

FRANCHISE DISCLOSURE DOCUMENT

[UNIT FRANCHISE]

REALTY ONE GROUP AFFILIATES, INC

A Nevada Corporation
1645 Village Center Circle, Suite 170
Las Vegas, Nevada 89134
(949) 346-9549

E-mail franchise@RealtyOneGroup.com
URL www.RealtyOneGroup.com

RECEIVED

APR 20 2017

**Department of Business Oversight
Los Angeles Office**



As a Realty ONE Group franchisee you will operate a Real Estate outlet providing real estate-related programs and products

The total investment necessary to begin operation of a Realty ONE Group unit franchise is \$53,250 to \$220,000. This includes \$25,000 which must be paid to the franchisor and its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Christian Pollinger at Realty ONE Group Affiliates, Inc., 7545 Irvine Center Drive, Suite 250, Irvine, California 92618, telephone (949) 346-9549.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's homepage at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issued **March 31, 2017**

CA

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with the state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise.

OUR AFFILIATED ENTITY REALTY ONE GROUP, INC. OWNS AND OPERATES 12 REAL ESTATE BROKER OFFICES IN CALIFORNIA. DEPENDING ON THE LOCATION OF YOUR OUTLET, ONE OR MORE OF THESE OFFICES MAY COMPETE WITH YOU FOR REAL ESTATE LISTINGS AND CUSTOMERS.

A REGIONAL DIRECTOR LICENSED BY THE FRANCHISOR MAY BE RESPONSIBLE FOR SELLING UNIT FRANCHISES IN THE AREA WHERE YOUR FRANCHISE WILL BE LOCATED, AND THEN PROVIDING SERVICES TO THESE UNIT FRANCHISES. HOWEVER, YOU WILL BE ENTERING INTO A UNIT FRANCHISE AGREEMENT WITH US AND THE REGIONAL DIRECTOR IS NOT A PARTY TO YOUR CONTRACT. AS FRANCHISOR, WE WILL BE RESPONSIBLE FOR THE ACTIONS OF A REGIONAL DIRECTOR UNDER THE UNIT FRANCHISE AGREEMENT.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This unit franchise is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California	_____
Illinois	July 20, 2016
Maryland	September 29, 2016
New York	September 12, 2016
Washington	August 1, 2016

REALTY ONE GROUP AFFILIATES, INC
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Exhibits

"A"	Franchise Agreement <i>Exhibits to Franchise Agreement</i> Exhibit 1 Location of Real Estate Office Exhibit 2 Name and Address of Regional Director (If Any) Exhibit 3 Names and Addresses of Principal Equity Owners Exhibit 4 Statement of Unit Franchisee
"B"	Financial Statements
"C"	List of Franchise Outlets
"D"	List of Terminated Franchises
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ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses "we" or "us" to mean Realty ONE Group Affiliates, Inc. "You" means the individual or entity buying the Realty ONE Group franchise and, if an entity acquires the franchise, all persons who own 20% or more of the franchisee entity ("Principal Equity Owners")

The Franchisor, Parents and Affiliates

We are the franchisor for the Realty ONE Group residential real estate brokerage system. Our principal business address is 1645 Village Center Circle, Suite 170, Las Vegas, Nevada 89134. Our support office in California is located at 7545 Irvine Center Drive, Suite 250, Irvine, California 92618.

Our parent entity is ENO Holding, LLC ("ENO"), a Nevada limited liability company, whose principal business address is 1645 Village Center Circle, Suite 170, Las Vegas, Nevada 89134.

Predecessors

Our predecessor and affiliated entity is Realty ONE Group, Inc. ("ROG"), whose principal business address is also 6585 High Street, Las Vegas, Nevada 89113. ROG may provide goods or services to our franchisees. Other than ROG, we are not controlled by, controlling, or under common control with any other entity that provides goods or services to our franchisees or that offers franchises in any line of business.

Name Used by the Franchisor

We conduct business under the name Realty ONE Group (the "Brand"). We do not intend to use any other name to conduct business.

Agent for Service of Process

Our agents for service of process in California are (i) Kuba Jewgieniew, 7545 Irvine Center Drive, Suite 250, Irvine, California 92618 and (ii) the Commissioner of the California Department of Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, California 90013.

Business Organization Used by the Franchisor

We are a corporation organized in Nevada on July 20, 2012.

The Franchisor's Business

We act as a franchisor of Realty ONE Group regional director franchises ("RD Franchises") and Realty ONE Group unit franchises to real estate brokers ("Unit Franchises"). Although our affiliate ROG does, we do not operate businesses of the type being franchised.

The Business the Franchisee Will Conduct

Our franchise is a license to independently own and operate an office ("Outlet") providing full-service residential and commercial real estate brokerage services and related services (collectively, "Realty ONE Group Services") to retail customers strictly in accordance with our methods and format (which we can periodically change), using our designated technology and techniques. The initial Outlet will be your principal real estate brokerage office. With our consent, you may also open branch real estate offices as additional Outlets.

Under a separate franchise disclosure document, we offer Regional Director Franchises granting the Regional Director the rights within a defined "Regional Territory" to (i) offer and sell Realty ONE Group Affiliates unit franchises ("Unit Franchises") using the form of Unit Franchise Agreement that we provide them, (ii) provide ongoing (and in some cases initial) training and assistance to unit Franchises in the Regional Territory, (iii) represent our interests in communicating and assisting in implementing the Realty ONE Group model, system, program and policies (including compliance visits) with Unit Franchises and (iv) build the Realty ONE Group Brand in the Regional Territory. Typically, an entity affiliated with a Realty ONE Group Regional Director also owns or has owned a Unit Franchise. If your Unit Franchise is in a Regional Territory licensed to a Regional Director, the contact information about the Regional Director will be contained in Exhibit 3 to your Unit Franchise Agreement. However, you will be entering into a Unit Franchise Agreement with us and the Regional Director is not a party to your contract. As franchisor, we will be responsible for the actions of the Regional Director under the Unit Franchise Agreement.

General Market for Franchised Products and Services

The general market you will operate the business in involves buyers and sellers of residential property. The market for Realty ONE Group Services is all individuals within a reasonable proximity to the Outlet. This type of business is fully developed, does not involve sales primarily to a certain group, and is not seasonal, although the real estate market is subject to outside forces beyond our control, including the national and worldwide economy.

Industry Specific Laws or Regulations

You will need a real estate broker's license issued by the Bureau of Real Estate of the California Department of Consumer Affairs. And there are specific regulations pertaining to operating in the commercial and residential real estate industry and you must comply with all local codes, regulations and licensing requirements. Some states also require franchised real estate brokers to identify themselves as franchised real estate brokers when offering their services to the public. You should consult with local agencies and your attorney. You must obtain all required licenses and permits and ensure that your sales agents, employees, and others providing Realty ONE Group Services to customers at or through your Outlet have all required licenses and permits. The failure to maintain the proper licensing is a material breach of your Unit Franchise Agreement. You will also need a business license, and you must comply with federal, state and local laws applicable to the operation of residential real estate brokerage businesses, as well as occupational health and safety laws, and the Americans with Disabilities Act.

Competition

All Realty ONE Group unit franchises will compete with other residential real estate organizations that offer services comparable to the Realty ONE Group Services as well as recruiting top-producing sales agents, including franchised operations, national chains, independent real estate brokers and agents and independently owned real estate companies offering real estate services to residential and commercial customers. A very important if not critical component of your ability to meet your competition will be your ability to recruit and retain sales agents.

Prior Experience of Franchisor, Predecessors and Affiliates

We began offering Unit Franchises in August 2012. We began offering RD Franchises in October 2014. We have never offered franchises in other lines of business. We do not operate businesses of the type being franchised and does not engage in other business activities, and does not engage in other business activities.

The Realty ONE Group concept was originated by our affiliated entity ROG in Nevada in 2005. ROG and its subsidiary entities presently own and operate 23 Realty ONE Group real estate brokerage offices (7 in Arizona, 12 in California and 4 in Nevada) that operate businesses of the type being franchised to you. Depending on the location of your Outlet, one or more of these offices may compete with you for real estate listings and customers. The addresses of these real estate brokerage offices are listed in Exhibit C to this disclosure document.

ROG has not and will not be offering franchises providing the type of business you will operate or in any other line of business.

ITEM 2 BUSINESS EXPERIENCE

Kuba Jewgieniew, Chief Executive Officer and Director

Mr. Jewgieniew was named our President and Director at our inception in July 2012, and in April 2016 he was named Chief Executive Officer. He also founded and currently serves as President and Director of ROG (since May 2005). Mr. Jewgieniew is licensed as a real estate broker in Nevada.

Louis F. Gonzalez, President

Mr. Gonzalez was named our President in April 2016. From October 2012 to March 2016, he served as Senior Vice President, National Sales for HSF Affiliates LLC (the parent entity of Berkshire Hathaway HomeServices, Prudential Real Estate and Real Living Real Estate), Irvine, California. From December 2011 to October 2012, Mr. Gonzalez served as Executive Vice President, Global Sales and Operations for Brookfield Residential Property Services, Irvine, California. From August 2007 to December 2011, he served as Senior Vice President, Sales and Service Operations North America for Prudential Real Estate and Relocation Services, Inc., Irvine, California.

Michael Clear, Chief Operating Officer

Mr. Clear was named our Chief Operating Officer in January 2017. From December 2014 to December 2016, he served as Vice President - Operations for American Home Shield,

Memphis, Tennessee From November 1999 to December 2014, Mr. Clear served as Chief Sales and Marketing Officer for HSA Home Warranty, Cross Plains, Wisconsin

Dan Hart Chief Financial Officer

Mr. Hart was named our Chief Financial Officer in April 2014. From July 2013 to March 2014, he served as Financial Consultant to Buxbaum HCS, LLC, Rancho Santa Margarita, California. From March 2004 to June 2013, Mr. Hart was employed by SM&A, Irvine, California, beginning as an Internal Audit and Assistant Controller (from 2004 to 2005), then as Vice President and Corporate Controller (from 2005 to 2010) and finally as Senior Vice President and Chief Financial Officer (from 2010 to 2013).

Alexandru D. Mihai General Counsel

Mr. Mihai was named our General Counsel in May 2015. He also serves as General Counsel of ROG (since May 2015). From 2007 to May 2015, Mr. Mihai served as an Attorney with Lynberg & Watkins, APC in Orange, California where his practice areas included general civil litigation. He was named partner at Lynberg & Watkins in 2014. Mr. Mihai is a Member in good standing of the California State Bar.

Luis Vega Vice President of National Growth

Mr. Vega was named our Vice President of National Growth in April 2017, after serving as our Vice President of Franchise Business Development since September 2014. From October 2012 to September 2014, he served as our Regional Vice President of Franchise Development. From January 2012 to September 2012, Mr. Vega served as Realtor for eXp Realty, Phoenix, Arizona. From December 2008 to December 2011, he served as Regional Executive Director for Nextage Realty International Southwest Region, Scottsdale, Arizona.

Christian Pollinger Vice President Sales and Service Operations

Mr. Pollinger was named our Vice President Sales and Service Operations in January 2017. From February 2015 to January 2016, he served as President of Ryen Real Estate, Los Angeles, California. From January 2011 to January 2015, Mr. Pollinger served as Senior Vice President of Sales for First Team Real Estate/Christie's Great Estates, Irvine, California. From April 2008 to January 2011, he served as President of Real Estate Business Advisors, Newport Beach, California. Mr. Pollinger holds a California Real Estate Broker's License and the advance real estate designations of Quality Service Certification (QSC) and Certified School and Community Advisor (CSCA). He is also registered as an Investment Advisor Representative with the Financial Industry Regulatory Authority (FINRA) and the National Association of Securities Dealers (NASD).

Burke Smith Chief Learning and Development Officer

Mr. Smith was named our Chief Learning and Development Officer in March 2017. From January 2015 to March 2017, he served as Vice President of Business Development for American Home Shield, Memphis, Tennessee. From January 2011 to January 2015, Mr. Smith served as Chief Communications Officer for Home Security of America, Madison, Wisconsin.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item

ITEM 5 INITIAL FEES

The Initial Franchise Fee is \$25,000 The Initial Franchise Fee is due and payable in two installments (i) \$10,000 on the "Opening Date" of your Outlet (the Opening Date is defined in the Unit Franchise Agreement as the day you officially activate our proprietary reporting software and you are eligible to begin operating the Franchised Business), and (ii) \$15,000 on the 2nd anniversary of the "Effective Date" (as defined in the Unit Franchise Agreement) However, 1/3 of the second installment (\$5,000) will be deemed satisfied if, by the 1st anniversary of the Effective Date, you have a net total of at least 50 "Real Estate Agents" (as defined in the Unit Franchise Agreement) operating under or associated with your real estate broker's license on that date, and 2/3 of this amount (\$10,000) will be deemed satisfied if, by the 2nd anniversary of the Effective Date, you have a net total of at least 100 Real Estate Agents operating under or associated with your real estate broker's license on that date

The Initial Franchise Fee is fully earned by us when paid and is not refundable If before your successful completion of initial training, we decide, in our sole discretion, that you should not operate a Realty ONE Group business, we may cancel the Unit Franchise Agreement, without any liability to us

There are no other initial fees or payments for services or goods received from us or our affiliates before the Opening Date

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty ¹	None	Not applicable	No percentage royalty is payable to us under the Unit Franchise Agreement
Monthly Fee ¹	For the principal real estate office and each branch office (i) the product of (A) \$50 multiplied by (B) the number of Real Estate Agents operating under or associated with your real estate broker's license, or (ii) \$1,225, whichever is greater	On the 7th calendar day of the following month ²	The Monthly Fee is based on the number of your Real Estate Agents at each of your offices as of the last business day of the month before your Monthly Fee is due and as reported to us Within 7 days after the Opening Date, all of your Real Estate Agents must be enrolled in our proprietary zONE™ (enrollment and tracking) system
Transaction Fee ¹	\$50 for every \$250,000 of the price of residential properties and \$50 for every \$100,000 of the price of commercial properties	On the 7th calendar day of the following month ²	The Transaction Fee is only payable if the sale or lease of the property results in a gross commission income of \$2,000 or more You must also send us a transaction report in the form we prescribe
Document Storage Fee ¹	\$75	On the 7th calendar day of the following month ²	A Document Storage Fee is payable on each sale or lease of real property resulting in a gross commission income of \$2,000 or more You must also send us a transaction report in the form we prescribe

Type of Fee	Amount	Due Date	Remarks
Marketing and Promotion Fees ¹	2% of Gross Revenues ³	On the 7th calendar day of the following month ²	Marketing and Promotion Fees are paid on a monthly basis, beginning with the first full calendar month after the Opening Date "Gross Revenues" include all revenue from your Outlets, with the specific exception of revenues generated from (i) fees charged to sales associates for business liability (errors and omissions) insurance, transaction coordination, private office rents or initial agent sign-up fees and (ii) mortgage lending escrow and title businesses)
Renewal Fee ¹	\$1,000 ⁵	When you sign your renewal Unit Franchise Agreement ^{2 5}	You are qualified for renewal if you are in full compliance your operating requirements, all fees due us are paid and you are not in breach of any term of your Unit Franchise Agreement
Transfer Fee ¹	\$1,000 ⁵	Not later than 10 days before the transfer ²	There is no transfer fee if franchise is transferred to an entity (corporation or limited liability company) owned solely by you
Optional Training and Conference Fee ¹	Up to \$750 ⁵ (per day)	At time of training ²	Upon reasonable notice, we may require attendance of your designated personnel at training courses, seminars, conferences or other programs
Late Payment Penalty ¹	\$500 plus 10% of the amount past due	Immediately upon our demand ²	The late payment penalty is payable each time you fail to make a required payment and is in addition to interest on the unpaid amount You must also reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts
Fine for Losing the Confidential Operations Manual ¹	Up to \$5,000 ⁵	Immediately upon our demand ²	If you lose or allow the unauthorized copying of the Confidential Operations Manual (the "Manual") you may be required to pay us a penalty of up to \$5,000 within 30 days after our demand for payment
Records and Rights of Inspection (Audit) ^{1 6}	Cost of audit (can range from \$3,000 to \$7,500) plus you must pay interest on any underpayment	Immediately upon demand for payment ²	You must reimburse us the cost of the audit only if you understated Gross Revenues for any month by 5% or more, or our auditors need an unreasonable amount of time (more than 8 hours) to assemble your records for audit

1 All fees are imposed and collected by and are payable to us, unless a Regional Director is listed in Exhibit 3 of your Unit Franchise Agreement, in which case all fees would be paid to that Regional Director Except as indicated in Item 5 or otherwise in the table above, all fees are non-refundable All fees are uniformly imposed

2 If any payment is not paid when due, in addition to the late payment penalty, you must pay interest on the unpaid amount at an annual percentage rate ("APR") of 10%, and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs, investigator fees, expert witness fees and attorneys' fees Interest begins to accrue from the date payment was due

3 Within the first 60 days after the "Opening Date" of your initial Outlet, you must spend at least \$3,000 on the grand opening advertising and promotion of your Outlets, using the grand opening promotional program that we approve. Beginning 61 days after the Opening Date, you must spend at least 2% of your Gross Revenues on the local marketing, advertising and promotion of your Outlet. Also, on a regional or system-wide basis, we may impose an additional assessment upon some or all franchisees for one-time advertising or promotional activities if 2/3 of all affected Realty ONE Group franchisees agree to such additional assessment by affirmative vote.

4 We will not accept the renewal fee until all of the other conditions for renewal have been met.

5 This fee is subject to adjustment based upon changes since the effective date of the Unit Franchise Agreement to the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), published by the Bureau of Labor Statistics of the United States Department of Labor, or the highest similar future index if these figures become unavailable.

6 We have the right to continually inspect your Principal Real Estate Office, Branch Offices and any other site where you conduct the franchised business to ensure you are in compliance with standards prescribed by us and specified in the Confidential Operations Manual.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ¹	\$25,000	Lump sum non-refundable	On the Opening Date	Us
Grand Opening Advertising ²	\$3,000 to \$10,000	Lump sum non-refundable	Within the first 6 months after the Opening Date	Various suppliers
Initial training travel/living expenses ³	\$250 to \$3,000	As incurred	During training	Travel and lodging vendors
Office set-up and leasehold improvements ⁴	\$3,000 to \$60,000	As arranged	As arranged	Landlord and other vendors
Computer hardware and software, furniture and fixtures ⁵	\$5,000 to \$30,000	As arranged	As arranged	Designated and other vendors
Exterior office signs ⁶	\$500 to \$5,000	As arranged	As arranged	Designated and approved vendors
Insurance ⁷	\$500 to \$2,000	As incurred	As arranged	Insurance company
Miscellaneous opening costs ⁸	\$1,000 to \$10,000	As incurred	Before and during opening	Landlord, municipalities, suppliers, utilities, attorneys, accountants and other professionals
Additional funds – 3 months ⁹	\$15,000 to \$75,000	As incurred	After opening	Employees, landlord, other vendors
TOTAL¹⁰	\$53,250 to \$220,000			

(1) This fee must be paid in full at the time indicated. In order to be eligible to sign the Unit Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial

investment described above and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the franchise

(2) We will provide you a grand opening advertising and promotional program format for your Realty ONE Group real estate brokerage business. You must spend at least \$3,000 on a grand opening promotion within the first 6 months after you open your initial Outlet (see Item 5)

(3) Training typically is accomplished in 3 days in Irvine, California and in our discretion, may be followed by assistance of our "Opening Team" during the first 12 months after your Outlet opens. These expenses represent the wages, travel and living expenses for you and your staff during training.

(4) You will need to rent or lease a suitable site for your Outlet and the rent or lease deposit amount will vary depending on the location. A security deposit equal to one month's rent is a standard requirement to enter into an office lease, and landlords may ask for additional security deposits equal to as much as 3 month's rent. The amounts listed in this type of expenditure are estimates that are based on basic build out of our Outlet design but do not include many variables related to the pre-existing condition of any one location. Architectural renderings and building permits may be required for the build-out of your Outlet or refurbishment to meet our standards, the cost for which has been included in these estimates.

(5) You must use an acceptable business computer and approved software. The cost of operational and promotional materials ranges from \$1,500 to \$3,000.

(6) The quantity, size, type and cost of signs will vary substantially per lease space and in accordance to stipulations of each landlord and local governmental regulations. These estimates include the average filing fees for obtaining the necessary sign permits. All signs must comply with the guidelines contained in the Manual.

(7) As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your franchised business, and it is imperative you carry adequate insurance to protect yourself. The currently required minimum coverage and limits of insurance are (i) general liability insurance with limits of at least \$1,000,000 per occurrence and \$1,000,000 aggregate, (ii) automobile insurance for your employees and agents with per accident coverage of at least \$100,000 per person for bodily injury, \$300,000 for all persons injured and \$100,000 for property damage, and (iii) workers' compensation insurance to meet the statutory coverage of the state where your Regional Territory is located. We may modify the policy limits set forth above if we determine that a different policy limit is reasonably prudent for your type of business after taking into consideration the state where you operate. Any policies of insurance that you maintain in your name must contain a separate endorsement naming the Regional Director (if applicable), us, ROG and any other of our affiliated entities which may hereafter exist as additional insureds. The costs of premiums will vary based on location of the Outlet and any prior claim history. You must supply us a copy of the applicable insurance policy providing the coverage specified above as soon as practicable after the effective date of your Unit Franchise Agreement and then proof of continuing insurance on annual basis not later than each anniversary of the effective date of your Franchise Agreement.

(8) This includes security deposits, utility deposits, business licenses and other prepaid expenses. There is no initial inventory you are required to stock in order to open for business.

(9) Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin your franchise operations, such as inventory, supplies and employees. It is always a good idea to have some cash reserves available to cover initial operating expenses. This estimates the additional funds you will need for your first 3 months of operation. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you

will not have additional expenses during your first 3 months of operation. We relied on the related business experience of our Chief Executive Officer (since 2005) in determining these figures. Your costs will depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products and services, the prevailing wage rate, competition, and the sales level reached during the initial period.

(10) This estimates your initial startup expenses. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Although we cannot assure you this will happen, if you do not open for business, you may receive a refund from suppliers for unused inventory, unspent advertising and canceled insurance. Otherwise the payments listed in the table above are nonrefundable. We do not finance any part of the initial investment. We relied on the related business experience of our Chief Executive Officer (since 2005) in determining these figures. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We do not sell or lease any goods, services, supplies or equipment related to establishing operating the franchised business. You must join your local Board of Realtors and participate in the Multiple Listing Services ("MLS") applicable to the area in which your Outlet is located.

Required and Approved Suppliers

You must purchase items bearing the Brand only from designated vendors or approved suppliers. If you buy from other sources, you will be in material breach of your Unit Franchise Agreement. You will receive a list of approved suppliers at initial training and later updates to this list.

You must obtain and maintain errors and omissions insurance, and we must approve the insurance provider and the amount of coverage.

You may be given an opportunity to purchase some ancillary real estate services (including escrow and title insurance) from ROG and other providers. Each provider of these ancillary real estate services must have all necessary permits and licenses to allow them to do so.

Officers or persons affiliated with us may own an interest in ROG. Otherwise, there are no suppliers in which any of our officers or persons affiliated with us owns an interest.

Approval of Alternative Suppliers

We may approve other suppliers of services or products that are used or sold at Realty ONE Group Outlets. We approve suppliers after careful review of the quality of the services or services and products they provide to us and our franchisees. We formulate standards and specifications for products from approved suppliers based on our executive officers' experiences in the residential real estate brokerage business. These standards and specifications are provided to potential suppliers when we begin the supplier review process and to franchisees. If you would like us to consider a new supplier, you must have the supplier provide us with detailed explanations regarding its services or samples of its products. If the

supplier meets our specifications for quality control, we may approve it as an additional supplier by written notification of our approval to the supplier and you. A review of a proposed new supplier typically is completed within 30 days and no fees are payable to us for this review. We will not unreasonably withhold consent to a proposed new supplier. If an approved supplier no longer meets our standards, we may revoke its status as an approved supplier by written notification to the supplier and notification to the system.

