

Policies & Procedures Manual for Agent

1.0

INTRODUCTION

This manual should be used as a ready reference and summary designed to acquaint you with Realty ONE Group's (herein "Company" or "Company's") policies and procedures. We expect each Real Estate salesperson (herein "Agent" or "Agent's") to read this manual carefully as it is a valuable reference for understanding the policies and procedures at Realty ONE Group. This manual supersedes all previously issued manuals and inconsistent verbal or written policy statements. No oral statements or representations can change the provisions of this manual.

Nothing in this manual or in any other document or policy is intended to violate any local, state, or federal law.

2.0

ORIENTATION

The Agent shall attend a Company orientation class within 30 days of the "EFFECTIVE DATE" stated in Agent's Independent Contractor Agreement.

3.0

BUSINESS OF THE COMPANY

Company is primarily a residential real estate brokerage. The Agent is only authorized to solicit buyers and sellers for the following residential property types:

- A. Single Family Dwellings;
- B. Residential Income property, not to exceed four (4) units;
- C. Vacant subdivided building lots which are zoned residential, with each lot permitting the construction of no more than one (1) to four (4) residential units within the entire parcel;
- D. Non-subdivided land for residential development of no more than one (1) to four (4) residential units within the entire parcel;
- E. Leases, Referrals and BPO's.

For any deviation from Section 3.0, Agent shall secure prior written approval from his or her Managing Broker or Designated Broker.

4.0

DUTIES AND OBLIGATIONS

4.1 PAPERWORK POLICY

The North Carolina Real Estate Commission requires that each licensed Designated Real Estate Broker keep records of all real estate transactions handled by or through the Broker as well as establish a system to ensure all documents are turned into the Broker in a timely manner. The records shall be available at all reasonable times for inspection by the commission or its representatives. The Broker shall keep the records of each transaction for a period of at least five (5) years from the date of termination of the transaction. Access to the Broker's files must be arranged through the Broker's office.

The Agent acknowledges that all agency relationships established for any real estate transaction exist solely between the Company as Broker and the transaction principal (herein "Client," "Clients" or "Client's").

Company requires all listing agreements, purchase contracts, and lease agreements (including cancelled and rejected offers) to be submitted to Company within 72 hours of the date of execution. Therefore, it is the Agent's responsibility to provide Company with all executed contracts, listing agreements, counteroffers, addendums, and lease agreements no later than 72 hours of the last signature date, including MLS printouts and any changes. Agents will also be responsible for ensuring all additional required documents are submitted to Company. Failure to meet the 72 hour requirement may result in the Agent's commission check being delayed and/or a mandate that agent utilize Company's in-house transaction coordination service for an additional fee which shall be deducted from Agent's commission. All cancelled transactions must have in the file the contract and all other original required documentation plus the disposition of earnest monies and copy of the cancellation documents or fully executed mutual cancellation instructions. All transaction documents must be kept by the Agent for a minimum of 5 years.

Company allows paperwork to be uploaded directly into our online transaction management system. Each Agent is given their own login to the system. This login information is confidential and must not be shared with any other individual, including assistants or transaction coordinators, under any circumstance. Each Agent is responsible for verifying that his or her paperwork has been received by Company by confirming the transaction is in the system. Company allows for paperwork tracking, with online transaction status.

The Agent shall make certain that all Clients read and understand the documents to a transaction. This includes any use of Digital Signatures. The Agent has a duty to review with his or her Client each document submitted for signatures through a digital signature medium.

If a Client has difficulty in reading the transaction forms and agreements in English, advise Client to retain an attorney or interpreter of their choice. In the event of an interpreter, Agent is advised to have the interpreter sign as a witness to the transaction agreement.

Please be proactive during your transaction to ensure that you resolve any missing paperwork or Broker review items early in the transaction.

Commissions will be paid to the Agent once all paperwork has been completed and the file has been determined to be "Complete" by the Broker. Complete means all Broker file requirements have been submitted. File requirements can be found on the Document Checklist located in the Company Intranet. Incomplete files, after the close of escrow, are subject to the following charges as well as possible termination:

- A. Files not complete for 30 days after the date of close of escrow will be charged 25% of the gross commission;
- B. Files not complete for 60 days after the date of close of escrow will be charged 50% of the gross commission; C. Files not complete for 90 days after the date of close of escrow will be charged 100% of the gross commissions.

All transactions must include the most current Co-Promotion and Branding Disclosure form found on the Company's intranet.

All Limited Representation/Dual Agency transactions must contain the full written consent of all parties involved. Such written consent must be obtained prior to executing any transaction papers.

The Company has the exclusive right to reassign a listing contract to another licensed Broker or Agent and to cancel any listing, at any time, for any reason or no reason.

4.2 REFERRAL FEES TO OUTSIDE BROKERS

External Referral fees will only be paid to licensed Brokerages. All fees shall be paid to the Brokerage and not the Agent directly. Fees will be paid in accordance with the written referral agreement between the licensees that have been approved by the Brokers of record prior to the close of escrow. A fully executed W9 from the referring broker with its EIN number is required to process the referral fee, including rentals. All referral fees are to be paid out of the gross commissions unless otherwise specified, and approved by the Company.

4.3 CHECKS FROM CLIENTS

All commissions must be payable to the Company including but not limited to retainers, rental commissions, and Broker Price Opinions. At no time, shall the Agent accept client checks made payable to themselves directly. At no time shall any checks from rental clients be made out to the Company or Agent for deposits, rents, credit checks or any other fees relating to the rental relationship between Landlord and Tenant.

