



Texas Ally
real estate group

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Policy and Procedures Manual

Revised April 2025

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1. COMPANY GOALS

Texas Ally Real Estate Group, LLC prides itself on being a service-oriented enterprise where knowledge, expertise, and moral principles are at the heart of everything we do. We insist on the utmost professional and ethical behavior from our team, as we believe this is essential to our reputation, and creating the most value for our clients and agents alike. Our vision is to pioneer a real estate service that not only meets but exceeds the expectations of our agents and clients, ensuring a harmonious and forward-thinking journey through the dynamic landscape of real estate.

2. EQUAL OPPORTUNITY

Texas Ally Real Estate Group, LLC insists and requires that all Associates provide equal opportunity in all real estate business transactions. They shall keep informed on all matters regarding the requirements imposed by all equal opportunity and fair housing laws and shall act in accordance with these laws. Service shall be offered to all clients and customers regardless of race, color, religion, national origin, sex, ethnic background, age, marital or family status, disability or any other classification protected by law.

No Associates shall grant, display or circulate any statement or advertisement with respect to the sale or rental of a property that indicates any preference, limitation or discrimination on the basis of any classification of protected individuals.

3. BROKER SUPERVISION

Texas Ally Real Estate Group, LLC is committed to fulfillment of all applicable standards for oversight by supervisory Associates which shall at a minimum meet the requirements promulgated by the Texas Real Estate Commission.

Texas Ally Real Estate Group, LLC's Associates and employees, whether a licensed real associate or not, shall comply with these minimum standards. Texas Ally Real Estate Group, LLC and all Associates must conduct themselves in a manner, which meets these standards. Texas Ally Real Estate Group, LLC encourages anyone to act in a manner which exceeds these minimum standards in order to assure better service to clients and customers and to minimize the risk of potential liability.

All Brokers and Associates having supervisory responsibility shall maintain open, direct communication with all Associates. Such communication must be direct and conducted on a regularly scheduled basis. It may be in person, telephone or electronically. Every effort will be made to assure that a Broker or Manager is available on a continuous basis for the purpose of such communication. All Associates shall cooperate fully with the Broker or Manager to assure that this communication is fully maintained.

Broker or Manager Availability: A Broker or Manager will be available on a regularly scheduled basis to do all of the following:

- Review the work of all supervised individuals;
- Provide consultation for the supervised individual;
- Further education and performance of the supervised individual.

4. PROFESSIONAL STANDARDS

Texas Ally Real Estate Group, LLC is committed to the compliance by its Associates with the standards imposed by law and by the professional organizations to which Texas Ally Real Estate Group, LLC belongs.

It is required that all real estate licensees with Texas Ally Real Estate Group, LLC shall familiarize themselves with Texas Real Estate Law and administrative rules promulgated in accordance with the laws, and with the bylaws, rules and regulations of all of the professional organizations in which Texas Ally Real Estate Group, LLC is a member.

All Associates are required to keep themselves updated on all changes in the law in so far as they affect real estate licensees.

All Brokers Associates and Sales Associates of Texas Ally Real Estate Group, LLC shall comply with all codes of ethics, standards of practice and other rules and regulations imposed upon them by virtue of membership as a REALTOR or in any professional organization.

5. ANTITRUST, COMPLIANCE AND COMMISSION NEGOTIATION

Commission rates are not set by any agreement with or suggestion from, any person or entity, other than the client with whom a listing or other agreement of sale, purchase or lease of property is signed. Texas Ally Real Estate Group, LLC Associates shall not discuss with anyone the setting of commission rates charged by Texas Ally Real Estate Group, LLC, or, for that matter, by any other real estate company.

Texas Ally Real Estate Group, LLC Associates shall make no reference to any "going" rate for real estate services. It is expressly understood that all commission rates are strictly negotiable between Texas Ally Real Estate Group, LLC and its principles.

The following behaviors are prohibited as they can imply anti-competitive practices:

- **Price Fixing:** Associates must not agree with competitors to set fixed commissions, fees, or charges. Each Associate must independently determine their fees without discussing or agreeing with a competitor.
- **Boycotting:** Associates shall not agree with competitors to refuse to cooperate with another broker or company. All decisions about cooperation should be made independently.
- **Allocation of Markets:** Associates are prohibited from dividing markets by location or price point with competitors to avoid competition.
- **Discussing Sensitive Information:** Discussions of sensitive information like commission rates, marketing strategies, or business practices with competitors must be avoided, even in social settings or industry events.

The amount of compensation to be paid to any sub-agent or buyer's agent shall be determined solely by Texas Ally Real Estate Group, LLC. Such compensation is not intended to, nor may be used to, induce any other real estate firm or agent to raise or lower the commission, which may be charged.