Computer and Point of Sale System

You are not required to purchase or lease a specified point of sale ("POS") system. However, you are required to use and maintain a business computer system (including our designated data management system) and all related hardware, as we specify in the Manual or otherwise in writing for use in connection with your operations in the Regional Territory (the "Computer System"). And you must obtain from our affiliated entity or designated vendors and use in your franchise operations our proprietary real estate management software zONE™ and Paperless Exchange™.

Revenue from Franchisee Purchases

In 2016, neither we nor any of our affiliates derived revenue, rebates or other material consideration as a result of required purchases or leases by Realty ONE Group franchisees, although we may do so in the future.

Payments to us and purchases from designated vendors and approved suppliers (i) in establishing your Outlet will range from 27% to 57% of your total initial investment and (ii) in operating your Outlet will range from 5% to 10% of your total monthly expenses.

Cooperatives

We are not presently involved in any purchasing or distribution cooperatives.

Negotiated Purchase Arrangements

We do negotiate purchase agreements with some suppliers (primarily involving marketing materials) for the benefit of Realty ONE Group franchisees. You may only charge your real estate sales agents risk management fees or other fees in the amounts we prescribe in the Manual or otherwise approve in writing.

Material Benefits Based on Franchisee Purchases

We do not provide any material benefits to you based on your purchase of particular products or services or use of particular suppliers.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

	Obligation	Section in franchise agreement	Disclosure document item
a	Site selection and acquisition/lease	7 1 7 2	6 11
b	Pre-opening purchases/leases	7 2, 7 3	8
c	Site development and other pre-opening requirements	7 1 7 2	6, 7, 11
d	Initial and ongoing training	6 1-6 4	11
e	Opening	3 3, 7 2, 7 3	11
f	Fees	4 1-4 8, 5 2, 8 2, 12 2	5, 6
g	Compliance with standards and policies/operating manual	8 1-8 3	11
h	Trademarks and proprietary information	8 8, 9 1-9 5	13 14
i	Restrictions on products/services offered	3 2, 3 4, 8 1, 8 13	16
j	Warranty and customer service requirements	3 3, 8 1	11
k	Territorial development and sales quotas	8 1	12
l	Ongoing product/service purchases	7 3	8
m	Maintenance appearance and remodeling requirements	5 2, 7 2, 8 6	11
n	Insurance	8 10	7
o	Advertising	4 3, 7 2, 7 3, 8 8, 8 14, 10 1, 10 2	6, 11
p	Indemnification	16 2	6
q	Owner's participation/management/staffing	3 6, 6 1, 6 2, 8 1, 12 6	11, 15
r	Records and reports	8 7	6
s	Inspections and audits	8 7, 8 11	6, 11
t	Transfer	12 1-12 7	17
u	Renewal	5 2 - 5 4	17
v	Post-termination obligations	11 2 15 1, 15 2	17
w	Non-competition covenants	11 1-11 3	17
x	Dispute resolution	14 1-14 5	17
y	Compliance with anti-terrorism and other federal laws	16 12	Not applicable

ITEM 10 FINANCING

We do not offer direct or indirect financing We do not guarantee your note, lease or obligation

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance

Our Pre-Opening Obligations

Before you open your business, we

(1) Will provide you and your key employees with initial training and orientation in the Realty ONE Group system and how to operate the Outlet (see section 6 1 of the Unit Franchise Agreement and the Training Program described below in this Item 11) You must successfully complete initial training to our satisfaction

(2) Will provide you with a general plan for the layout, furnishing and equipping of your Outlet, together with a list of approved and designated suppliers (see section 7.2 of the Unit Franchise Agreement)

(3) Will review and consent to the site you select for your Outlet (if you do not already have an operating real estate office) (see section 7.1(a) and Exhibit 1 of the Unit Franchise Agreement) We do not typically pre-select the site for your Outlet or assist you in selecting this site. You and your landlord may be required to complete and sign a rider or addendum to the lease that requires the landlord to (i) notify us if you are in material default of the lease for the Outlet and (ii) fully cooperate with us in completing de-identification of the Outlet if the Unit Franchise Agreement is terminated or expires without being renewed. The factors we consider in consenting to a site for the Outlet include general location and neighborhood, parking, size, physical characteristics of existing buildings and lease or rental terms. You have 60 days after signing the Unit Franchise Agreement to locate an acceptable site for your Outlet. We will review and either consent to or decline the proposed site for your Outlet within 10 business days after you provide us with its address. If you are unable to locate an acceptable site within 180 days, we can cancel the Unit Franchise Agreement (see section 7.1(b) of the Unit Franchise Agreement). We do not typically own and lease to you the premises on which the Outlet will be located. Our review and consent to the location of the Outlet is no guarantee or assurance that you will be successful there or anywhere else. Once we consent to the location of your Outlet, you must countersign and return to us the letter consenting to your location in the method we prescribe.

(4) Will provide you with a copy of the Manual (see section 8.3 of the Unit Franchise Agreement)

Length of Time to Open the Franchised Business

We estimate the typical length of time between the signing of the Unit Franchise Agreement (when you make your first payment to us for the franchise) and the opening of your Outlet (which usually takes place immediately after you complete Initial Training) will be 90 days. Factors that may affect this time period include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, and delivery and installation of equipment and signs. Immediately upon your successful completion of Initial Training, you will be given access to our designated computer software to be used in the operation of the Franchised Business (see section 8.4 of the Franchise Agreement) and you must sign a letter in a form we provide acknowledging the Opening Date of your Franchised Business. If we consent to the site for your Outlet but you do not successfully complete Initial Training and begin operating your Franchised Business within 180 days after you sign the Unit Franchise Agreement, we can terminate the Unit Franchise Agreement (see section 7.1(b) of the Unit Franchise Agreement) without any liability to us.

Our Obligations during the Operation of the Franchise

During the operation of the franchised business, we

(1) Will be reasonably available by phone and e-mail for guidance in the operation and management of your Outlet. Other than providing you general guidelines for tax and federal employment compliance in our Manual, we do not provide you with assistance in contracting

with real estate agents or hiring, supervising or discharging employees, nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state (See section 6 2(c) of the Unit Franchise Agreement)

(2) Will provide you with scheduled training and assistance programs and may visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping and accounting procedures There is no separate fee for scheduled training and assistance However, if you request unscheduled training or assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging We may also, at our discretion, charge a fee for unscheduled training or assistance of up to \$750 per day The nature, frequency and duration of this assistance by our representatives will be in our sole discretion (See section 6 2(d) of the Unit Franchise Agreement)

(3) In connection with your ongoing obligation to maintain the Outlet in accordance with our standards, will notify you if the general state of repair, appearance or cleanliness of your Outlet or its signs do not meet our standards, and specify the action you must take to correct the deficiency (see section 8 6 of the Unit Franchise Agreement)

(4) May conduct a system-wide mandatory meeting (or annual convention) not more than once a year in Southern California or other place in the United States Attendance of at least one Branch Manager and at least one Principal Equity Owner at these meetings is highly recommended You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings (See section 6 3 of the Unit Franchise Agreement)

(5) Will provide you with access to, and integrate information about your Outlet into, the Realty ONE Group website in accordance with our specifications (see section 6 2(a) of the Unit Franchise Agreement)

(6) May suggest retail prices for Realty ONE Group Services you sell at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and may restrict advertising of prices that are different from what we recommend (See section 8 1(b) of the Unit Franchise Agreement)

Advertising Program for the Franchise System

Beginning with the first full calendar month after the Opening Date, you must pay us Marketing and Promotion Fees equal to 2% of your monthly Gross Revenues, excluding revenues generated from (i) fees charged to sales associates for business liability (errors and omissions) insurance, transaction coordination, private office rents or initial agent sign-up fees and (ii) mortgage lending, escrow and title businesses (see section 4 5(a) of the Unit Franchise Agreement) We collect Marketing and Promotion Fees from all Realty ONE Group franchisees at the same rate We will spend collected Marketing and Promotion Fees for national, regional and local advertising, public relations, market research, and promotional campaigns designed to promote and enhance the value of the Brand and its general public recognition and acceptance

We require that you spend at least 2% of your Outlet's Gross Revenues on local marketing, advertising and promotion of your Outlet, and we may require you to provide us with receipts or other written verification of these expenditures (see section 4 5(d) of the Unit Franchise Agreement) Also, you must spend at least \$3,000 on the grand opening promotion of your initial Outlet within 60 days after you open as a Realty ONE Group franchise (see section 4 5(c) of the Unit Franchise Agreement)

On a national or regional basis, we may impose an additional assessment on all affected Realty ONE Group franchisees for special advertising or promotional activities 2/3 of all affected franchised Outlets agree to this additional assessment in writing (see section 4 5(e) of the Unit Franchise Agreement)

Marketing and Promotion Fees are deposited into a separate bank account specifically designated for Realty ONE Group marketing, advertising and promotional activities This account is not audited and no interest on the amounts on deposit is imputed for your benefit or paid to you We administer the national advertising program and receive reimbursement of our costs (not to exceed 15% of the annual aggregate Marketing and Promotion Fees) for doing so

Marketing and Promotion Fees are primarily used to promote the Realty ONE Group system and residential real estate sales at Outlets We determine, in our sole discretion, the cost, form or media, content, format, production and timing, including regional or local concentration and seasonal exposure, location and all other matters involving advertising, public relations and promotional campaigns In 2016, we neither collected nor expended any Marketing and Promotion Fees collected from Unit Franchises However, if we collect Marketing and Promotion Fees in the future, we estimate these will be expended as follows 40% on the production of advertisements and other promotional materials, 40% for media placement, 15% for our administrative expenses and 5% on other miscellaneous expenses

We intend to use the Internet, social media and targeted print media in our marketing and advertising efforts And in the future, we may use local radio and television advertising We will be using in-house advertising personnel to do this, and we may hire advertising and public relations firms to assist us in these efforts We are not required to spend any advertising fees in your territory or in or near your Outlet, although we may do so Advertising Fees are spent to benefit all franchises, including you

We will provide general advertising programs and sales promotion, campaign and sample advertising materials You may develop advertising materials for your own use, at your own cost But we must approve all advertising materials in advance and in writing (approval or disapproval will be given within 5 business days after you submit the advertising materials to us) You grant us a the right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Realty ONE Group Services, any Realty ONE Group Outlet and the Realty ONE Group system (see section 9 1(d) of the Unit Franchise Agreement)

We do not yet have a franchisee council that advises us on advertising policies, but we may establish one in the future, and if we do so, we may request input on advertising informally from franchisees

We are not presently involved in any advertising cooperatives. However, we reserve the right to create advertising cooperatives in the future. If we do so, real estate offices owned by, or affiliated with, us will contribute to the cooperative on the same basis as Realty ONE Group franchisees. We have the right to require cooperatives to change, dissolve or merge.

If we do not expend all Marketing and Promotion Fees in the fiscal year in which they accrue, the amount remaining is retained for future advertising. If you request this in writing on or before March 31, we will provide you on or before the following May 31 with an unaudited statement describing the annual receipts and expenditures of Marketing and Promotion Fees during the calendar year that just ended.

None of the Marketing and Promotion Fees will be used primarily for the solicitation for new franchise sales.

Electronic Point of Sale System and Computer Requirements

You are not required to purchase or lease a POS system. However, you must use and maintain a Computer System. We don't specify or recommend the brand or type of business computer you use. But if this changes, you will be notified. And you must obtain from our affiliated entity or designated vendors and use in your franchise operations our proprietary real estate management software zONE™ and Paperless Exchange™. This software is used for management of your business and billing, and you must use the myROG software to close out all of your real estate transactions, and bill and close out all of your real estate transactions in a timely manner as specified in the Manual or otherwise by us in writing. You must provide us with continuous access to the accounting software (such as QuickBooks) you use at your Outlet, in order that we will be able to accept data from you in an exportable CSV (comma separated values) file and you will also be able to accept data from our software. We will provide you with related information (such as a required chart of accounts), so that data you provide us will be categorized properly (see section 8.7(a) of the Unit Franchise Agreement). We also require you to maintain an e-mail account and connect the Computer System to a dedicated Internet line (or other communications medium we specify) at all times and be capable of accessing the Internet via a third party network we designate in the Manual or otherwise in writing. You must allow us to access your Computer System on a daily or other basis at the times and manner determined by us or our designated affiliate, with or without notice, and to retrieve transaction information (including sales, sales mix, usage and other operations data) that we deem appropriate. You must give us access to your MLS listings and related Internet Data Exchange ("IDX") data through a subscriber service with a third party vendor we designate. You must always have and maintain adequate anti-virus software in any computer you use to communicate with us directly or through our master website or intranet (see section 8.4(b) of the Unit Franchise Agreement). We estimate that the annual cost of optional or required maintenance, updating, operating or support contracts regarding the Computer System will range from \$500 to \$1,000.

Operations Manual

We will loan you one copy of our Manual (containing a total of 202 pages) and other applicable manuals during the relevant phases of initial training (see section 8.2 of the Unit Franchise Agreement). This Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We will periodically modify the Manual and when we do so, you must comply with these changes when you receive them. This Manual is confidential and remains our property. If you lose or allow the unauthorized duplication of the Manual or any other confidential manuals or proprietary materials loaned to you by us, in addition to all other remedies we have, you may be required to pay us the sum of \$5,000 (this amount may be adjusted by changes in the Consumer Price Index since the effective date of the Unit Franchise Agreement) within 30 days after our demand for payment, and you will be deemed to be in violation of the Unit Franchise Agreement and all other agreements you have with us (see section 8.2(c) of the Unit Franchise Agreement).

The following is the Table of Contents of the Manual as of the date of this disclosure document:

Topic	Number of Pages
Section 1 - Introduction	15
Section 2 - Pre-Opening	25
Section 3 - Front Offices/Operations	33
Section 4 - Back Office Policies and Operations	73
Section 5 - Trademarks/Logo Standards	10
Section 6 - Realty ONE Group Graphic Standards	12
Section 7 - Approved Suppliers	8
Section 8 - Affiliate Guidelines	26
Total Pages	202

Currently, we have no policy under which we will render services to you not required by your Unit Franchise Agreement (or other agreements with us) or the Manual.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Day One Realty ONE Group History Vision Value Proposition Opening Procedures Front Office Procedures	8	0	Southern California
Day Two Trademarks/Identity Standards Back Office and Accounting Procedures Business Planning Recruiting	8	0	Southern California
Day Three myROG and Paperless Exchange™	8	0	Southern California

The training program above is effective as of the date of this disclosure document. Initial training is typically provided within 30 days before your Outlet opens and is typically

scheduled on a monthly basis. Unless there are extenuating circumstances that in our reasonable determination justify a delay, your required trainees must attend the next Initial Training that we offer. All classroom training takes place at our regional headquarters in Irvine, California, or another training center that we designate.

The instructional material consists of appropriate handouts and information directly from the Manual. Currently, our designated instructor is Burke Smith, who has been with us since March 2017, and who has more than 10 years of experience in the subject matters he teaches. The designated instructor is sometimes assisted by our operations staff and other employees.

We do not charge for this training or service for the designated Branch Managers and Principal Equity Owners. You must pay all travel and living expenses of persons you send to training.

The successful completion of the next available initial training by your designated Branch Managers and at least one other key employee of yours (may be a Principal Equity Owner) to our satisfaction is a condition to your opening of an Outlet to the public, and must be done within 180 days after you sign the Unit Franchise Agreement. Immediately upon your successful completion of Initial Training, you will be given access to our designated computer software to be used in the operation of the Franchised Business and you must sign a letter in a form we provide acknowledging the Opening Date of your Franchised Business. If a designated Branch Manager fails to complete initial training satisfactorily, you will have the option of sending a replacement approved by us to initial training.

Upon reasonable notice, not more frequently than once every 3 months, we may require attendance of designated personnel of yours at training courses, seminars, conferences or other programs containing information that is relevant or appropriate to the operation of your Outlet (see section 6.2 of the Unit Franchise Agreement). Scheduled Realty ONE Group courses, seminars, conferences or other programs typically do not last for more than one day, take place in Irvine, California or Las Vegas, Nevada, and are not subject to any fee. However, we may, at our discretion, charge a fee of up to \$750 per day for unscheduled Realty ONE Group training courses, seminars, conferences or other programs that you request us to provide to you. Currently, no refresher courses are required.

ITEM 12 TERRITORY

Each Franchise is granted only for one specific real estate office at a location which we consent to and which is listed in the Unit Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control.

You may relocate an Outlet with our written consent, which will not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location. Within 20 business days after we receive your request, we will either approve or disapprove in writing such closure or relocation. If we disapprove of a proposed relocation, you may request an alternative proposed new location.

We do not grant you options or rights of first refusal to open additional Outlets under the Unit Franchise Agreement. Each Outlet will require a separate Unit Franchise Agreement.

We reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems. We have the absolute right to develop residential real estate brokerage business concepts under other brand names even if the locations for the concept are adjacent to your Outlets, and market, distribute and sell, on a wholesale or retail basis, ancillary real estate services (such as mortgage, title insurance and escrow) under the Brand, by direct sale, the Internet, mail order, infomercials, telemarketing or by any other marketing method or other channels of distribution. We are not required to pay you compensation for soliciting or accepting customers of ancillary real estate services but we may pay you referral fees for customers of such services that you refer to us.

You are not restricted from soliciting or accepting orders outside of your Outlets, but you may not sell any of Realty ONE Group Services on a wholesale basis, at any location other than your Outlet, or through the Internet, catalog, mail order, telemarketing or any other non-retail method of sales or distribution.

We will publish or approve all website content containing our trademarks, and we will provide you with a presence on our master website. We will maintain the "Uniform Resource Locator" (or "URL"), but we will permit you to own an Internet domain name that contains our trademark and establish your own personal websites for the purpose of advertising your Outlets or our principal trademarks, but only in accordance with our guidelines and procedures contained in our Confidential Operations Manual or otherwise given to you in writing.

We may establish company-owned retail outlets selling Realty ONE Group Services near but never adjacent to any of your Outlets. Although we have no current plans to do so, we reserve the right to offer and sell other types of franchises that are not directly competitive with the Realty ONE Group franchise.

At the first anniversary of the Opening Date of your Outlet ("Anniversary Date"), you must have at least 50 Real Estate Agents associated with each of your real estate offices (for example, if you have 2 real estate offices, you must have at least 100 Real Estate Agents, at least 50 Real Estate Agents at your principal real estate office and at least 50 Real Estate Agents at your branch office). At the second Anniversary Date and each Anniversary Date after that, you must have at least 100 Real Estate Agents associated with each of your real estate offices (i.e. at least 100 Real Estate Agents at your principal real estate office and at least 100 Real Estate Agents at each of your branch offices). The first time you fail to meet this requirement, you will be given a warning and you will have to participate in our performance improvement program. The second time you fail to meet this requirement, we may terminate your Unit Franchise Agreement after delivering you a notice of default with an opportunity for you to cure by achieving the required level of Real Estate Agents within 30 days after the notice. Otherwise, the continuation of your rights under the Unit Franchise Agreement does not depend on you attaining a minimum level of sales, revenues or market penetration, or other contingency.

ITEM 13 TRADEMARKS

You are licensed to operate and identify the Outlet under the principal trademark "Realty ONE Group" and logotype displayed on the cover of this disclosure document, and other current or future trademarks. On December 18, 2012, ROG registered the principal trademark "Realty ONE Group" on the Principal Register of the United States Patent and Trademark Office ("USPTO"), registration number 4261532. On December 11, 2007, ROG registered the principal trademark "Realty ONE Group A Team of Professionals" on the Principal Register of the USPTO, registration number 3351334.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed.

All trademarks are owned by our affiliated company ROG, which granted us a trademark license (the "Trademark License") and right to use the principal trademark and related trademarks, service marks, trade names, logos and symbols (collectively the "Marks") related to Realty ONE Group and to grant licenses to use the Marks to Realty ONE Group franchisees. The Trademark License will continue until it is terminated. If the Trademark License were to be terminated, Realty ONE Group franchisees would have the right to continue to use the Marks while operating their franchised Outlets under their Unit Franchise Agreements for the existing term of their agreements. Except as described above, no agreements limit our rights to use or license the use of the Marks.

You must follow our rules when you use the Marks. You cannot use our principal Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

We have the right to control any administrative proceedings or litigation involving a Mark we licensed you to use. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third party use of or challenge to your use of the Marks. We then will promptly take the action we think appropriate. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition or similar claims about the Marks. We have no obligation to defend or indemnify you if the claim against you relates to your use of the Marks in violation of the Unit Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use our Marks is using them or any variant of them, you must promptly notify us. We will determine whether or not we wish to take any action against the third party.

You must modify or discontinue the use of a Mark if we modify or discontinue it. You must not directly or indirectly contest our rights to the Marks, trade secrets or business techniques that are part of our business.

Except for the proprietary rights of ROG in the Marks, there are no infringing uses or superior previous rights known to us that would materially affect your use of the Marks in this state or any other state in which the franchised business is to be located

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Manual and only you or your authorized employees can have access to and use the proprietary information in the Manual.

Our intellectual property, whether the subject of a patent, copyright or not, also is protected by common law principles which limit the use of our confidential proprietary information, except as we have licensed it. We will enforce those rights as we determine.

Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We recommend but do not require principal owners of Realty ONE Group Affiliates franchises to actively participate in the direct management and operation of your Outlet. However, you must employ at each Outlet at least one designated Branch Manager (if you are a sole proprietor, this could be you) who has successfully completed our initial training program. You must disclose the identity of the Branch Managers to us and if he or she is for any reason no longer acting as Branch Manager, you must notify us immediately and in writing. The Branch Manager cannot have an interest or be employed or engaged as an independent contractor by any of our business competitors. The Branch Manager must devote his or her full time during normal business hours to the management, operation and development of the Franchised Business. We do not require your Branch Manager to have any ownership interest in your business, although he or she may do so. If the Branch Manager does not own at least a 20% equity interest in your franchisee entity, he or she may be required to sign a confidentiality and non-competition agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell at your Outlet only Realty ONE Group Services and other goods and services that we designate as required for all franchisees or have approved.