4.4 TRUST ACCOUNTS

The Company does not have a trust account. All earnest money checks from Clients are to be payable to the attorney, title or escrow company identified in the contract documents.

4.5 AREAS OF EXPERTISE

An Agent shall not offer real estate services to the public that are outside of the Agent's area of expertise or offer any services that the Agent is not competent in. At the option of the Broker, another Agent may be assigned to work with you or to personally assist you in such a transaction. If compensation to the Agent is affected, the Broker, together with the Agent, shall negotiate a reasonable compensation agreement on that transaction.

Agents are NOT allowed at any time to practice property management or assist buyers and sellers with business opportunities.

There are no territorial boundaries. To conduct business in an area not served by your local association and/or MLS, the Agent must get approval from his or her Managing Broker. Per state guidelines and NAR Code of Ethics, an Agent is not allowed to act outside his or her scope of expertise, which includes geographical territory. If Company is not a member of the Association or MLS in a specific geographical location, the Agent will not have access to the MLS of that location. Agents shall be expected to offer the same level of service to all Clients in all market areas in which they practice. In addition, no Agent shall conduct activity in a state other than North Carolina / South Carolina, unless they have an active real estate license in that state.

No Agent is authorized to render legal, appraisal, or tax advice to any person on behalf of Company. Under no circumstances is an Agent to deny, or in any way discourage, Client from seeking the advice of an attorney of Client's choice. Rather, such activity should be encouraged.

4.55 Types of Agency/Services offered

Realty ONE Group Results offers buyer agency, dual agency, designated dual agency, seller agency, unrepresented sellers and unrepresented buyers as options for transaction engagement. Agent is required to seek immediate assistance from their BIC or QB if they have any questions about agency PRIOR to engaging in any transaction.

INITIALS

4.6 UNAUTHORIZED ACTIVITIES

No business will be conducted on Company premises that does not pertain directly to the duties of an Agent as directed by Federal, State, and Local laws/regulations as well as Company Policies, reference herein.

Agents may not conduct a final walk through inspection on behalf of their Client.

Agents may not perform work or do repairs on properties where Agent is representing a Buyer or Seller.

Agents may not represent both sides of a sales transaction if Agent or a family member of Agent is a principal or party to the transaction.

Agent agrees not to engage in any of the following real estate licensed activities: **without written approval by BIC**

- A. "Property Management": Property Management means the physical, administrative, or financial maintenance and management of real property for another or the supervision of such activities;
- B. "Business Opportunity": Business Opportunity means the sale or lease of any established or ongoing business or enterprise or the sale or lease of a start-up business or enterprise, regardless of the type of business mechanism that is being purchased, sold, or leased; including asset purchase and sale, corporation stock transfers, membership interests in limited liability companies or interests in general or limited partnerships, franchise opportunities or distributorship opportunities or any other type of business endeavor;

The Agent agrees not to engage in any of the following activities in Company offices but may conduct these activities if properly licensed and authorized to do so outside of Company offices in accordance with paragraph 4.6.:

- C. "Loan Brokerage": Loan Brokerage means any person who, for a compensation or in expectation of a compensation, regardless of the form or time of payment, solicits or causes to be solicited through express or implied representations, borrowers or lenders or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity;
- D. "Loan Modification" or "Mortgage Modification": Loan Modification or Mortgage Modification means any person who, for a compensation or in expectation of a compensation, regardless of the form or time of payment, solicits or causes to be solicited through express or implied representations, homeowners to modify an existing loan;

The Agent shall not engage in any of the following activities but may conduct these activities if authorized to do so in accordance with paragraph 4.6:

- E. "Commercial Transaction": Commercial Transaction means any transaction involving real property, except a dwelling or property with only one to four dwelling units used strictly for residential use. Commercial real estate includes, but is not limited to, property used for commercial, industrial, retail, office, multi-family (more than four residential units), hospitality, medical, education per educational purposes, land including residential land which includes two or more lots, and properties used for residential purposes which have more than four residential dwelling units. Residential properties of one to four units that have mixed use purposes are also considered Commercial Properties;
- F. "Agent Owned Flip Properties": Flip Properties means a type of real estate investment strategy in which a property is purchased with the intent of reselling for a profit without personally occupying or leasing the property. No equitable title transactions are permitted by Agents. The Agent, if acting as a principal or with an ownership interest, may only enter into a contract to sell or flip a property after the Agent holds title to the subject property after a conventional closing thereon.

Within the meaning of Section 4.6, The Agent may nonetheless engage in the foregoing prohibited activities, only if, Sections 4.6.1, 4.6.2, or 4.6.3 are satisfied:

4.6.1

The Agent secures Company's Designated Broker's prior written approval to conduct Commercial Transactions and Agent Owned Flip Properties as defined above.

4.6.2

The Agent seeking to represent Clients in Commercial Transactions submits to Company a Commercial Agent application and resume for approval by the Company's Designated Broker. If Agent engages in a commercial transaction without Realty ONE Group's approval, obtained via its commercial application approval process, Realty ONE Group reserves the right to take any action against Agent including, but not limited to, termination of relationship, withholding any earned commission from Agent and/or re-assigning the commercial transaction to a different approved commercial agent. Agent further agrees to defend and hold Realty ONE Group harmless from any claims, lawsuits, disputes, including unpaid commission disputes or similar actions resulting from any commercial transaction that Agent may engage in without Broker's approval.