If Texas Ally Real Estate Group, LLC Associates are present when other real estate licensees outside of Texas Ally Real Estate Group, LLC began a discussion of fees in violation of anti-trust laws, they must:

- Remove themselves from that conversation.
- Document the incident
- Notify the Broker

At no time shall any Texas Ally Real Estate Group, LLC Associates participate in such conversation.

Whenever Texas Ally Real Estate Group, LLC Associates are unsure of how to respond to the concerns of potential client/customer or are present during an unauthorized discussion of fees, they should immediately contact the Broker or Manager.

Texas Ally Associates may negotiate a commission that is fair for the marketplace without approval. However, the Associate may not advertise a "lowered" or "reduced" commission rate or advertise rebates to a consumer. Any such negotiations must be private and between the Associate and the consumer.

Texas Ally Real Estate Group, LLC requires each Associate to upload a "Commission Disbursement Authorization Form". If Texas Ally Real Estate Group, LLC is not in receipt of such document, Texas Ally Real Estate Group, LLC reserves the right, overriding any other agreement, to withhold the Associates commission(s) or other compensation until that Associate has demonstrated that they are complying with the policies of Texas Ally Real Estate Group, LLC and State law. In addition, Texas Ally Real Estate Group, LLC may reduce from the Associate's commission or fees a compensatory and reasonable "added work fee" for the investigation into regulatory compliance.

6. CONFIDENTIAL INFORMATION

All information disclosed to Texas Ally Real Estate Group, LLC Associates during the course of their activities shall not be divulged to anyone without consent of the principal. Unauthorized use of disclosure could result in serious harm to Texas Ally Real Estate Group, LLC and/or termination of the offending person.

7. BROKER ASSOCIATES AND SALES ASSOCIATES / INDEPENDENT CONTRACTOR OR EMPLOYEE STATUS

Unless otherwise specifically provided in the agreement between Texas Ally Real Estate Group, LLC's Broker Associates and Sales Associates, they are independent contractors and not employees. (This agreement is in writing).

Texas Ally Real Estate Group, LLC's policy is to have a written Independent Contractor Agreement or Employment Agreement setting forth the terms and conditions of the relationship with Texas Ally Real Estate Group, LLC before commencing work.

Nothing contained in the manual shall impair or affect the independent contractor status of Texas Ally Real Estate Group, LLC's Sales Associates or Broker Associates retained by Texas Ally Real Estate Group, LLC pursuant to independent contractor agreements.

8. TEXAS ALLY REAL ESTATE GROUP, LLC EXPECTATIONS

All Associates shall:

- Comply with all laws and rules governing real estate licensees.
- Comply with directions of the Broker/Manager.
- Support Texas Ally Real Estate Group, LLC policies and objectives.
- Cooperate with all other Associates.
- Act as a professional at all times.
- Pay attention to details.
- Make full disclosure of agency status.
- Properly document all transactions.
- Remain current on all applicable laws, rules and standards of practice.

All transaction related electronic communications, such as emails and text messages, made or received by the Associate in the process of business activities in which a real estate license is required will be stored and saved by the Associate for not less than 5 years.

9. USE OF ALCOHOLIC BEVERAGES AND DRUGS

No associate or member of Texas Ally is to drink any alcoholic beverages before operating a vehicle or during any time period in which they have real estate business to transact. Drug use of any kind, other than properly prescribed and used medicines is strictly prohibited at all times.

Texas Ally expects all associates to comply with all local laws and encourages the use of a designated driver, rideshare, or other third party service to ensure safety for themselves and others on the road.

10. ABILITY TO LEGALLY BIND TEXAS ALLY REAL ESTATE GROUP, LLC

No Texas Ally Real Estate Group, LLC Associate shall have the authority to obligate or bind Texas Ally Real Estate Group, LLC in any way without the prior, written consent of Texas Ally Real Estate Group, LLC.

The only exception is that Sales Associates and Broker Associates shall have the authority to sign listing agreements on behalf of Texas Ally Real Estate Group, LLC which conform to the established requirement of Texas Ally Real Estate Group, LLC using approved forms.

As also described in the Texas Administrative Code, Associates may not:

- practice law;
- directly or indirectly offer, give or attempt to give legal advice;
- give advice or opinions as to the legal effect of any contract forms or other such instruments which may affect the title to real estate;
- give opinions concerning the status or validity of title to real estate;
- draft or recommend language to be included in a contract form defining or affecting the rights, obligations, or remedies of the principals of a real estate transaction, including escalation, appraisal, or contingency clauses;
- add informational items to a form approved by the Commission if the Commission has approved another form for mandatory use for that purpose;
- attempt to prevent or in any manner whatsoever discourage any principal to a real estate transaction from employing an attorney; or
- obtain legal advice from an attorney, directly or indirectly, for a principal in a real estate transaction in which the license holder is acting as an agent.