We have the right to change and add other authorized goods and services that you will be required to offer. There are no limits on our right to do so. Notwithstanding the foregoing, the

additional investment required of you for other authorized goods and services, which may include, but not limited to, equipment, supplies and initial inventory, will not exceed \$10,000 per year, unless otherwise agreed to by the parties in writing

Except for applicable laws restricting discrimination against customers based on public policy, there are no restrictions on the customers to whom you may sell Realty ONE Group Services and related products at your Outlet

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a	Length of the franchise term	5 1	The initial term of the Unit Franchise Agreement is 5 years or 10 years (as you select in the Unit Franchise Agreement) from the date your Outlet begins operating under the Unit Franchise Agreement
b	Renewal or extension of the term	5 2	You can add additional terms equal to the initial term you selected upon written notice delivered to us not less than 120 days before the end of the existing term, and with our approval. However, we are not obligated to renew your Franchise if one or more of the conditions in section 5 2(c) of the Franchise Agreement apply to you.
c	Requirements for franchisee to renew or extend	5 2	Sign our then current Unit Franchise Agreement modified for renewal ("Renewal Unit Franchise Agreement") remodel your Outlets (if necessary) and pay renewal fee. The Renewal Unit Franchise Agreement may have materially different terms and conditions than your original Unit Franchise Agreement, but the boundaries of the Territory will remain the same.
d	Termination by franchisee	13 1	If we are in material breach (beyond any applicable cure periods), you can terminate your Unit Franchise Agreement.
e	Termination by franchisor without cause	Not applicable	Not applicable
f	Termination by franchisor with cause	13 1 - 13 10	We can terminate the Unit Franchise Agreement only if you are in material default.
g	"Cause" defined – curable defaults	13 3	You have 60 days after notice to cure monetary defaults and other defaults (including defaults under a lease for your Outlets) that can be cured.
h	"Cause" defined – non-curable defaults	13 2	Non-curable defaults: your bankruptcy or insolvency, your abandonment of the franchised business, you make material misrepresentations relating to your acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised or the Realty ONE Group system, you fail, for a period of 30 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise, after curing any default, you engage in the same noncompliance whether or not such noncompliance is corrected after notice, you repeatedly fail to comply with one or more material

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
h	"Cause" defined – non-curable defaults [continued]		requirements of the Unit Franchise Agreement, whether or not corrected after notice, the Franchised Business or your Outlet is seized, taken over, or foreclosed by a government official, creditor, lien holder or lessor, or that a final judgment against you remains unsatisfied for 30 days, you are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise, we make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety, or your financial condition is impaired to the point that it is reasonable to conclude that you will not be able to fully discharge your obligations under the Unit Franchise Agreement and that impairment continues for at least 30 days
i	Franchisee's obligations on termination or non-renewal	15 1	Obligations include removal of our Brand and other trademarks, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information and anything relating to us or the Franchised Business from any of your computers and other media storage devices of yours, forwarding of telephone number and payment of amounts due (also see r, below) If the Unit Franchise Agreement is terminated because of material breach, based on the estimated time it takes for a replacement Realty ONE Group franchisee to achieve a similar revenue stream, we are entitled to recover liquidated damages equal to the aggregate amount of the "Monthly Fees" (section 4 3 of the Unit Franchise Agreement) and "Other Fees" listed in section 4 4 of the Unit Franchise Agreement paid by you during (i) the 3 years prior to the date the Unit Franchise Agreement was terminated or (ii) if the Opening Date is less than 3 years before the termination date, the time since the Opening Date
j	Assignment of contract by franchisor	12 1	No restriction on our right to assign (However, no assignment will be made except to an assignee that in good faith and judgment of the franchisor is willing and financially able to assume our obligations as franchisor under the Franchise Agreement)
k	"Transfer" by franchisee – defined	12 2	Includes transfer of contract or assets or ownership change
l	Franchisor's approval of transfer by franchisee	12 2	We have the right to approve all transfers (including transfers of (i) more than 50% of the equity or (ii) controlling interest in a franchisee entity), but we will not unreasonably withhold approval
m	Conditions for franchisor approval of transfer	12 2	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new franchisee (see r below) Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed transfer of the Franchise by you This notice will be in writing and delivered to you by business courier

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
n	Franchisor's right of first refusal to acquire franchisee's business	12 3	We can match any legitimate offer for your business, but we have no right of first refusal if the transfer is (i) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan or (ii) a transfer of less than 100% of the equity interest of a franchisee entity)
o	Franchisor's option to purchase franchisee's business	15 2(d)	Upon a lawful termination or nonrenewal of the Franchise Agreement, we will purchase from you at the value of price paid, minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of the Franchise Agreement or any ancillary or collateral agreement by you to us or our approved suppliers and sources that are, at the time of the notice of termination or nonrenewal, in your possession or used by you in the Franchised Business. There are exclusions to some of these items to be purchased and exceptions to our obligation to purchase. We may deduct and withdraw from the purchase price to be paid to you all sums then due and owing to us.
p	Death or disability of franchisee	12 6	Franchise must be assigned by estate to approved buyer within 270 days.
q	Non-competition covenants during the term of the franchise	11 1, 11 3	No involvement in competing business anywhere.
r	Non-competition covenants after the franchise is terminated or expires	11 2, 11 3	You may not use for any purpose our trade secrets, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the franchise system.
s	Modification of the agreement	8 2 16 14(c)	No modifications generally, but the Manual is subject to change.
t	Integration/merger clause	16 14	Only the terms of the Unit Franchise Agreement are binding (subject to state and federal law). Any representations or promises outside of the disclosure document and Unit Franchise Agreement may not be enforceable. Nothing in the Unit Franchise Agreement or in any related agreement disclaims or is intended to disclaim representations made in this Franchise Disclosure Document.
u	Dispute resolution by arbitration or mediation	14 1-14 5	Except for certain claims, the parties agree in the Franchise Agreement to submit disputes (not including your failure to pay us sums due or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after a party requests this meeting to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not resolve the dispute (or the meeting does not occur), within 10 business days after the meeting takes place (or should have taken place) the parties may submit the dispute

	PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
u	Dispute resolution by arbitration or mediation [continued]		to a mutually acceptable mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law If a mediation takes place but does not resolve the dispute or if no mediation occurs, the dispute will be resolved by arbitration by and before JAMS, Inc in accordance with (i) its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250 000) or (ii) its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more) Or if the parties mutually agree, the dispute may be submitted to arbitration by another arbitration organization providing arbitrators with experience in franchise disputes
v	Choice of forum	14 1-14 3	Arbitration proceedings will take place in Orange County, California Mediation proceedings may take place at any mutually agreed location Any litigation proceedings will take place in an appropriate court in California
w	Choice of law	16 13	The Federal Arbitration Act (9 U S C §1 <i>et seq</i>) governs the arbitration of disputes under the Unit Franchise Agreement Otherwise, the laws of California govern the Unit Franchise Agreement and all related matters, documents and agreements

ITEM 18 PUBLIC FIGURES

We do not currently pay or provide any other benefit to a public figure for the right to use his or her name to promote the sale of Realty ONE Group franchises

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representation about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Mr Louis F Gonzalez, Realty ONE Group Affiliates, Inc , 7545 Irvine Center Drive, Suite 250, Irvine, California 92618, (949) 596-4300, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

UNIT FRANCHISE OUTLETS

Table No 1
SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2014 TO 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	17	32	+15
	2015	32	40	+8
	2016	40	44	+4
Company-Owned	2014	20	22	+2
	2015	22	24	+2
	2016	24	23	-1
Total Outlets	2014	37	54	+17
	2015	54	64	+10
	2016	64	67	+3

Table No 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR) FOR YEARS 2014 TO 2016

State	Year	Number of Transfers
--	2014	0
	2015	0
	2016	0
Totals	2014	0
	2015	0
	2016	0

Table No 3
STATUS OF FRANCHISE OUTLETS FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2014	1	2	1	0	0	0	2
	2015	2	2	0	0	0	0	4
	2016	4	1	0	0	0	0	5
California	2014	13	4	0	0	0	0	17
	2015	17	3	0	0	0	0	20
	2016	20	1	1	0	0	0	20
Colorado	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	0	0	0	1
Florida	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Maryland	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Mississippi	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Missouri	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Jersey	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	1	0	0	0	0	0	1
Oregon	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	1	0	0	0	0
Pennsylvania	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Tennessee	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Texas	2014	1	5	2	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	1	1	0	0	0	4
Utah	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Washington	2014	0	5	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	5
Totals	2014	17	18	3	0	0	0	32
	2015	32	10	0	0	0	2	40
	2016	40	7	3	0	0	0	44

Table No 4
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Arizona	2014	7	0	0	0	0	7
	2015	7	0	0	0	0	7
	2016	7	0	0	0	0	7
California	2014	9	2	0	0	0	11
	2015	11	2	0	0	0	13
	2016	13	0	0	1	0	12
Nevada	2014	4	0	0	0	0	4
	2015	4	0	0	0	0	4
	2016	4	0	0	0	0	4
Totals	2014	20	2	0	0	0	22
	2015	22	2	0	0	0	24
	2016	24	0	0	1	0	23

Table No 5
PROJECTED SYSTEM-WIDE OPENINGS AS OF DECEMBER 31, 2016

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	2	4	0
Colorado	0	1	0
Delaware	0	1	0
District of Columbia	0	1	0
Georgia	0	1	0
Illinois	0	1	0
Maryland	0	2	0
Massachusetts	0	1	0
New Jersey	1	2	0
Oregon	0	3	0
Pennsylvania	0	2	0
Texas	1	1	0
Washington	0	2	0
Totals	4	23	0

REGIONAL DIRECTOR OUTLETS

Table No 1
SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2014 TO 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	0	1	+1
	2015	1	2	+1
	2016	2	4	+2
Company-Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	0	1	+1
	2015	1	2	+1
	2016	2	4	+2

Table No 2
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR) FOR YEARS 2014 TO 2016**

State	Year	Number of Transfers
---	2014	0
	2015	0
	2016	0
Totals	2014	0
	2015	0
	2016	0

Table No 3
STATUS OF FRANCHISE OUTLETS FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Maryland	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
New Jersey	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Pennsylvania	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Totals	2014	1	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	2	0	0	0	0	4

Table No 4
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
--	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Totals	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Table No 5
PROJECTED SYSTEM-WIDE OPENINGS AS OF DECEMBER 31, 2016

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	0	4	0
Colorado	0	1	0
Florida	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
New Jersey	1	1	0
Texas	0	1	0
Washington	0	1	0
Totals	1	12	0

Exhibit C lists the names, addresses and telephone numbers of all Realty ONE Group franchise outlets and Realty ONE Group offices owned and operated by affiliated entities, and the names and telephone numbers of any Unit Franchisees and Regional Directors who signed franchise agreements but not yet opened their outlets, as of March 31, 2017

Exhibit D lists the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during our most recently completed fiscal year, or that has not communicated with us within the 10 weeks ending on the date of this disclosure document (March 31, 2017). Your contact information may be disclosed if you buy this franchise and then later leave the system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Realty ONE Group. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. However, during the last 3 fiscal years, we have not signed any agreements with current or former franchisees that included confidentiality clauses.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the Realty ONE Group franchise system being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our audited financial statements for the fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014.

ITEM 22 CONTRACTS

Exhibit A - Unit Franchise Agreement

ITEM 23 RECEIPTS

You will find copies of a detachable receipt in Exhibit G at the very end of this disclosure document.

REALTY ONE GROUP

UNIT FRANCHISE AGREEMENT

EXHIBIT A

REALTY ONE GROUP AFFILIATES

UNIT FRANCHISE AGREEMENT

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UNIT FRANCHISE AGREEMENT

This Unit Franchise Agreement ("Agreement") is made and entered into as of _____, 20__ (the "Effective Date"), by and among Realty ONE Group Affiliates, Inc., a Nevada corporation doing business as Realty ONE Group ("ROGA", "we" or "us"), and _____ ("you"), and (if you are not a sole proprietorship) each person owning 20% or more of your entity, who will sign and be a party to this Agreement (in such context, "Principal Equity Owner") with reference to the following facts

RECITALS

An entity affiliated with us (the "Owner of the Marks") owns the Realty ONE Group trademarks, service marks and other intellectual property and all rights in respect thereof and has authorized us to license them to Realty ONE Group franchisees

You desire to be franchised and licensed by us to use our "System" (as defined in Article I below), "Marks" (as defined in Article I below) and goodwill to conduct the "Franchised Business" (as defined in Article I below) from a specific "Real Estate Office" (as defined in Article I below and identified in Exhibit 1 attached)

We are willing to grant you a "Franchise" (as defined in Section 3.1 hereof) in accordance with the provisions of this Agreement and the Confidential Operations Manual

I DEFINITIONS

Abandoned The term "Abandoned" means cessation of operation of the Franchised Business for a period of five consecutive business days without our prior written consent. A repeated pattern of inactivity at your Real Estate Office for periods of less than five consecutive business days may result in your Franchised Business being deemed Abandoned at that office if in our judgment such inactivity adversely impacts the Franchised Business. However, your Franchised Business will not be deemed Abandoned if the inactivity is due to natural disasters or other matters reasonably beyond your control, provided that you give us notice of any such closure within five business days after the initial occurrence of the event resulting in such inactivity, and we acknowledge in writing that such inactivity is due to one of the foregoing causes, and provided further that you re-establish the Franchised Business and be fully operational within 180 days after the initial occurrence of the event resulting in such inactivity or such longer period as we may permit.

Ancillary Services and Products The term "Ancillary Services and Products" means ancillary real estate-related services, programs and products that ROGA authorizes you to offer, so use or furnish in this Agreement or in the Confidential Operations Manual including (i) title searches performed by Realty ONE Group affiliated or licensed companies, (ii) title insurance policies issued by Realty ONE Group affiliated or licensed companies, (iii) homeowners insurance, condominium insurance, renters protection insurance, automobile insurance and other types of insurance furnished through Realty ONE Group affiliated or licensed companies, (iv) relocation services provided by Realty ONE Group affiliated or licensed companies and home protection plan services provided by Realty ONE Group affiliated or licensed companies.

Anniversary Year The term "Anniversary Year" means the 12-month period between the "Opening Date" (as defined below in this Article I) and the first anniversary thereof and between each succeeding anniversary.

Confidential Operations Manual The term "Confidential Operations Manual" means the manual or manuals (regardless of title) containing recipes, formulas, policies and procedures to be adhered to by you in performing under this Agreement, including all amendments and supplements thereto provided to you from time to time.

Control The term "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

Consumer Price Index or CPI The term "Consumer Price Index" or "CPI" means the annual average of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor (or the highest similar future index if these figures become unavailable).

Effective Date The term "Effective Date" means the day (referenced in the introductory paragraph of this Agreement) the legal relationship under this Agreement is in effect

Franchised Business The term "Franchised Business" means the sale of "Realty ONE Group Services" (as defined in this Article I) and other real estate-related programs and services we authorize in the Confidential Operations Manual, pursuant to the "System" (as defined in this Article I) from your Real Estate Office using the business methods and procedures set forth by us for the operation and marketing of the Real Estate Office

Gross Revenues The term "Gross Revenues" means all revenues however generated or received, that are derived by you from operating the Franchised Business at or through your Real Estate Office, not modified for uncollected accounts, but excluding (i) revenues generated from fees charged to sales associates for business liability (errors and omissions) insurance, transaction coordination, private office rents or initial agent sign-up fees, (ii) revenues generated from mortgage lending, escrow and title businesses, (iii) applicable sales or use taxes and (iv) legitimate refunds

Initial Training The term "Initial Training" means training in the System provided by us, as described in and required by Section 6.1 hereof

Manager The term "Manager" means the individual (may be a Principal Equity Owner) that has been designated by you as the person responsible for the day-to-day operation of the Real Estate Office, and who has successfully completed "Initial Training" (as defined in this Article I)

Marks The term "Marks" means the proprietary marks that are associated with the Realty ONE Group system and associated designs in respect of which registrations have been obtained from or applied for with the United States Patent and Trademark Office, as well as all common law trademarks and service marks trade names logos, insignias designs and other commercial symbols which we now or hereafter are authorized to use and use or authorize others to use to identify the Franchised Business. We will list in the Confidential Operations Manual a schedule of Marks you are authorized to use under this Agreement and update this schedule as necessary

Opening Date The term "Opening Date" means the day you officially activate ROGA's proprietary reporting software and you are eligible to begin operating the Franchised Business at your Real Estate Office under this Agreement. This date is indicated on Exhibit 1 of this Agreement

Proprietary Information The term "Proprietary Information" means all non-public information knowledge, know-how and technologies that we designate as confidential, proprietary or trade secrets, including the Confidential Operations Manual, customer lists, business formats, business systems, financial information marketing strategies and programs, operational techniques service concepts, artwork, e-mail, electronic media, graphics, layouts, slogans, names, titles, text bulletins, instruction sheets, or supplements thereto, and any proprietary equipment, videotapes, videodiscs, forms, advertising matter, the Marks, devices, insignias and designs

Real Estate Agent The term "Real Estate Agent" means a person that owns, is employed by, or contractually engaged by, you and who is licensed or otherwise legally authorized under the laws of your state to (i) act as an intermediary between seller and buyers of real property and (ii) find sellers that wish to sell, and buyers that wish to buy, real property

Real Estate Office The term "Real Estate Office" means your real estate brokerage office that ROGA has consented to and which is dedicated to the operation of the Franchised Business under the Marks and in accordance with the System

Realty ONE Group Services The term "Realty ONE Group Services" means a proprietary business system for opening and operating businesses that operate offices providing full-service residential and commercial real estate brokerage services provided by you at your Real Estate Office in accordance with this Agreement and the Confidential Operations Manual (as amended from time to time by us)

Regional Director The term "Regional Director" means a Realty ONE Group licensee that operates from an approved business office within a designated regional territory (i) offering and selling Realty ONE Group unit franchises ("Unit Franchises") (ii) providing ongoing (and in some cases initial) training and assistance to Unit Franchises in the regional territory (iii) representing the interests of ROGA in communicating and assisting in implementing the Realty ONE Group model, system, program and policies (including compliance visits) with Unit

Franchises and (iv) building the value of the Marks, strictly in accordance with our methods and format, using our designated technology and techniques

System The term "System" means comprehensive marketing and operational systems prescribed by us to be used in the conduct of the Franchised Business, as set forth in this Agreement and the Confidential Operations Manual. The System includes (i) the Marks, (ii) proprietary technology and know-how relating to Realty ONE Group Services, (iii) advertising, marketing and sales programs and techniques, (iv) training programs, and (v) related materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that we make available to you. In our sole discretion, we may improve or change the System from time to time (including but not limited to adding to, deleting or modifying elements of the System and amending the Confidential Operations Manual) for the intended purpose of making the System more effective, efficient, economical or competitive, adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions, enhancing the reputation or public acceptance of the System, or better serving the public.

Trade Dress The term "Trade Dress" means the unique and distinctive layout, design and color schemes relating to the Real Estate Office, and the textures, sizes, designs, shapes, and placements of words, graphics, and decorations on products and packaging related to Realty ONE Group Services.

Transfer The term "Transfer" means a sale, assignment, transfer, conveyance, pledge, mortgage, encumbrance, abandonment, elimination or giving away, voluntarily or involuntarily, by operation of law or otherwise.

II THE FRANCHISED BUSINESS

2.1 Our Business

We are engaged in the administration, development, operation and licensing of businesses that operate real estate brokerage offices offering the Franchised Business, using the Marks, operational techniques, service concepts and proprietary technology and confidential information owned or authorized to be used by and identified with ROGA and our affiliated companies. Our activities in general and our system (including proprietary technology, products and services, logos, equipment and operations designs and layouts for the Real Estate Office, marketing and advertising, specialty retail items and promotional activities) are undertaken to develop, maintain and enhance the Marks and our business reputation.

2.2 The Franchise System

As a result of our expenditure of time, skill, effort and money, we have developed and supervise the franchise System under the Marks operated in accordance with the provisions of this Agreement and our Confidential Operations Manual, as amended from time to time. The Owner of the Marks has authorized us to license the Marks to Realty ONE Group franchisees.

III GRANT OF FRANCHISE

3.1 Grant of Franchise

(a) By our respective signatures below, we hereby grant to you, and you hereby accept, a license ("Franchise") to participate in and use the System by conducting the Franchised Business at your Real Estate Office in strict accordance with this Agreement and the Confidential Operations Manual, from the time of commencement of the Franchised Business until the end of the term hereof and any additional term unless sooner terminated. Your Real Estate Office is sometimes referred to in this Agreement as "Outlet".

(b) If your Outlet is now or later located within the regional territory of a Regional Director, the name and address of the Regional Director will be provided in Exhibit 2 attached hereto, and all payments due from you under this Agreement will be paid to the Regional Director instead of to us. This Section 3.1(b) is only applicable when a Regional Director is identified in Exhibit 2.

(c) Unless our Confidential Operations Manual specifically states otherwise, you may, if you wish, also offer, sell, use or furnish Ancillary Services and Products from sources approved by us in the Confidential Operations Manual. If we notify you of new Ancillary Services or Products which are optional, then you agree to promptly advise us whether you will offer and sell the new Ancillary Services or Products. Your decision to offer Ancillary Services or Products does not in any way preclude you from offering similar competitive services or products of other companies, so long as they are offered and sold on a non-exclusive basis as well as the Ancillary Services or Products. We may advise you from time to time of any new Ancillary Services or Products.

which we will authorize you to offer, sell, use or furnish (as applicable) If we advise you that a new Ancillary Service or Product is available and you notify us that you wish to offer, sell use or furnish it, then you agree, at your sole expense (i) to obtain all necessary products, services promotional materials and equipment (including without limitation, computer software and/or hardware), which we advise you are necessary for offering selling, using or furnishing (as applicable) the Ancillary Service or Product, and (ii) to begin offering, selling, using and/or furnishing the Ancillary Service or Product (as applicable) no later than 90 days after your receipt of our notice (or at such later time as our notice may direct)

(d) You acknowledge that we may have granted and may in the future operate or grant other licenses and franchises for Realty ONE Group locations anywhere YOU MAY NOT USE OUR MARKS, OPERATIONAL TECHNIQUES, SERVICE CONCEPTS OR PROPRIETARY INFORMATION IN CONNECTION WITH ANY BUSINESSES OR SERVICES OTHER THAN THE FRANCHISED BUSINESS AT YOUR REAL ESTATE OFFICE WITHOUT THE EXPRESS PRIOR WRITTEN PERMISSION OF OUR PRESIDENT OR OTHER EXECUTIVE OFFICER, WHICH PERMISSION, IF GRANTED, WILL BRING SUCH BUSINESSES OR SERVICES WITHIN THE SCOPE OF THE FRANCHISED BUSINESS AND SUBJECT THEM TO PAYMENT OF MONTHLY FEES TRANSACTION FEES AND MARKETING AND PROMOTION FEES

3 2 Reserved Rights

(a) Nothing contained herein accords you any right, title or interest in or to the Marks, System marketing and operational techniques, service concepts, proprietary information or goodwill of ours or associated with the System, except such rights as may be granted hereunder **THIS AGREEMENT GRANTS YOU ONLY THE RIGHT TO OPERATE THE FRANCHISED BUSINESS AT YOUR REAL ESTATE OFFICE AND NOWHERE ELSE UNLESS WE SPECIFICALLY ALLOW YOU TO OFFER REALTY ONE GROUP SERVICES ELSEWHERE ALL OTHER RIGHTS ARE RETAINED BY AND RESERVED TO US**

(b) We reserve the right to develop other systems involving similar or dissimilar services under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems We reserve all rights to market and sell Realty ONE Group Services at venues other than real estate offices and through other channels of distribution anywhere

3 3 Promotion and Development of Your Franchised Business

You must (i) diligently and effectively promote, market and engage in the Franchised Business at your Real Estate Office, (ii) develop, to the best of your ability, the potential for future Franchised Business being conducted at your Real Estate Office, and (iii) devote and focus a substantial portion of your professional attentions and efforts to such promotion and development

3 4 Extent of Grant

(a) You understand and agree that you are licensed hereby only for the operation of your Franchised Business at and from your Real Estate Office (unless we specifically agree otherwise on a case by case basis)

(b) You may not sublicense, sublease, subcontract or enter any management agreement providing for, the right to operate the Franchised Business or to use the System granted pursuant to this Agreement

3 5 Electronic Execution and Copies

(a) An executed counterpart of this Agreement (or any portion of this Agreement) may be delivered by any of the parties by electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (any such medium is referred to in this Section 3 5(a) and the following Section 3 5(b) as "electronic") and such delivery will be effective and binding upon such party, and will not in any way diminish or affect the legal effectiveness validity or enforceability of this Agreement

(b) You acknowledge and agree that we may create an electronic record of any or all agreements, correspondence or other communication between us or involving third parties, and those we may thereafter dispose of or destroy the original of any such document or record Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form, and will be maintained in and readable by hardware and software generally available Notwithstanding any statute, regulation or other rule of law to the contrary, you agree that any such electronic version of this or any other agreement or correspondence

between the parties will have the same legal effect, validity and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed

3 6 Obligations of Entity Franchisee

(a) If you are an entity you must provide us at the Effective Date with a copy of your entity's organizational document and any by-laws, shareholders' agreement, operating agreement or other agreement among the equity owners

(b) If you are an entity, any person or entity that at any time after the Effective Date becomes a Principal Equity Owner of your entity will automatically acquire all the obligations of a Principal Equity Owner under this Agreement at the time such person or entity becomes a Principal Equity Owner. Before approving and entering into any transaction that would make any person or entity a Principal Equity Owner, you must notify such person about the content of this Section 3 6(b)

(c) As a condition to entering into the Franchised Business, if you are an entity, you must place the following legend on all certificates evidencing an equity interest

"THE TRANSFER OF THE EQUITY INTEREST IN THE ENTITY REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT DATED _____, 20____, BETWEEN THIS ENTITY AND REALTY ONE GROUP AFFILIATES, INC. REFERENCE IS MADE TO SUCH FRANCHISE AGREEMENT AND THE RESTRICTIVE PROVISIONS CONTAINED THEREIN AND AS MAY BE OTHERWISE SET FORTH IN THE ORGANIZATIONAL DOCUMENTS AND OPERATING AGREEMENTS OF THIS ENTITY "

