FRANCHISE DISCLOSURE DOCUMENT



HOMELIFE INTERNATIONAL INC.
a Michigan corporation
1101 Dove Street, Suite 235
Newport Beach, California 92660
1-800-668-0186
www.homelifeus.com
www.real-estate-franchise-opportunity.com
homelifeus@homelifeus.com

You will buy a franchise for the operation of a real estate brokerage business under the "HomeLife®" name and marks.

The total investment necessary to begin operation of a HomeLife® conversion franchise ranges from $34,200 to $110,000, and the total investment necessary to begin operation of a HomeLife® start-up franchise ranges from $60,000 to $195,000. This includes $18,000 that must be paid to the franchisor. The total investment necessary to begin operation of a HomeLife® franchise under the HomeLife Hop-On™ Program ranges from $18,600 to $58,800. This includes $2,500 that must be paid to the franchisor. The total investment necessary to begin operation of a HomeLife® franchise under the Boutique Conversion Program ranges from $21,700 to $83,500. This includes $3,500 that must be paid to the franchisor.

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 governmental 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 Franchise Sales, HomeLife International Inc., 1101 Dove Street, Suite 235, Newport Beach, California 92660, phone number: 1-800-668-0186, e-mail: homelifeus@homelifeus.com.

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, D.C. 20580. You can also visit the FTC's home page 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.

ISSUANCE DATE: March 30, 2026

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20, Exhibit E and Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20, Exhibit E and Exhibit F summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only HomeLife® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a HomeLife® franchisee?	Item 20, Exhibit E, and Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing Responsibility to Pay Fees. You may have to pay royalties and other fees even if you are losing money.

Business Subject to Change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier Restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating Restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from Franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When Your Franchise Ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration only at a location within 50 miles of our then-current principal office (currently Newport Beach, California) or by litigation only at a location nearest our then-current principal office (currently Newport Beach, California). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in the state where our principal office is located (currently California) than in your home state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all your financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY MICHIGAN FRANCHISE INVESTMENT LAW ONLY

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone: (517) 373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

TABLE OF CONTENTS

ITEM

ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES 1
ITEM 2 BUSINESS EXPERIENCE 4
ITEM 3 LITIGATION 5
ITEM 4 BANKRUPTCY 8
ITEM 5 INITIAL FEES 8
ITEM 6 OTHER FEES 9
ITEM 7 ESTIMATED INITIAL INVESTMENT 17
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 22
ITEM 9 FRANCHISEE'S OBLIGATIONS 24
ITEM 10 FINANCING 26
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 26
ITEM 12 TERRITORY 34
ITEM 13 TRADEMARKS 36
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 37
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 38
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 39
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTIONS 39
ITEM 18 PUBLIC FIGURES 44
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 44
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 45
ITEM 21 FINANCIAL STATEMENTS 48
ITEM 22 CONTRACTS 48
ITEM 23 RECEIPTS 48

Exhibits

Exhibit A List of State Agencies / Agents for Service of Process
Exhibit B Franchise Agreement
Exhibit B-1 HomeLife Hop-On™ Program Addendum
Exhibit B-2 Boutique Conversion Program Addendum
Exhibit C Initial Franchise Fee Promissory Note
Exhibit D Financial Statements
Exhibit E List of Franchises
Exhibit F List of Franchisees Who Left the System
Exhibit G Operations Manual Table of Contents
Exhibit H Disclosure Acknowledgment Statement
Exhibit I Sample General Release
Exhibit J State Addenda and Agreement Riders
Exhibit K Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

For ease of reference, HomeLife International Inc., the franchisor, will be referred to as "HomeLife®," "we," "us" or "our" in this disclosure document. "You" means the person who buys the franchise from us. If you are a corporation, partnership or limited liability company, certain provisions of the applicable agreement also apply to your owners or partners.

We are a Michigan corporation. We were incorporated on July 15, 2008. We do business under our corporate name and as "HomeLife®." Our principal business address is 1101 Dove Street, Suite 235, Newport Beach, California 92660. Our agents for service of process are disclosed in Exhibit A.

We previously offered franchises for HomeLife® Businesses (as defined below) from July 2008 to December 2011. In addition, from July 2008 to 2011, under a separate disclosure document, we granted persons or entities meeting our qualifications the right to develop multiple HomeLife® Businesses within a development area. Area developers (sometimes referred to as "area representatives") solicited prospective franchisees and assisted us in rendering certain services to those franchisees within the development area. We are not currently offering area development franchises. We do not currently have any area developers. We did not grant area developers management responsibility with respect to sales or operations of HomeLife® Businesses.