All actions of Texas Ally Real Estate Group, LLC Associates shall be performed only in accordance with this manual and only on behalf of Texas Ally Real Estate Group, LLC. No Associates shall be permitted to sell, deal or act in any way that compromises the authority of Texas Ally Real Estate Group, LLC to supervise or direct the activities of such Associates in accordance with applicable law.

11. COMPENSATION

Compensation for each Sales Associate or Broker Associate is contained in the Texas Ally Real Estate Group, LLC REAL ESTATE INDEPENDENT CONTRACTOR AGREEMENT, as applicable and is uniform for all Associates.

Texas Ally Real Estate Group, LLC Associates shall not accept or receive compensation of any kind from any source for, or in connection with their duties and obligations for and on behalf of Texas Ally Real Estate Group, LLC.

All Associates shall comply with all applicable provisions of RESPA and TREC. There must be full disclosure to all parties of the acceptance of any referral, placement or similar fees, to the extent that Texas Ally Real Estate Group, LLC approves, in writing.

Texas Ally Real Estate Group, LLC agrees to pay Associate the agreed to commission on the day of closing provided (a) the commission is funded the day of closing and (b) the Associate has provided Texas Ally Real Estate Group, LLC with all of the necessary transaction documentation. If either or both (a) and / or (b) do not occur on the day of closing, Texas Ally Real Estate Group, LLC will pay the Associate on the first business day after both (a) and (b) have occurred.

(1) Dividing Compensation with Other Licensees. If two or more associates participate in rendering a brokerage service to the public, or claim to have done so, Broker will determine, in Broker's sole and absolute discretion, the amount of the fee due Associate.

(2) Incentives. If a seller or listing office offers a premium, bonus or other incentive, and such premium, incentive or bonus is in the form of money, the incentive or bonus will be split with Texas Ally Real Estate Group, LLC Based on the Associates commission plan, If such incentive is other than money (i.e., a cruise, trip, or other matter having economic value but not delivered in money), then such premium, bonus or incentive will go to Associate. If a nonmonetary incentive goes to Associate, Broker will report the fair market value of the incentive as income to Associate, as Broker

must collect and deliver the incentive to Associate to preserve the respective legal positions of the parties.

(3) Broker Leads. Texas Ally Real Estate Group, LLC generates leads through a multitude of sources, including but not limited to: yard signs, classifieds, website traffic, paid marketing campaigns, office calls, internet correspondence, social media, and third party vendor relationships. If an associate receives a lead from the Broker that results in a completion of a transaction, it is subject to a commission split. The determination of commission split is solely determined by the broker. However, the general guideline that will be used will be categorized as follows:

- Non Third Party Leads (Organic). 70% (to Associate) / 30% (to Broker)
- Third Party Leads (Vendor). 50% (to Associate) / 50% (to Broker). Third party vendors regularly ask for a referral fee. This will typically be deducted from the Broker's side of the commission. If the amount owed is greater than 40%, Broker may deduct any remainder owed from the Associate's commissions to pay the vendor. Associate is responsible for all fees and commissions owed to third party vendor.

Associate may NOT refer out Broker Leads and will be responsible for amounts owed to broker and any potential third parties. Broker occasionally has special projects, clients, and relationships that the Broker may ask an Associate to participate in, and in those situations, Broker and Associate may agree on a different commission split. This commission split should be outlined in writing.

(4) Benefits. Associate will be provided no minimum salary, vacation pay, sick leave or any other fringe benefit.

(5) Offset and Collection of Fees. As contemplated on the Independent Contractor Agreement, Broker may offset for all purposes. Broker will not be required to prosecute or sue any party in order to collect any fee for services performed by Associate. However, if Broker incurs attorney's fees, or any other type of fee incurred by the broker, and costs in the collection of or attempt to collect a fee, such amounts will be deducted from Associate's commission in the same proportion as provided for herein in the division of the fee.

- Typical E&O Collection Schedule. The E&O transaction fee typically follows this policy, but Broker reserves the right to change, as the E&O policy changes on an annual basis, and the liability of a transaction doesn't solely vary on the value of the sale.
 - For **ALL** Texas Ally Real Estate Agent ICA Plans - E&O will be applied to transactions with a sales price of **\$900K and above - Rounded to nearest 10**

E&O Fee Schedule:

x 300 for Residential (Including New Home Builds)

x 500 for Farm & Ranch

x 500 for Commercial (Improved & Unimproved)

****** When a Commercial sale or lease transaction exceeds \$900,000 in value, Broker may institute the E&O fee. This will vary, but most commercial types will be on the lower end (Land, Multifamily, Office, etc.). The type that has the most liability is "BizOpps", where Intellectual property is also conveyed.

(6) Texas Ally's third party back office software vendor merges the concept of "Dual Agency", single member intermediary, and other single-agent transactions. Texas Law prohibits dual agency. Agents may not act as an Intermediary in a transaction without prior written consent from the Broker. Single Member Intermediary Transactions will be charged a transaction fee for each 'side', as this is typically the way insurance carriers partially calculate risk in this type of transaction.