IV PAYMENTS BY YOU

4 1 Initial Franchise Fee

(a) The "Initial Franchise Fee" is Twenty Five Thousand Dollars (\$25,000). The Initial Franchise Fee is due and payable by cashier's check or money order or wire transfer to our bank account, as follows

(i) Ten Thousand Dollars (\$10,000) when you open for business, and

(ii) Fifteen Thousand Dollars (\$15,000) on or before the second anniversary of the Effective Date, provided however that (A) one-third of this amount (Five Thousand Dollars (\$5,000)) will be deemed satisfied if by the first anniversary of the Effective Date, you have a net total of at least 50 Real Estate Agents operating under or associated with your real estate broker's license on that date, and (B) two-thirds of this amount (Ten Thousand Dollars (\$10,000)) will be deemed satisfied if, by the second anniversary of the Effective Date, you have a net total of at least 100 Real Estate Agents operating under or associated with your real estate broker's license on that date

(b) **The Initial Franchise Fee is fully earned by ROGA when paid and is not refundable.** Payment of all initial fees is postponed until after all franchisor's initial obligations are complete and you are open for business. If before your successful completion of initial training, we decide, in our sole discretion, that you should not operate a Realty ONE Group business, we may cancel this Agreement without any liability to us

4 2 Percentage Royalty

No percentage royalty is payable under this Agreement

4 3 Monthly Fee

(a) Beginning with the first full month after the Effective Date, you will pay us a "Monthly Fee" equal to the greater of (i) the product of Fifty Dollars (\$50) multiplied by the number of Real Estate Agents licensed by your state real estate regulatory agency operating under or associated with your real estate broker's license on the last business day of the month before your Monthly Fee is due or (ii) One Thousand Two Hundred Twenty Five Dollars (\$1,225). This minimum Monthly Fee is subject to adjustment based on changes in the CPI since the Effective Date

(b) Within seven days after the Opening Date, all of your Real Estate Agents must be enrolled in ROGA's proprietary enrollment and tracking system

(c) Monthly Fees are due and payable on the seventh calendar day of the next calendar month by electronic funds transfer ("EFT") (see Section 4.6 below) You must also send us an enrollment report in the form prescribed by ROGA

4.4 Other Fees

(a) In addition to the Monthly Fees beginning on the Opening Date, you must pay us the following fees

(i) respecting any sale or lease of a property by Real Estate Agents (as listing or selling agent) operating at or from your Real Estate Office that results in a gross commission income of Two Thousand Dollars (\$2,000) or more, a "Transaction Fee" of (i) Fifty Dollars (\$50) for every Two Hundred Fifty Thousand Dollars (\$250,000) of the price of residential real properties and (ii) Fifty Dollars (\$50) for every One Hundred Thousand Dollars (\$100,000) of the price of commercial real properties, and)

(ii) a "Document Storage Fee" of Seventy Five Dollars (\$75) respecting each sale or lease of real property that results in a gross commission income of Two Thousand Dollars (\$2,000) or more

(b) All fees described in Section 4.4(a) above are due and payable on the seventh calendar day of the next calendar month, and are to be accompanied by transaction reports in the form prescribed by ROGA

4.5 Marketing, Advertising and Promotion

(a) Beginning with the first full calendar month after the Opening Date, you will pay us a "Marketing and Promotion Fee" of 2% of the Gross Revenues you receive during each monthly period (specifically excluding revenues generated from (i) fees charged to sales associates for business liability (errors and omissions) insurance, transaction coordination, private office rents or initial agent sign-up fees and (ii) mortgage lending escrow and title businesses)

(b) Marketing and Promotion Fees are due and payable on a monthly basis on the seventh calendar day of the month following the monthly period in which applicable Gross Revenues were received, and are to be accompanied by a marketing report in the form prescribed by ROGA

(c) Within the first six months after the Opening Date, you must spend in the communities adjacent to your Real Estate Office at least Three Thousand Dollars (\$3,000) on the grand opening/affiliation advertising and promotion of the Franchised Business, using the grand opening advertising and promotional program that we approve including the "soft opening" to be held on or about the Opening Date and the Grand Opening event You must send us grand opening promotion expenditure reports (i) not later than 75 days and then (ii) not later than 195 days after the Opening Date

(d) We require that you spend at least an additional 2% of your monthly Gross Revenues on the local marketing, advertising and promotion of your Real Estate Office, using marketing and promotional materials pre-approved or otherwise authorized in writing by us ("Local Advertising") You must send us a Local Advertising expenditure report on the third business day of the next calendar month

(e) On a regional or system-wide basis, we may impose an additional assessment upon affected franchisees for special designated advertising or promotional activities if two-thirds of applicable Realty ONE Group franchised outlets agree to such additional assessment by affirmative vote

(f) With respect to regional or system-wide advertising, including without limitation advertising done as a result of Marketing and Promotion Fee contributions we determine the cost, form of media, content, format production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising public relations and promotional campaigns

4.6 Electronic Funds Transfer

We require payment of all fees payable under this Article IV by EFT through the Automated Clearing House ("ACH") electronic network for financial transactions (or such other automatic payment mechanism that ROGA may designate) directly from your account into our operating account You must execute or re-execute and deliver to us bank-required pre-authorized check forms and other instruments or drafts to enable us to draw directly from your bank account fees payable under the terms of this Agreement You must also, in addition to those terms and conditions set forth in the Confidential Operations Manual, maintain a single bank account for such payments (with

overdraft protection from your operating account) and must maintain such minimum balance in such account as we may reasonably specify from time to time. You must not alter or close such account except upon our prior written approval. Any failure of yours to implement such EFT system in strict accordance with our instructions will constitute a material default of this Agreement.

4.7 Fees Fully Earned, No Setoff on Payments

All payments made by you to us pursuant to this Article IV are fully earned and non-refundable when paid. All payments to be made by you to us will be made without setoff, deduction, defense, counterclaim or claim in recoupment.

4.8 Late Fee, Interest on Delinquent Payments

(a) Any payment of a fee due under this Article IV and any other fee required under this Agreement that is not received by ROGA when due will be a material breach of this Agreement and will be subject to a late charge of \$500 plus 10% of the amount past due. In connection therewith, you and we agree that the late charge is a reasonable and good faith estimate by you and us of such costs because (i) as a result of any such late payment, we will incur certain costs and expenses including, without limitation, administrative costs, collection costs, loss of interest, and other direct and indirect costs in an uncertain amount, and (ii) it would be impractical or extremely difficult to fix the exact amount of such costs in such event.

(b) In addition to late payment penalties, all delinquent amounts will bear interest from the date payment was due at an annual percentage rate ("APR") of 10%, and you must reimburse ROGA immediately upon demand for all reasonable costs of collection relating to delinquent amounts.

4.9 No Accord or Satisfaction

If you pay, or we otherwise receive, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt will be applied against the earliest amount due us. We may accept any check or payment in any amount without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere will constitute or be construed as an accord or satisfaction.

V INITIAL TERM AND RENEWAL TERMS

5.1 Initial Term

The initial term of this Agreement commences on the Effective Date and expires the following date selected below by Franchisee (as indicated by check mark and initials), , unless sooner terminated pursuant to the provisions of this Agreement:

- (i) [] on the fifth anniversary of the Opening Date (5 year term) or
- (ii) [] on the 10th anniversary of the Opening Date (10 year term)

5.2 Renewal Terms

(a) Upon written notice delivered to us not less than 120 days before the end of the existing term hereof, you may renew your Franchise for successor terms equal to the initial term you selected in Section 5.2(a) above, commencing on the expiration date of the previous term, subject to the provisions of Sections 5.2(b) through 5.2(h) below.

(b) At the time of renewal, you must (i) then be solvent (which means that you are able to pay your debts as and when promised by you and that you have assets that are greater than your debts), (ii) have not abandoned the Franchise, (iii) not be operating the Franchise in a manner that endangers public health or safety or materially harms the Realty ONE Group brand or reputation, and (iv) not have knowingly submitted false or misleading reports to us during the initial term.

(c) Notwithstanding Section 5.2(a) above, we are not obligated to renew your rights granted under this Agreement for an additional term if one or more of the following applies or occurs:

(i) You give us written notice of your intention not to renew this Agreement at least 180 days before the expiration of the initial term or any successor term.

(ii) During the 180 days prior to expiration of the Franchise, we permit you to sell your Franchised Business to a purchaser meeting our then current requirements for granting new Franchises or (if we are not granting a significant number of new Franchises) the then current requirements for granting renewal Franchises

(iii) Termination of this Agreement would be permitted pursuant to Sections 13.1 or 13.2 hereof

(iv) You and we agree not to renew the Franchise

(v) We withdraw from distributing our products or services through Franchises in the geographic market served by you, provided that

(A) Upon expiration of the Franchise, we agree not to seek to enforce any covenant of the non-renewed franchisee not to compete with us or our franchisees, and

(B) The failure to renew is not for the purpose of converting the business conducted by you pursuant to this Agreement to operation by our employees or agents for our own account

(vi) At the time of renewal you or any Principal Equity Owner has been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely in our reasonable judgment, to have a materially adverse effect on the Marks, the System, or the goodwill associated with the Marks or System

(vii) We and you fail to agree to changes or additions to the terms and conditions of this Agreement if such changes or additions would result in renewal of this Agreement on substantially the same terms and conditions on which we are then customarily granting renewal franchises, or if we are not then granting a significant number of renewal Franchises, the terms and conditions on which we are then customarily granting original franchise agreements. We may give you written notice of a date which is at least 30 days from the date of such notice, on or before which a proposed written agreement of the terms and conditions of the renewal Franchise must be accepted in writing by you. Such notice, when given not less than 180 days before the end of the Franchise term, may state that in the event of failure of such acceptance by you, the notice will be deemed a notice of intention not to renew at the end of the Franchise term.

(d) At the time of renewal, neither you, nor any of your principal officers or partners (if you are a corporation, limited liability company or partnership), must have been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in our sole and absolute judgment, to have an adverse effect on the Marks, the System, or the goodwill associated with the Marks or System.

(e) As a condition to renewing your Franchise rights, not later than 90 days before the end of the term that is expiring, you must sign our then-current standard Unit Franchise Agreement modified by addendum to remove provisions that only apply to a new franchisee, such as initial franchise fee and initial training requirements ("Renewal Unit Franchise Agreement"), which will grant you an additional five or 10 year term, as applicable. **IN ADDITION TO NOT GRANTING ANY ADDITIONAL RIGHTS BEYOND THOSE GRANTED IN THIS AGREEMENT, THE THEN-CURRENT RENEWAL UNIT FRANCHISE AGREEMENT MAY CONTAIN OTHER TERMS THAT ARE SUBSTANTIALLY DIFFERENT FROM THOSE IN THIS AGREEMENT, EXCEPT THE FEES PAYABLE TO US AND THE BOUNDARIES OF THE TERRITORY IN THE RENEWAL UNIT FRANCHISE AGREEMENT WILL NOT VARY FROM THE TERMS OF THIS AGREEMENT WITHOUT YOUR CONSENT.** The then-current Renewal Unit Franchise Agreement, when executed, will supersede this Agreement.

(f) At the time of renewal, you must have satisfied all monetary obligations owed by you to us and to our affiliates and all other material obligations under this Agreement, and we may examine your books and records to verify compliance with this requirement anytime during normal business hours within 60 days of your renewal date.

(g) Before or not later than 90 days after your execution of a Renewal Unit Franchise Agreement for an additional term you must make such physical modifications to your Real Estate Office as are reasonably necessary so that they are substantially consistent with the then current Realty ONE Group system requirements, and so that they can accommodate new Realty ONE Group Services, if any. You must also bring your Real Estate Office and equipment, materials and supplies into compliance with the standards then applicable to new Realty ONE Group franchises.

(h) When you sign the Renewal Unit Franchise Agreement, you must pay ROGA a "Renewal Fee" of One Thousand Dollars (\$1,000) This Renewal Fee is subject to upward adjustment in our discretion based on corresponding changes in the CPI since the Effective Date

5 3 Month to Month Extension, Longer Notice of Expiration Required by Law

(a) At our option, to be exercised in our sole discretion, if the renewal procedures described in Section 5 2 above have not been completed, or in lieu of formal renewal of the Franchise, we may extend this Agreement on a month-to-month basis by notifying you we are doing so Said month-to-month extension will continue until we give you at least a 30 day notice that the Franchise rights must be formally renewed in accordance with Section 5 2 or the Agreement will expire and be terminated

(b) If applicable law requires us to give a longer period of notice to you than herein provided prior to the expiration of the initial term or any successor term, we will give such additional required notice If we do not give such required additional notice, this Agreement will remain in effect on a month-to-month basis only until you have received such required additional notice

VI TRAINING AND ASSISTANCE

6 1 Initial Training

(a) It is of paramount importance that (i) you, your Manager, the Principal Equity Owners, and your other key employees and representatives understand the Franchised Business and the System and (ii) your Manager and other key employees have been trained how to operate the Franchised Business Accordingly, we will provide to each of your Manager and at least one other key employee of yours (may be a Principal Equity Owner) initial training and orientation in the System and how to operate the Franchised Business (collectively, "Initial Training") Unless there are extenuating circumstances that in our reasonable determination justify a delay, your required trainees must attend the next Initial Training that we offer Your required trainees must complete Initial Training within 180 days after you sign this Agreement and you may not open and operate your Franchised Business until your Manager and designated key employee have satisfactorily completed Initial Training You acknowledge and agree that ROGA will solely determine whether or not your Manager and designated key employee have satisfactorily completed Initial Training

(b) Immediately upon your successful completion of Initial Training, you will be given access to our designated computer software to be used in the operation of the Franchised Business (see Section 8 4 of this Agreement) and you must sign a letter in a form we provide acknowledging the Opening Date of your Franchised Business

(c) The failure of your designated Manager to complete Initial Training to our satisfaction will be grounds for termination of this Agreement, that before this Agreement is so terminated, your Manager who fails to successfully complete Initial Training will be offered the opportunity to either retake Initial Training or you may send one replacement Manager, approved by us, to the next available Initial Training program

(d) We will determine the contents and manner of conducting the Initial Training program in our discretion, however, the training course will be structured to provide practical training in the implementation and operation of the Franchised Business and will include such topics as Realty ONE Group procedures, standards, marketing, customer service techniques, reports and equipment maintenance

(e) There is no separate fee payable to us for the Initial Training program provided to your initial Manager and your Principal Equity Owners and other key employees

(f) All costs and expenses (including travel, hotel and meal) of your attendees of Initial Training will be your sole responsibility All persons attending Initial Training on your behalf must have a demonstrable relationship to the management and operation of your Franchised Business

6 2 Training and Assistance after Opening

(a) After you open your Franchised Business, we will provide you with access to, list your Real Estate Office on, and integrate information about your Unit Franchise into, the Realty ONE Group website

(b) After you open your Franchised Business, we will provide you with telephone and e-mail assistance at your request or otherwise as we deem necessary to instruct in all phases of the operation of the Franchised Business. Our field representatives may visit your Real Estate Office from time to time, but the frequency and duration of any such visits by our representatives is in our sole discretion. In addition, we will be available on an ongoing basis at our national headquarters for consultation and guidance with respect to the operation and management of the Franchised Business. Other than providing you general guidelines for tax and federal employment compliance in our Confidential Operations Manual, we do not provide you with assistance in contracting with agents or hiring employees.

(c) After you open your Franchised Business, and upon reasonable notice, we may require attendance of your designated personnel at training courses, seminars, conferences or other programs other than Initial Training or mandatory meetings (described in Section 6.3 below) that are deemed by us to be relevant or appropriate to the operation of your Franchised Business. You specifically agree that only persons trained by us or under our supervision will have overall responsibility for the operation of the Real Estate Office and Franchised Business, and that you will send your Manager to us for additional training if we request this. There is no additional training fee for Realty ONE Group training courses, seminars, conferences or other programs that we require you or your representatives to attend. Other than providing you general guidelines for tax and federal employment compliance in our Confidential Operations Manual, we do not provide you with assistance in contracting with agents or hiring employees.

(d) We may but are not required to make available to you optional staff training courses, coaching and business mentoring programs, seminars, conferences, or other programs, in a suitable location selected by us. At any time after the Opening Date, we may, at our discretion charge you a separate fee of up to Seven Hundred Fifty Dollars (\$750) per day for this optional training.

(e) In addition to updates to the Confidential Operations Manual, we may provide you with additional materials relating to the Franchised Business. We may also from time to time make available to you for purchase other materials relevant to the System and the Franchised Business.

(f) All costs and expenses (including travel, hotel and meal) of your attendees at any post-opening training, conferences or meetings will be your sole responsibility. All persons attending post-opening training, conferences or meetings on your behalf must have a demonstrable relationship to the management and operation of the Franchise.

(g) In the event of a Transfer of the Franchise (which must be done in full compliance with Section 12.2 of this Agreement), the transferee must be trained by us as a condition of our consent to such Transfer. The transferred Franchise may not be opened or re-opened by the transferee until we accept the transferee in writing as being qualified to operate the Franchise and we have otherwise consented to the Transfer in accordance with this Agreement.

6.3 Mandatory Meetings

Not more often than once each year, we may conduct a system-wide meeting or series of regional meetings to discuss Realty ONE Group business activities or other matters relating to the Franchised Business. Attendance of the Manager at these meetings will be mandatory (and is highly recommended for all of your Principal Equity Owners). We may limit the number of your attendees at these meetings. You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings. The mandatory meetings referenced in this Section 6.3 are in addition to any voluntary convention or sales conference that may be coordinated by us.

6.4 Proprietary Materials

At Initial Training and other training programs and conferences, we may provide you with confidential and proprietary information ("Proprietary Information"), as well as training materials, training curricula and related materials for your use in the training of your staff. All of these items are and will remain our property. You must not yourself nor allow your employees or others, to copy, reproduce, disseminate or otherwise reveal to third parties any of the foregoing Proprietary Information and related materials without our express prior written consent.

VII OPENING OF REAL ESTATE OFFICES

7.1 Your Real Estate Office

The Franchised Business may only be operated from your Real Estate Office. If your Real Estate Office has not been identified when you sign this Agreement, but the general location is identified, the exact location of your Real

Estate Office will be inserted into a restated Exhibit 1 attached to this Agreement as soon as its location has been determined

7.2 Opening Your Real Estate Office

(a) If they did not already exist at the time this Agreement is signed, premises acceptable to ROGA from which your Real Estate Office will be operated must be located and secured by you (through ownership or lease) and reviewed and consented to by ROGA within 60 days after the Effective Date. ROGA will not unreasonably withhold consent to this location. When ROGA consents to your business location, you must countersign and return to ROGA our location consent letter in the form prescribed by ROGA. If you have not located a site for your Real Estate Office that is acceptable to ROGA within 60 days after the Effective Date, ROGA may cancel your Franchise Agreement on the basis of your failing to find an acceptable site and if ROGA does so, we will not refund your Initial Franchise Fee. If you have not commenced operation of the Franchised Business within 210 days after the Effective Date, ROGA may terminate this Agreement effective on written notice, and if ROGA does so, you will not be entitled to receive any refund of your Initial Franchise Fee. Our final review and consent to your Real Estate Office is not a guarantee that a Realty One Group business can be successfully operated there or anywhere else.

(b) If you are not converting an existing real estate office to the Realty ONE Group system, ROGA may assist you in the site selection process and we reserve the sole right of final review and consent to any location of the Real Estate Office. ROGA uses available demographic information to help you evaluate the site and the area in which it is located, and analyze area income figures, traffic patterns, visibility, population density, competition, zoning, parking, accessibility and other related, relevant circumstances.

(c) ROGA will provide you with a sample prototype layout for your Real Estate Office. At your sole expense, you must employ architects, designers, engineers and others to complete, adapt, modify or substitute the sample plans and specifications for the Real Estate Office. The architect must submit a complete set of final plans and specifications to ROGA before commencing construction of the Real Estate Office. ROGA will review these plans and specifications promptly and approve or provide you with our comments on the plans and specifications. ROGA will consult with you, to the extent we deem necessary, on the construction and equipping of the Real Estate Office (this must be done by approved suppliers), but it is and will remain your sole responsibility to diligently construct, equip and otherwise make ready, and then open the Real Estate Office. You are responsible, at your expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy and center clearances which may be required by governmental authorities.

(d) You must use licensed general contractors in performing construction or refurbishment work at your Real Estate Office. ROGA expressly disclaims any warranty of the quality or merchantability of any goods or services provided by architects, contractors, or any other persons or entities which ROGA may refer to you. ROGA will not be responsible for delays in the construction, equipping or decoration of the Real Estate Office, or for any loss resulting from the Real Estate Office design or construction since ROGA has no control over the landlord or developer and numerous construction or related problems which could occur, and consequent delay in the opening of your Real Estate Office. ROGA must approve in writing any and all changes in the Real Estate Office plans prior to construction or other implementation of such changes.

(e) ROGA must have access to your Real Estate Office while construction or refurbishment work is in progress. We may make video records of construction in process, and may require such reasonable alterations to or modifications in the construction of the Real Estate Office as we deem necessary. Your failure to promptly commence the design, construction, inventorying, equipping and opening of the Real Estate Office with due diligence will be grounds for the termination of this Agreement. Before opening of the Real Estate Office and prior to final inspections by any governmental agency, representatives of ROGA will complete a final "walk through" inspection of the Real Estate Office and issue a written consent to open. Any deficiencies noted by ROGA as a result of this inspection must be corrected by you within 30 days or this Agreement may be terminated without any liability to ROGA.

(f) Although ROGA may assist you with site selection, you have the sole responsibility for locating and obtaining suitable premises for your Real Estate Office. You and your landlord may be required to execute a rider to your lease, or other agreement or written understanding that (i) grants ROGA an option to assume your position as lessee under the lease for the Real Estate Office premises if you are in material default of either the lease for the Real Estate Office premises (including an obligation of the landlord to notify ROGA if you are in such default) or this Agreement, and (ii) requires the landlord to fully cooperate with ROGA in completing de-identification of the Real Estate Office in the event this Agreement is terminated or expires without being renewed.

(g) ROGA has the right to continually inspect your Real Estate Office and any other site where you conduct the Franchised Business to ensure you are in compliance with System standards prescribed by ROGA and specified in the Confidential Operations Manual

7 3 Initial Inventory of Marketing and Promotional Materials

Within the timeframes that we specify before the Opening Date, you must order from (and if necessary pre-pay to) designated or approved suppliers the marketing and promotional materials and other items specified in the Confidential Operations Manual, with delivery scheduled for not later than two business days before the Opening Date. You must buy interior and exterior signs, other materials containing the Marks, and apparel containing the Marks only from suppliers approved by ROGA.

7 4 Marketing and Advertising Boundaries

You may not directly promote, advertise or otherwise market your Real Estate Office outside the United States of America without our express written consent.

VIII OPERATION OF FRANCHISED BUSINESS

8 1 Operational Requirements

(a) At all times you must be, or employ a Manager who will devote his or her entire time during normal business hours, as defined in the Confidential Operations Manual, to the management, operation and development of the Franchised Business. The Manager must ensure that you fulfill your obligations to your customers in a timely and professional manner and he or she may not engage in any other business requiring his or her active participation during normal business hours.

(b) You must only operate the Franchised Business at your Real Estate Office, in strict accordance with the procedures set forth in the Confidential Operations Manual or otherwise provided to you by us in writing. You may only provide Realty ONE Group Services to customers who in your reasonable judgment are capable of receiving or using them. You may not engage in the sale or delivery of Realty ONE Group Services outside of your Real Estate Office except as we may authorize in the Confidential Operations Manual or otherwise in writing. You must use the standard signs and formats that we prescribe in operating the Real Estate Office and conducting the Franchised Business. To protect and maintain the integrity, reputation and goodwill of the System and the Marks, we require that you comply with the methodology we prescribe in providing Realty ONE Group Services to customers. We may (i) recommend prices for Realty ONE Group Services and (ii) restrict your advertising of prices that are inconsistent with these recommended prices.