Except as described above, we have not conducted the type of business that you will operate nor offered franchises in any other line of business. We have no parent, and we have no predecessor during the 10-year period immediately before the close of our most-recent fiscal year.

The Franchisor's Affiliates

Our affiliate, HomeLife Realty Services Inc., has offered franchises in Canada for real estate brokerage businesses since March 1985. As of May 31, 2025, it had 138 franchised locations in Canada.

Our affiliate, Realty World® Inc., ("Realty World®") has been offering franchises for real estate brokerage businesses from June 2000 to the present. Realty World® has its principal business address at 1101 Dove Street, Suite 228, Newport Beach, California 92660. As of May 31, 2025, Realty World® had 124 franchised locations in the United States.

Our affiliate, Red Carpet International Inc. ("Red Carpet®"), offered franchises for real estate brokerage businesses from July 2008 through 2011, and it may do so in the future. Red Carpet® has its principal business address at 1101 Dove Street, Suite 228, Newport Beach, California 92660. It currently has 7 franchised locations in the United States.

Since its incorporation in September 2023, our affiliate, Moventag Inc. ("Moventag"), has maintained a website that offers information regarding home and relocation services. HomeLife® Businesses may choose to participate as a member of the website.

Since its incorporation in 2016, our affiliate, Reallium Technologies Inc. ("Reallium"), has provided HomeLife® Businesses access to various technology solutions.

Except as described above, these affiliates have their principal business address at 3500 Dufferin St, Toronto, Ontario M3K 1N2, none of these affiliates have conducted the type of business that you will operate, and they have not offered franchises in any other lines of business.

The Franchise Offered

We have developed a network of real estate brokerage businesses known as "HomeLife®" businesses ("HomeLife® Businesses"). We use, promote, and license certain trademarks, service marks, and other commercial symbols in operating HomeLife® Businesses, and may create, use and license other trademarks, service marks, and commercials for HomeLife® Businesses (the "Marks"). HomeLife® Businesses offer the products and services we authorize and use our business formats, methods, rules, procedures, signs, designs, layouts, standards, specifications, and Marks (the "Franchise System").

We offer to qualified persons, who must be licensed real estate brokers, the right to operate a HomeLife® Business (a "Business") under the form of franchise agreement attached as Exhibit B (the "Franchise Agreement"). If you acquire a HomeLife® franchise, you must operate the HomeLife® Business in accordance with our specifications and standards for the Marks and the Franchise System.

In addition, we offer to certain qualified franchisees the following modified forms of a franchise:

HOMELIFE ICI™

We have developed a real estate franchise model called HomeLife ICI™ to address ongoing demand from real estate agents, brokers and their clientele for a Business focused on providing industrial and commercial real estate services. "ICI" stands for Industrial Commercial Investment. If you acquire a HomeLife ICI™ franchise, your Business will focus on purchases, sales and leasing of industrial and commercial properties, including small and large shopping centers, malls, and office buildings, as well as on land development and property management. It is expected that the client base of a HomeLife ICI™ Business will be comprised of at least 70% commercial and industrial properties, with the remainder being comprised of residential brokerage.

If you are obtaining a Business to operate under the HomeLife ICI™ model, this will be indicated on the first page of the Franchise Agreement. Except as set forth in this disclosure document, all of the terms and conditions of the Franchise Agreement and all fees and costs associated with the HomeLife ICI™ franchise will be the same as the traditional HomeLife® franchise.

HOMELIFE HOP-ON™ Program

If you obtain a Business with the HomeLife Hop-On™ Program, in addition to the Franchise Agreement, you will sign the form of HomeLife Hop-On™ addendum attached as Exhibit B-1 (the "HomeLife Hop-On™ Addendum"). Under the HomeLife Hop-On™ Program, you will operate your Business with no more than two agents, and use virtual applications to provide clients with mobile real-estate services, and you will not need to obtain a dedicated office location.

Unless otherwise specified, all references to HomeLife® Businesses in this disclosure document includes businesses operating under the HomeLife ICI™ model and the HomeLife Hop-On™ Program.