(7) Late Documentation Penalty. It is of very high importance that the brokerage receives all documentation of all transactions in a timely manner. To prevent and curb late documentation of transactions, broker may institute a Late Documentation Fee set to be typically \$500 but may be up to the E&O insurance deductible (if the severity of the situation warrants it, this will be up to the discretion of the Broker) if any required documentation is delivered after closing. We hope to use sparingly but repeat offenders will be penalized.

(8) Any failure of an Associate to pay an annual or monthly fee to Texas Ally Real Estate Group will result in a 25% penalty per occurrence.

(9) Abandoned Checks. Every once in a while, checks come into the office with no reference of the transaction, no address, no agent reference. Most of the time we are able to locate the associated agent, as they are also looking for said check. However sometimes checks come in with no reference and unable to connect to any agent. Checks shall be considered unclaimed if Agent has not submitted CDA and/or relevant documentation related to the transaction, OR have not assisted in the disbursement of said transaction. It is the responsibility of the agent to turn in the appropriate documentation to determine if a check is associated with a transaction that they provided services for. Checks sitting unclaimed for longer than 12 months shall be considered abandoned.

(10) Contract Compliance Fee: In the event that Agent submits a contract that is improperly written, incomplete, or utilizes an incorrect or inappropriate TREC form — including, but not limited to, the use of residential contracts for unimproved property transactions, the omission of required addenda, or the inclusion of conflicting or ambiguous terms — Broker reserves the right to assess an Improper Contract Fee of up to \$1000 per instance. This fee is intended to offset the administrative, legal, and compliance costs associated with reviewing, correcting, clarifying, or replacing deficient documentation. The fee may be deducted from Agent's commission disbursement.

(11) Compensation After Termination of Agreement. After termination of this Agreement, Broker will pay Associate any amount earned prior to termination less amounts owed to Broker and amounts Broker must pay another licensee to complete pending transactions for which Associate was responsible prior to termination.

(12) Partners and Teams with other TEXAS ALLY REAL ESTATE GROUP, LLC Associates

- The transaction must be in the name of a single Associate.
- If Associate-Licensee and one or more other Associate-Licensees affiliated with Broker participate on the same side (either listing or selling) of a transaction, the commission allocated to their combined activities shall be divided by Broker and paid to them according to their written agreement. Broker shall have the right to withhold total compensation if there is a dispute between associate- licensees, or if there is no written agreement, or if no written agreement has been provided to Broker.

(13) Referral Fees, Team Splits, and Internal Commission Sharing Arrangements:

- Referrals involving another brokerage (outside Texas Ally) shall be processed as standard transactions. The receiving Texas Ally agent will be responsible for the applicable transaction fee, as outlined in their Independent Contractor Agreement (ICA).
- Intra-Office Referrals (Texas Ally to Texas Ally) - When a referral is made between Texas Ally agents, both the referring agent and the receiving agent shall be charged a transaction fee, in accordance with their respective Independent Contractor Agreements (ICAs). Each referral is considered a standard transaction for fee purposes, and no exemptions shall apply due to the internal nature of the referral.
- Team or Mentorship Arrangements - In all transactions involving a commission split between team members — whether through a formal team structure or a mentorship agreement — both parties (e.g., Team Lead and Team Member, or Mentor and Mentee) shall each be charged a separate transaction fee, in accordance with their respective ICAs. This applies to all transactions in which a split of commission is occurring, regardless of who is formally recorded as the primary agent on the contract.

12. TERMINATION OF ASSOCIATES

If this Agreement is terminated for any reason while Associate-Licensee has listings or pending transactions that require further work normally rendered by Associate- Licensee, Broker shall make arrangements with another associate-licensee to perform the required work, or Broker shall perform the work him/herself. The terminated Associate's compensation shall be reduced to 85% of total commission so that the licensee performing the unfinished work shall be reasonably compensated for completing work on those listings or pending transactions. Monthly broker fee will be charged until the last transaction is completed and commission is issued.

Associates may terminate this agreement by giving a written 30 day notice. If it is discovered that the agent has transferred sponsorship without a written notice, that moment of discovery will be considered “constructive notice” and the 30 day notice will begin at that point.

All listings, buyer's Broker and other agreements, remain the sole property of Texas Ally Real Estate Group, LLC. The terminated individual shall take no action which may jeopardize or impair Texas Ally Real Estate Group, LLC's rights to them.

13. SALES AND ADMINISTRATIVE MEETINGS

Sales, administrative and educational meetings are held on a specially scheduled basis by Texas Ally Real Estate Group, LLC. No regular meetings are required. Attendance at any meeting is voluntary except to the extent required by Texas license law for the purposes set forth by the TREC.

14. ADVERTISING

All advertising must be approved by the broker prior to usage!