4.6.3

If the Agent conducts real estate brokering and/or mortgage origination activities pursuant to a license from any agency for the State of North Carolina, they may not conduct real estate and mortgage representation activities for any current Client of the Company. Mortgage Dual Capacity is always prohibited.

4.6.4

In the event the Agent holds a Broker's license and engages in the foregoing activities without complying with Section 4.6.1, 4.6.2 or 4.6.3 above, (1) such prohibited activities shall not be done under Company's Broker license; (2) no facilities of Company (including but not limited to phones, fax, computers, and office space) shall be used for any such prohibited activities; (3) Agent shall not use any printed or electronic marketing, solicitation, or contact information of any kind or medium that include Company's name or any derivative thereof (including business cards) for such prohibited activities; and (4) Agent informs any actual or intended principal for whom Agent performs or intends to perform such prohibited activities that the prohibited activities are not performed under Company's Broker license.

4.7 AGENT OWNED PROPERTIES

Transactions involving property in which the Agent has an ownership interest and is acting as the seller are required to have a fully executed Owner/Agent Addendum to the Purchase Agreement. The Agent may not represent both sides of a sales transaction if they or a family member are a principal or party to the transaction. For this purpose, family member is defined as spouse, parents, children and siblings.

4.8 LICENSE RENEWAL AND BUREAU OF REAL ESTATE POLICIES

Agent agrees to maintain an active North Carolina real estate license with the North Carolina Real Estate Commission. It is the Agent's sole responsibility to fulfill all continuing education requirements and file their renewal with the North Carolina Real Estate Commission (NCREC) in a timely manner. Should an Agent elect not to renew their license prior to the expiration date, Agent agrees to notify Company, in writing or via email, of his or her intent to sever their license from Company. Agent acknowledges that Company will continue to charge fees until written notification is received by Company from Agent. Company may, at its sole option, sever the Agent's license with Company if the Agent's license is not renewed on time.

Agents agree to adhere to all NCREC rules and regulations. It shall be the Agent's responsibility to be knowledgeable on the rules set forth by the NCREC. Should a complaint be filed against an Agent with the NCREC, Agent agrees to immediately notify the Company, respond promptly to the complaint, and cooperate fully with the NCREC.

4.9 RENTAL/LEASE LISTING AGREEMENTS

Agents will exercise reasonable effort and due diligence to accomplish the lease or rental of a premises. Depending on the circumstances and if requested by the property owner, Agents may collect rental applications and/or additional information from prospective tenants and provide same to the property owner in order for the property owner to make an informed selection of a tenant at owner's sole discretion.

4.10 BROKER SUPERVISION OF AGENTS WITH RESTRICTED LICENSE

If Agent's license is or becomes "restricted" in any manner pursuant to a determination by the NCREC, all of Agent's licensed activity will be subject to heightened supervision by Broker and/or Broker's Designated Supervisor, which may include, but is not limited to, careful review of all of Agent's transaction documents and files, mandatory attendance at office trainings, and mandatory cooperation and participation in supervisory meetings, telephone conferences, and e-mail communications on a frequent basis to be determined at Broker's discretion. Should Agent violate any of the conditions of the restricted license, Broker will immediately notify the NCREC in writing.

5.0

TBD MENTORING PROGRAM Please see ICA for details on split

Agents may be enrolled in the Mentoring Program with Company. The Agent will take on a mentee position. This program is designed to help Agents get accustomed to the real estate practice, technology and Company standards so a Branch Manager or a seasoned Broker of the Manager's choosing will be a mentor in the first three (3) sales made by the new Agent.

Commission calculations for Agents participating in this program shall be based on gross commissions earned. Agents will receive of gross commissions for each completed transaction, approved by the Broker, resulting in the payment of compensation to Company, for the first 3 completed and closed transactions, excluding rentals, referrals, investments and BPO's, if applicable, less any applicable transaction fees. Further, the owed to the Mentor/Company shall be based on a minimum of 2.5% of the sales price unless otherwise approved by the Company. Company reserves the right to deduct any outstanding fees, dues or rents or any other monies owed from earned commissions due.

5.1

80/20 PROVISIONAL PROGRAM

Agents may be enrolled in the 80/20 Provisional Program with Company. The Agent will take on a mentee/provisional position. This program is designed to help Agents get accustomed to the real estate practice, technology and Company standards so a Branch Manager or a seasoned Broker of the Manager's choosing will be a mentor in the first three (3) sales made by the new Agent AND because the agent is a Provisional Broker. Agent will remain on this program until they complete 3 sales transactions AND they have completed the mandatory classes as set out by the NCREC and successful removed the Provisional status.

Commission calculations for Agents participating in this program shall be based on gross commissions earned. Agents will receive 80% of gross commissions for each completed transaction, approved by the Broker, resulting in the payment of compensation to Company, for the first 3 completed and closed transactions, excluding rentals, referrals, investments and BPO's,

if applicable, less any applicable transaction fees. Further, the 20% owed to the Mentor/Company shall be based on a minimum of 2.5% of the sales price unless otherwise approved by the Company. Company reserves the right to deduct any outstanding fees, dues or rents or any other monies owed from earned commissions due.

5.2

50/50 TEAM PROGRAM

Agents may be enrolled in the 50/50 Team Program with Company. The Agent will take on a team position. This program is designed to help newly licensed Provisional Brokers and Agents get accustomed to the real estate practice, technology and Company standards.

