insurance.
- Keller Williams International's monthly Technology Fee.
- All printed marketing collateral.
- Maintenance of the team website, www.johnsonteamworks.com.
- Greeting cards.
- Gift cards for database members' birthdays.
- Customer Relationship Management software.
- Production of social media marketing posts.
- "Drip" email services deemed appropriate and necessary, which may include home equity digests, monthly market updates, etc.
- Hosting of client appreciation events.
- Business cards.
- Transaction Coordinator hiring and management.
- Open house materials.

3. Team Member Responsibilities

3.1. Team members are required to fully utilize and cooperate with Johnson Team Transaction Coordinators as outlined in the CRM plans.

3.2. CRM includes features to record calls, text messages, and emails so that additional notation by agents is unnecessary. All calls and text messages with Team Leads will be conducted through the CRM, and Team Member will integrate Johnson Team email with the CRM.

3.3. All tasks in CRM(s) are to be completed by their due date. We rely on adherence to this policy to ensure that the team's outreach efforts, which magnify those of the Team Member, are effective.

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3.4. New Team Members will be required to close a minimum of 12 transactions or have closed volume equivalent to 12 transactions from the date of Team Member's first closing to 12 months after that date.

3.5. Johnson Team signs are used for all listings (Team Members may use approved personalized sign riders and/or approved magnets).

3.6. All transactions are closed in the MLS under Jeff Johnson's name and all listings are listed under Jeff Johnson with Team Member as co-lister.

3.7. Team Members are responsible to maintain their membership with PPAR and their own access to CTMeContracts. Fees are the responsibility of the Team Member. Advertising done by a Member must not compete with the Team's advertising. Members may not purchase leads or advertising services from any vendor utilized by the team with the exception of social media. Any advertising done by the Member in accordance with this policy must feature The Johnson Team brand prominently.

3.8. Team Members are responsible for providing a 100-member (minimum) database, including a name and at least a home address, phone number, or email address before leads will be turned on. This database remains the property of the Team Member and will be deleted from the CRM in the event of Team Member separation.

3.9. Team Members are required to advance past Level 1 compensation (see §5.1.1) no later than the end of their first full calendar year with The Team.

4. Agent Coach Program

4.1. All Team Members without transactional experience as a Real Estate Broker in Colorado join the team on the condition that they successfully complete our Agent Coach Program. Team Members with substantial transactional experience may be eligible to "fast-track" through the Program if such is indicated in Additional Provisions. The Agent Coach Program includes initial training and enhanced supervision by an Agent Coach for the first 5 buyer transactions and the first 2 seller transactions.

4.2. During the Agent Coaching period, Team Member sends ALL documents to their Agent Coach prior to sending them to client or other broker. Failure to comply with this requirement will result in Team Member remaining in the Agent Coach Program for additional transactions so that compliance with our requirements can be fully evaluated by Agent Coach.

4.3. Agent Coach Program Commission Splits

4.3.1. While in the Agent Coach Program the Team Member's split will be reduced by 10% and that 10% will be paid to their Agent Coach.

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Exception: On Zillow Flex transactions, Team Member split is not reduced for Agent Coach Program since there is already a referral fee taken off the top of those commissions.

4.3.2. Additionally, the team pays 10% to the Agent Coach while the Team Member is in the Agent Coach Program.
Example: for the first Agent Coach Program deal, if the split would have been 50% Agent/50% Team, it would instead be 40% Agent/40% Team/20% Agent Coach

4.3.3. In order to complete the Agent Coach program, Agent Coach Team Member, Agent Coach TC, and Director of Sales/CEO must agree that the Team Member is prepared to handle transactions with normal support/supervision. Agent Coach and Agent Coach TC will provide specific feedback to the Director of Sales/CEO for the purpose of evaluating readiness to proceed.

4.3.4. Team Members who fail to complete the Agent Coach Program within 5 transactions due to poor adherence to team policy may be required to pay the full Agent Coach commission split from their side of the commission and may be subject to termination of this agreement.