- All advertising must comply with Texas Ally Real Estate Group, LLC's policies as well as Texas law governing policies and procedures governing advertising of the licensees' owned properties.
- All advertising shall comply with DMCA and ADA rules, when it applies.

- All media content used for advertising must be sourced legally and must have express written permission to use it.
- For advertising approval, associates will email proposed advertising content to adreview@texasally.com for review.
- Associates may NOT co-market or co-advertise a second business that are participants in or own, with Texas Ally. Advertising may not give any implication that this secondary service or business is in any way, shape or form is related or offered by Texas Ally.
- Associates may NOT co-market or co-advertise with a third party without express written approval by the broker.
- Advertisements must be in such a manner that a responsible person would know that he or she is dealing with a real estate licensee or real estate brokerage. The Texas Real Estate Commission has indicated in the past that this requirement is satisfied when one of the following criteria is included in the advertisement:
 - The words “realty” or “real estate” form a part of the brokerage company name.
 - The advertisement includes the Real Estate Licensee’s designation as a “REALTOR” or “REALTOR Associate”.
- The brokerage company name is synonymous with real estate Advertisements must not be fraudulent, false, misleading or deceptive.
- Texas Ally Emails: Associates using a Texas Ally email (xxx@texasally.com), may not use in any way for mass email marketing purposes.
- Mass Emails: Associates must follow all federal and local regulations on mass communications and anti-spam rules when sending emails. Associates may not email clients in a mass email format, unless prospects had given written permission to do so by broker.

15. CONTRACTS AND DOCUMENTATION

No contract or contract form shall be used by any Texas Ally Real Estate Group, LLC Associate that is not a Standard TREC or Texas Realtors contract form unless otherwise approved in writing by Texas Ally Real Estate Group, LLC BEFORE the contact is completed and signed. Failure to do so could result in a “Non-Standard Contract” penalty fee of \$200. All contracts and listings must be submitted to Texas Ally Real Estate Group, LLC within 72 hours of signature and/or execution.

Late Documentation Penalty. It is of very high importance that the brokerage receives all documentation of all transactions in a timely manner. To prevent and curb late documentation of transactions, Broker may institute a Late Documentation Fee set to be typically \$500 but may be up to the E&O insurance deductible (if the severity of the situation warrants it, this will be up to the discretion of the Broker) if any required documentation is delivered after closing. We hope to use sparingly but repeat offenders will be penalized.

16. LISTING POLICY

Texas Ally Real Estate Group, LLC listing policy shall be in compliance with Texas law and regulations. All listings and related documents will be immediately forwarded to Texas Ally Real Estate Group, LLC upon execution of a signature by the owner / seller. All listings are the property of Texas Ally Real Estate Group, LLC however, may be transferred to another broker if the Associates Independent Contactor Agreement with Texas Ally Real Estate Group, LLC states as such.

All inquiries about an Associates listing will be referred directly to that listing Associate with the exception that Texas Ally Real Estate Group, LLC reserves the right to advertise any company listing at Texas Ally Real Estate Group, LLC's expense and distribute any resulting prospective customers to any Associate for a referral fee.

All Associate listings must be updated in the MLS according to their local board's MLS policy. Any fees incurred shall be paid by the associate.

17. RENTAL LISTINGS

- All deposits and future rent payments from the tenant are to be made out to and sent directly to the owner / landlord or their property management company by the tenant.
- Funds may NEVER be made out to you personally, Texas Ally Real Estate Group, LLC or in cash.
- All commissions are to be paid to Texas Ally Real Estate Group, LLC. Broker shall disburse funds to the appropriate personnel according to the CDA.
- The exact amount or percentage to be paid to a cooperating broker for a lease referral must be clearly entered into the MLS.
- All cooperating broker referral fees are to be paid by Texas Ally Real Estate Group, LLC ONLY.
- All pertinent disclosures must be presented to the tenant such as pre 1978 structures lead based paint disclosure.
- A copy of the signed lease agreement must be uploaded to Texas Ally Real Estate Group, LLC.
- Any lease agreement that you prepare must be a TREC or TAR lease form.
- You may only fill in the blanks on the form and may not add clauses, additional terms or addendums.

18. RENTAL REFERRAL FEES

- All deposits and future rent payments from the tenant are to be made out to the landlord or property manager, and sent directly to the property management company or listing broker.
- Commissions, deposits or funds may not be made out to an associate directly or in cash.
- All rental referral commissions are to be paid directly to Texas Ally Real Estate Group, LLC, by the owner/landlord or the property management company. Texas Ally Real Estate Group, LLC will disburse commissions to Associate and cooperating brokers.
- Associate must include the "Referral Form" as documentation for all referral transactions. This form can be found on the Texas Ally Agent Portal.

Tenant Screening Fees:

Tenant screening should be done through a service like <https://www.mysmartmove.com/> where the tenant pays the service directly, and the agent receives the results of the tenant screening.