Commission calculations for Agents participating in this program shall be based on gross commissions earned. Agents will receive 50% of gross commissions for each completed transaction, approved by the Broker, resulting in the payment of compensation to Company, excluding rentals, referrals, investments and BPO's, if applicable, less any applicable transaction fees. Further, the 50% owed to the Company shall be based on a minimum of 2.5% of the sales price unless otherwise approved by the Company. Company reserves the right to deduct any outstanding fees, dues or rents or any other monies owed from earned commissions due

6.0

OFFICE POLICIES

6.1 BUSINESS ETHICS

Agents will maintain the highest ethical standards in conducting Company affairs. The intent of this policy is that each Agent will conduct Company business with integrity and comply with all applicable laws in a manner that excludes considerations of personal advantage or gain. In addition, all Agents shall strictly adhere to the National Association of Realtors® Code of Ethics. In the event an Agent receives notification of an ethics complaint being filed against them, they will immediately notify their Managing Broker and provide copies of the complaint.

6.2 CONFIDENTIALITY AND SECURITY

Company's confidential and proprietary information is vital to the current operations and future success of the Company. Each Agent shall use all reasonable care to protect or otherwise prevent the unauthorized disclosure of such information. Agent shall not give out usernames or passwords or any other access to any internal system. In no event, shall confidential information be disclosed or revealed within or outside Company without proper authorization or purpose. If an Agent is uncertain whether

6.25 Leads: All leads provided by Realty ONE Group from Teresa Overcash or Kirk Overcash are in effect for a term of not less than 3 years regarding referral fees. Referral fee will be due upon all closings generated from that lead for a period of not less than 3 years from the date the lead was accepted verbally or in writing.

certain information should be treated as confidential, the Agent should presume that such information is confidential and not disclose it without proper authorization.

6.2.1 DEFINITION OF CONFIDENTIAL INFORMATION

“Confidential information” means all information of any nature and in any form, including but not limited to services, marketing methods or practices, development data or technology, methodologies, policies, business practices, samples, materials, and any and all directly and indirectly related records, documents, specifications, data, and/or other information with respect thereto.

By way of example, confidential or proprietary information will include information regarding Company’s business methods, business plans, databases, systems, technology, intellectual property, know-how, marketing plans, business development, operations, products, services, research, development, inventions, financial statements, financial projections, financing methods, pricing strategies, customer sources employee health/medical records, system designs, customer lists, and methods of competing.

6.2.2 SECURITY

The Agent is aware that Company has video surveillance equipment at the office location for security reasons. The Agent understands, agrees and gives permission to Company to record Company office activities (inclusive of those activities in which the Agent is depicted) to utilize such security measures and further agrees that the images are the exclusive property of the Company.

6.2.3 NON-SOLICITATION

The Agent agrees not to solicit, recruit, employ, or entice (either for him/herself or for another) Company partners, affiliates, salespersons, agents and/or employees to leave Company during the Agent’s association with Company. This obligation shall continue for a period of two (2) years after the termination of association of Agent with Company.

6.3 CODE OF BUSINESS CONDUCT

Company expects all Agents to conduct business consistent with Company’s values, the National Association of Realtors® Code of Ethics, and in accordance with applicable Federal or State laws and requires that all Agents exercise the highest degree of honesty and integrity in all interactions. Agents should conduct themselves in an appropriate business-like manner in all activities and relations with fellow agents, clients, and potential customers.

Any Agent whose conduct, actions or performance violates or conflicts with Company’s policies herein or corporate values may be released from their contract agreement immediately and without warning. This code in no way alters the at-will relationship.

Agents are expected to become familiar with and adhere to the National Association of Realtors® Pathways to Professionalism found on their website.

6.4 SEXUAL HARASSMENT POLICY

Sexual harassment is a form of unlawful sex discrimination and in violation of both state and federal employment discrimination laws. It is also a violation of Company’s policy with respect to equal employment opportunity. Sexual harassment is defined as follows:

- A. Unwanted advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that interferes with work performance or creates a hostile work environment;
- B. Making or threatening reprisals after a negative response to sexual advances;
- C. Visual conduct: leering, making sexual gestures, displaying sexually suggestive objects, or pictures, cartoons, or posters;
- D. Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about an employee’s body or dress;
- E. Physical conduct: touching, assault, impeding, or blocking movements.

Company will not tolerate sexual harassment of its employees and/or Agents. Any person found responsible for sexual harassment will be subject to disciplinary action up to and including immediate discharge. If you feel you have been sexually harassed, please report all incidents to your Managing Broker or the Corporate Headquarters Human Resources Department. The Company takes such complaints very seriously and will conduct a prompt, thorough, and confidential investigation.

6.5 OTHER TYPES OF HARASSMENT

Prohibited harassment on the basis of race, color, national origin, ancestry, religion, physical or mental disability, age, sexual orientation or other protected basis, includes behavior similar to sexual harassment such as:

- A. Verbal conduct including threats, epithets, derogatory comments or slurs;
- B. Visual conduct including derogatory posters, photography, cartoons, drawings or gestures; C. Physical conduct including assault, unwanted touching or blocking normal movement;
- D. Retaliation for making harassment reports or threatening to report harassment.

6.6 SMOKING/DRUGS

In the interest of promoting a professional image both in and out of the office, coupled with the health, safety, and welfare of others, all of our offices are non-smoking offices. Smoking may be permitted outside of the office or on the grounds, but not at the front entrance in accordance with building regulations. Smokers are asked to dispose of smoking materials properly. In addition, it is prudent for any Agent not to smoke in the presence of Clients.