Boutique Conversion Program

If you obtain a Business pursuant to the Boutique Conversion Program, in addition to the Franchise Agreement, you will sign the form boutique conversion addendum attached as Exhibit B-2 (the "Boutique Conversion Addendum"). We offer the Boutique Conversion Program to existing real estate brokerage businesses with three or fewer agents.

Competition

The market for real estate brokerage offices is well established. You will compete with other national and regional franchised real estate brokerage offices (including our affiliates), as well as local real estate brokerage offices in your market area for the listing and sales of commercial and residential property and related ancillary services. A critical component to your success will be your ability to recruit and retain Sales Representatives (defined in Item 6).

The real estate market may presently be in, or at any given time may enter into, a downturn as a result of economic conditions, as well as credit restraints, a large inventory of unsold homes in many markets, decreasing sales volume or a variety of factors. It is impossible to predict whether or when the economy will or would improve, whether interest rates will or would remain stable, or whether or when the real estate industry will or would return to a growth period.

Laws Applicable to the Real Estate Brokerage Business

You are subject to the licensing requirements of your state regulatory authority and must be a licensed real estate broker. Most states have specific laws and regulations covering real estate brokerage services and licenses. These laws, among other things, require that anyone who offers real estate brokerage services be a licensed real estate broker, a licensed associate broker or a licensed salesperson affiliated with a licensed real estate broker. There may be similar laws in the cities and counties in which you will be operating. Some states also require franchised real estate brokers to identify themselves as such when offering their services to the public. You must know your state's requirements. There are also various federal laws that could affect your real estate business such as the Real Estate Settlement and Procedures Act and the Fair Housing Act. You

must comply with all local, state and federal laws in the operation of your Business. We urge you to make further inquiries about these and other laws in order to understand your potential legal obligations.

ITEM 2

BUSINESS EXPERIENCE

Andrew Cimerman – President, Chief Executive Officer, and Director

Mr. Cimerman has been our President, Chief Executive Officer, and a Director since July 2008. Mr. Cimerman also holds positions with the following entities: (1) President of 1575028 Ontario Inc., since April 2015; (2) President of Bridge Finance (Ontario) Inc., since 1982; (3) President of Brinx Capital Inc., (Canada) since 2000; (4) President of Brinx Capital, Inc., (USA) since 2012; (5) President of Cimerman Developments Inc., since 1975; (6) President of Eon Capital Inc., since 1998; (7) President of HomeLife Realty Services (US) since 1986; (8) President of HomeLife Realty Services Inc., (Canada) since 1985; (9) President of HomeLife/Cimerman Real Estate Ltd., since April 1973; (10) President of Jerome's Magic World Inc., since 1991; (11); (12) President of MaxAmerica Home Warranty, Inc., since July 1996; (13) President of Moventag Inc., since September 2023; (14) President of PCH Capital Inc., since September 2007; (15) President of Penny Lane Capital Inc., since April 2019; (16) President and Chief Executive Officer of Reallium, since 2016; (17) President and Chief Executive Officer of Realty World International, Inc., since July 2000; (18) President of Red Carpet International, Inc., since July 2008; (19) President of Red Carpet Canada Inc., since June 2008; (20) President of Simcoe Fox Developments, Limited, since 1975; (21) President of Taxi Property Management Inc., since December 2015; and (22) President since June 1, 2010 and Chairman of the Board, and Chief Executive Officer since June 1997 of Realty World®. Mr. Cimerman serves in each of these positions in Toronto, Ontario, Canada, and/or Newport Beach, California.

Douglas Y.T. Wong – Director

Mr. Wong has served as a Director for us since July 2020. Mr. Wong has also served as a Controller, Accountant, Consultant, and Real Estate Broker for HomeLife/Cimerman Real Estate Ltd., located in Toronto, Ontario, Canada, since January 1985.

Lori Cimerman – Director, Secretary, and Treasurer

Mrs. Cimerman has been a Director for us and our Secretary and Treasurer since January 2016. Mrs. Cimerman has also been a Director and the Treasurer for Realty World since September 2014. Mrs. Cimerman has been a licensed real estate sales representative since January 2004, a licensed real estate broker since November 2006, and a licensed mortgage broker since January 2007. Since November 2009, Mrs. Cimerman has been the Broker of Record of our affiliate HomeLife/Cimerman Real Estate Ltd., Brokerage, located in Toronto, Ontario, Canada.