Compensation:

Commissions will be paid to Texas Ally Real Estate Group, LLC as noted on the Rental Listing Agreement. The Agent should upload the Rental Listing Agreement and a copy of the Residential Lease Agreement to Texas Ally Real Estate Group, LLC and request an invoice to the landlord using

the Commission Disbursement Request form. Texas Ally Real Estate Group, LLC will then invoice the landlord for the commissions.

19. YARD SIGNS

Yard signs, their installation and removal are the responsibility and at the expense of the Associate and must be installed in compliance with local laws and association rules. Any violations of law or rules resulting in a fine or penalty will be the complete responsibility of the Associate.

All yard signs must be purchased through and approved by Texas Ally Real Estate Group, LLC. "Home-made" or "handwritten" signs are prohibited. Yard signs provided by Texas Ally will be considered as a Texas Ally Real Estate Group, LLC's advertising expense and Texas Ally Real Estate Group, LLC reserves the right to distribute any resulting telephone inquiries from prospective customers to any Associate for a referral fee.

20. HANDLING OFFERS AND COUNTEROFFERS

All Associates shall promptly deliver all written offers and counteroffers to the offeree in accordance with Texas law and sound business practice.

The licensee shall deliver to the Seller and Texas Ally Real Estate Group, LLC a signed copy of the offer to purchase immediately after it has been signed by the Buyer. A licensee shall promptly tender all written offers to purchase to the seller and Texas Ally Real Estate Group, LLC upon receipt. Upon obtaining a proper acceptance of the offer to purchase, signed by the seller, the licensee shall promptly deliver true executed copies of the exceptions to the purchaser, seller and Texas Ally Real Estate Group, LLC. A licensee shall make certain that all terms and conditions of the real estate transaction are included in the offer to purchase. DEPOSITS All deposits received by the Sales Associate must be made payable to a licensed title company or escrow company and shall be deposited by the end of the next business day. A legible copy of the receipt for the deposit must be immediately provided to Texas Ally Real Estate Group, LLC in accordance with Texas state law. All Texas Ally Real Estate Group, LLC Associates must familiarize himself/herself with this rule of law to ensure that deposits are timely made.

21. ASSOCIATE ABSENCE OR UNAVAILABILITY

In the event that an Associate will be absent or unavailable to conduct business on their listing or pending transactions the Associate must employ another Texas Ally Real Estate Group, LLC Associate to do so on their behalf. The associate must notify Texas Ally Real Estate Group, LLC Management in writing of any assignment prior to being absent.

In the event that an Associate is absent or unavailable to conduct business on their listing or pending transactions, and has not notified Texas Ally Real Estate Group, LLC Management of a written assignment of the Associates responsibilities, Texas Ally Real Estate Group, LLC reserves the right to assign the listing or pending transaction to another Texas Ally Real Estate Group, LLC Associate until the primary Associate become present and available. In this case Texas Ally Real Estate Group,

LLC will collect 25% to 50% of the commission plus \$300 at closing depending on the length of absence.

22. PROHIBITED TRANSACTIONS

No Texas Ally Real Estate Group, LLC Associate shall engage in a timeshare, mobile home without land, or property management transaction or service without express written permission by broker. No Texas Ally Associate shall engage in an Intermediary Agreement where they are the only agent in the transaction.

23. COPYRIGHTED CONTENT

UNDER NO CIRCUMSTANCES shall a Texas Ally associate use copyrighted content in their business without EXPRESS WRITTEN consent from the owner. Copyright infringement is real and must be avoided at all times.

Here is a useful link regarding avoiding copyright infringement:

<https://www.legalzoom.com/articles/how-to-avoid-copyright-infringement>

24. DIGITAL DATA & SECURITY

Texas Ally Real Estate Group, LLC is committed to protecting client information and ensuring the integrity of our digital transactions. To this end, we implement the following measures:

- **Data Encryption:** All sensitive data transmitted electronically must be encrypted using industry-standard encryption protocols.
- **Secure Communication:** Associates must use secure, encrypted email and messaging services for all communications involving confidential client information. This is especially important when it comes to banking information.
- **Access Control:** Access to digital client files is restricted to authorized personnel only, with unique login credentials for each user.
- **Authorized Platforms:** Digital signatures are only to be executed through platforms that meet state and federal guidelines for electronic signatures and records.
- **Verification Process:** Associates must verify the identity of all parties signing digitally and ensure that electronic signatures are affixed in a secure and verifiable manner.

25. PERSONAL TRANSACTIONS

The Associate's personal transactions are treated as any other transaction with respect to Texas Ally Real Estate Group, LLC supervision and fees collected whether a commission is received by the Associate or not. Associates must disclose when they are closing a personal transaction before closing.