(c) Your Franchised Business must be open on a full-time basis in accordance with the hours of operation as designated in the Confidential Operations Manual. The obligation to remain open will not apply in the event of natural or man-made disasters or public emergencies.

(d) You must join your local Board of Realtors and participate in the Multiple Listing Services ("MLS") applicable to the area in which your Real Estate Office is located. You must give ROGA access to your MLS listings and related Internet Data Exchange ("IDX") data through a subscriber service with a third party vendor we designate.

(e) You may only charge your real estate sales agents risk management fees or other fees in the amounts we prescribe in the Confidential Operations Manual or as otherwise approved in writing by ROGA.

(f) At the first anniversary of the Opening Date ("Anniversary Date"), you must have at least 50 real estate sales agents associated with your Real Estate Office. At the second Anniversary Date and each Anniversary Date after that, you must have at least 100 real estate sales agents associated with your Real Estate Office. The first time you fail to meet this requirement, you will be given a warning and you will have to participate in our performance improvement program. The second time you fail to meet this requirement, ROGA may terminate your Franchise Agreement upon a notice of default with an opportunity for you to cure the default by achieving the required level of agents within 30 days after the notice.

(g) You must promptly satisfy as and when due any *bona fide* indebtedness that you incur in operating your Franchised Business. Contractors, subcontractors, vendors and suppliers providing services to the Franchised Business must be paid in accordance with the terms of their agreements with you.

(h) You must notify us in writing within 10 days after you receive actual notice of the commencement of any investigation, action, suit, or other proceeding or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other governmental authority that pertains to the Franchised Business or that may adversely affect your operations in the Real Estate Office, or your ability to meet your obligations hereunder

(i) Upon the occurrence of any event that occurs at the Real Estate Office that caused or may cause harm or injury to customers or employees, or that may damage the System, Marks, or image or reputation of the Franchised Business or us or our affiliates, you must immediately inform our designated contact person as instructed in the Confidential Operations Manual by telephone, e-mail, text or other electronic messaging medium authorized by us for this purpose. You must cooperate fully with us with respect to our response to an incident described in this Section 8 1(i)

(j) If there is any *bona fide* dispute as to any liability for taxes assessed or other indebtedness, you may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, you may not permit a tax sale or seizure by levy or similar writ or warrant or attachment by a creditor to occur against the premises of the Real Estate Office

(k) You and each Principal Equity Owner jointly and severally covenant that you will refrain from making any derogatory and/or disparaging statements to any other person or third parties or regulatory authorities, or through any publication (including Internet sites and social media), to malign the Realty ONE Group franchise system, ROGA, or any of ROGA's officers, Directors, managers or employees. You and each Principal Equity Owner further jointly and severally agree that you will not issue any public statement or otherwise cause to be disclosed any information that is designed, intended or might reasonably be anticipated to have a negative effect on the Realty ONE Group franchise system, ROGA, or any of ROGA's officers, Directors, managers or employees. Any violation of this Section 8 1(k) by you or any Principal Equity Owner will be a material breach of this Agreement

(l) You may not engage in any co-branding at your Real Estate Office or in connection with the Franchised Business except with our prior written consent. We are not required to approve any co-branding chain or arrangement except in our discretion and only if we recognize that co-branding chain as an approved co-brand for operation within the System. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within or adjacent to your Real Estate Office and operated in a manner that is likely to cause the public to perceive it to be related to the Real Estate Office licensed and franchised to you hereunder

8 2 Confidential Operations Manual

(a) You must operate the Franchised Business in accordance with the Confidential Operations Manual, a copy of which will be provided to you. You may have access to a digital copy of the Confidential Operations Manual on or through our website. You may also be provided with a hard copy of all or portions of the Confidential Operations Manual at Initial Training or afterwards. We have the right to modify the Confidential Operations Manual at any time by the addition, deletion or other modification of the provisions thereof. All such additions, deletions or modifications are effective on the next business day after the digital copy maintained on our website is changed

(b) All additions, deletions or modifications to the Confidential Operations Manual are equally applicable to all similarly situated Realty ONE Group franchisees. As modified by us from time to time, the Confidential Operations Manual will be deemed to be an integral part of this Agreement and references to the Confidential Operations Manual made in this Agreement, or in any amendments or exhibits hereto, are deemed to mean the Confidential Operations Manual. However, the Confidential Operations Manual, as modified or amended by us from time to time, will not alter your fundamental status and rights under this Agreement. If there is any discrepancy or dispute about the version of the Confidential Operations Manual that you may have printed and maintain, the master copy of the Confidential Operations Manual that we maintain at our headquarters (and which may be available on our website) will be the controlling version and will supersede all prior versions

(c) If you lose printed portions of or allow unauthorized access to or duplication of, the Confidential Operations Manual or any other confidential manuals or proprietary materials loaned to you by us, you may be required to pay us a fine of up to Five Thousand Dollars (\$5 000) (this amount may be adjusted upward in our discretion by corresponding changes in the CPI since the Effective Date) within 30 days after our demand for payment, and you will be deemed to be in violation of this Agreement and all other agreements you have with ROGA and our affiliated entities

(d) Upon the expiration or termination of this Agreement for any reason whatsoever, you must immediately return to us any printed portions of the Confidential Operations Manual then in your possession. Except as specifically permitted by us, at no time may you or your employees or agents, (i) make, or cause to be made, any copies or reproductions of all or any portion of the Confidential Operations Manual, (ii) give online access to the Confidential Operations Manual to unauthorized persons, or (iii) disclose any part of the Confidential Operations Manual to any other person except your authorized employees and agents when required in the operation of the Franchised Business. You must also permanently erase anything relating to our Trade Secrets (or other Proprietary Information) or the Franchised Business from any computers and other media storage devices you retain after expiration, cancellation or termination of this Agreement.

8.3 Standards of Operation

You agree that we, you and everyone else involved in the System benefits from the maintenance of the highest standards of uniformity, quality, similar appearance and prominent display of the Marks at your Real Estate Office. Therefore, you agree to maintain the uniform standards of quality, appearance and display of the Marks in strict accordance with this Agreement and the Confidential Operations Manual as it may be revised from time to time, and as we may otherwise direct in writing. In order that we may establish and maintain an effective network of franchisees, you specifically agree that you must not display the Marks except in the manner we authorize.

8.4 Computer System and Proprietary Technology

(a) You must use and maintain a personal computer system (including all related hardware and software) as specified in the Confidential Operations Manual or otherwise by ROGA in writing for use in connection with the Franchised Business (the "Computer System"). ROGA requires you to maintain an e-mail account and connect the Computer System at all times to a dedicated, state of the art Internet or other high-speed communications medium specified or approved by ROGA, and be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data, in the manner designated by ROGA in the Confidential Operations Manual or otherwise by ROGA in writing. You must obtain all software and hardware, including digital still and video cameras as ROGA may specify to enable you to provide ample security against viruses and computer malware, send and receive e-mail, contact and track customers, perform accounting functions, perform marketing and access and transmit digital photos and streaming video or other multimedia signals and information to and from the Real Estate Office, and you must from time to time, upon our request transmit digital photos and real time video and audio signals of the Real Estate Office to ROGA, and in the form and manner prescribed by us. You must purchase any upgrades, enhancements or replacements to the Computer System and/or hardware and software as we may from time to time require by 30 days written notice, provided however that you will not be required to update or replace the Computer System any more frequently than once every three years. We may access the Computer System on a daily or other basis at such times and in such manner as determined by ROGA, with or without notice, to retrieve files and data stored therein relating to the Real Estate Office and the Franchised Business.

(b) ROGA may designate that certain computer software must be used in the operation of the Computer System ("Designated Software") including without limitation billing and closing out all of your real estate transactions in a timely manner as specified in the Confidential Operations Manual or otherwise by us in writing. And if so, you must then license or sublicense such Designated Software from our designee and enter into a software license agreement on the software licensor's then-current form and pay any related license or maintenance fees. From time to time, you may also be required to purchase any upgrades, enhancements or replacements to the Designated Software. You must incorporate any required modifications or additions within 30 days after receiving written notice from ROGA unless a longer time period is stated in the notice.

(c) You may not install, and must prohibit others from installing, unauthorized software on the Computer System. You must take all commercially reasonable measures to insure that no virus, Trojan horse, malicious code or other unauthorized code or software is installed on, or transmitted by, the Computer System. You must from time to time communicate to ROGA all passwords, access keys and other security devices or systems necessary to permit ROGA to access the Computer System and obtain the data we are permitted to obtain under this Agreement.

8.5 Maintenance, Upgrades and Refurbishments to the Real Estate Office

(a) ROGA requires that you maintain, and from time to time refurbish the Real Estate Office to conform to the then-current building design, Trade Dress, and color schemes then applicable for a Realty ONE Group real estate office. Such maintenance and refurbishment may require that you upgrade or refurbish to conform to the

then-current building design Trade Dress and color schemes then applicable for Such refurbishment may require expenditures by you on, among other things, structural changes, installing new equipment, remodeling, redecoration and modifications to existing improvements and such modifications as may be necessary to comply with System-wide standards then in effect for Realty ONE Group real estate offices or to accommodate new Realty ONE Group Services

(b) ROGA will only require the types of modifications and expenditures described herein where there is good cause In this context, "good cause" means that ROGA must make a good faith determination that your Real Estate Office are substantially inconsistent with prevailing System-wide standards (including the Trade Dress, safety issues regarding customers and employees, the overall condition of the Real Estate Office, or the type, quality or condition of the equipment needed to adequately promote and sell Realty ONE Group Services) and that, as a result of its appearance or condition, your Real Estate Office is either (i) not adequately positioned to promote and sell Realty ONE Group Services as then required or (ii) damaging the integrity of the Realty ONE Group image, brand and/or Marks Such updates will be contained in the Confidential Operations Manual or otherwise provided to you in writing Such updates may require you to install new color schemes, logos, signage or other visual elements We anticipate that such Trade Dress updates will be required no more frequently than once every five years

8 6 Relocation of Your Real Estate Office

(a) If you desire to relocate your Real Estate Office, you may do so provided not less than 90 days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation in which event notice must be given as soon as possible), you make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location

(b) Within 20 business days after receiving your request, ROGA will either approve or disapprove in writing such closure or relocation in our reasonable discretion In the event of disapproval of a proposed relocation, you may request an alternative proposed new location pursuant to the provisions of this Section 8 6

(c) You and the landlord may be required to execute a rider to your lease for the new location for the Outlet, or other agreement or written understanding (i) granting ROGA an option to assume your position as lessee under the lease for the relocated Outlet premises if you are in material default of either (A) the lease for the relocated Outlet premises (including an obligation of the landlord to notify ROGA if you are in such default) or (B) this Agreement, and (ii) requiring the landlord to fully cooperate with ROGA in completing de-identification of the relocated Outlet if this Agreement is terminated or expires without being renewed and we do not exercise our option to assume the lease for the relocated Outlet premises

8 7 Record Keeping and Reporting Requirements

(a) You must provide us with continuous access to the accounting software (such as QuickBooks) you use at your Outlet, in order that we will be able to accept data from you in an exportable CSV (comma separated values) file and you will also be able to accept data from our software We will provide you with related information (such as a required chart of accounts), so that data you provide us will be categorized properly Also, not later than 10 business days after we request them, you must submit to us financial or statistical reports records, statements or information as required in the Confidential Operations Manual or otherwise by us in writing

(b) Within 90 days after the end of each of your fiscal years (or any permitted extension for filing same), you must submit to us a copy of the Schedule C or equivalent portion of your federal tax return relating to the Real Estate Office and your operation of the Franchised Business We agree to maintain the contents of these portions of your tax returns in strict confidence and not to disclose them to any third party without your express written consent On the Effective Date (and any time thereafter that this date changes), you must notify us of your fiscal year end date

(c) All financial or statistical information you provide to us must be accurate and correct in all material respects

(d) We have the right to use any financial or statistical information that you provide us, as we deem appropriate We will not identify you your Real Estate Office as the source of the information and will not disclose any of this information except (i) with your written consent, (ii) as required by law or compulsory order or (iii) in connection with audits or collections under this Agreement

(e) We have the right, at all reasonable times, to examine, copy and audit the books and records (including applicable Schedules C or equivalent portions of your tax returns) relating to the Real Estate Office and your operation of the Franchised Business. We agree to maintain the contents of the Schedules C (or equivalent portion) of your tax returns in strict confidence and will not disclose them to any third party without your express written consent. If an examination or audit discloses any underpayment of any fee, you must promptly pay the deficient amount plus interest calculated daily from the due date until paid at an annual percentage rate of 10%. If an examination or audit discloses an underpayment or understatement of any amount due us by 5% or more, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a timely manner, or it takes our auditors an unreasonable amount of time (more than eight hours) to assemble your records for audit, you must reimburse us for the cost of having your books examined or audited (this remedy will be in addition to any other rights or remedies we have under this Agreement or otherwise, including our right to terminate this Agreement).

(f) You must maintain and preserve all books, records and accounts of or relating to the Franchised Business for at least five years after the close of the fiscal year to which the books, records and accounts relate.

8.8 Signs and Display Materials

(a) All signs, display materials and other materials containing the Marks must be in full compliance with the specifications provided in, and in conformity with, the Confidential Operations Manual. We will designate or approve the suppliers of signs and display materials containing the Marks in accordance with Confidential Operations Manual guidelines.

(b) Subject to applicable governmental ordinances, regulations and statutes, you agree to post and maintain, at the Real Estate Office, entirely at your expense, any minimum signage recommended by us. Any signage containing the Marks will be designed by a vendor designated by ROGA and manufactured by a vendor designated or approved by ROGA.

8.9 Telephone Numbers

At your sole expense, you must list the telephone number for your Real Estate Office in accordance with procedures prescribed by the Confidential Operations Manual. At the time of termination or expiration of this Agreement, for any reason, you must transfer the telephone numbers for your Real Estate Office to us or cancel them and de-list them from any applicable telephone directory or other telephone number listing service.

8.10 Insurance

(a) You must have in effect on the Opening Date and maintain during the term of this Agreement comprehensive general liability insurance, errors and omissions insurance, automobile insurance, and other insurance that is legally required for you to operate your business (i.e., workers' compensation insurance) or that is reasonably prudent for your type of business taking into consideration the state where you operate. Policy coverage limitations and other terms relating to insurance will be set forth in the Confidential Operations Manual. "Any policies of insurance that you maintain in your name must contain a separate endorsement naming us, the Regional Director (if applicable) and the Owner of the Marks (and our other affiliated companies identified by us in writing and our respective shareholders, members, managers, directors, officers, employees, and agents) as additional insureds to the full extent of coverage provided under the insurance policies. Your insurance coverage will be primary as respects us and other affiliated companies identified by us in writing, and our respective shareholders, members, managers, directors, officers, employees, and agents. Any insurance or self-insurance maintained by us and other affiliated companies identified by us in writing and our respective shareholders, members, managers, directors, officers, employees and agents will be excess of your insurance and will not contribute with it. You must provide us a copy of the policy and endorsement upon issuance and upon each and every renewal. You hereby grant us a waiver of any right of subrogation which any insurer of yours may acquire against us by virtue of payment of any loss under such insurance. This provision applies regardless of whether or not we have received a waiver of subrogation endorsement from the insurer. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A IX or better and authorized to do business in the state where the Outlet is located, unless otherwise approved in writing by us.

(b) You must promptly notify us of any and all claims against you or us under said policies of insurance and deliver to us certificates evidencing that such insurance are in full force and effect within 30 days after signing this Agreement and each year thereafter. Such insurance certificate must contain a statement that the certificate cannot be canceled without 30 days prior written notice to you and to us.

(c) Your failure, for any reason, to procure and maintain the insurance coverage required under this Agreement will be deemed a material breach of this Agreement

8 11 Review and Inspection

(a) ROGA has the right to send representatives at reasonable intervals at any time during normal business hours, to your Real Estate Office and other places where you conduct business to review and inspect your operations business methods, service management and administration relating to the Franchised Business or its equivalent, to determine the quality thereof and the faithfulness of your compliance with the provisions of this Agreement and the Confidential Operations Manual and to ensure you are in compliance with System standards prescribed by ROGA and specified in the Confidential Operations Manual

(b) You must permit our representatives to access your Real Estate Office and any other facility from which you sell Realty ONE Group Services at any time during normal business hours to conduct reviews and inspections. You must cooperate with such reviews and inspections by rendering such assistance as our representatives may reasonably request and upon notice from us or our representatives, immediately begin such steps as may be necessary to correct any deficiencies noted during any such inspection. Within 10 business days after any such inspection our representatives may re-inspect your Real Estate Office and any other facility from which you sell Realty ONE Group Services to ensure noted deficiencies have been corrected. If the deficiencies have not been corrected by the time of the initial re-inspection, our representatives may make additional re-inspections every five business days thereafter until noted deficiencies have been corrected and you must reimburse us the travel and lodging expenses of our representatives who conduct the additional re-inspection.

8 12 Compliance with Laws

You must (i) at all times maintain in good standing a real estate broker's license issued by the appropriate state agency, (ii) operate the Franchised Business in compliance with all other applicable laws, rules and regulations of all governmental authorities, (iii) comply with all applicable wage, hour and other laws and regulations of the federal, state or local governments, (iv) prepare and file all necessary tax returns and (v) pay promptly all taxes imposed upon you or upon your business or property. You represent and warrant that you will obtain and at all times maintain all necessary permits, certificates or licenses necessary to conduct the Franchised Business in the locality within which the Real Estate Office is situated. You must immediately notify us of any litigation, arbitration, disciplinary action, criminal proceeding or any other legal proceeding or action brought against or involving you, or any entity affiliated with you, or any agent, employee, owner, director or partner of yours, which notification must include all relevant details in respect thereof, according to the procedures set forth in the Confidential Operations Manual.

8 13 Web Site and Internet Marketing

During the term of this Agreement, but only in the manner specifically authorized by us in Section 6.2(a) of this Agreement, the Confidential Operations Manual or otherwise in writing, you may (i) engage in Franchised Business directly or indirectly through the Internet, (ii) establish your own website or social networking media site (such as Facebook, Linked In, MySpace, Twitter, etc.), or register an Internet domain or social networking media name using any of the Marks, and (iii) otherwise advertise on the Internet or anywhere else, the mark "Realty ONE Group" or any other Mark, or any mark similar to "Realty ONE Group", or any combination or derivations thereof.

8 14 Intranet

(a) We may establish and maintain an "Intranet" through which Realty ONE Group franchisees may communicate with each other, and through which we and you may communicate with each other and through which we may disseminate the Confidential Operations Manual, updates thereto and other confidential information. We will have discretion and control over all aspects of this Intranet including its content and functionality.

(b) You may use the Intranet, but only if you are in strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time regarding such use. Such standards and specifications, protocols and restrictions may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) communications between or among franchisees that disparage ROGA or endorse or encourage default of any Realty ONE Group franchise agreement, or other agreement with us or our affiliates, (iii) confidential treatment of materials that we transmit via the Intranet, (iv) password protocols and other security precautions, including limitations on the number and types of employees that may be granted access to the Intranet, (v) grounds and procedures for our suspending or revoking a franchisee's access to the Intranet, and (vi) a privacy policy governing our access to and use of electronic communications that

franchisees post to the Intranet. You acknowledge that, as administrator of the Intranet, we can technically access and view any communication that any person posts on the Intranet. You further acknowledge that the Intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

(c) So long as the Intranet is operating, you must establish and continually maintain (during all times that the Intranet is operational and until the termination of this Agreement) an electronic connection (the specifications of which will be specified in the Confidential Operations Manual) with the Intranet that allows us to send messages to and receive messages from you, subject to the standards and specifications.

8.15 Franchise Advisory Council

We may, at our option, establish a franchise advisory council (the "FAC"), which will be composed of Realty ONE Group franchisees. The FAC will, among other functions requested by us, serve as a representative committee for franchisees of the System and facilitate and coordinate the sharing of information and ideas between franchisees of the System and us. If appointed or elected to do so, you (or your designee) must, at your own expense, participate as a member of the FAC. We reserve the right to set reasonable standards for appointment or election to the FAC and you acknowledge that if we establish the FAC, you may be required to pay a fee or otherwise contribute to the FAC as the FAC leadership may require. You acknowledge that the role of the FAC is advisory only, and we are not obligated to implement the FAC's recommendations. Neither you nor your designee will have the right to be appointed, elected, and if appointed or elected, to continue to serve on the FAC if you are in material default of this Agreement, or are not current in your financial obligations to us, and your landlord (if any), suppliers and vendors.

IX. PROPRIETARY MARKS

9.1 License of the Marks

(a) We hereby grant you the right during the term hereof to use and display the Marks in accordance with the provisions contained in this Agreement and in the Confidential Operations Manual, solely in connection with your operation of the Franchised Business. Neither you nor any Principal Equity Owner may use, display or permit the use or display of trademarks, trade names, service marks, insignias or logo types other than the Marks and other trademarks and service marks approved for use by us in connection with the Franchised Business. And neither you nor any Principal Equity Owner may use or display the Marks in connection with the operation of any business or other activity that is outside the scope of the Franchised Business. You may only use the Marks on the Internet or other electronic media in the manner and as specifically authorized by us in the Confidential Operations Manual or otherwise in writing. You agree to be responsible for and supervise all of your real estate agents, employees, contractors and other agents in order to insure the proper use of the Marks in compliance with this Agreement. At the end of the term of this Agreement, all information contained in ROGA's proprietary real estate agent tracking and enrollment system will be delivered to you within 10 business days after your written request.

(b) You acknowledge that the Marks have been licensed to us by the Owner of the Marks to use in the franchised System. You acknowledge and agree your use of the Marks is a temporary authorized use under this Agreement and that the Owner of the Marks retains all ownership interests in the Marks and that the Owner of the Marks, ROGA and the Owner of the Marks retain all ownership of the goodwill generated by the Marks. You acknowledge that the use of the Marks outside the scope of the terms of this Agreement without our written consent is an infringement of the Owner of the Marks' and our exclusive rights, titles and interest in and to the Marks. You agree that as between you and us, all rights to use the Marks within the franchised System are our exclusive property. You now assert no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of your franchised use thereof or otherwise. It is expressly understood and agreed that ownership and title of the Trade Dress, Confidential Operations Manual and our other manuals, bulletins, instruction sheets, forms, methods of operation and goodwill are and, as between you and us, remain vested solely in us, and the use thereof is only co-extensive with the term of this Agreement.

(c) You agree that during the term of the Franchise, and after the repurchase, expiration or termination of the Franchise, you will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks or take any other action in derogation of the Marks, and that no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks.

(d) You hereby grant us the right at any time to use the name, image and likeness of you and all Principal Equity Owners for commercial purposes in connection with the marketing and promotion of the Marks, Realty ONE Group Services, any Realty ONE Group real estate office, and the System, without compensation. You also agree (i) to have any affected employee of yours who is not a Principal Equity Owner sign a release in the form contained in the Confidential Operations Manual authorizing us to also use the employee's name, image and likeness for the purposes described in this Section 9 1(d), without compensation, and (ii) to provide us with a copy of such signed release. The terms of this Section 9 1(d) survive termination or expiration of this Agreement.

[Your Initials _____ Principal Equity Owners' Initials _____]

(e) You acknowledge that we prescribe uniform standards respecting the nature and quality of Realty ONE Group Services provided by you in connection with which the Marks are used. Nothing herein gives you any right, title or interest in or to any of the Marks, except a mere privilege and license during the term hereof to display and use the same and you agree that all of your use of the Marks under this Agreement inures to our benefit and the benefit of the Owner of the Marks.

(f) You and all Principal Equity Owners agree that all materials associated with ROGA, Realty ONE Group Services or other services, artwork, graphics, layouts, slogans, names, titles, text or similar materials incorporating, or being used in connection with, the Marks which may be created by you, your employees, agents and subcontractors and any other party with whom you may contract to have such materials produced pursuant to this Agreement will become the sole property of the Owner of the Marks, including copyright and trademark rights. In furtherance thereof, you hereby and irrevocably assign to us all such materials, artwork, graphics, layouts, slogans, names, titles, text or similar materials, whether presently or hereafter existing. Furthermore, you agree on behalf of yourself, your employees, your agents, your subcontractors and any other party with whom you may contract to have such materials produced, to promptly execute any and all appropriate documents in this regard.