ITEM 3

LITIGATION

Mark Sunderland v. Toronto Regional Real Estate Board, The Canadian Real Estate Association, Re/Max Ontario-Atlantic Canada Inc. o/a Re/Max Integra, Century 21 Canada Limited Partnership, Residential Income Fund L.P., Royal LePage Real Estate Services Ltd., HomeLife Realty Services Inc., Right at Home Realty Inc., Forest Hill Real Estate Inc., Harvey Kalles Real Estate Ltd., Max Wright Real Estate Corporation, Chestnut Park Real Estate Limited, Sutton Group Realty Services Ltd. and iPro Realty Ltd. (Federal Court (Canada), Court File No. T-595-21, Filed on April 9, 2021, amended on August 18, 2021, and further amended on February 24, 2022). Our affiliate, HomeLife Realty Services Inc., which offers HomeLife franchises in Canada, has been named among numerous others as a defendant in this proposed class action. The plaintiff alleges a conspiracy, agreement or arrangement between the defendants to fix commission rates paid by the proposed class members to real estate buyers' brokerages and salespersons for real estate brokerage services in respect of the purchase and sale of properties listed on the Toronto Multiple Listing Service ("MLS"). On the basis of this alleged conspiracy, agreement or arrangement, the plaintiff alleges, among other things, a violation of Part VI of the *Competition Act*, and conduct capable of constituting aiding, abetting or counselling a conspiracy within the meaning of Sections 21(1) and 22(1) of the *Criminal Code*. The plaintiff seeks as against all of the defendants (i) various declarations from the court that the defendants engaged in wrongdoing, and (ii) an unspecified amount in damages. The class is all persons, wherever they may reside or be domiciled, who sold real property listed on the MLS System owned and operated by the Toronto Regional Real Estate Board, after March 11, 2010.

On September 25, 2023, the Federal Court of Canada entered an Order and Reasons dismissing the franchisor defendants (including our affiliate, HomeLife Realty Services Inc.) from this case. Plaintiff has appealed such dismissal, and the matter remains pending

Kevin McFall v. Canadian Real Estate Association, et. al, Court File No. T-119-24-ID 1, Filed on January 18, 2024. Our affiliate, HomeLife Realty Services Inc., which offers HomeLife franchises in Canada, has been named among numerous others as a defendant in this proposed class action. The plaintiff alleges that defendants conspired to fix, maintain, increase, or control the price for the supply of buyer brokerage services for residential real estate in violation of Canadian antitrust laws. The putative class representative seeks to represent a nationwide class of persons who sold residential real estate listed on a Multiple Listing Service ("MLS") owned and operated by a two unaffiliated defendants from March 11, 2010, through the present. Plaintiff, on behalf of itself and the putative class, seeks an award of declaratory relief, general and special damages, pre-and post-judgment interest and attorneys' fees, expenses and costs of investigation and suit.

As of the date of this disclosure document, this proposed class action has not yet been certified by the Federal Court of Canada as being suitable to proceed as a class action. It is unknown if this proposed class action will be certified by the Federal Court of Canada. HomeLife Realty Services Inc. denies all of the allegations made against it in the statement of claim.

Realty World, Inc. v. NextHome, Inc., No. 4:16-cv-5761 (N.D. Cal. Filed October 6, 2016). For nearly 20 years, Realty World-Northern California, Inc. ("RWNC") served as master licensee for Realty World®, in Northern California and specific regions in Nevada (the "RWNC Territory"). In May of 2014, NextHome, Inc. ("NextHome") acquired the assets of RWNC and took over as Realty World®'s master licensee for the RWNC Territory, subject to the terms of Realty World®'s master license agreement with RWNC. Realty World® believes that sometime after the acquisition, NextHome leveraged the Realty World® name, business model, and resources to build out a competing franchisor of real estate brokerage businesses under the name "NextHome" and solicited several Realty World® franchisees and their agents.

On October 6, 2016, Realty World® initiated a lawsuit against NextHome, its CEO and co-founder James Dwiggins ("Dwiggins"), and unnamed parties (identified as DOES 1 through 20) for (1) breach of the master license agreement, (2) breach of the implied covenant of good faith and fair dealing, (3) trademark infringement and counterfeiting under 15 U.S.C. § 1114, (4) false designation of origin under 15 U.S.C. § 1125(a), (5) intentional interference with contract, (6) intentional interference with prospective economic advantage, (7) declaratory relief, (8) violation of California Business and Professions Code § 17500, and (9) violation of California Business and Professions Code § 17200.

