

North Carolina Addendum To The Real Broker, LLC Independent Contractor Agreement

Real Broker, LLC (Company) makes this addendum a part of the Independent Contractor's Agreement to set forth state specific policies and procedures for an agent affiliating with the Company in the State of North Carolina (Agent). This addendum supersedes all previous North Carolina addendums. The Company reserves the right to modify, suspend, or discontinue any of the terms, policies, procedures and/or benefits described in this addendum with proper notice.

Advertising:

All Agents will adhere to the North Carolina Real Estate Commission Guideline 21 NCAC 58A .0105 when advertising and marketing for themselves and others related to any real estate transaction. No property will be advertised in any way without a signed written listing agreement on file with Real Broker, LLC and uploaded in SkySlope. All marketing materials must be approved by the Broker-in Charge. Self-marketing must contain the Company's name, Company's address and contact number along with Agent's name, contact number and Agent license number. When viewing marketing materials such as signs, business cards, billboards, flyers etc, it should be clear of the Company's name and contact information. Agent's name and/or team name should not be larger than the Company's name to avoid consumer confusion. That all ads clearly indicate they are the advertisements of a broker or brokerage firm. Standard of Practice 12-5 of the Code of Ethics requires that the name of the Company be disclosed in a reasonable and readily apparent manner in any advertisement in any medium of real estate services or listed property, either in the advertisement or in electronic advertising via a link to a display with all required disclosures.

Handling of Earnest Money Deposit (EMD) and Due Diligence Fees (DD):

All Agents will adhere to the North Carolina Real Estate Commission Guideline 21 NCAC 58A .0116 that all monies received by a broker acting in his or her fiduciary capacity shall be immediately turned over to an Escrow Agent (Attorney or Co-Op Agent's Firm if applicable). When handling funds a chain of custody is required, please see Page 15 of the Offer to Purchase (OTP) Form 2.T. If the Agent receives EMD and/or DD's money the Agent will sign off on Page 15 of OTP acknowledging receipt, this will also occur when the Escrow Agent receives the funds to document that they are the holder of Escrow. To reduce liability the Agent can set-up Escrow with the Attorney's office or Co-Op Agent's Firms and have the client/customer arrange to drop off the funds. Provisional Brokers are NOT Allowed at any time to receive or handle any EMD or DD fees. Real Broker, LLC does not have an Escrow Account in the State of North Carolina therefore Real Broker, LLC shall not be placed on any contracts as an Escrow Agent of Earnest Money Deposits. Upon an offer being accepted the Agent shall

coordinate the delivery of the Due Diligence fees which are directly given to the Seller in the transaction.

Working with Real Estate Brochure:

The rules of the North Carolina Real Estate Commission require the use of “Working with Real Estate Agents” brochure prescribed by the Commission Rule 58A. 0104 (c). The brochure must be given in **EVERY** real estate sales transaction by a Broker working directly with a prospective buyer or seller at the first substantial contact with the prospective buyer or seller. The broker **MUST** review the brochure with the prospective buyer or seller and determine whether the broker will act as the agent of the prospective buyer or seller. If the broker will work with a prospective buyer as an agent or subagent of the seller, the rules of the Commission require the broker to disclose in writing to the prospective buyer at the first substantial contact with the prospective buyer that the broker represents the interests of the seller.

Real Broker, LLC requires that each agent discuss agency relationships with customers and clients at the earliest possible time in the relationship to avoid later misunderstandings. All agents must disclose not later than the time periods required by the Rules. If a prospective buyer or seller refuses to complete the signature, the agent should set forth, sign and date a written explanation of the facts of the refusal. Any written explanations of this type must be forwarded to the branch sales manager for further processing and retention by the company.