Illegal drugs shall not in any way be brought onto any Company premises including but not be limited to, any property owned or leased by Company, any property that is listed for sale or rent by Company, and any property under management by Company. If a prescription drug is a "controlled substance," the Agent shall not use such a drug while in the performance of his or her duties as an Agent. During that period, arrangements are to be made for someone to "cover" your business activities. All prescribed drugs shall be used in strict compliance with the directives of the prescribing physician.

6.7 WEAPONS

Agents are expected to be aware, informed and in compliance with all state and federal laws regarding possession of weapons.

6.8 PETS IN THE OFFICE

Company does not permit Agents or employees to bring their household pets to work. Any individual who requires the help of a service animal (defined by 28 CFR 36.104 as "any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability") will be permitted to bring a service animal to the office, provided the animal's presence does not create a danger to others and does not impose an undue hardship upon the company.

An Agent or employee who brings a service animal to the office is completely and solely liable for any injuries or any damage to personal property caused by the animal. Any repair or cleaning/maintenance costs incurred by an animal will be charged in full to the owner.

Service dogs must be leashed at all times and must be in the continuous full control of their owners. They should be in the physical presence of the owner, in the owner's office, or in the space around the owner's desk at all times. Owners are expected to clean up, completely and immediately, after their animals.

6.9 TEAMS AND ASSISTANTS

Company recognizes and encourages the use of personal assistants, both licensed and unlicensed to assist in Agent's real estate career. Such personnel are often employees of the Agent and are subject to withholding, insurance and minimum wage benefits of the employer-employee relationship. All licensed Agents – assistants or team members - will be required to sign an Independent Contractor Agreement with Company.

Company is not responsible for the compensation or instruction of Agent's employees or unlicensed assistants and the action of these employees or unlicensed assistants and the actions of these employees or unlicensed assistants remain the sole responsibility of Agent. If Agent makes use of an employee or unlicensed assistant, Agent shall have a written agreement with employee or unlicensed assistant which establishes the terms and responsibilities of the parties to the Agreement, including but not limited to, compensation, supervision, and compliance with the applicable rules, laws, and regulations, and that the employee or unlicensed assistant shall be bound by the duties and obligations of Agent under this Agreement including, but not limited to, the confidentiality obligations set forth in Section 6.2. The Agent agreement with his/her employee or unlicensed assistant shall be subject to Company's review and approval. If the employee has a real estate license, that license shall be associated with the Company, which license shall be placed and held by Company's Designated Broker, and that employee shall sign an individual Agreement with the Company. In addition, all licensed and unlicensed assistants and team members' agreements must also include a provision for dissolution of the agreement. Agent shall indemnify, defend, protect and hold harmless Company and any person or entity controlling, controlled by, or under common control with it, against and as to any and all claims, actions and fees (including but not limited to, attorney, paralegal, expert, consultant and witness fees, and other legal costs and expenditures) of any nature and description whatsoever, whether incurred by or made against any indemnitee or made by any third party, founded upon, caused or contributed to by, arising from or relating to, the actions or inactions of Agent or Agent's employee or unlicensed assistant arising under this Agreement, and is more specifically set forth below.

The team agreement referenced above must be submitted and approved by Company and will be placed in Agent's file. The payment of Company fees, board dues and other fees resulting from their relationship shall be substantiated by the agreement between the team leader and team members. All commissions due to a team will be paid through the Broker. If this policy is violated, Agents may be immediately released from their agreement. If the assistant is unlicensed, the assistant shall not be permitted to unlawfully engage in any professional real estate activity for which a license would be required. No commissions will be shared with said unlicensed assistant as this is in violation of state law. An unlicensed assistant shall not, directly or indirectly, solicit or attempt to solicit real estate business of any type.

The team leader is responsible for the conduct and fees of any personal assistant or team member and shall indemnify Company and the Broker for any errors or omissions of, or damages caused by any personal assistant or team member. All team names must be approved by the Company.

6.10 PERSONAL INFORMATION UPDATES

Agents must notify Company with any change of address, phone numbers, e-mail addresses, or emergency contact information, should it change after joining Company. Company communicates frequently with the Agents via e-mail, and having an e-mail address that is working is crucial to the Agent's success at Realty ONE Group.

6.11 TERMINATION

Agent's agreement is effective as of the "EFFECTIVE DATE" identified on the Agent's Independent Contractor Agreement ("Agreement") contract and shall remain in full force until written notice from either party to the Agreement is delivered to the other party expressing the desire to terminate the Agreement. Company or the Agent may terminate the Agreement at any time in writing. Upon termination of the Agreement, Agent's pending escrows shall be closed at Company and compensation therefrom, minus fees/expenses (including but not limited to a reassignment fee and a transaction coordination fee at then current rates, per transaction) shall be deducted from Agent's commission, which fee is in addition to the transaction fees that Agent is required to pay per transaction. Any current listings are to be forwarded to the transferred brokerage in a reasonable time if the Agent leaves in good standing, pays all outstanding fees in full, and the Client(s) executes necessary paperwork to transfer the files to the new Brokerage, including but not limited to a fully signed termination agreement between brokerage and client. Agent shall forfeit all proceeds and listings if a replacement Brokerage is not established within 3 business days of termination, or if he/she leaves the business.