In the Complaint, Realty World® sought relief in the form of general and special damages in an amount to be proven at trial, statutory damages for willful counterfeiting, interest, reasonable attorneys' fees, costs of litigation, and any other relief ordered by the court. Realty World® also sought injunctive relief to preliminarily and permanently enjoin NextHome and Dwiggins from (1) engaging in any of the unlawful, unfair and fraudulent business acts, practices and deceptive advertising identified in the Complaint, and (2) unlawfully using the Realty World® name or marks.

On November 1, 2016, NextHome and Dwiggins responded to Realty World®'s lawsuit by filing an answer and counterclaims (the "Answer and Counterclaim"). The counterclaims were asserted by NextHome against Realty World®, Andrew Cimerman, NextHome International, Inc., a Canadian corporation ("NHII"), and Ying Tack "Doug" Wong. On September 8, 2017, the Answer and Counterclaim was amended (the "Amended Answer and Counterclaim") to include Next Home, Inc., a Canadian corporation ("NHI"), as another counter-defendant in the lawsuit.

The Amended Answer and Counterclaim contained seven counterclaims. Six of these counterclaims – for violation of the Anticybersquatting Consumer Protection Act, trademark infringement and counterfeiting, unfair competition in violation of 15 U.S.C. § 1125(a)(1)(A), trademark and trade name infringement (Count V), false advertising and unfair competition in violation of California Business and Professions Code §§ 17500 et seq. and 17200 et seq., and unfair competition under California common law – were asserted against Mr. Cimerman, Mr. Wong, NHII and NHI for allegedly registering domain names that incorporated NextHome's name and were confusingly similar to NextHome's website address, and for using the name "Next Home" in connection with the formation and/or registration of the Canadian entities NHI and NHII.

In the Amended Answer and Counterclaim, NextHome sought an unspecified amount of actual damages, injunctive relief, an order requiring the transfer of certain domain names to NextHome, an order requiring the dissolution or cancellation of the incorporation of NHI and NHII, attorney's fees and costs, treble damages, statutory damages, interest, and any other relief ordered by the court.

The parties resolved their dispute and entered into a Settlement Agreement and Mutual General Release (the "Settlement Agreement"), effective February 1, 2018. Under the terms of the Settlement Agreement, the parties agreed as follows:

(i) NextHome, in exchange for a one-time purchase price of $1,000, would depart the Realty World® system by selling and forever assigning to Realty World® its rights and obligations under the master license agreement and certain franchise agreements between NextHome and Realty World® franchisees (the "RWNC Franchise Agreements"). This sale and assignment was effective February 1, 2020;

(ii) The master license agreement was amended as follows:

(a) to allow Realty World® to offer and sell Realty World® franchises in the RWNC Territory starting the effective date of the Settlement Agreement, and to provide all of the service and support for those new franchisees that join the system. Realty World® also is to indemnify NextHome from certain claims that may arise from Realty World®'s offer, sale or enrolling of Realty World franchisees in the RWNC Territory;

(b) to preclude NextHome from enrolling any new Realty World® franchisee, provided however, NextHome could continue to renew existing Realty World® franchise agreements and/or transfer the rights of any franchisees in the RWNC Territory to any new or existing franchisees to the extent permitted by law; and

(c) to preclude Realty World® from communicating with certain Realty World® franchisees in the RWNC Territory for a specified period of time.

(iii) Realty World®, Mr. Cimerman, and NHI agreed to indemnify NextHome with respect to any claims or actions asserted by RWNC franchisees based on conduct that occurs after NextHome's assignment of the master license agreement and the RWNC Franchise Agreements to Realty World®;

(iv) NextHome is not permitted to convert to its competing franchise system certain existing franchisees of Realty World®, or receive any compensation in connection with specified Realty World® franchisees joining any third-party real estate brand;

(v) On February 1, 2019, Realty World® and Mr. Cimerman delivered a signed non-disclosure agreement to NextHome at which point NextHome provided Realty World® and Mr. Cimerman with copies of the franchise agreements of specified Realty World® franchisees in the RWNC Territory on a confidential basis;

(vi) All parties agreed to cease any use of the other's names and trademarks;

(vii) Each party granted the other parties full general releases of all claims;

(viii) All parties expressly denied liability, fault, responsibility and guilt of any kind in connection with the claims alleged in the lawsuit;

(ix) All parties agreed not to make any false or disparaging comments about any other Party relating to the events or acts giving rise to the lawsuit or Settlement Agreement; and

(x) Realty World® and NextHome agreed not to solicit certain franchisees and agents of the other for a specified period of time.