Agency Disclosure Policy:

Real Broker, LLC requires every Agent to provide a copy, review and discuss Agency with every potential client/customer per North Carolina Real Estate Commission Rule 21 NCAC 58A .0104. Agents shall establish Agency upfront before showing properties to determine if the Agent will be working as a client agent or customer (transactional) Agent. **Before becoming a Dual Agent, a written agreement between both the Seller and the Buyer must be established agreeing to a Dual Agency relationship.**

Set by North Carolina Real Estate Commission Rules as outlined in the Buyer Agency Agreement Section 4, all agents must provide each client/customer a “Sample Copy” of the Offer to Purchase Contract Form, Q&A of Home Inspections and Professional Services Disclosure for review purposes and receipt acknowledgement prior to putting in an offer on a property.

Unlicensed Personal Assistants (PA)/Team Members (TM):

Personal assistants or team members who do not have active licenses **WILL UNDER NO CIRCUMSTANCE** engage in the practice of real estate brokerage as defined in the real estate licensing law (North Carolina General Statutes Section 93A-2). The agent associating with the PA/TM is strictly responsible for maintaining this policy. If an unlicensed PA/TM performs any acts which constitute the practice of real estate brokerage, the agent puts her/himself in jeopardy

of separation from the Company. The North Carolina Real Estate Commission has taken a position as to the types of things unlicensed office personnel may and may not do. Please review the section on "Functions of Unlicensed Office Personnel" to determine these items. Unlicensed personal assistants fall into the same category as unlicensed office personnel. The agent is further advised that unlicensed persons may not be paid any fees or commissions for any work done. Real Broker, LLC will not split commissions with an unlicensed person.

Unlicensed assistants MAY:

- Receive and forward phone calls, texts and emails to the employing broker or other licensees in a firm.
- Submit listings and changes to a MLS provider, but only if the listing or change is based upon data supplied by a broker;
- Assist a Broker in compiling documents for closing.
- Research and obtain copies of documents in the public domain, such as the Registers of Deeds, Clerks of Court, or tax offices.
- Obtain keys for listed properties.
- Record and deposit trust monies under the close supervision of the office broker-in-charge (BIC).
- Type an offer to purchase, contract and lease forms with information provided by Brokers.
- Check license renewal records and other personnel information pertaining to brokers at the direction of the BIC.
- Prepare commission checks and otherwise act as bookkeeper for the firm's operating account under the close supervision of the BIC.
- Place "For Sale" or "For Rent" signs on property at the direction of a Broker.
- Order and supervise routine and minor repairs at the direction of a Broker.
- Act as a courier at the direction of a Broker.
- Coordinate or confirm appointments between brokers and other persons.
- Schedule appointments for showing properties listed for sale or rent.
- Show rental properties managed by the broker to prospective tenants.
- Complete and execute preprinted form leases for rental property managed by the firm.
- Answer basic questions from prospective buyers and others about listed properties if the broker has provided the information in promotional materials.

Only licensed brokers MAY:

- Show properties for sale to prospective Buyers.
- Answer questions from prospective buyers and others about listed properties.
- Offer opinions as to the seller's or landlord's intentions about a listed property.
- Solicit listings or management contracts from prospective clients.
- Prepare information to be placed in promotional material or advertisements for properties for sale or lease.

- Discuss or explain listings, management agreements, offers, agency agreements, leases or other similar matters with persons outside the firm.
- Negotiate the amount of rent, earnest money deposits, due diligence fees or other contract provisions in connection with properties listed for sale or rent by the firm.
- Finally, remember that if you are a broker-in-charge, you are responsible for all money being held in a trust account and the accuracy of all advertising. Brokers-in-charge should be closely supervising all actions in those areas, especially when those duties are performed by unlicensed persons.

