

FRANCHISE DISCLOSURE DOCUMENT

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DEPARTMENT OF CORPORATIONS RECEIVED LOS ANGELES OFFICE

[APR | 1 8 2013

REALTY ONE GROUP AFFILIATES, INC.

A Nevada Corporation

1645 Village Center Circle, Suite 170 6585 South High Street

Las Vegas, Nevada 89134 89113

(949) 596-0337

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

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 ranges from \$28,251 to \$195,001. This includes \$1 that 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. Rick Hudson at Realty ONE Group Affiliates, Inc., 7545 Irvine Center Drive, 100 Pacifica, Suite 100 250, Irvine, California 92618, telephone (949) 596-0337

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like 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

The issuance date is January 10 April 15, 2013

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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.

- 1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION OR ARBITRATION ONLY IN NEVADA OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO SUE OR ARBITRATE WITH US IN NEVADA THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT NEVADA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 OUR AFFILIATED ENTITY REALTY ONE GROUP, INC OWNS AND OPERATES 6 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
- 4 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 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

, 2013 August 23, 2012 (amended January 15, 2013)

Washington

February 8, 2013 (on file, registration pending)

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