(g) If necessary, you agree to join with us and share the expenses in any application to enter you as a registered or permitted user, or the like, of the Marks with any appropriate governmental agency or entity. Upon termination of this Agreement for any reason whatsoever, we may immediately apply to cancel your status as a registered or permitted user and you hereby consent to the cancellation and agree to join in any cancellation petition. You will bear the expense of any cancellation petition.

9 2 Your Business Name

(a) In connection with your operation of the Franchised Business, you agree that at all times and in all advertising, promotions, yard signs, other signs and display materials, on your letterheads, business forms, and at the Real Estate Office and other authorized business sites in all of your business dealings related thereto and to the general public, you will identify the Franchised Business solely under a trade name containing the Mark "Realty ONE Group" and authorized by us ("Business Name") together with the words "INDEPENDENTLY OWNED AND OPERATED" on your letterhead, contract agreements, invoices, advertising and other written materials containing the Marks as we may direct.

(b) You must file and keep current a fictitious business name statement, assumed name certificate or similar document with respect to your Business Name in the county or other designated jurisdiction in which your Real Estate Office is located and at such other places as may be required by law. Before you commence engaging in the Franchised Business under the Marks, you must supply evidence satisfactory to us that you have complied with relevant laws regarding the use of fictitious or assumed names.

(c) On expiration or sooner termination of this Agreement, we may, if you do not do so, execute in your name and on your behalf any and all documents necessary, in our judgment, to end and cause a discontinuance of the use by you of the Marks and Business Name registrations and we are hereby irrevocably appointed and designated as your attorney-in-fact to do so.

(d) You further agree that you will not identify yourself as (i) us, (ii) a subsidiary, parent, division, shareholder, partner, joint venturer, agent or employee of ours or the Owner of the Marks or (iii) any of our other franchisees.

(e) If you are an entity and not an individual proprietor, you cannot use any of the Marks in your legal name.

9 3 Trade Secrets and Proprietary Information

(a) Under this Agreement, we are licensing you access to our Proprietary Information and other confidential data and information. You acknowledge that the material and information now and hereafter provided or revealed to you pursuant to this Agreement (including in particular, but without limitation, the proprietary real estate management software technology and the contents of the Confidential Operations Manual) are confidential trade secrets of ROGA and are revealed in confidence, and you expressly agree to keep and respect the confidences so reposed, both during the term of this Agreement and thereafter. We expressly reserve all rights with respect to the Marks, confidential trade secrets, methods of operation and other proprietary information except as may be expressly granted to you hereby or in the Confidential Operations Manual. We will disclose to you certain trade secrets as reasonably needed for the operation by you of your Franchised Business by loaning to you, for the term of this Agreement, the Confidential Operations Manual and other written materials containing the trade secrets, through training and assistance provided to you hereunder, and by and through the performance of our other obligations under this Agreement.

(b) You acknowledge that we are the sole owner of all Proprietary Information and our trade secrets, that such information is being imparted to you only by reason of your special status as a franchisee of the System, and that our trade secrets are not generally known to our industry or the public at large and are not known to you except by reason of such disclosure. You further acknowledge that you will acquire no interest in the Proprietary Information and trade secrets disclosed to you, other than the right to use them in the development and operation of the Franchised Business during the term of this Agreement. In addition, you acknowledge that the use or duplication of our trade secrets except as expressly permitted by this Agreement constitutes an unfair method of competition and that we will suffer irreparable injury thereby.

(c) You agree that you will not do or permit any act or thing to be done in derogation of any of our rights in connection with the Marks, either during the term of this Agreement or thereafter, and that you will use these only for the uses and in the manner franchised and licensed hereunder and as herein provided. Furthermore, you and your employees and agents will not engage in any act or conduct that impairs the goodwill associated with the Marks.

9 4 Modification of Marks and Trade Dress

We may add to, substitute or modify any or all of the Marks or Trade Dress from time to time, by directive in the Confidential Operations Manual. You must accept, use, display, or cease using, as may be applicable, the Marks and Trade Dress, including but not limited to, any such modified or additional trade names, trademarks, service marks, logo types and commercial symbols, and must within 30 days of receiving notification, commence to implement such changes and use your best efforts to complete such changes as soon as practicable.

9 5 Mark Infringement Claims and Defense of Marks

(a) If you receive notice or otherwise become aware of any claim, suit or demand against you by any party other than us, the Owner of the Marks or any of our affiliates on account of any alleged infringement, unfair competition or similar matter arising from your use of the Marks in accordance with the terms of this Agreement, or any misuse of the Marks by third parties on the Internet or otherwise, you must promptly notify us of any such claim, suit, demand or misuse. You will have no power, right or authority to settle or compromise any such claim, suit or demand by a third party or to intervene to stop misuse, without our prior written consent. We will defend, compromise or settle at our discretion any such claim, suit or demand and take steps to stop misuse at our cost and expense, using attorneys selected by us or the Owner of the Marks, and you agree to cooperate fully in such matters.

(b) We will indemnify you and hold you harmless from and against any and all judgments resulting from any claim, suit or demand arising from your authorized and proper use of the Marks in accordance with the terms of this Agreement. We have the sole discretion to determine whether a similar trademark or service mark that is being used by a third party is confusingly similar to the Marks being used by you or constitutes a misuse of the Marks, and whether and what subsequent action, if any, should be undertaken with respect to such similar trademark or service mark or misuse.

X MARKETING AND PROMOTION

10 1 Use of Marketing and Promotion Fees

(a) ROGA will expend, for the purposes of national, regional or local marketing, advertising, cooperative advertising, market research, public relations and promotional campaigns designed to promote and enhance the value of the Marks and general public recognition and acceptance thereof, an amount equal to the aggregate Marketing and Promotion Fees stated in Section 4 3 hereof and collected from all of its franchisees less a 15% administrative fee. None of the Marketing and Promotion Fees will be deemed to be held subject to any type of trust arrangement. No interest on unexpended Marketing and Promotion Fees will be imputed for your benefit or payable to you. If requested by you in writing not later than March 31 of any calendar year, we will provide you not later than May 31 of that year with a statement of receipts and expenditures of the aggregate Marketing and Promotion Fees relating to the preceding calendar year, certified to be correct by an officer of ROGA.

(b) In our sole discretion and as we deem appropriate, ROGA is obligated to spend the Marketing and Promotion Fees collected from you and all other Realty ONE Group franchisees (less our 15% administrative fee) on regional, local or national media or other marketing techniques or programs designated to promote the retail sale of Realty ONE Group Services, the Marks and other aspects of the Realty ONE Group brand, creative and production costs, and for other purposes deemed appropriate by us to enhance and promote the general recognition of Realty ONE Group franchises.

(c) ROGA may also spend Marketing and Promotion Fees collected from you and all other Realty ONE Group franchisees for ROGA-approved initiatives, which may include branding and marketing studies, initiatives and research, test marketing new products or concepts, franchisee compliance with System standards and practices through a "mystery buyer" program, the development of marketing strategies, tools, initiatives, and materials, public relations, market research, annual conferences (excluding the expenses of our principals and employees to travel to such conferences), and travel to such conferences, and occasional selective regional and local advertising.

10 2 Advertising Content and Costs

With respect to local, regional or system-wide advertising, we determine the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising, public relations and promotional campaigns.

XI NON-COMPETITION COVENANTS

11 1 Exclusive In Term Dealing

(a) You acknowledge that you will receive valuable specialized training and access to our trade secrets, including without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the System. In consideration for the use and license of such valuable information, you agree that you will not during the term of this Agreement operate, manage, own, assist or hold an interest in (direct or indirect as an employee, officer, director, shareowner, partner or otherwise), or engage in any competing real estate brokerage business or other business selling or offering services equivalent to Realty ONE Group Services or the Franchised Business, without our express prior written consent.

(b) It is the intention of both you and ROGA that you maximize the Franchised Business within your Real Estate Office, and any action of yours that diverts business to another entity or diminishes the Franchised Business being conducted at or through your Real Estate Office will be a material breach of this Agreement. Accordingly, neither you nor any Principal Equity Owner may, either directly or indirectly, for yourself or themselves, or through, on behalf of, or in conjunction with, any person, persons, partnership, corporation or other entity, (i) divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System, or (iii) solicit without our prior consent any person who is at that time employed by us or any related entity to leave his or her employment.

11 2 Post Term Confidentiality Covenant

You agree that after termination, expiration or cancellation of this Agreement for any reason you must refrain from any use, direct or indirect, for any purpose, of any of our trade secrets or proprietary information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the

System In all events, at all times following termination or expiration of this Agreement, you must refrain from any use, direct or indirect, of any of our proprietary information

11 3 General Provisions regarding Non-Competition Covenants

(a) You acknowledge that the restrictions contained in this Article XI are reasonable and necessary in order to protect our legitimate interests and in the event of violation of any of these restrictions, we are entitled to recover damages including, without limitation, Monthly Fees, Transaction Fees, Technology Fees, Marketing and Promotion Fees and other fees that would have been payable if such business were included in the Franchised Business, and an equitable accounting of all earnings, profits and other benefits arising from such violation, which rights and remedies will be cumulative and in addition to any other rights or remedies to which we are entitled at law or in equity

(b) This Article XI applies to your Manager and other Principal Equity Owners, and each of your other managers, directors, officers, general partners and affiliates

(c) Each provision of this Article XI is independent of each other provision of this Agreement. If any provision of this Article XI is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, you agree to be bound by the maximum duty permitted by law with respect to that provision, which will be deemed restated accordingly, and also agree to be bound by all other provisions of this Article XI

XII ASSIGNMENT

12 1 Assignment by Us

We have the right to Transfer (as defined above) this Agreement, and all of our rights and privileges hereunder to any other person, firm or corporation ("Our Assignee"), provided that, in respect to any Transfer ("Assignment by Us") resulting in the subsequent performance by our Assignee of the functions of franchisor hereunder: (i) at the time of Assignment by Us, Our Assignee will be financially responsible and economically capable of performing the obligations of franchisor hereunder, and (ii) Our Assignee will expressly assume and agree to perform such obligations. If there is an Assignment by Us in compliance with the terms set forth in the preceding sentence, we will be relieved of all obligations or liabilities after the effective date of the assignment.

12 2 Assignment by You

(a) This Agreement is being entered into in reliance upon and in consideration of the singular personal skills and qualifications of you and your Principal Equity Owners and the trust and confidence we repose in you and them. Therefore, neither your interest in this Agreement and the Franchise granted hereunder, nor all or substantially all of the assets of the Franchised Business, nor a controlling interest in the Franchised Business, may be assigned, transferred, shared or divided, voluntarily or involuntarily in whole or in part, by operation of law or otherwise, in any manner (collectively, "Assignment by You") without our prior written consent and, except for any transfer of a non-controlling interest, subject to the applicable terms of this Section 12 2 and our right of first refusal provided for in Section 12 3 hereof. Our consent to a specific Assignment by You is not cumulative and will not apply to any subsequent assignments in respect of each of which you must comply with this Section 12 2.

(b) Prior to any Assignment by You, you must notify us of your intent to sell, transfer or assign the Franchise, all or substantially all of the assets of the Franchised Business, or a controlling or non-controlling interest in the Franchised Business. The notice shall be in writing, delivered to us in accordance with Section 16 1 hereof and include all of the following:

(i) The proposed transferee's name and address,

(ii) A copy of all agreements related to the sale, assignment, or transfer of the Franchise, the assets of the Franchised Business, or the interest in the Franchised Business and

(iii) The proposed transferee's application for approval to become the successor franchisee. The application must include all forms, financial disclosures and related information generally utilized by us when interviewing prospective new franchisees, if those forms are readily made available to you. If the forms are not readily available, you must request that we deliver the forms to you by business courier in accordance with Section 16 1 hereof within 15 calendar days. As soon as practicable after the receipt of the proposed transferee's application, we will notify, in writing, you and the proposed transferee of any additional information or

documentation necessary to complete the transfer application. If our then-existing standards for the approval of new or renewing franchisees are not readily available to you when you notify us of your intent to sell, transfer, or assign the Franchise, all or substantially all of the assets of the Franchised Business, or the controlling or non-controlling interest in the Franchised Business, we will communicate the standards to you within 15 calendar days.

(c) Within 60 days after the receipt of all of the necessary information and documentation required pursuant to Section 12.2(b) above, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed Assignment by You. The notice will be in writing and delivered to you by business courier in accordance with Section 16.1 hereof. Should we elect not to exercise our right of first refusal, or should such right of first refusal be inapplicable as herein provided, the proposed Assignment by You will be deemed approved, unless disapproved by us in writing and for reasons permitted by the law governing this Agreement. If the proposed sale, assignment or transfer is disapproved, we will include in the notice of disapproval a statement setting forth the reasons for the disapproval. We may impose, among other things, the following conditions precedent to our consent to any such Assignment by You (these conditions are consistently applied to similarly situated franchisees operating under the Franchise brand):

(i) The assignee of yours ("Your Assignee") must complete our application for a franchise, and in connection therewith, you and Your Assignee must fully disclose in writing all of the terms and conditions of the Assignment by You,

(ii) Your Assignee and the principal equity owners of Your Assignee demonstrate they have the skills, qualifications and economic resources necessary, in our sole judgment, to conduct the business contemplated by this Agreement.

(iii) Your Assignee and each principal equity owner of Your Assignee expressly assume in writing for our benefit all of your obligations under this Agreement.

(iv) Your Assignee executes the then current form of Franchise Agreement being used by us for the remainder of the term of this Agreement or in our sole discretion for the initial term of the then current form of Franchise Agreement (unless we have a reasonable basis not to allow this, you may elect to have Your Assignee assume this Agreement for the remainder of its term),

(v) You must have complied fully as of the date of any such Assignment by You with all of your material obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us,

(vi) Your Assignee agrees that our Initial Training program described in Section 6.1 hereof and any other training or orientation programs then required by us will be satisfactorily completed by necessary personnel within 30 days after the execution by Your Assignee of a Franchise Agreement, provided, however, that Your Assignee must agree to pay for all of their expenses incurred in connection therewith, including any fee we charge for training (at the rate in effect at the time of transfer), travel, hotel and meal expenses, and

(vii) Not later than 10 days before the transfer, you must pay us a non-refundable "Transfer Fee" of One Thousand Dollars (\$1,000). The Transfer Fee is subject to upward adjustment in our discretion based on corresponding changes in the CPI since the Effective Date.

(d) You do not have a right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever (except that with our consent, which will not be unreasonably withheld, you may pledge a security interest in this Agreement in connection with a Small Business Administration loan) nor subfranchise or otherwise transfer, or attempt to subfranchise or otherwise transfer the Franchised Business, or to transfer or subfranchise a portion but not all of your rights hereunder without our express prior written consent, which may be withheld for any reason in our sole discretion.

(e) Any attempt by you to assign or any purported Assignment by You in violation of this Section 12.2 is void and will (i) constitute a material breach of this Agreement, (ii) cause this Agreement (and in our sole discretion any or all other agreements between you and us or between you and our affiliates) to be subject to immediate termination without further notice, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party.

(f) Upon our consent to any Assignment by You, you must bring all accounts with us current and, together with ROGA, execute a mutual release

12 3 Right of First Refusal

(a) Except for a transfer (i) to your heirs, personal representatives or conservators in the case of death or legal incapacity as provided in Section 12 6 hereof or (ii) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan, your right to Transfer your entire interest in the Regional Director Franchise granted by this Agreement under Section 12 2 hereof is subject to our right of first refusal, which will be exercised in accordance with the terms of this Section 12 3

(b) You must deliver to us a written notice setting forth (i) all of the terms and conditions of any *bona fide* offer relating to a proposed Assignment by You, and (ii) all available information concerning your Assignee including an application for franchise on ROGA's authorized form provided by your proposed assignee, detailed summary of how the proposed assignee meets our qualifications for a new Realty ONE Group franchisee and any other related information requested by us. If the specified terms and conditions include consideration of a non-monetary nature, such consideration must be expressed in reasonably equivalent monetary terms, and if it involves matters that cannot be stated in monetary terms, such consideration will not be considered in connection with our right of first refusal

(c) Within 15 days after our receipt of such notice (or if we request additional information within 10 days after receipt of such additional information) we may either (i) consent or withhold our consent to such Assignment by You, in accordance with Section 12 2 hereof or (ii) at our option, accept the Assignment by You ourselves or on behalf of our nominee upon the terms and conditions specified in the notice

(d) If we elect not to exercise our right of first refusal and consent to the Assignment by You, you will for a period of 60 days, and subject to the provisions of Section 12 2 hereof, are free to assign this Agreement to such proposed Assignee upon the terms and conditions specified in said notice. If, however, these terms are modified in any material manner (as determined by us), or if said 60-day period expires, we will again have such right of first refusal with respect thereto and you will again be required to comply with Section 12 3(b) above. Detailed terms of assignment must be delivered to us no later than 72 hours following the close of escrow or other consummation of the transaction

12 4 Transfers to Certain Family Members

You or a Principal Equity Owner, if a natural person, may with our consent, which will not be unreasonably withheld, transfer the Franchised Business or an equity interest in your franchised entity to such person's immediate family member (defined as a spouse or person having equivalent rights under applicable federal or state law: parent, sibling, niece, nephew, descendant or spouse's descendant) provided that adequate provision is made for the management of the Franchised Business and the transferor guarantees, in form and substance satisfactory to us, the performance of the transferee's obligations under this Agreement. No transfer under this Section 12 4 will be subject to our right of first refusal set forth in Section 12 3 hereof. However, you must comply with Section 12 2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction

12 5 Transfers to Affiliated Entities

You or a Principal Equity Owner may without our consent, upon 30 days prior written notice to us, Transfer the Franchised Business or an equity interest in your franchised entity to an entity that is (i) organized for the purpose of operating the Franchised Business and (ii) owned in the same proportionate amount of ownership as prior to such Transfer, provided that adequate provision is made for the management of the Franchised Business. No Transfer under this Section 12 5 will be subject to our right of first refusal set forth in Section 12 3 hereof or the Transfer Fee set forth in Section 12 2(b)(vii) hereof. However, you must comply with Section 12 2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction. Also you acknowledge and agree that any Transfer to an affiliate will not relieve you from your obligations under this Agreement, unless we specifically release you in writing from such obligations

12 6 Transfers upon the Death or Incapacity of an Individual Franchisee or Majority Equity Owner

(a) Notwithstanding the foregoing, in the event of your death or legal incapacity, if you are an individual, or the death or legal incapacity of an equity owner of yours who holds a majority equity interest ("Majority Equity Owner") if you are a corporation, limited liability company or partnership the transfer of your or the deceased Majority Equity Owner's interest in this Agreement to his or her spouse, parent or adult children, will not be deemed Assignment by You, provided that a responsible management employee or agent of yours that has been satisfactorily trained by us will be responsible for the Regional Director Business. However, you must comply with Section 12 2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction.

(b) If after a death or legal incapacity described in Section 12 6(a) above, we determine there is no heir or other Principal Equity Owner of yours capable of operating the Regional Director Franchise, we may (but are not obligated to) immediately commence operating the Regional Director Business on your behalf for a period of up to 90 days, renewable as necessary for up to one year and we will periodically discuss the status with the heirs of the decedent. For such management assistance you or the successor in interest must pay a *per diem* management fee/charge to ROGA for serving as the interim manager.

12 7 Consent to Transfers

Except as otherwise provided in this Agreement and subject to our right of first refusal provided in Section 12 3 hereof, you or an Principal Equity Owner may consummate any Transfer of a direct or indirect interest in this Agreement, the Franchised Business or the economic benefits derived therefrom or any equity interest in your franchised entity, not permitted by the preceding Sections 12 4, 12 5 and 12 6 only after written notice to us and only with our written consent, which will not be unreasonably withheld. We will exercise our good faith business judgment in determining whether to give or withhold our consent to a Transfer under this Section 12 7. Such exercise of good faith business judgment may include our consideration of certain skills and qualifications of the prospective transferee which are of business concern to us, including without limitation, the following: experience in businesses similar to the Franchised Business, financial and operational skills and qualifications, economic resources, reputation and character of such prospective transferee, the ability of such prospective transferee to fully and faithfully conduct the Franchised Business as contemplated by this Agreement, and the effect that the Transfer and the prospective transferee will have or may reasonably be expected to have on the reputation or business operations of the Franchised Business, the System or us or any of our affiliates.

XIII DEFAULT AND TERMINATION

13 1 General

(a) This Agreement may be terminated only for good cause, which means the failure of a party to substantially comply with the lawful requirements imposed upon it by this Agreement after being given notice at least 60 days in advance of the termination and a reasonable opportunity, which in no event will be less than 60 days from the date of the notice of noncompliance, to cure the failure (provided that this Section 13 1(a) does not apply when there are grounds for immediate termination without notice pursuant to Section 13 2 below).

(b) If we are in material breach of this Agreement, you may terminate this Agreement by giving us prior written notice setting forth the asserted breach of this Agreement and giving us 60 days in which to cure the default. A material breach of this Agreement by us means any unauthorized action or omission seriously impairing or adversely affecting you or the relationship between you and us created by this Agreement. However, if we become insolvent or declare bankruptcy, you will continue to have the right to operate under this Agreement until and unless a court orders otherwise. If because of the nature of the breach, it would be unreasonable for us to be able to cure the default within 60 days, we will be given additional time (up to 60 additional days) as is reasonably necessary to cure said breach upon condition that we must upon receipt of such notice from you, immediately commence to cure such breach and continue to use best efforts to do so.

(c) Notwithstanding anything contained herein to the contrary, in those circumstances under which we have the right to terminate this Agreement, we also have the option, to be exercised in our sole discretion, to choose alternative remedies to our right to terminate the entire Agreement.

(d) Notwithstanding anything contained herein to the contrary, in those circumstances under which we have the right to terminate this Agreement, we also have the right to exercise any and all remedies available to us at law.

or in equity including without limitation specific performance and damages (including punitive damages) All rights and remedies provided herein are in addition to and not in substitution of all other rights and remedies available to a party at law or in equity

13 2 Immediate Termination

(a) We have the right to terminate this Agreement immediately upon notice to you without an opportunity to cure

(i) You or the business to which the Franchise relates has been the subject of an order for relief in bankruptcy, judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or you admit your inability to pay your debts as they come due,

(ii) You Abandon the Franchise by failing to operate the business for five consecutive days during which you are required to operate the business under the terms of the Franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond the franchisee's control,

(iii) We and you agree in writing to terminate the Franchise,

(iv) You make any material misrepresentations relating to the acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System

(v) You fail for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise,

(vi) After curing any failure in accordance with Section 13 3 below, you engage in the same noncompliance whether or not such noncompliance is corrected after notice,

(vii) You repeatedly fail to comply with one or more requirements of the Franchise, whether or not corrected after notice

(viii) The Franchised Business or your business premises are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized taken over, or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless an appeal bond has been filed), or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five days of such levy,

(ix) You are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise, or

(x) We make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety

(b) The parties recognize that some breaches may involve conduct that undermines the basis for the Agreement such that the expectation of full and proper contract performance cannot be restored, even if the specific activity giving rise to the claim of breach has ended In such cases, no period of "cure" will be required However the termination will not take effect for 10 days to enable the parties to consider whether other alternatives may be possible

(c) If your rights under this Agreement are terminated by us because of an event described in Section 13 2(a) above Section 14 1 below is not applicable, and we may immediately commence an action under Section 14 2 or 14 3 below, as applicable to collect damages or otherwise enforce our rights

13 3 Termination After Notice

(a) Except as provided in Section 13 2 hereof we may terminate this Agreement only after giving you prior written notice setting forth the asserted breach of this Agreement and giving you 60 days in which to cure the

default Upon receipt of a notice of default, you must immediately commence diligently to cure said breach and if you cure said breach within 60 days, our right to terminate this Agreement will cease. If because of the nature of the breach, it would be unreasonable for you to be able to cure the default within 60 days, you will be given additional time (up to 30 additional days) as is reasonably necessary in our determination to cure said breach, upon condition that you must upon receipt of such notice from us, immediately commence to cure such breach and continue to use your best efforts to do so.