On February 9, 2018, the court entered a formal dismissal of the lawsuit, dismissing the entire action with prejudice.

Except for the matters disclosed above, 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

Unless you sign your Franchise Agreement under the HomeLife Hop-On™ Program or the Boutique Conversion Program, you must pay us an initial franchise fee of $18,000. The initial franchise fee under the HomeLife Hop-On™ Program is $2,500, and the initial franchise fee under the Boutique Conversion Program is $3,500. You must pay the initial franchise fee in lump sum when you sign the Franchise Agreement. If you purchase multiple franchises, you will sign the Franchise Agreements for all of the franchises at the same time and be required to pay an initial franchise fee for each Franchise Agreement you sign. The initial franchise fee is nonrefundable under any and all circumstances and is fully earned by us when you sign the Franchise Agreement.

At our option we may accept payment of the initial franchise fee in installments for a period not exceeding 6 months. (See Items 7 and 10) If we offer you an installment period to pay the initial franchise fee you will execute a promissory note in the form attached as Exhibit C.

Our franchisees may receive a percentage of the initial franchise fee (ranging from 10% to 50%) for referring new franchisees to us as part of our Share the Wealth Program.

ITEM 6

OTHER FEES

PERCENTAGE FEE OPTION FEES[1],[2]

Type of Fee[4],[5]	Amount	Due Date	Remarks
Royalty Fees[5],[11]	4% of Gross Revenue[7] for the first $1,000,000 in Gross Revenue in a given calendar year; 1% of Gross Revenue for amounts of Gross Revenue above $1,000,000 in a given calendar year	Due on the 25th day of the calendar month	
National Advertising and Promotional Fund Contribution	1% of Gross Revenue[7] for the first $1,000,000 in Gross Revenue in a given calendar year; no further contributions required after you obtain $1,000,000 in Gross Revenue in a given calendar year	Due on the 25th day of the calendar month	

FLAT-FEE OPTION FEES[1],[3]

Type of Fee[4],[5]	Amount	Due Date	Remarks
Royalty Fees[5],[11]	The product of $74 multiplied by the number of Sales Representatives[6] registered with your Business subject to a cap of 100 Sales Representatives (for a maximum of $7,400 per month)[8]	Due on the 25th day of the calendar month	

Type of Fee[4],[5]	Amount	Due Date	Remarks
National Advertising and Promotional Fund Contribution	The sum of: (a) $50; plus (b) the product of $25 multiplied by the number of Sales Representatives[6] registered with your Business subject to a cap of 100 Sales Representatives (for a maximum of $2,550 per month)[9]	Due on the 25th day of the calendar month	

GENERAL FEES

Type of Fee[4],[5]	Amount	Due Date	Remarks
Support Fee[11]	$225 per month	Due on the 25th day of each month	We use the Support Fee to help defray the costs we incur in providing ongoing assistance to our franchisees
TechPack Fee	$64.99 per month for your office plus $39.99 per month for each Sales Representative registered with your office who elects to use the TechPack software platform.	Monthly (beginning on the day you first sign up for services and on the same day of each subsequent month)	You must sign a Computer Software Licensing Agreement with us. Under the Computer Software Licensing Agreement, you receive access to an internet-based software platform ("TechPack") incorporating various third-party software programs covering marketing, advertising, and other technology services. The current form of Computer Software Licensing Agreement is attached as Exhibit D to the Franchise Agreement. This fee is subject to change based on costs imposed by third-party providers.