4.4. Eligibility to Take Listing Transactions

4.4.1. In order to progress to listings, Team Member must:

4.4.2. Successfully complete 10 buyer transactions with The Johnson Team. This includes completing the Agent Coach Program.

4.4.3. Upon completion of the 10th transaction, Team Member will be required to attend listing training.

4.4.4. Upon completion of training, Team Member will complete a minimum of 2 listings with the Agent Coach. During these transactions, Agent Coach Program Commission Splits (above) will apply.

4.4.5. When the Agent Coach is satisfied with Team Member's performance on listings, Team Member will be required to schedule and pass Listing Evaluation with Agent Coach and Director of Sales/CEO.

4.4.6. Once the above steps are successfully completed, Team Member may take Team listing leads.

4.4.7. In the event a personal listing is procured (in no way from a team lead) prior to the Member's authorization to take listings as outlined above, the Member will refer the listing to their Agent Coach and will receive a 35% referral fee as well as the requirement to shadow with the Agent Coach and to take a more client-facing role, handling most of the communication in the transaction under the direction of the Agent Coach. If the new Member fails to engage meaningfully in shadowing and communicating throughout the transaction, their referral fee will be reduced to 30%.

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5. Commission Splits & Fees

5.1. Levels of Compensation

5.1.1. Our team operates under a five-level compensation structure (Levels 1-5). Newly onboarded Team Members start at Level 1, barring any special arrangements (see §9- Additional Provisions, if applicable). Annually, Team Members have the opportunity to ascend through these levels, contingent upon their generation of cumulative company commission within the calendar year.

5.2. Definition of Company Commission

5.2.1. Company commission is computed as the net commission (total commission minus any pre-split adjustments like referral fees or approved broker concessions/credits) multiplied by the team split. For instance, consider a transaction through Zillow Flex entailing a 35% referral fee with a 50/50 split. Assuming a purchase price of $500,000 and a commission rate of 3%, the gross commission amounts to $15,000. After accounting for the 35% referral fee to Zillow, the net commission stands at $9,750. The team's share, therefore, is 50% of this figure, equating to $4,875.

5.2.2. Each level within our compensation structure is defined by a threshold of cumulative company commission as indicated below.

Company Commission Thresholds By Level	
Level	**Minimum Cumulative Company Commission**
1	$0
2	$45,000
3	$60,000
4	$95,000
5	$135,000

5.3. Lead Categories and Split Structures

5.3.1. Our system recognizes six distinct categories of leads, each with its own split configuration across different levels as indicated below.

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Agent Commission Splits by Level					
	1	**2**	**3**	**4**	**5**
Team Non-Flex	50%	50%	50%	70%	80%
Zillow Flex	50%	60%	70%	70%	80%
Team Client Referrals	50%	60%	60%	70%	80%
Referral Network*	50%	60%	65%	70%	80%
Personal	50%	60%	70%	70%	80%
Open House	60%	60%	70%	70%	80%
**Referral Network leads include emailed referrals from vendors such as Effective Agents, Fast Experts, and Referral Exchange.*					

5.4. Step Down, Climb Up Policy

5.4.1. In alignment with our "Step Down, Climb Up" policy, each Team Member's level is adjusted downward by one step at the onset of each calendar year, relative to the level achieved at the end of the preceding year. For example, a Team Member at level 5 at the close of December will begin the new year at level 4.

5.4.2. **Exception**: If an agent produces $75,000 or more in Company Commission, they will **not** step down to level 2 in the following year.

5.5. Team & Brokerage Fees

5.5.1. Keller Williams Realty International Royalty is $3,000 per year and is required of all brokers with all Keller Williams brokerages nationwide. The year starts over on the anniversary of the month the Team Member joined Keller Williams. 6% of Keller Williams Team Member's side of the commission is taken until that $3,000 cap per anniversary year is reached.