Team and Group Requirements:

The North Carolina Real Estate Commission allows three Team/Group Structures, (1) **Voluntary Cooperation Only** (primarily for “branding” purposes). The Team’s name is not the legal or assumed name of an entity and the team’s advertising (e.g., signs, business cards, websites, etc.) includes the name of Real Broker, LLC, the team’s structure and its advertising must comply with License Law and Commission rules. (2) **Entity for Compensation Only** (No Advertising in Entity Name) this team setup is for tax purposes only. The Agent must register the corporation with the North Carolina Secretary of State (NCSOS). NCREC rule A.0110 requirements are that the Agent must be a Qualifying Broker (QB) and the only person (licensed or unlicensed) in or affiliated with the licensed entity AND the entity is being licensed solely to receive compensation that its QB earns under Real Broker, LLC. AND the entity has no brokerage office because it’s not providing brokerage services under its license. AND the licensed entity is treated for tax purposes as a Subchapter S corporation by the Internal Revenue Service. (3) **Licensed Entity** (All Team Members Dually Affiliated. Team Lead must obtain a Firm License to operate as a branch location for advertising. The Broker-in-Charge will be Dually affiliated with Real Broker, LLC and its team members will be affiliated with Real Broker, LLC and second affiliation with Team Leader’s Entity. All Teams/Group will need to be approved and meet requirements set by Real Broker, LLC corporate office.

Branch Offices:

All Branch locations must have a Broker in Charge and separate Firm License number for each location per North Carolina Real Estate Commission. Real Broker, LLC does not allow a Trust Account at any Branch location. Branch locations can advertise and conduct marketing from the Branch Location address on file with the Commission.

Registration of Business Name, Assume or Sur-Names:

North Carolina Real Estate Commission Rule 58A.0103(c) states: any licensee (Broker or Firm) who wants to "advertise or operate in any manner using a name different from the name under which the broker is licensed shall first file an assumed name certificate in compliance with G.S. 71.4 and shall notify the Commission in writing of the use of such assumed name.

Reporting Convictions or Indictments:

Real Broker, LLC requires Agents to notify the Broker in Charge and to adhere to North Carolina Real Estate Commission Rule [21 NCAC 58A.0113](#) as it pertains to any Broker who is convicted of any felony or misdemeanor, or who is disciplined by or enters into a conciliation agreement or consent order with any governmental agency in connection with any occupational license, or whose notarial commission is restricted, suspended, or revoked, shall file with the Commission a Criminal Conviction Disciplinary Action Reporting Form of such conviction or action **within 60 days of the final judgment, order, or disposition in the case**. The Criminal Conviction Disciplinary Action Reporting Form is available on the Commission's website at www.ncrec.gov or upon request to the Commission. In the Form, the Broker shall set forth the Broker's: (1) full legal name; (2) physical and mailing address; (3) real estate license number; (4) telephone number; (5) email address; (6) social security number; (7) date of birth; and (8) description of the criminal conviction and disciplinary action, including the jurisdiction and file number.

Post License and License Renewal:

Real Broker, LLC requires all Provisional Brokers to complete post license requirements within 3 months of signing the ICA. The PB must provide the Broker in Charge proof of completion and failure to do so can violate ICA agreement. Agents are required to complete all requirements for renewal which includes 4 hours of continuing education and 4 hours of mandatory update or Broker in Charge update by June 10th and pay renewal fee by June 30th of each calendar year. All real estate licenses issued by the Commission under G.S. 93A, Article 1 shall expire on June 30 if requirements have not been met. Any broker desiring renewal of his or her license shall renew on the Commission's website within 45 days prior to license expiration and shall submit a renewal fee of forty-five dollars (\$45.00). During the renewal process, every individual broker shall provide an email address to be used by the Commission. The email address may be designated by the Broker as private in order to be exempt from public records disclosures pursuant to G.S. 93A-4(b2). [21 NCAC 58A.0503](#)

Sale Contract Policy:

Real Broker, LLC prohibits any agent from preparing any documents outside of North Carolina Associations of Realtors Forms (NCAR) or Attorney drafted material. North Carolina Real Estate Commission Rule 58A.0111 states that licensees may not “draft offers, sales contracts, options, leases, promissory notes, deeds, deeds of trust or other legal instruments by which the rights of others are secured.” However, the Rule does permit licensees to complete preprinted offers, option contracts, sales contracts and lease forms. If a customer or client asks an Agent to prepare any other type of document, the agent should ask the customer or client to seek the advice of her/his own legal counsel.