(b) If your rights under this Agreement are terminated by us for material breach, we may, at our option, declare you in default of all of the other franchise agreements or other agreements you have with us, and terminate your rights under those other agreements as well.

(c) If your rights under this Agreement are terminated by us for failure to make any payment due under this Agreement, Section 14.1 below is not applicable, and we may immediately commence an action under Section 14.2 below to collect damages or otherwise enforce our rights.

(d) The description of any default in any notice served by us hereunder upon you in no way precludes us from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

(e) If you and we agree to mutually terminate this Agreement, you must return a signed counterpart of any document we prepare to effect the termination not later than 10 days after you receive it, or the mutual agreement to terminate will be voidable by us, and we may thereafter immediately and unilaterally terminate this Agreement and require payment of all sums due and payable to us at the date of termination.

13.4 Description of Default

The description of any default in any notice served by us hereunder upon you in no way precludes us from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

13.5 Statutory Limitations

Notwithstanding anything to the contrary in this Article XIII, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto limits our rights of termination hereunder or requires longer notice periods than those set forth herein, and in the event the parties are prohibited by law from agreeing to the shorter periods set forth herein, then this Agreement will be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected will be amended only to the extent necessary to bring it within the requirements of the law or regulation.

13.6 Extended Cure Period

Notwithstanding anything contained herein to the contrary including, without limitation, Section 13.3(c) hereof, in those circumstances under which we have the right to terminate this Agreement, we also have the right, to be exercised in our sole discretion, to grant to you in writing only, in lieu of termination of this Agreement, an extended period of time to cure the breach which gave rise to our right to terminate, but in no event may such extended cure period exceed six months from the last day of the cure period otherwise applicable to such breach. You acknowledge that our election to grant an extended cure period to you will not operate as a waiver of any of our rights hereunder.

13.7 Our Right to Cure Your Defaults

In addition to all other remedies herein granted, if you default in the performance of any of your obligations or breach any term or condition of this Agreement or any related agreement involving third parties, we may, at our election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to you, cure the default for your account and on your behalf, and all costs or expenses including attorney's fees incurred by us on account thereof are due and payable by you to us on demand.

13.8 Waiver and Delay

No waiver by us of any breach or series of breaches or defaults in performance by you and no failure, refusal or neglect of ours either to exercise any right, power or option given to us hereunder or to insist upon strict compliance with or performance of your obligations under this Agreement or the Confidential Operations Manual, constitutes a waiver of the provisions of this Agreement or the Confidential Operations Manual with respect to any subsequent

breach thereof or a waiver by us of our right at any time thereafter to require exact and strict compliance with the provisions thereof

13 9 Recovery of Lost Revenue

If this Agreement is terminated because of your material breach based on the estimated time it takes for a replacement Realty ONE Group franchisee to achieve a similar revenue stream, we are entitled to recover damages equal to the aggregate amount of the Monthly Fees (under Section 4 3 above) and the Other Fees (under Section 4 4 above) actually paid by you or what you were obligated to pay, whichever is greater, (i) during the three years prior to the date this Agreement was terminated or (ii) if the Opening Date is less than three years before the termination date, during the time since the Opening Date

13 10 Collection Costs

We are entitled to reimbursement from you upon our demand of all costs we have incurred (including reasonable attorney's fees and investigator's fees) to enforce our rights under this Agreement, including actions to collect any amounts due and delinquent hereunder

13 11 Continuance of Business Relations

Any continuance of business relations between you and us after termination of this Agreement will not be construed as a renewal, extension or continuation of this Agreement

XIV DISPUTE RESOLUTION

14 1 Initial Steps to Resolve a Dispute, Mediation

(a) We and you have entered into a long term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, in light of the overall best interests of the System, as contemplated by this Agreement To that end, you and we acknowledge that you and we need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship Good faith communications between you and us are an important aspect of that obligation The parties hereby pledge and agree that they will first attempt to resolve any dispute, claim or controversy arising out of or relating to this Agreement or any alleged breach hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void (collectively, "Dispute") by first having our executive officers and your Principal Equity Owners meet in person within five business days after a party notifies the other party that a Dispute has arisen at our principal executive office (without our respective legal counsel) and conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement We may proceed to terminate this Agreement in either of the following two situations without a settlement meeting or mediation proceeding (i) if there is any breach of this Agreement by you that may result in an immediate termination of this Agreement pursuant to Section 13 2 above, or (ii) if you fail to pay any sums due us under this Agreement which may result in termination of this Agreement pursuant to Section 13 3 above Also, if a party refuses to participate in the settlement meeting or mediation within the respective time frames set forth in this Section 14 1, the other party may immediately commence an arbitration proceeding pursuant to Section 14 2 below

(b) If the parties are unable to settle the Dispute at the settlement conference described in Section 14 1 above, within 10 business days after the date this conference took place (or should have taken place) you and we may submit the dispute to mediation at a location in Orange County, California (or another location mutually agreeable to both parties) conducted by a mutually acceptable mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law If the Dispute is not referred to mediation within 10 business days after the settlement conference took place (or should have taken place) the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to Section 14 2 below Any mediation proceedings should be completed within 60 days following the date either party first gives notice of mediation The fees and expenses of the mediator will be shared equally by the parties The mediator will be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose, provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission as a result of its use in the mediation

14 2 Arbitration

(a) Except as specifically provided in Sections 13 2(c) and 13 3(c) above, any Dispute between us (and/or our affiliated entities) and you (and/or your Principal Equity Owners or affiliated entities) that is not settled through the procedures described in Section 14 1 above will be resolved through binding arbitration by and before JAMS, Inc in accordance with (i) its Streamlined Arbitration Rules and Procedures if the amount in controversy is less than Two Hundred Fifty Thousand Dollars (\$250,000), or (ii) its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is Two Hundred Fifty Thousand Dollars (\$250,000) or more, or if the parties in dispute mutually agree, through binding arbitration by any other mutually agreeable arbitration organization. It is explicitly agreed by each of the parties hereto that no arbitration of any Dispute may be commenced except in accordance with this Section 14 2

(b) All hearings and other proceedings will take place in Orange County, California, or other county where our headquarters office is then located, or if we so elect, in the county where your or an applicable Principal Equity Owner's principal place of business is then located

(c) Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (including affidavits, interrogatories and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES, OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, YOU ACKNOWLEDGE YOU ARE AGREEING TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS THAT YOU MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS. ACCORDINGLY, YOU EXPRESSLY AGREE TO WAIVE ANY RIGHT YOU MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding said failure to appear.

(g) The provisions of this Section 14 2 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Furthermore, this Section 14 2 will be construed as independent of any other covenant or provision of this Agreement, provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Our Initials _____ Your Initials _____]

[Principal Equity Owners' Initials _____]

14 3 Injunctive Relief

Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in California, without the necessity of first complying with Sections 14 1 and 14 2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of One Thousand Dollars (\$1,000) will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date) If an arbitration proceeding has already commenced pursuant to Section 14 2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the merits of its dispute to the arbitrator The existence of a proceeding commenced under Section 14 1 or 14 2 above will in no event abate or otherwise affect the ability of party to seek injunctive relief on account of this Section 14 3 You acknowledge that you are one of a number of licensed franchisees using the Marks and that failure on your part to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to us or other affiliated persons or entities and we or our affiliates are empowered to seek injunctive relief to protect the Marks This covenant is independent severable and enforceable notwithstanding any other rights or remedies that any party may have

14 4 Legal Fees and Expenses

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other expenses incurred by the prevailing party in bringing or defending such arbitration action or proceeding and/or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter The prevailing party will be determined by the arbitrator or court This Section 14 4 is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment

14 5 Survival

The terms of this Article XIV survive termination, expiration or cancellation of this Agreement

XV OBLIGATIONS AND RIGHTS UPON TERMINATION OR EXPIRATION

15 1 Your Obligations

(a) In the event of termination, cancellation or expiration of this Agreement whether by reason of your breach, default, non-renewal, lapse of time or other cause, in addition to any other obligations provided for in this Agreement, you must forthwith discontinue the use or display of the Marks in any manner whatsoever, and you may not thereafter operate or do business under the Marks or any other Realty ONE Group brand or any other name or in any manner that might tend to give the general public the impression that you are in any way associated or affiliated with us, or any of the businesses conducted by us or the owner of the Marks, including without limitation repainting the business premises in a distinctively different color and removing or rearranging distinctive elements of the Realty ONE Group trade dress You must contact your Multiple Listing Service, local Board of Realtors, other online review sites and other online directories and websites which have made reference to your Realty ONE Group outlet during the 18 months prior to the date this Agreement terminates is cancelled or expires, and request the removal of all use of the trademarks in connection with the former Realty ONE Group franchised outlet (and the physical address of the former Realty ONE Group outlet) and all use of former reviews from the period you were a Realty ONE Group franchisee And you also must comply with Section 15 2 respecting the return to us of certain materials and must not thereafter use, in any manner, or for any purpose, directly or indirectly, any of our trade secrets, procedures, techniques, or materials acquired by you by virtue of the relationship established by this Agreement including, without limitation, (i) any training or other materials manuals, bulletins instruction sheets or supplements thereto, or (ii) any equipment, videotapes, videodiscs, forms, advertising matter, devices, insignias, slogans or designs used from time to time in connection with the Franchised Business

(b) If there is a termination, cancellation or expiration as described in Section 15 1(a) above you must comply with Section 11 2 of this Agreement respecting post-termination competition and also promptly

(i) Remove at your expense all signs erected or used by you and bearing the Marks, or any word or mark indicating that you are associated or affiliated with ROGA

(ii) Erase or obliterate from yard signs, letterheads, stationery, printed matter, advertising or other forms used by you the Marks and all words indicating that you are associated or affiliated with ROGA

(iii) Permanently discontinue all advertising of yours that states or implies you are associated or affiliated with ROGA or the System,

(iv) If you engage in any business thereafter, you must use trade names, service marks or trademarks that are significantly different from those under which you had done business and must use sign formats that are significantly different in color and type face and take all necessary steps to ensure that your present and former employees, agents, officers, shareholders and partners observe the foregoing obligations, and

(v) Assign all interest and right to use all telephone numbers and all listings applicable to the Real Estate Office in use at the time of such termination to us and take all action necessary to change all such telephone numbers immediately and change all such listings as soon as possible

(c) If you fail or omit to make or cause to be made any removal or change described in Section 15 1(b)(i) through 15 1(b)(vi) above, then we will have the right within 15 days after written notice to enter your Real Estate Office or other premises from which the Franchised Business is being conducted without being deemed guilty of trespass or any other tort and make or cause to be made such removal and changes at your expense, which expenses you agree to pay to us promptly upon demand, and you hereby irrevocably appoint us as your lawful attorney upon termination of this Agreement with authority to file any document in the name of and on our behalf for the purpose of terminating any and all of your rights in any trade name you have used that contains any of the Marks

15 2 Our Rights as Franchisor

(a) The termination cancellation, expiration or assignment of this Agreement will be without prejudice to any rights of us against you and such termination cancellation, expiration or assignment will not relieve you of any of your obligations to us existing at the time of termination cancellation, expiration or assignment or terminate those obligations of ours which, by their nature survive the termination, cancellation, expiration or assignment of this Agreement

(b) We may direct that all applicable suppliers immediately cease providing you with equipment, marketing materials, email access, website access, accessories and other items comprising or to be used to provide Realty ONE Group Services

(c) You are obligated to return, at no expense to us, any and all copies of the Confidential Operations Manual and all other Realty ONE Group proprietary materials and any other items that were supplied by us for your use without additional charge in connection with the operation of the Franchised Business You must also permanently erase anything relating to us or the Franchised Business from any computers and other media storage devices you retain after expiration, cancellation or termination of this Agreement

(d) Upon a lawful termination or nonrenewal of this Agreement, we will purchase from you, at the value of price paid minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of this Agreement or any ancillary or collateral agreement by you to us or our approved suppliers and sources, that are, at the time of the notice of termination or nonrenewal, in your possession or used by you in the Franchised Business We are not required to purchase any personalized items, inventory, supplies, equipment, fixtures, or furnishings not reasonably required to conduct the operation of the Franchised Business in accordance with this Agreement or any ancillary or collateral agreement or to which you, at the cessation of operation of the Franchised Business by you, cannot lawfully, or does not, grant us clear title and possession upon our payment to you for the inventory, supplies, equipment, fixtures, or furnishings (we have the right to receive clear title to and possession of all items purchased from you under this Section 15 2(d)) We may offset against the amounts owed to you under any such purchase under this Section 15 2(d) any amounts you owe to us Notwithstanding the foregoing however, our requirement to purchase from you under this Section 15 2(d) will not apply

(i) if and when you decline a *bona fide* offer of renewal from us,

(ii) if we do not prevent you from retaining control of the Outlet or other principal place of the Franchised Business,

(iii) to any termination or nonrenewal of a franchise due to a publicly announced and nondiscriminatory decision by us to completely withdraw from all franchise activity within the relevant geographic market area in which the Franchise is located,

(iv) if we and you mutually agree in writing to terminate and not renew the Franchise, or

(v) to any inventory, supplies, equipment, fixtures, or furnishings that are sold by you between the date of the notice of termination or nonrenewal, and the cessation of operation of the Franchised Business by you, pursuant to the termination or nonrenewal

XVI GENERAL TERMS AND PROVISIONS

16 1 Notices

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement will be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows

(i) If to us

REALTY ONE GROUP AFFILIATES, INC
7545 IRVINE CENTER DR STE 250
IRVINE, CA 92618-2936
Phone (949) 596-0337

(ii) If to you

Phone _____

(b) Unless actually delivered in person by an agent of the sending party, notices between you and us will be deemed given the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day

(c) Any change in the addresses listed in Section 16 1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier

(d) Any notices sent to you which include a statement of intent to terminate or not renew the Franchise must provide (i) the reasons why and (ii) the effective date of such termination or nonrenewal or expiration

16 2 Indemnity

(a) You and your Principal Equity Owners jointly and severally, hereby agree to protect, defend and indemnify ROGA, and all of our past, present and future owners, affiliates, officers, directors, employees, attorneys and designees, and each of them, and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person or entity or to any property arising out of or in connection with your development, maintenance or operation of the Real Estate Office and the Franchised Business, except to the extent caused by our intentional misfeasance, gross negligence or material default of our obligations under this Agreement

(b) We hereby agree to protect, defend and indemnify you, your Principal Equity Owners, other owners, affiliates, officers, directors, employees and attorneys and each of them from any liability or damage any of them may incur, including reasonable attorney's fees, as a result of third party claims, demands, costs, or judgments of any kind or nature, arising out of (i) your operation of the Franchised Business in full compliance with the terms of this Agreement and the Confidential Operations Manual or (ii) our intentional misfeasance, gross negligence or material breach of our obligations under this Agreement except if caused by the intentional misfeasance, gross negligence or material breach by you (or any Principal Equity Owners, or other of your owners, affiliates, officers, directors employees or attorneys) of obligations under this Agreement

(c) In order for the indemnification to be effective, each party entitled to indemnification hereunder must give the indemnifying party prompt written notice of any claim for which the indemnified party demands indemnity (provided that such obligation will not constitute a condition to the indemnifying party's indemnification obligation unless the indemnifying party has been materially harmed by such delay) The indemnified party will retain the full right and power to direct, manage, control and settle the litigation of any claim Each indemnified party must submit all of its claims to its insurers in a timely manner Any payments made by an indemnified party will be net of benefits received by any indemnified party on account of insurance in respect of such claims

16 3 Your Relationship to Us as Franchisee, Customer Reviews

(a) It is expressly agreed that the parties intend by this Agreement to establish between you and us the relationship of franchisee and franchisor It is further agreed that you have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever Neither you nor we are the employer, employee, agent partner, fiduciary or co-venturer of or with the other, each being independent You agree that you will not hold yourself out as our agent, employee, partner or co-venturer or the Owner of the Marks All employees or agents hired or engaged by or working for you will be only the employees or agents of yours and will not for any purpose be deemed employees or agents of ours or the Owner of the Marks, nor subject to our control, and in particular, we will have no authority to exercise control over the hiring or termination of these employees, independent contractors, or others who work for you, their compensation, working hours or conditions or their day-to-day activities, except to the extent necessary to protect the Marks You agree to diligently consider customer reviews and respond to customer indications of dissatisfaction with services rendered by you in a diligent and professional manner and agree to cooperate with representatives of ours or the Owner of the Marks in any investigation undertaken by us of complaints respecting your activities You and we agree to file our own tax, regulatory and payroll reports with respect to our respective employees or agents and operations

(b) You agree to diligently consider customer reviews and respond to customer indications of dissatisfaction with services rendered by you, your employees and agents, in a diligent and professional manner and you agree to cooperate with our representatives or the Owner of the Marks in any investigation undertaken by us of complaints respecting your activities

16 4 No Third Party Beneficiaries

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom we may have granted or consented to a collateral assignment of this Agreement) will be entitled to any rights hereunder by virtue of so-called "third party beneficiary rights" or otherwise

16 5 Survival of Covenants

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever

16 6 Successors and Assigns

This Agreement is binding upon (i) us and inures to the benefit of our successors and assigns and (ii) you and inures to the benefit of your successors and assigns, subject to the restrictions on Assignment by You contained herein

16 7 Joint and Several Liabilities

If you consist of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several

16 8 Titles for Convenience Only

Section titles used in this Agreement are for convenience only and do not affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement

16 9 Gender

All terms used in any one number or gender will extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any Section may require

16 10 Severability, Partial Invalidity

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between (i) any provisions of this Agreement or the Confidential Operations Manual and (ii) any present or future statute, law, ordinance, regulation or judicial decision contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in such event the provision of this Agreement or the Confidential Operations Manual thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, Article, Section, sentence or clause of this Agreement or the Confidential Operations Manual is held to be indefinite, invalid or otherwise unenforceable, that specific language will be deemed deleted but the remaining parts thereof will continue in full force and effect.

16 11 Counterparts

This Agreement may be executed in multiple copies, each of which will be deemed to be an original, and both of which together will be deemed to be one and the same instrument.

16 12 Compliance with U S Anti-Terrorism and Other U S Federal Laws

(a) You and each of the Principal Equity Owners certify that none of you, the Principal Equity Owners, employees, or anyone associated with you is listed in the Annex to Executive Order 13224 (available at <http://treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>). You covenant not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, the Principal Equity Owners, employees or anyone associated with you being listed in the Annex to Executive Order 13224. You and each of the Principal Equity Owners will comply with and assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you and each of the Principal Equity Owners certify, represent and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that you and the Principal Equity Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws. You specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 16 12. Any misrepresentation by you under this Section 16 12 or any violation of the Anti-Terrorism Laws by you, any of the Principal Equity Owners or employees will constitute grounds for immediate termination of this Agreement and any other agreement you entered into with us or one of our Affiliates. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U S Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U S Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U S Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and any other requirements of any United States governmental authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(b) Neither you nor any Principal Equity Owner conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under any applicable Anti-Terror Legislation.

(c) Neither you nor any Principal Equity Owner nor any employee of either is named as a "Specially Designated National" or "Blocked Person" as designated by the U S Department of the Treasury's Office of Foreign Assets Control, and published at www.treas.gov/offices/enforcement/ofac/sdn/. You acknowledge that you are not directly or indirectly owned or controlled by the government of any country that is subject to a United States embargo, nor do you or any Principal Equity Owner act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You and the Principal Equity Owners agree that you will notify us in writing immediately of the occurrence of any event that renders the foregoing representations and warranties of this Section 16 12 incorrect.

[Your Initials _____ Principal Equity Owners' Initials _____]

16 13 Governing Law

The Federal Arbitration Act (9 U S C §1 *et seq*) governs the arbitration of disputes under this Agreement. Otherwise, the laws of California govern this Agreement and all related matters, documents and agreements, without regard to conflicts of laws. If any provision of this Agreement is impermissible under a governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the

original intent of the provision, or if the provision as amended cannot substantially maintain the original intent, then the provision will be deemed deleted

16 14 Entire Agreement

(a) The parties to this Agreement each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement and the Confidential Operations Manual. Recognizing the costs on all parties which attend uncertainty, the signatories to this Agreement each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings (which have been or may in the future be exchanged between them) serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, the signatories each agree and promise each other that this Agreement, the Confidential Operations Manual, and the representations made by us in the Realty ONE Group Affiliates Unit Franchise Disclosure Document ("FDD") provided to you, supersede and cancel any prior and/or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements, understandings or any other term), by any of the parties or by anyone acting on their behalf, with respect to the rights and obligations of the parties to this Agreement or the relationship between them. Each signatory to this Agreement agrees and promises the other that they have placed, and will place, no reliance on any such discussions or writings.

(b) In accordance with the foregoing Section 16 14(a), the parties to this Agreement agree that this Agreement, and the Confidential Operations Manual, constitutes the entire agreement between the parties and contain all of the terms, conditions, rights and obligations of the parties with respect to the franchised business contemplated by this Agreement and any other aspect of the relationship between the parties, provided however, that nothing in this Agreement or in any related agreement or writing is intended to disclaim the representations made in the FDD that was provided to you. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto.

XVII EFFECTIVENESS OF AGREEMENT

This Agreement will become effective only upon the execution thereof by you and by us and only after you were provided an FDD. HOWEVER, THIS AGREEMENT IS NOT BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY OUR PRESIDENT.

XVIII ACKNOWLEDGMENTS AND REPRESENTATIONS

18 1 Acknowledgments and Representations

(a) You and each of your Principal Equity Owners hereby jointly and severally represent and warrant that the following statements in this Section 18 1 are true and accurate:

(b) You do not seek to obtain the Franchise for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchised Business or the Franchise within 12 months after the Opening Date.

(c) You understand and acknowledge the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Confidential Operations Manual and the necessity of operating the Franchised Business under the standards set forth in the Confidential Operations Manual. You represent that you have the capabilities professionally, financially and otherwise, to comply with our standards.

(d) If you are an entity, you are duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Real Estate Office is located.

(e) Your execution of this Agreement will not constitute or violate any other agreement or commitment to which you are a party.

(f) Any individual executing this Agreement on your behalf is duly authorized to do so and the Agreement constitutes a valid and binding obligation of yours and all of your Principal Equity Owners.

(g) You and your Principal Equity Owners (i) have carefully read this Agreement and all other related documents to be executed by you concurrently or in conjunction with the execution hereof, (ii) have conducted an independent investigation of the business contemplated by this Agreement, (iii) have obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement, (iv) understand the nature of this Agreement, and (v) intend to comply herewith and be bound hereby. You also recognize that the Franchise involves significant risks, making the success of the Franchised Business at your Real Estate Office largely dependent on your abilities and attention. We expressly disclaim the making of, and you agree that you have not received or relied on, any representation or warranty from us regarding the likelihood of your success at your Real Estate Office or in your operating the Franchised Business.

(h) In entering into this Agreement, you have not relied on any representation by us, or any of our officers, managers, partners, shareholders, employees or agents concerning the Franchised Business that is contrary to the terms of this Agreement, the documents incorporated into this Agreement or attached to it, or the FDD that was provided to you.

(i) You agree that complete and detailed uniformity among our franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that we, in our sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. You further agree that we will have no obligation to disclose or offer the same or similar variances to you. You are aware that other Realty ONE Group franchisees may operate under different agreements and, consequently, that our obligations and rights as to those franchisees may differ materially in certain circumstances.

(j) You received an FDD and a copy of this Agreement at least 14 calendar days before you signed this Agreement.

(k) You made no payment to us before you signed this Agreement.

(l) You and each Principal Equity Owner acknowledge that in operating the System, we must take into account the needs of the System as a whole, and the need to protect the Marks, even if our actions are contrary to your individual interests as a franchisee.

(m) You and each Principal Equity Owner acknowledge that the success of the business venture is speculative and depends in large part on your participation in the daily affairs of the Franchised Business.