26. ACQUIRING INTERESTS IN LISTED PROPERTIES

It is the policy of Texas Ally Real Estate Group, LLC, in compliance with Texas law, to require a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Written evidence of this disclosure shall be disclosed on the contract by the participating associate and maintained and filed with the transaction the company back office software. No licensed Associates of Texas Ally Real Estate Group, LLC shall receive any portion of the commission without written permission of the seller of specific compensation being paid to the licensee.

27. COOPERATION WITH OTHER BROKERS

Texas Ally Real Estate Group, LLC will cooperate with other Brokers at whatever percentage of commission has been agreed to by the seller and posted in the Multiple Listing Service. Any modification of the cooperating compensation must be in writing and agreed to by the Seller, cooperating broker and Texas Ally Real Estate Group, LLC Associate.

28. REFERRAL POLICY

All referral, cooperation, co-participation or compensation agreements between individuals within Texas Ally Real Estate Group, LLC shall be in writing and approved by Texas Ally Real Estate Group, LLC. Work on transactions or referrals which are not handled within Texas Ally Real Estate Group, LLC or are otherwise outside the expertise of its Associates shall be referred elsewhere on a compensation basis approved by Texas Ally Real Estate Group, LLC.

29. ARBITRATION OF DISPUTES

By accepting a position with Texas Ally Real Estate Group, LLC, all Sales Associates and Broker Associates agree that disputes between them are to be settled by arbitration within Texas Ally Real Estate Group, LLC in accordance with the provisions herein and agree to be bound by such arbitrating result. Any arbitration award may be enforced by the prevailing party in a court of competent jurisdiction.

If Sales Associates and Broker Associates have a dispute which they are unable to settle, either party may submit their grievance in writing to the principal Broker of Texas Ally Real Estate Group, LLC. The Broker shall then select two Sales Associates or Broker Associates who were not involved in a dispute as arbitrators to act with them in resolving the dispute.

The three arbitrators will sit as an arbitration panel to hear and decide the dispute in accordance with the arbitration rules established by the American Arbitration Association.

The results of arbitration shall be binding upon the parties and may be enforced in any court of competent jurisdiction.

30. DISPUTES WITH OUTSIDE PARTIES

The decision to initiate, settle, or compromise any dispute, arbitration or litigation with an outside party lies solely with Texas Ally Real Estate Group, LLC.

If it becomes necessary for Texas Ally Real Estate Group, LLC to sue for a commission, all expenses, including attorney's fees, shall be borne by the Sales Associate or Broker Associate.

If Texas Ally Real Estate Group, LLC is sued as a result of activities or conduct of the Sales Associate or Broker Associate, Broker maintains Errors & Omission insurance which covers all Associates up to \$1,000,000 per year. Associate agrees to pay the entire deductible of an estimated \$5,000 (this deductible amount may change depending on certain criteria set by the insurance carrier, as well as policy may change from year to year). In the event that Texas Ally Real Estate Group, LLC the Sales Associate or Broker Associate, is found liable the Sales Associate or Broker Associate shall reimburse Texas Ally Real Estate Group, LLC for its entire cost beyond the insurance limits, including attorney's fees.

31. RESPONSIBILITY FOR REPORTING CASH PAYMENTS OVER \$10,000

Texas Ally Real Estate Group, LLC is required to report all cash payments over \$10,000 to the IRS Form 8300 in accordance with applicable IRS regulations. All Texas Ally Real Estate Group, LLC Associates must familiarize themselves with the current IRS regulation and report to Texas Ally Real Estate Group, LLC any cash payments over \$10,000 in any transaction in which they participate.

32. AUTOMOBILE INSURANCE

Texas Ally Real Estate Group, LLC Associates who drive on Texas Ally Real Estate Group, LLC business must maintain automobile liability coverage for personal injury and property damage in the minimum amount of \$300,000. A current, valid certificate of insurance must be provided to Texas Ally Real Estate Group, LLC with Texas Ally Real Estate Group, LLC added as an additional insured.

33. FEES AND DUES

Associate fees and dues are the sole responsibility of Texas Ally Real Estate Group, LLC Associates and include but are not necessarily limited to, the following: Association Realtor dues, multiple listing fees and fines, computer access charges, Chamber of Commerce dues, monthly or annual fees to Texas Ally Real Estate Group, LLC, transaction fees to Texas Ally Real Estate Group, LLC, E&O Insurance fees, and all fees for use of Texas Ally Real Estate Group, LLC supplied office equipment, supplies, services and conference rooms.

34. RECOMMENDATIONS TO PARTIES FOR OTHER PROFESSIONAL ADVICE AND OTHER OUTSIDE SERVICES

All Associates understand and agree that Texas Ally Real Estate Group, LLC is not an inspection firm, attorney, construction engineer, accountant, tax consultant, financial planner, and shall, when such needs arise, suggest outside services. Associates shall recommend that inspection firms and other professional service providers should be utilized. Associates receiving compensation in connection with such a referral may not necessarily be considered in violation of applicable federal, state or local law. Such compensation may only be accepted with written permission from all interested parties in the transaction and must be approved by Texas Ally Real Estate Group, LLC.