5.5.2. Local Office Fee is $9,000 per year. This amount is used to cover the Team's fees due to Keller Williams Premier Realty and other overhead. It is paid at a rate of $750 per month, due on the first of each month, payable by check or debit/credit card to Trinity Peaks Investments. First payment is due on the first of the month following the provision of the first team lead to the Team Member. Any modifications to this plan being offered will appear in §9- Additional Provisions, if applicable.

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5.6. Transaction Coordinator Fee

5.6.1. There is a $380 Transaction Coordinator Fee on every closing charged to the Team Member, paid to The Johnson Team, all of which is then paid to the Transaction Coordinator. Team Members are permitted to charge up to a $550 administrative fee to their clients per transaction, which is not split with the team. The $550 administrative fee may or may not be allowed by the lender.

5.7. Commission Bonuses

5.7.1. All Team Member commission bonuses (e.g. builder incentives) are considered additional commission and are split under normal split rules unless the total exceeds 4% of purchase price for a single side of the transaction. Team Members may keep any commission or bonus that is above 4% of purchase price for a single side of the transaction.

5.8. Referrals

5.8.1. Outgoing referrals (in which a referral fee is paid to a Johnson Team Member) originating from a Team lead follow Team Lead splits. Outgoing personal referrals are paid 100% to the Team Member. In either case, there is no transaction fee.

5.8.2. Personal Transaction Team Commission Cap: Company Commission owed on Personal Transactions is capped at $6,000 per transaction.

5.9. Other Commission and Split Policies

5.9.1. Team Lead listings will be at 3% to our (listing) side. If a commission reduction is deemed necessary, leadership approval is required.

5.9.2. Passing a Transaction: In the event that a Team Member is required to pass a lead to another Team Member (example: a non-listing-qualified Team Member receives a listing lead, the Team Member passing the lead will receive the greater of $500 or 5% of the commission.

5.9.3. Cooperating (Buyer) Broker's Commission on listings will be the lesser of half of the total commission charged to the seller or 3% on all listings.

5.9.4. Concessions to Client are paid by the Team Member unless Leadership approval is obtained prior to closing.

5.10. Unrepresented Parties

5.10.1. If a Team Member negotiates a commission in which one party is unrepresented, team splits will apply to 3% of the total commission. If the unrepresented party was procured by the Team Member as a personal lead, any commission in excess of 3% will be considered personal and split accordingly. (Example: Team Member has a team lead buyer and negotiates a 4% commission from a self-procured FSBO customer. In this case, 3%

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would be split according to team splits and 1% would be split according to personal splits.)

5.10.2. Personal Transactions (buying or selling one's own property): Team Members are allowed one personal sale and one personal purchase per year where they pay no transaction fee or split to the team, but Members must pay all actual costs themselves including any fees owed to Keller Williams, photography, staging, etc.

5.11. Return Business Chain

5.11.1. The "Return Business Chain" (RBC) is defined as the number of repeat or referral transactions procured from the same client (outgoing referrals do not count). For example, if a client purchases a home, then refers a friend for a transaction, then sells their home and purchases a new one, the Return Business Chain for that client would be 4 transactions long, also known as RBC4.

5.11.2. On RBC4, commission splits for the client will be the same as Team Client Referrals. Beginning on RBC5, commission splits for the client will be the same as Personal transactions.

6. Properties Owned by Team Leads

6.1. If a Team Member wishes to purchase an off-market property owned by a seller who is a Team Lead:

6.1.1. Johnson Team CEO & Director of Sales must be notified right away before any negotiations take place.

6.1.2. Johnson Team CEO & Director of Sales must agree on all terms of the contract. The CEO or owner must sign the offer as co-broker.

6.1.3. Colorado Springs Instant Offers (COSIO) and Jeff Johnson have a right of first refusal. If COSIO and Jeff Johnson opt to place an offer on the property that is equal to or greater than the offer contemplated by the Team Member , Team Member will allow submission of such offer, represent COSIO or Jeff Johnson as a Buyer, and will be paid their normal split on the transaction.