As used herein, “good standing” means that the Agent is not in breach of any term, covenant, condition, obligation or duty set forth in the Agreement, has no pending legal claims or disputes, and his/her license with the NCREC has not been restricted, suspended or revoked. Broker reserves the right to withhold commissions and assign another licensee to close out any pending transactions. Agent’s agreement shall also immediately and automatically terminate, without prior notice, if for any reason, Agent breaches his or her obligations hereunder, or if Agent’s license expires, is restricted, suspended or is revoked.

After termination from Company, the Agent must immediately change website, signs, email signature, voicemail and any other places or areas that would show affiliation with Company.

7.0

OFFICE FACILITIES

7.1 PRIVATE OFFICES

Company offers private and semi-private offices to Agents. Please contact your Realty ONE Group management if you are interested in leasing an office. Agents must provide their own insurance coverage for equipment and items in the Agent’s private office. Only real estate activities may be conducted in the private office. No other business may be conducted through the private office.

7.2 COMPUTER USAGE

Company may provide and maintain an array of computer equipment for Agents to use for real estate business purposes only. In addition, only licensed Agents may use the computers in the Company offices. Family members, clients, or customers may not use the computers. The following are strictly prohibited while using Company computers:

- A. Installing, uninstalling, modifying or downloading any files or software;
- B. Changing or altering any settings;
- C. Viewing or downloading illicit material such as pornographic websites, accepting e-mail containing illicit content, etc.;
- D. Gaming or gambling of any kind, use of chat rooms.

Any duplication of software is a violation of Federal Copyright Law and is also strictly prohibited.

7.3 TELEPHONES

Company may provide and maintain telephones for Agents to use for real estate business purposes only. In addition, only licensed Company Agents may use the telephones in the Company offices.

7.4 OFFICE EQUIPMENT

Company may provide various pieces of office equipment to assist Agents with real estate business. The equipment is for Company Agent’s use with real estate transactions. The equipment may not be used for personal usage or personal usage of a family member, client, or customer.

7.5 MAIL

In accordance with Federal Law, all mail delivered to the office will be deemed company mail. Mail delivered to the office may be opened and reviewed by office personnel and distributed appropriately.

8.0

ADVERTISING AND MARKETING

8.1 ADVERTISING GUIDELINES

All Agents agree to comply with Company Marketing Guidelines found on the Company's intranet and the marketing rules of their NCREC. Such marketing and advertising for this section shall include all print advertising (flyers, classified ads, home magazines, mass mailings, internet/websites, signs, business cards, stationary/letterhead, social media etc.), and mass communication, intended to promote a property or solicit Buyers or Sellers. Unless specifically agreed to, the Broker is NOT obligated to pay in whole or in part, the advertising for an Agent's listing inventory or any other form of advertising including personal promotion. Prior to submitting the advertising, the Broker must approve in writing all advertising placed in any publication, mailed by any Agent, or placed on the Internet. At no time, may an Agent give the impression that they are the company/brokerage. They should not use the Company Name or any iteration in an email address or domain name or any other social media or internet site. With respect to all first point of contact solicitation materials, such materials must include the name and number of the licensee for both agents and broker associates, the responsible broker's "identity" (i.e., name under which the broker is currently licensed by the NCREC), and the status of the agent such as "REALTOR" or "Agent."

8.2 SIGNAGE

Yard signs must be purchased by the Agent and are the personal property of the Agent. For your convenience, we have a pre-approved vendor that has our sign templates on hand. Signs must follow one of the approved templates located in the standards guide. Any deviation without approval will be a violation and replacement signs will be purchased at the Agent's expense. Custom signage requests must be submitted and approved by the Agent's Managing Broker. All signs are required to have the following:

- A. The "Realty ONE Group" logo prominently and correctly displayed; the logo should appear as large or larger than Agent or team name(s);
- B. The visual appearance of the sign must uphold the Company's brand integrity;
- C. The Fair Housing and REALTOR logo must be visible.

8.3 PRINT ADVERTISING

All print advertising must include the Company logo and/or the "Realty ONE Group" name. Logos are available in all formats on the Company's Intranet within the "logo standards" section. The ads must contain a phone number and the brokerage name, "Realty ONE Group," prominently displayed.

8.4 USE OF SOCIAL MEDIA

As it pertains to Third-Party Social Media Sites, Posting of Professional Contacts/Qualifications (e.g. LinkedIn), Posting of Text (e.g. Facebook, Twitter), Posting of Comments to Social Media Pages of Others, Posting of Photos and Posting of Audio/Video (YouTube) see Company Social Media Standards and Guidelines found on the Company Intranet.

8.5 PRIOR APPROVAL

Agent agrees that any and all marketing pieces including but not limited to, business cards, marketing flyers, mailers and templates for videos, social media and podcasts that the agent produces must be submitted for Broker approval before being released to the public.

8.6 RIGHTS TO PROPERTY IMAGES

Agent should own and/or agrees to obtain all rights, title, interest, and ownership in all photographs, images, graphics, audio and video recordings, virtual tours, and drawings (“Images”) depicting properties that Agent is involved in listing or transacting as a real estate professional of Realty ONE Group. Agent acknowledges and agrees that all Images are proprietary works of Realty ONE Group. If Agent engages a third-party Photographer to photograph, visually record or otherwise create graphic or other images of a property, Agent agrees to obtain from Photographer an irrevocable Assignment transferring to the Brokerage all rights, title, interest, and ownership, including without limitation all copyrights, whether now existing or hereafter acquired, in all Images.