35. AGENCY RESPONSIBILITIES

All Associates will comply with Texas agency disclosure laws.

HANDLING OF CLIENT AND CUSTOMER COMPLAINTS

All complaints (TREC, Texas Realtors, or otherwise) shall be reported to the supervising Broker or Manager as soon as the Associate becomes aware of the complaint. If the Sales Associate is able to handle the complaint without assistance, it shall be documented and placed in the file of the transaction with a copy of the report delivered to the supervising Broker or Manager.

36. DISCLOSURE OF MATERIAL FACTS

If one of the licensed Associates of Texas Ally Real Estate Group, LLC is selling personally owned property, the license status of the owner shall be disclosed, before the offer to purchase is signed. Satisfactory written proof of this disclosure shall be retained in the file for the transaction. Associates shall recommend to clients that all material facts concerning the transaction be disclosed. Associates shall not assist the client in concealing any material fact that could affect the transaction. If Associate discovers a potential threat of legal action by a party in a transaction to another party, where the Associate was involved, Associate has a legal responsibility to immediately report the incident to the Broker. Not doing so may affect legal coverage by insurance and Associate may be responsible for potential damages.

ERRORS AND OMISSIONS INSURANCE:

Texas Ally Real Estate Group, LLC carries errors and omissions insurance.

The basic terms of the insurance are \$1,000,000 / \$1,000,000 limit in coverage.

In the event of a claim, the entire deductible amount under the policy shall be paid by the Sales Associate or Broker Associate.

37. CORRESPONDENCE

A copy of any and all correspondence on Texas Ally Real Estate Group, LLC letterhead shall be provided to Texas Ally Real Estate Group, LLC.

38. DRESS CODE

Proper attire, so as to present the correct professional image, shall be worn at all times when conducting business. Attire suitable to the location or occasion shall be considered appropriate.

39. OTHER LICENSES OF TEXAS ALLY REAL ESTATE GROUP, LLC OR ITS ASSOCIATES

If Associates carry licenses other than Real Estate Broker, Real Estate Salesperson, it shall not be utilized in connection with the transaction without the written permission of Texas Ally Real Estate Group, LLC.

40. NATIONAL DO NOT CALL LIST

Associate acknowledges and agrees as follows:

The National Do Not Call List administered by the United States Trade Commission and the equivalent list administered by the State of Texas may be applicable to telephone solicitations and other telephone marketing calls made by the Associate.

Associate will comply with the requirements of The National Do Not Call List and the equivalent list administered by the State of Texas and with all rules and regulations related thereto.

Associate agrees to indemnify and hold harmless Texas Ally Real Estate Group, LLC, their directors, employees, heirs, officers, successors and assigns from and against any and all liability for fines, penalties, attorney fees and related costs and expenses arising out of or in connection with any violation, by the Associate or any person, firm or legal entity acting on the Associates behalf, of The National Do Not Call List and the equivalent list administered by the State of Texas and with all rules and regulations related thereto.

41. REVISION SCHEDULE

To ensure that the Policy and Procedures Manual remains current with industry standards, legal requirements, and company practices, Texas Ally Real Estate Group, LLC will adhere to the following Revision Schedule:

- Annual Review: The manual will undergo a comprehensive review on an annual basis. This review will be initiated every year in the month of November, and any amendments will be

implemented by January the following year. During this period, we will consider changes in legal regulations, technological advancements, market conditions, and internal company developments.

- **Update Process:** The review will be conducted by a designated Policy Review Committee comprising members from our legal team, management, and selected associates representing various departments. Suggestions for revisions may be submitted by any associate up to one month prior to the scheduled review month.
- **Interim Updates:** If significant regulatory changes or legal rulings that impact our business operations occur, interim updates will be made as necessary. In such cases, all associates will be notified of the changes, and the updated policies will become effective immediately upon issuance.
- **Associate Feedback:** Associates are encouraged to provide feedback on the manual throughout the year. A process for submitting suggestions and feedback will be made available, and all input will be considered during the annual review.
- **Communication of Changes:** Following any update, a summary of changes will be distributed to all associates. Training sessions may be conducted to ensure understanding and compliance with the new policies.
- **Record of Revisions:** A log of all revisions will be maintained by the Broker Operations Team. This log will be available for review by any associate upon request.
- **Manual Accessibility:** The most current version of the Policy and Procedures Manual will be accessible to all associates via the company's Agent Portal. All associates are responsible for reviewing the manual periodically and staying informed about the policies and procedures that affect their work.

By adhering to this Revision Schedule Policy, Texas Ally Real Estate Group, LLC ensures that our practices are up-to-date, reflective of best practices, and in legal compliance, thereby supporting our commitment to excellence and integrity in real estate services.