18.2 Additional Information Respecting You and Your Principal Equity Owners

(a) Attached as Exhibit 3 is a schedule containing complete information respecting your Principal Equity Owners.

(b) The address (written notice of any change in this information after the Effective Date must be delivered to us pursuant to Section 16.1 hereof) where your financial and other records are maintained is

☐ the same address as provided in Section 16.1 hereof or

☐ the following address

IN WITNESS WHEREOF, and each signatory being jointly and severally liable, the parties hereto executed this Agreement as of the Effective Date

YOU

By _____

[PRINTED NAME AND TITLE]

PRINCIPAL EQUITY OWNERS

(Note each Principal Equity Owner is signing below as a party to this Agreement, and is individually obligated to perform or guarantee the performance by an entity franchisee of all duties and obligations of franchisee under this Agreement)

X _____

[PRINTED NAME]

X _____

[PRINTED NAME]

X _____

[PRINTED NAME]

X _____

[PRINTED NAME]

X _____

[PRINTED NAME]

ROGA

REALTY ONE GROUP AFFILIATES INC

By _____
Kuba Jewgieniew, Chief Executive Officer

List of Exhibits to Franchise Agreement

Exhibit 1 – Location of Real Estate Office

Exhibit 2 – Name and Address of Regional Director (If Applicable)

Exhibit 3 – Names and Addresses of Principal Equity Owners

Exhibit 4 – Statement of Unit Franchisee

EXHIBIT 1 - LOCATION OF REAL ESTATE OFFICE

The Real Estate Office is located at

(If the address of the Real Estate Office is unknown when this Agreement is signed, as soon as the address is determined it will be inserted later into the space above or added by addendum attached to this Exhibit 1)

The Real Estate Office must be open and operating not later than _____ If you fail to open by that date, (i) you may be charged a penalty of Two Hundred Fifty Dollars (\$250) each day thereafter (payable to ROGA) until the day you actually open, and (ii) we can terminate the Unit Franchise Agreement

The "Opening Date" of the Real Estate Office is _____

EXHIBIT 2 - NAME AND ADDRESS OF REGIONAL DIRECTOR (IF APPLICABLE)

Listed below is the name and address of the Regional Director to whom you will make all payments due us under this Agreement. If no Regional Director is identified below, until such time as a Regional Director having responsibility for servicing your Outlet is named, you must make all payments due under this Agreement directly to ROGA.

Name of Regional Director

Address

EXHIBIT 3 - NAMES AND ADDRESSES OF PRINCIPAL EQUITY OWNERS

If an entity is signing this Agreement as franchisee, list below the names, residential addresses and respective percentage equity ownership interests in the franchisee entity of each Principal Equity Owner

1 _____

_____ %

2 _____

_____ %

3 _____

_____ %

4 _____

_____ %

5 _____

_____ %

EXHIBIT 4 - STATEMENT OF UNIT FRANCHISEE

Realty ONE Group Affiliates, Inc and you are entering into a Franchise Agreement under the terms of which you will operate a Realty ONE Group franchise outlet. The purposes of this Statement of Franchisee are (i) to verify compliance with franchise disclosure legal requirements and (ii) to determine whether any statements or promises were made to you that we did not authorize or that may be untrue, inaccurate or misleading. *This Statement of Franchisee must be completed, signed and dated on the same day you sign your Realty ONE Group Franchise Agreement*

A The following dates are true and correct

- | | | | |
|---|-------------------------|---------------------|---|
| 1 | _____, 20____
(Date) | _____
(Initials) | The date that I received a Franchise Disclosure Document ("FDD") about the Realty ONE Group Unit Franchise |
| 2 | _____, 20____
(Date) | _____
(Initials) | The date that I signed the Realty ONE Group Unit Franchise Agreement (must be at least 15 days after A 1) |
| 3 | _____, 20____
(Date) | _____
(Initials) | The earliest date that I delivered cash, check or other consideration to a Realty ONE Group franchise sales representative (must be at least 15 days after A 1) |

B Representations

1 No oral, written or visual claim or representation that contradicted or was not disclosed in the Realty ONE Group Unit Franchise FDD was made to me, except

Initial
(If none, the prospective franchisee shall write none)

2 Realty ONE Group Affiliates, Inc made no oral, written or visual claim or representation that stated or suggested any sales, income or profit levels to me, except

Initial
(If none the prospective franchisee shall write none)

I/we certify the above is true and correct, to the best of my/our knowledge

Prospective Franchisee

By _____ Date _____

By _____ Date _____

REALTY ONE GROUP

LIST OF FRANCHISE OUTLETS

EXHIBIT C

LIST OF FRANCHISE OUTLETS

The following Realty ONE Group Unit Franchise Outlets were open and operating as of March 31, 2017

ARIZONA

Realty ONE Group Mountain Desert
Jeff and Daniel Collins
901 S Highway 89
Chino Valley, AZ 86323
Phone (928) 440-2522

Realty ONE Group Mountain Desert
Jeff and Daniel Collins
2050 W Woodlands Village Blvd , Ste 1
Flagstaff, AZ 86001
Phone (928) 774-3392

Realty ONE Group Mountain Desert
Jeff and Daniel Collins
20 N Acoma Blvd Ste 102
Lake Havasu City, AZ 86403
Phone (928) 680-7350

Realty ONE Group Mountain Desert
Jeff and Daniel Collins
100 E Sheldon, Ste 200
Prescott, AZ 86301
Phone (928) 862-4035

Realty ONE Group Mountain Desert
Jeff and Daniel Collins
2855 W State Route 89A, Ste 2
Sedona, AZ 86336
Phone (928) 862-4035

CALIFORNIA

Realty ONE Group Elite
Mona Phillips
5119 Lone Tree Way
Antioch, CA 94531
Phone (925) 978-1100

Realty ONE Group Infinity
Wendell Jones
910 E Hamilton Ave , Ste 100
Campbell CA 95008
Phone (408) 377-2700

Realty ONE Group World Properties
Jenny & KT Yuan
19540 Stevens Creek Blvd , Ste 200
Cupertino, CA 95014
Phone (408) 255-3978

Realty ONE Group United
Mavera Mir
9001 Firestone Blvd , 2nd Flr
Downey, CA 90241
Phone (562) 228-4900

Realty ONE Group American
Ranbir Atwal and Ruby Waraich
42820 Albrae St
Fremont, CA 94538
Phone (510) 344-2311

Realty ONE Group Masters
Jaime Genie
1345 S Grand Ave
Glendora CA 91740
Phone (626) 650-0370

Realty ONE Group United
Mavera Mir
243 Pacific Coast Hwy
Hermosa Beach, CA 90254
Phone (310) 375-0713

Realty ONE Group Prime
Heather Chong
3700 Wilshire Blvd , Ste 1008
Los Angeles, CA 90010
Phone (213) 297-5669

Realty ONE Group Gold
Aaron Lewis
313 Banner Ct , Ste A
Modesto, CA 95356
Phone (209) 664-9200

Realty ONE Group Empire
Janet Cisneros
13330 Ranchero St , Ste 12
Oak Hills, CA 92344
Phone (760) 407-6444

Realty ONE Group Allure
Parm Rahi
3608 Grand Ave
Oakland, CA 94610
Phone (510) 421-1455

Realty ONE Group Champions
John W Schulte
19322 Jesse Ln
Riverside CA 92508
Phone (951) 565-8105

Realty ONE Group Complete
Greg McClure
1150 Sunset Blvd , Ste 100
Rocklin, CA 95765
Phone (916) 435-0404

Realty ONE Group Executives
Richard Park
18777 Colima Rd
Rowland Heights, CA 91748
Phone (626) 839-0777

Realty ONE Group Complete
Greg McClure
2335 American River Dr
Sacramento, CA 95825
Phone (909) 891-0858

Realty ONE Group Trilogy
Solomon Niazi and Pamela Kourtakis
352 W Hospitality Ln Ste 100
San Bernardino, CA 92408
Phone (909) 891-0858

Realty ONE Group Alliance
Rosemarie Figueroa and James A Williams
1021 S El Camino Real
San Mateo, CA 94402
Phone (650) 376-3328

Realty ONE Group BMC Associates
Navid Ali
2355 San Ramon Valley Blvd Ste 100
San Ramon, CA 94583
Phone (925) 230-0700

Realty ONE Group Southwest
Barbara Baker and Clarke Van Deventer
41463 Margarita Rd , Ste 100
Temecula, CA 92591
Phone (951) 216-2000

Realty ONE Group United
Mavera Mir
22939 Hawthorne Blvd
Torrance, CA 90505
Phone (310) 948-0404

Realty ONE Group Success
Patrick Raach
25350 Magic Mountain Pkwy Ste 300
Valencia CA 91355
Phone (661) 481-2118

Realty ONE Group Summit
Michael Szakos
940 E Santa Clara St Ste 100
Ventura CA 93001
Phone (805) 978-5764

Realty ONE Group Synergy
Angel Hernandez
11027 1st Ave
Whittier, CA 90603
Phone (562) 696-6515

COLORADO

Realty ONE Group Premier
Gary Carlson and Bob Bronswick
8600 Park Meadows Dr , Ste 300
Lone Tree, CO 80124
Phone (303) 798-4300

FLORIDA

Realty ONE Group Advantage
Dara Khoyi
24514 State Road 54
Lutz, FL 33559
Phone (813) 354-2659

MARYLAND

Realty ONE Legacy
David Pridgen
1829 Reistertown Rd
Pikesville, MD 21208
Phone (443) 641-9999

MISSISSIPPI

Realty ONE Group First National
LaDonna Thomas, Donald, Matt and Larry Mayall
4850 Goodman Rd , Ste 110
Olive Branch, MS 38654
Phone (901) 255-2745

MISSOURI

Realty ONE Group Trademark
Steve Snarzyk and Rich Loughridge
219 Main St
Saint Peters, MO 63376
Phone (636) 614-4888

NEW JERSEY

Realty ONE Legend
Youssef Genid
600 Getty Ave
Clifton, NJ 07011
Phone (973) 686-7777

Realty ONE Legend
Youssef Genid
36 Preakness Shopping Ctr
Wayne, NJ 07470
Phone (973) 686-7777

PENNSYLVANIA

Realty ONE Legacy
John Meulstee
405 Farm Ln
Doylestown, PA 18901
Phone (215) 234-7645

Realty ONE Unlimited
Greg Bardell
415 N Prince St
Lancaster, PA 17603
Phone (717) 569-1700

TENNESSEE

Realty ONE First National
LaDonna Thomas,
Donald, Matt and Larry Mayall
6423 Summer Gale Dr
Memphis, TN 38134
Phone (901) 202-4450

TEXAS

Realty ONE Experience
Abbie Holland, Jill Daniels
2400 FM 1488, Ste 150
Conroe TX 77384
Phone (936) 851-7011

Realty ONE Group Partners
Tomas Castella
2500 Routh St
Dallas, TX 75201
Phone (214) 599-8008

Realty ONE Mendez Burk
Gabriel Mendez
6350 Escondido Dr , Ste D21
El Paso, TX 79912
Phone (915) 892-8770

Realty ONE Lone Star
Chance Brown
12777 Jones Rd Ste 400
Houston, TX 77070
Phone (832) 678-4770

Realty ONE Lone Star
Chance Brown
19855 Southwest Fwy , Ste 120
Sugar Land, TX 77479
Phone (832) 678-4770

UTAH

Realty ONE Group Signature
Ravath and Joan Pok
7650 Union Park Ave
Midvale, UT 84047
Phone (801) 201-2713

WASHINGTON

Realty ONE Group Eastside
Bill Young
12951 Bel-Red Rd , Ste 150
Bellevue WA 98005
Phone (425) 679-6999

Realty ONE Group Preview
Bill Young
22121 17th Ave S E Ste 110
Bothell, WA 98021
Phone (425) 488-6000

Realty ONE Group Preview
Bill Young
5930 Evergreen Way, Ste E
Everett, WA 98203
Phone (425) 348-9200

Realty ONE Group Preview
Bill Young
721 State St
Marysville, WA 98270
Phone (360) 659-6800

Realty ONE Group Preview
Bill Young
2150 N 107th St , Ste 170
Seattle, WA 98133
Phone (425) 348-9200

The following franchisees signed Unit Franchise Agreements but were not yet open and operating as of March 31, 2017

ARIZONA

Realty ONE Group Mountain Desert
Jeff and Daniel Collins
Cottonwood, AZ 86326
Phone (928) 862-4035

CALIFORNIA

Realty ONE Diamond
Nasim Ahmed
Long Beach, CA 90805
Phone (909) 210-9103

The following Realty ONE Group Outlets owned by related entities were open and operating as of March 31, 2017

ARIZONA

3530 S Val Vista Dr , Ste 114
Gilbert AZ 85297
Phone (480) 321-8100

17235 N 75th Ave , Ste C-190
Glendale, AZ 85308
Phone (623) 236-1414

2950 N Litchfield Rd
Goodyear, AZ 85395
Phone (623) 552-3773

11211 N Tatum Blvd , Ste 200
Phoenix, AZ 85028
Phone (602) 953-4000

7975 N Hayden Rd , Ste A-101
Scottsdale, AZ 85258
Phone (480) 315-1240

17550 N Perimeter Dr , Ste 160
Scottsdale, AZ 85255
Phone (480) 285-0000

2141 E Broadway Rd , Ste 101
Tempe, AZ 85282
Phone (480) 777-4500

CALIFORNIA

2300 E Katella Ste 100
Anaheim, CA 92806
Phone (714) 602-2600

2701 Loker Ave W , Ste 150
Carlsbad, CA 92010
Phone (760) 607-3230

1260 Corona Pointe, Ste 102
Corona, CA 92879
Phone (951) 547-8400

2124 Main St , Ste 220 / 110 / 250
Huntington Beach, CA 92646
Phone (714) 274-2720

4010 Barranca Pkwy , Ste 120
Irvine, CA 92604
Phone (949) 783-2400

23811 Aliso Creek Rd , Ste 181
Laguna Niguel, CA 92677
Phone (949) 297-2020

25910 Acero, Ste 100
Mission Viejo, CA 92691
Phone (949) 783-2499

10681 Foothill Blvd , Ste 140
Rancho Cucamonga, CA 91730
Phone (909) 694-0160

30021 Tomas, Ste 110
Rancho Cucamonga, CA 92688
Phone (949) 407-7426

101 S El Camino Real, Ste 103 / 104 / 105
San Clemente, CA 92672
Phone (949) 397-2712

3330 Camino Del Rio S , Ste 120
San Diego, CA 92108
Phone (619) 452-3280

11440 W Bernardo Ct , Ste 100
San Diego, CA 92127
Phone (858) 925-5940

NEVADA

2831 Saint Rose Pkwy , Ste 100
Henderson NV 89052
Phone (702) 898-7575

5550 Painted Mirage Rd , Ste 140
Las Vegas, NV 89135
Phone (702) 898-0101

10750 W Charleston Blvd , Ste 180
Las Vegas NV 89135
Phone (702) 898-1221

8395 W Sunset Rd , Ste 190
Las Vegas, NV 89113
Phone (702) 898-1010

The following Realty ONE Group Regional Director franchise outlet was open and operating as of March 31, 2017

NEW JERSEY

Realty ONE New Jersey
Youssef Genid
36 Preakness Shopping Ctr
Wayne, NJ 07470
Phone (973) 686-7777

PENNSYLVANIA

Realty ONE Pennsylvania
Greg Bardell
28C E Roseville Rd
Lancaster, PA 17601
Phone (717) 569-1708

No Regional Director has signed an RD Agreement but was not yet open and operating as of March 31, 2017

REALTY ONE GROUP

LIST OF TERMINATED FRANCHISES

LIST OF TERMINATED FRANCHISES

The following Realty ONE Group Unit Franchisees had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under their Unit Franchise Agreements during 2016

CALIFORNIA

Realty ONE Group Solutions
Patrick Raach, Richard & Jane Szerman
Stevenson Ranch, CA 91381
Phone (661) 253-3000
[TERMINATED]

COLORADO

Realty ONE Group Premier
Gary Carlson and Bob Bronswick
Denver, CO 80237
Phone (303) 798-4300
[CLOSED]

OREGON

Realty ONE Group Platinum
Erick Harpole
Eugene, OR 97401
Phone (541) 743-8999
[TERMINATED]

TEXAS

Realty ONE Group Stellar
Rodney Jackson
Arlington, TX
Phone (727) 580-6160
[NEVER OPENED - TERMINATED]

Realty ONE Lone Star
Chance Brown
Katy, TX 77449
Phone (832) 678-4770
[CLOSED]

No Realty ONE Group Regional Director franchisee had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under its RD Agreement during (i) 2016 or (ii) the period from January 1, 2017 through March 31, 2017

No Regional Director or Unit Franchisee has failed to communicate with Realty ONE Group Affiliates, Inc within the 10 weeks ending on the date of this disclosure document (March 31, 2017)

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

REALTY ONE GROUP

**STATE FRANCHISE ADMINISTRATORS
AGENTS FOR SERVICE OF PROCESS**

EXHIBIT E

STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some or all of the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

California

Department of Business Oversight
320 W 4th St Ste 750
Los Angeles, CA 90013-2344
(213) 576-7500 or Toll Free (866) 275-2677

Hawaii

Commissioner of Securities,
Dept of Commerce and Consumer
Affairs, Business Registration Div,
Securities Compliance Branch
335 Merchant St, Rm 203
Honolulu, HI 96813-2921
(808) 586-2722

Illinois

Office of the Attorney General
Franchise Division
500 S 2nd St
Springfield, IL 62701-1771
(217) 782-4465

Indiana

Indiana Securities Division
Franchise Section
302 W Washington St, Rm E111
Indianapolis, IN 46204-2738
(317) 232-6681

Maryland

Office of the Attorney General
Division of Securities
200 Saint Paul Pl
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Michigan Attorney General
Consumer Protection Division
Po Box 30213
Lansing, MI 48909-7713
(517) 373-7117

Minnesota

Commissioner of Commerce
85 7th Pl E, Ste 500
Saint Paul, MN 55101-3165
(651) 539-1500

New York

Office of New York Attorney General
Investor Protection Bureau
Franchise Section
Attn: Barbara Lasoff
120 Broadway, 23rd Flr
New York, NY 10271-0332
(212) 416-8236

North Dakota

Securities Department
600 E Boulevard Ave, 5th Flr
Bismarck, ND 58505-0510
(701) 328-4712

Rhode Island

Dept of Business Regulations
Division of Securities
1511 Pontiac Ave, Bldg 69-1
Cranston, RI 02920-4407
(401) 462-9527

South Dakota

Dept of Labor & Regulation
Division of Securities
445 E Capitol Ave
Pierre, SD 57501-3185
(605) 773-4823

Virginia

State Corporation Commission
Div of Securities & Retail Franchising
1300 E Main St, 9th Flr
Richmond, VA 23219-3630
(804) 371-9051

Washington

Dept of Financial Institutions
Securities Division
150 Israel Rd Sw
Tumwater, WA 98501-6456
(360) 902-8760

Wisconsin

Securities Division
201 W Washington Ave, Ste 300
Madison, WI 53703-2640
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some or all of the following states, in accordance with applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states.

California

California Commissioner of the
Department of Business Oversight
320 W 4th St, Ste 750
Los Angeles, CA 90013-2344
(213) 576-7500

Hawaii

Hawaii Commissioner of Securities,
Dept of Commerce and Consumer
Affairs, Business Registration Div
335 Merchant St, Rm 205
Honolulu, HI 96813
(808) 586-2744

Illinois

Illinois Attorney General
500 S 2nd St
Springfield, IL 62701
(217) 782-4465

Indiana

Indiana Secretary of State
200 W Washington St Rm 201
Indianapolis, IN 46204
(317) 232-6681

Maryland

Maryland Securities Commissioner
200 Saint Paul Pl
Baltimore, MD 21202
(410) 576-6360

Michigan

Michigan Corporation & Securities Bureau
Department of Commerce
6546 Mercantile Way
Lansing, MI 48911
(517) 373-7117

Minnesota

Minnesota Commissioner of Commerce
85 7th Pl E Ste 500
Saint Paul MN 55101
(651) 296-6328

New York

Attn: Uniform Commercial Code
New York Department of State
One Commerce Plaza
99 Washington Ave, 6th Flr
Albany, NY 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Commissioner
600 E Boulevard Ave, 5th Flr
Bismarck, ND 58505
(701) 328-4712

Rhode Island

Director, Rhode Island Department of
Business Regulations
1511 Pontiac Ave, Bldg 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

Director, South Dakota Division of Securities
445 E Capitol Ave
Pierre, SD 57501
(605) 773-4823

Virginia

Clerk, Virginia State Corporation Commission
1300 E Main St, 1st Flr
Richmond, VA 23219
(804) 371-9733

Washington

Dept of Financial Institutions
Securities Division – 3rd Flr
150 Israel Rd SW
Tumwater WA 98501
(360) 902-8760

Wisconsin

Administrator, Wisconsin
Division of Securities
201 W Washington Ave
Madison, WI 53703
(608) 261-9555

REALTY ONE GROUP

APPENDIX FOR CALIFORNIA FRANCHISEES

EXHIBIT F

APPENDIX FOR CALIFORNIA FRANCHISEES

1 California Business and Professions Code sections 20000 through 20043 (the "Act") provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

2 Section 31125 of the California Corporations Code requires the franchisor to give you a disclosure document, approved by the Department of Business Oversight before a solicitation of a proposed material modification of an existing franchise.

3 The Franchise Agreement requires binding arbitration. The arbitration will occur in Orange County, California with the costs being borne equally by both parties. Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside of California.

4 The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 *et seq.*)

5 The Franchise Agreement contains a covenant not to compete that extends beyond the termination or transfer of the franchise. This provision may not be enforceable under California Law.

6 The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (Corporations Code §§31000-31516). Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000-20043).

7 THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

8 The agreements contain a liquidated damage clause, under Civil Code, Section 1671, certain liquidated damage clauses are enforceable.

9 OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE COMMISSIONER OF BUSINESS OVERSIGHT AT www.dbo.ca.gov

10 Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq.*), suspending or expelling these persons from membership in such association or exchange.

REALTY ONE GROUP

RECEIPTS

EXHIBIT G

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Realty One Group Affiliates, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Realty One Group Affiliates, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the California Department of Business Oversight at any of its offices.

We have no franchise brokers. The name, address and telephone number of the franchise sellers for this offering are Luis Vega or Christian Pollinger, 7545 Irvine Center Drive, Suite 250, Irvine, California 92618, telephone (480) 242-3347.

Date of Issuance March 31 2017

Realty One Group Affiliates, Inc. authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated March 31, 2017, that included the following Exhibits:

- "A" Franchise Agreement
 - Exhibits to Franchise Agreement*
 - Exhibit 1 Location of Real Estate Office
 - Exhibit 2 Name and Address of Regional Director (If Applicable)
 - Exhibit 3 Names and Addresses of Principal Equity Owners
 - Exhibit 4 Statement of Franchisee
- "B" Financial Statements
- "C" List of Franchise Outlets
- "D" List of Terminated Franchises
- "E" State Franchise Administrators and Agents for Service of Process
- "F" Receipts

DATED _____
(Do not leave blank)

If a business entity

If an individual

(Name of Business Entity)

(Signature of Prospective Franchisee)

(Signature of Primary Contact Owner)

(Print Name)

(Print Name and Title)

Please date and sign this page, and then keep it for your records

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Realty One Group Affiliates, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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 - Exhibit 4 Statement of Franchisee
- "B" Financial Statements
- "C" List of Franchise Outlets
- "D" List of Terminated Franchises
- "E" State Franchise Administrators and Agents for Service of Process
- "F" Receipts

DATED _____
(Do not leave blank)

If a business entity

If an individual

(Name of Business Entity)

(Signature of Prospective Franchisee)

(Signature of Primary Contact Owner)

(Print Name)

(Print Name and Title)

Please date and sign this page, and then return it to Realty ONE Group Affiliates, Inc. either by mail to 7545 Irvine Center Drive, Suite 250, Irvine, California 92618 or by e-mail to franchise@realtyonegroup.com