9.0

INSURANCE AND LEGAL

9.1 LEGAL ACTION

No arbitration or legal action (including small claims, association, or private arbitration or mediation, etc.) pertaining to any real estate transactions handled by Agent in the course and scope of his or her duties and services as an Agent for Company shall be filed or participated in without the designated Broker’s written approval and the Legal department must be notified immediately.

9.2 REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)

All Agents shall comply with the Real Estate Settlement and Procedures Act (“RESPA”). Violators of RESPA may receive harsh penalties, including triple damages, fines, and even imprisonment for illegal acts. If Agent plans on doing joint advertising with an affiliate, the Agent and the affiliate shall have a written agreement between themselves confirming that payment of all advertising will be proportionate with the advertising space taken by each party. Any Joint Advertising agreement must be approved by Agent’s Branch Manager and the Company’s Legal department.

9.3 THE FAIR HOUSING ACTS

It is the policy of Realty ONE Group to comply with the Federal Fair Housing Act, North Carolina Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. 3601 et seq., by ensuring that dwellings are available to all persons without regard to familial status. “Familial status” means one or more individuals (who have not attained the age of 18 years) being domiciled with a parent or another person having legal custody of such individual or individuals, or the designee of such parent or other person having such custody, with the written permission of such parent or other person. This policy means that, among other things, Company, and all its Agents and representatives shall not

discriminate in any aspect of the rental of dwellings against prospective renters because of familial status. Such Agents and representatives may not:

- A. Refuse to allow the sale or rental after the making of a bona fide offer, or refuse to allow the negotiation for sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of familial status; or
- B. Make, print, or publish, or cause to be made, printed or published any notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any such preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation or discrimination; Furthermore, all advertisements must display the Fair Housing logo or nondiscrimination statement.

Any Agent who fails to comply with this non-discrimination policy shall be subject to appropriate disciplinary action, which may include termination. Any action taken by an Agent that results in the unequal service, treatment, or behavior to residents on the basis of familial status may constitute a violation of state and federal housing laws. We are an equal housing opportunity provider. We do not discriminate on the basis of race, color, sex, age, national origin, religion, disability, or familial status (having children under 18).

9.4 ERRORS AND OMISSIONS INSURANCE

The Company provides Errors and Omissions (E&O) insurance coverage to Agents for transactions in which the Agent was involved as a real estate salesperson of Realty ONE Group. This coverage generally provides varying degrees of protection for professional services and duties. The Agent E&O coverage is subject to the terms provided herein; Agent must be in good standing and in compliance with all obligations within his or her Independent Contractor Agreement. Agent agrees to fully cooperate and notify the Company as soon as practical should any transaction or act result in a demand, claim, action, dispute, arbitration, mediation, settlement, or other litigation (hereinafter "E&O Matter") that implicates E&O coverage. Any E&O Matter (including legal fees and costs) not covered under the then-current E&O policy or denied by the E&O insurance carrier for any reason shall be the sole responsibility of the Agent.

Agent must promptly notify the Company of any E&O Matter as soon as practicable by informing his or her Manager. Failure to provide the Company with prompt notice may result in a loss of E&O coverage.

Agent's monetary participation in any dispute stemming from alleged wrongdoing or E&O Matter shall be \$2,500.00, which is due at the time payment of the deductible is triggered, or as determined by the Company. Any action where the Agent is found to have engaged in gross negligence, willful misconduct, fraud, intentional misrepresentation or concealment of a material fact as determined by the Company, the E&O carrier, or by way of a judgment or otherwise, may not be covered by E&O insurance, and the Agent may be solely responsible for all legal fees and costs incurred as a result.

Agent agrees to defend, indemnify and hold the Company, its employees and its Designated Broker harmless from any and all liability, costs and legal fees incurred by the Company that results from or is incurred in connection with: an E&O claim where coverage is denied, gross negligence, willful misconduct, fraud, intentional misrepresentation or concealment of a material fact by the Agent whether proven in a third-party action and/or lawsuit, or determined by the Company, the E&O carrier, or by way of a judgment or otherwise. In the event Agent is found liable for any of these acts pursuant to a judgment or by the Company or E&O carrier in relation to his/her duties as an Agent under Company, Agent hereby agrees and he/she is responsible for all damages, costs, and attorney fees associated with such acts including reimbursement to the Company, its Designated Broker and/or E&O carrier for damages, costs, attorney's fees, and any other related expenses.

Agent agrees that the deductible amount and legal fees incurred by the Company on behalf of the Agent may be deducted from commissions due to Agent or charged to a credit card on file unless other arrangements are made by mutual agreement. It is Agent's responsibility to make any such arrangement(s) with the Company's Management.

9.5 COVENANT TO COOPERATE

In the event of any claim concerning a transaction involving an Agent either directly or indirectly, the Agent agrees to cooperate fully in providing documents, testimony and other items that may be needed to defend a claim, demand, or Complaint, as may be deemed appropriate by our legal counsel or Broker. This covenant shall survive termination, whether voluntary or involuntary and is without time limitations. Remedies for the failure to comply with this provision could include the Broker seeking full restitution as a result of the non-compliance in a tribunal of the Broker's choice. In addition, the claims will have risen from a breach of contract and therefore the Broker will be entitled to recover reasonable attorney's fees.