Delivery of Instruments:

Real Broker, LLC requires Agents to adhere to the North Carolina Real Estate Commission Rule 21 NCAC 58A .0106 as stated that every broker shall deliver a copy of any written agency agreement, contract, offer, lease, rental agreement, option, or other related transaction document to their customer or client **within three days** of the broker's receipt of the executed document.

CONFIDENTIALITY POLICY:

Real Broker, LLC requires that all Agents maintain confidentiality of the client, whether buyer or seller. Agents should pay particular attention not to make unauthorized or offhand comments about a client's situation or a client's property in a way that could be considered a violation of the duty of confidentiality. The following areas are considered of particular importance:

1. That a seller client may agree to a price, terms, or any conditions of sale other than those established by the seller.
2. That a buyer client may agree to a price, terms, or any conditions of sale other than those offered by the buyer.
3. The motivation of a client for engaging in the transaction unless disclosure is otherwise required by statute or rule.
- c. Any information about a client which the client has identified as confidential unless disclosure of the information is otherwise required by statute or rule.

If dual agency is offered, it is particularly important for each agent to realize that she/he must hold confidential the information of both buyer and seller, regardless of which party the particular agent is working with, in accordance with the agency agreements, the Code of Ethics, and the rules of the North Carolina Real Estate Commission.

In offering designated agency, Real Broker, LLC and all Agents must be sensitive to confidential information within the Firm and among the Agents of the Firm. The following procedures and policies are intended to protect the confidentiality of Real Broker, LLC clients.

1. Agent should not discuss confidential information of the client between or among themselves.
2. Comments at sales meeting should not reveal confidential information of the client without the client's permission.
3. Office files of listings and pending sales are confidential and may not be accessed except for authorized staff and the Agent involved in the listing or transaction.
4. Fax transmissions are confidential. Office staff will distribute faxes in envelopes so as not to reveal contents to persons other than to whom the fax is addressed.
5. Telephone messages with confidential information will be distributed in an envelope.
6. Contracts, offers, counteroffers or other transactional documents will be delivered to the person addressed in envelopes. Persons other than the addressee are not authorized to open any such envelope.

Record Retention:

Real Broker, LLC Agents will adhere to the Record Retention Policy set by the NC Real Estate Commission Rule 58A.0108 which requires that Brokers retain records of all sales, rental, and other transactions, whether the transaction is pending, completed, or terminated prior to its successful conclusion. Records must be retained for three years after all funds held by the broker in connection with the transaction have been disbursed to the proper party or parties or the successful or unsuccessful conclusion of the transaction, whichever occurs later. However, if the broker's agency agreement is terminated prior to the conclusion of the transaction, the broker must retain such records for three years after the termination of the agency agreement or the disbursement of all funds held by or paid to the broker in connection with the transaction, whichever occurs later. 21 NCAC 58A .0108

Records to be retained include copies of the following:

- contracts of sale.
- written leases.
- agency contracts.
- options.
- offers to purchase.
- trust or escrow records.
- earnest money receipts.
- disclosure documents.
- closing statements.
- brokerage cooperation agreements.
- declarations of affiliation.
- broker price opinions and comparative market analyses, including any notes and supporting documentation.
- sketches, calculations, photos, and other documentation used or relied upon to determine square footage.
- advertising used to market a property (including social media and other electronic forms of advertising); and
- any other records pertaining to real estate transactions.

State Meetings:

Will be held the 2nd Monday of every month at 1pm via Zoom, Link will be provided via Workplace.

Contract Information:

Contact Number: (678) 634-2169

Email: NCBroker@therealbrokerage.com

State License #: NC-262024

Broker Firm Number: C27563 REAL BROKER, LLC

C31960 REAL BROKER COMMERCIAL LLC