6.1.4. Fair market value must be assessed and provided to Team Member by CEO or designee prior to submitting an offer. This Fair market value will be used to calculate the commission owed by Team Member to the Team as a result of the listing not being placed on the market. Team Member will pay 1.65% of the established fair market value. (If this is Team Member's first purchase of the year, Team Member does not have to pay the team any commission on the buy side unless they have already closed a personal buy side that year.)

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7. Member Separation

7.1. **SEPARATED TEAM MEMBER REFERRAL FEE**: Team leads, along with any data associated with those leads, remain the sole property of The Johnson Team and its owner(s). Upon separation from the team, the separating Team Member agrees that The Johnson Team shall retain the right to a 30% referral fee for a period of three (3) years on any transactions involving a Team Lead or any subsequent referrals generated directly or indirectly from that Team Lead. This applies regardless of how far removed the referral may be (e.g., a referral of a referral) and whether the transaction closes at a different brokerage.

7.2. **CLIENT CONTACT INFORMATION:** Separating Team Members are strictly prohibited from exporting or taking any contact information related to Team Leads from the team's CRM system upon separation.

7.2.1. **TIMELY EXECUTION OF TEAM LEAD REFERRAL AGREEMENTS**: Referral agreements memorializing the terms of §7.1 will be required for each non-personal closing prior to funds being disbursed to the Team Member. They will also be required intermittently for other non-personal leads that have not closed. Team Members will have 14 days from receipt of a referral agreement to execute it. Failure to do so will result in all team leads being withheld until the requested referral agreement(s) is executed by Team Member.

7.3. **DELETION OF MEMBER DATABASE:** Upon separation, the Team Member's personal database will be deleted from the CRM to prevent any future follow up from The Team.

7.4. **ACTIVE LEADS:** Active leads (pre-listing, active listing, or buyers looking at homes) at time of team member separation are subject to team splits and transaction fees if the separating agent is permitted to continue representing them. The team reserves the right to reassign these clients to ensure their success.

7.5. **PENDING TRANSACTIONS:** Transactions that are already under contract at the time of team member separation will be subject to the commission splits in this agreement.

7.6. **RETURN OF TEAM PROPERTY:** Any team property (signs, lockboxes, etc) must be returned within 5 business days of separation. If team property is not returned, the replacement value will be invoiced to the separating agent or deducted from any pending commissions.

8. General Notices

8.1. **MODIFICATIONS TO THIS AGREEMENT:** This Team Agreement is subject to change in writing with notice to Team Members. Any changes to this agreement

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affecting compensation or fees will apply only to transactions with a mutually executed contract date on or after the effective date of the change.

8.2. **AUTOMATIC RENEWAL**: This Team Agreement is effective the date it is signed by both parties below and remains in effect unless and until another agreement is signed by both parties.

8.3. **CONTRACTOR OF KELLER WILLIAMS**: All Team Members are independent contractors contracted with Keller Williams Premier Realty.

8.4. **MEDIATION**: If a dispute arises relating to this Team Agreement, the parties must first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree, in writing, before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, will terminate in the event the entire dispute is not resolved within 30 calendar days of the date written notice requesting mediation is delivered by one party to the other at the other party's last known address.

8.5. SEVERABILITY: If any provision of this agreement is deemed invalid or unenforceable, the remaining provisions will remain in full force and effect.

8.6. **ATTORNEY FEES**: In the event of any arbitration or litigation relating to this Team Agreement, the arbitrator or court must award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

9. Additional Provisions

Before signing, please initial the bottom of each of the previous pages.

Johnson Team Representative:	Team Member:
_____	_____
Print	Print
_____	_____

Initials: _____

Sign	Sign
_____	_____
Date	Date

Initials: _____