Type of Fee[4],[5]	Amount	Due Date	Remarks
Additional Training	$200 per hour	Upon receipt of invoice	Your Designated Manager (defined in Item 15) may request additional training. We and you will jointly determine the duration of any additional training. This fee would be invoiced after you have begun operating your Business. This fee is subject to change. [12]
Late Payments	Interest at the lesser of 10% per year or highest rate allowed by law on all payments that are 10 days overdue	Immediately when assessed	
Late Reporting of Sales Representatives	$250	On demand	You must pay this fee if you fail to report the affiliation of any new Sales Representatives within 5 days.
Renewal Fee	$3,000 plus costs we incur in preparing the renewal (such as legal fees)	At the time of renewal	Must accompany written notice of renewal.
Transfer Fee	$3,500	At time of transfer	The transfer fee is for the supervisory, administrative, accounting, legal and other expenses we incur as a result of this sale or transfer.
Coaching / Consulting Fee	$150 per hour plus the coach or consultant's travel and living expenses (including mileage at then-current IRS reimbursement rate)	Upon receipt of invoice	Payable if you use the services of a coach or consultant designated by us to provide special guidance, coaching, assistance, or training. This fee is subject to change. [12]

Type of Fee[4],[5]	Amount	Due Date	Remarks
Referral Fee	You will pay us 25% of the Gross Revenue you receive on the sale of a property that has been referred to you by a referring HomeLife® Business (the "Referral Gross Revenue"), and we will retain 5% of the Referral Gross Revenue and remit the balance to the referring HomeLife® Business.	Upon the closing of a sale that was referred to you	We may establish and operate a national and international referral service (the "Referral Service") by and among HomeLife® Businesses. If established, you must agree to participate in the Referral Service. We may require you to remit a portion of the Referral Gross Revenue directly to the referring HomeLife® Business. We may periodically revise the amount of the referral fee.
Registration Fee Annual Awards Convention	$325 per attendee	Upon receipt of invoice (at least one month before annual convention)	Attendance at our annual convention is mandatory, and you must pay us a registration fee, which covers our costs of organizing the convention. You must pay for your own travel, lodging and related expenses. This fee is subject to change based on costs imposed by third-party providers.
Ongoing Training – HomeLife® University	$59 to $249 per course	Upon receipt of invoice	We provide ongoing training programs at a fee. This fee is subject to change. [12]

Type of Fee[4],[5]	Amount	Due Date	Remarks
HomeLife® Website Fee	$300 per year per office	Due on January 1 of every year	Payment of the annual website fee entitles you to your own page on the HomeLife® Website that currently includes a list of all Sales Representatives at your franchised business location, a hyperlink to the website for your Business, links to any personal websites your Sales Representatives have or may develop at their cost, if any, and access to the HomeLife® Intranet.[10] This fee is subject to change based on costs imposed by third-party providers.
Costs and Attorneys' Fees	Our actual costs and attorneys' fees	As incurred	Due in connection with any attempt to collect any amounts due under the promissory note.
Indemnification	Amount of damages suffered	As incurred	You must reimburse us, our affiliates, and each of our and their respective affiliates, owners, directors, managers, officers, employees, agents, successors, and assignees, if any of us are held liable for claims related to the operation of your Business, your breach of the Franchise Agreement, or your employment practices.
Audit	Cost of audit, including the charges of any attorneys and independent accountants, travel expenses, room and board and compensation of our employees.	15 days after audit report is received	Payable only if we find that you have underreported any amount to us by 5% or more, or if the audit is caused by your failure to provide required information or documents.

Type of Fee[4],[5]	Amount	Due Date	Remarks
Re-inspection Costs	Our actual costs	As incurred	You must reimburse us for our costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with any re-inspections or follow-up visits we conduct after an audit or inspection of your Business identifies one or more failures of System Standards, or if we or our designees were prevented from properly inspecting your Business.
Damages	The net present value of amounts due under the Franchise Agreement that would have become due following termination of the Franchise Agreement for the period of time that the Franchise Agreement would have remained in effect.	Upon demand	Due if the Franchise Agreement is terminated because of your (or your owners) default or by you without cause.

Explanatory Notes

1/ We offer two fee structures for HomeLife® Business Royalty Fees and National Advertising and Promotional Fund Contributions: (i) the Percentage Fee Option and (ii) the Flat-Fee Option. When you sign the Franchise Agreement, you must elect either the Percentage Fee Option or Flat-Fee Option by signing either Exhibit C-1 (Percentage Fee Option) or Exhibit C-2 (Flat-Fee Option) attached to the Franchise Agreement.

2/ The fees included in this table are only applicable to HomeLife® Businesses that have elected the Percentage Fee Option.