9.6 AGENT INSURANCE REQUIREMENTS

Before the performance of any services under this agreement, Agent shall obtain the types and levels of insurance specified below with insurance carriers acceptable to Company. Agent shall have Company named as an additional insured on the policies identified in subsections (A.) and (B.) below. As evidence of insurance coverage, Agent shall deliver (a) certificates of insurance issued by Associate Licensee's insurance carrier showing such policies in force during the term of this agreement and (b) an endorsement to each policy, in form acceptable to Company, providing that the insurance coverage is primary and any insurance or self-insurance maintained by Company is excess and non-contributing. Each certificate of insurance shall provide that such policy shall not be subject to cancellation or non-renewal without thirty (30) days prior written notice delivered to Company. Company shall not be responsible for any costs or premiums or other charges for any insurance, endorsements or certificates required hereunder. The required coverage is:

- A. Auto Liability Insurance. Automobile liability insurance (including owned, hired, and non-owned automobile) on an "occurrence" basis, with deductibles reasonably acceptable to Company, covering all automobiles, trucks or other motor vehicles used in connection with the services, for One Hundred Thousand Dollars (\$100,000.00)/Three Hundred Thousand Dollars (\$300,000.00) for bodily injury and Fifty Thousand Dollars (\$50,000.00) for property damage;
- B. Workers Compensation. Agent shall adhere to State Laws involving Workers' Compensation insurance for Agent and all of Agent's employees.

9.7 PERSONAL PROPERTY INSURANCE

Company has General Liability Insurance for its office facilities. Please be advised that Company's insurance does not cover the loss or damage to any Agent's personal property. Therefore, Company urges the Agent to obtain insurance covering their personal property as well as for their automobile and liability insurance as provided for in the Independent Contractor's Agreement. It is prudent for each Agent to acquire sufficient insurance to protect all personal effects kept in the office or used as part of the Agent's resources. Considering the cost of computers, cell phones, iPads, daily time managers, and other tools, this could be a very expensive loss. Company shall not, under any circumstances, be held liable for the loss, theft or damage of Agent's personal property.

9.8 CYBER LIABILITY INSURANCE

The Company carries Media and Information Security Protection Insurance ("Cyber Liability Insurance") that covers security/data breach and media liability. However, please be advised that the Company's Cyber Liability Insurance does not include any Agent as an insured under this policy. In other words, the Company's Cyber Liability Insurance does not extend to, or cover, any loss or damage related to any security/data breach or wire/ financial fraud that may result in connection with any licensed activity of the Agent. Further, the Company's Cyber Liability Insurance does not cover any loss or damage that may be sustained by any parties to a real estate transaction handled by the Agent. Therefore, the Company urges Agent to obtain Cyber Liability Insurance covering his or her own real estate business. The Company advises Agent that cyber risk is a serious threat for their business and the consequences of data breaches and wire fraud can be financially disastrous. Real estate professionals are susceptible to cyber crimes due to their possession of highly sensitive information including Social Security numbers, credit

and debit card numbers, bank account information, and driver's license numbers, and their reliance on computer and web-based systems to perform their services.

10.0

COMMISSIONS

The Agent's commission(s) shall be made payable to the name or entity on file with the NCREC and the current W-9 on file with the Company. The name on file with the Commission and the name on the W-9 must match in order for payment to be rendered by Company to Agent. If the Agent elects to be paid as a Corporation or LLC, as allowed by State and Federal Law, Agent must amend his/her W-9 to reflect the proper name and tax identification number of the entity and advise Company of the same. Agent shall not be paid in the name of a Corporation or LLC without complying with all NCREC rules and regulations as well as Federal and State Law.

Agents are responsible for submitting an updated W-9 to Company, prior to January of the coming year.

Agents shall have the sole right to charge and accept whatever commission amounts they choose. Commissions will be paid at the close of escrow if the file is "Complete" with Company per Section 4.1. It is the Agent's responsibility to check the website and determine the status of their transaction, prior to the close of escrow. In addition, any changes to the transactions (i.e. close of escrow, sales, price, parties) must be communicated to Company as soon as possible. Any delay in getting these changes to Company may result in a delay in commissions being paid. Please also refer to Section 4.1 for further information and clarification.

A decision to proceed with legal action, mediation or arbitration against a party owing a commission to Company will be made solely at the discretion of the Broker. The Broker shall not have any monetary obligations to the Agent or any other party, resulting from brokerage fees that are uncollected. Should the Agent be named in arbitration as the Respondent, Company reserves the right to require the total amount of the disputed commission is held by Company until the arbitration results are received. Should Company and the Agent not prevail, Agent agrees to pay all commissions amounts immediately to Company.

Any agreement to share commissions between Agents within Company shall be done so in writing and may not be shared directly, only through the Broker. In the absence of a written agreement between Agents, the Broker shall pay the entire Agent share of the commission to the Agent(s) whose name(s) appear on the transactional document between the principals (to be divided equally between those Agents if more than one and not otherwise specified.) The Broker will make the final determination regarding commission disputes between Agents licensed with Company.

The Agent shall treat this Commission Policy as confidential information when dealing with or communicating with other Brokers and their Agents. An Agent does not have the authority to reduce, defer or replace any portion of Realty ONE Group's fees without the written consent of the Broker.

11.0

REVISIONS TO MANUAL

Company rules and regulations are subject to substantial changes or elimination by Company's Management at any time without prior notice. Company will attempt to promptly notify Agents of any changes to policies; however, any changes to any policies are effective immediately upon adoption of the changes.

ACKNOWLEDGEMENT:

In signing below, I represent that I have received a copy of this Policy and Procedures Manual, read this Policy and Procedures Manual in its entirety and understand its contents, and agree to the provisions provided herein.

Print Name:

Date: _____

Signature: _____

Realty ONE Group Results