3/ The fees included in this table are only applicable to HomeLife® Businesses that have elected the Flat-Fee Option. However, if you select the Flat-Fee Option and sign Exhibit C-2 attached to the Franchise Agreement, we grant you the option, once per calendar year, to place up to 25% of the Sales Representatives for your Business on the Percentage Basis Plan (the "Limited Alternative Contribution"). Under the Limited Alternative

Contribution, you will notify us each year of the Sales Representatives who you are electing to place on the Percentage Basis Plan for the upcoming calendar year. Upon receipt of proper notice from you that you wish to participate in the Limited Alternative Contribution for a given year, and subject to your compliance with the terms of the Limited Alternative Contribution program, the revenue generated by the Sales Representatives you have selected will be subject to Percentage Fee Option (set forth on Exhibit C-1) rather than the Flat-Fee Option (set forth on Exhibit C-2) when calculating your Royalty Fees and National Advertising and Promotional Fund Contributions.

4/ Unless indicated otherwise, all fees are collected by and payable to us and are nonrefundable. The fees above may not be uniformly imposed. We may agree to different fees for franchisees who are signing renewal franchise agreements. If your Franchise Agreement has a term that is greater than 10 years, then all fees set forth in dollars and/or cents will automatically increase by 3% annually after the 10th anniversary of the effective date of your Franchise Agreement. We also may vary, waive (in whole or in part), negotiate or make exception to our published fee structure and/or payment terms if business circumstances warrant in our sole and absolute discretion. We may offer incentive or bonus plans to attract new members and retain current members. Due to economic conditions and market forces, including acts of God, we may under certain circumstances offer incentive or bonus plans to attract new members and retain current members. Any of these plans, depending on the particular bonus or incentive involved, may directly or indirectly decrease the ongoing franchise license fees of those members entitled to these bonuses or incentives. These incentive and bonus plans, if and when offered, may vary as to amount or duration. The intent in offering these incentives is to provide a benefit to the entire system, in that the addition of new members increases the number of real estate sales representatives in various markets and therefore the overall number of transactions, and thus improves both our and the image of all of our franchisees.

5/ At our request, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account or credit card automatically for Royalty Fees, the National Advertising and Promotional Fund contribution, and other amounts due under the Franchise Agreement (the "EFT Authorization"). Such EFT Authorization shall remain in full force and effect during the term of the Franchise Agreement. We will debit the business account you designate in the EFT Authorization for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You agree to ensure that funds will be available in your designated account to cover our withdrawals.

6/ A "Sales Representative" means each person who possesses a real estate license that is affiliated, directly or indirectly, with your Business, including Sales Representatives, broker associates, brokers, licensed assistants and each broker of record and/or manager. Within 5 days after a Sales Representative becomes affiliated with you, you must inform us in writing of the name of the Sales Representative. Each month you must provide us with an accounting of the Gross Revenue of each Sales Representative for the preceding month, the number of transactions closed by each Sales Representative for the preceding month, and a listing of all Sales Representatives affiliated with your Business. Under the

Franchise Agreement, we require you to have a minimum number of Sales Representatives. We generally require franchisees to have a minimum of 1 to 5 Sales Representatives by the first anniversary of the effective date of the Franchise Agreement; a minimum of 5 to 10 Sales Representatives by the second anniversary of the effective date of the Franchise Agreement; and a minimum of 10 to 20 Sales Representatives by the third anniversary of the effective date of the Franchise Agreement.

7/ "Gross Revenue" means all revenues derived from commissions, fees or professional services, both actual or to be imputed, from all transactions of your Sales Representatives whether in cash, commission notes, or any other valuable consideration received in lieu of cash; and shall include revenues from all transactions using the Franchise System involving you, your broker(s), and/or any of your or your broker(s)' officers, directors, shareholders, partners, employees. Gross Revenue will be computed without deduction for any payment to your brokers, sales managers, Sales Representatives, or employees, payments for any multiple listing fees, insurance, home protection plans, business expenses or taxes, but with deduction for any referral fees paid to any other non-affiliated real estate brokerage firms.

8/ The Royalty Fee varies depending on the number of Sales Representatives registered with your Business. Although the number of Sales Representatives of your Business may exceed 100, in calculating the Royalty Fee, we cap the total number of Sales Representatives at 100, making the maximum total Royalty Fee equal to $7,400 per month.

9/ The National Advertising and Promotional Fund Contribution varies depending on the number of Sales Representatives registered with your Business. Although the number of Sales Representatives of your Business may exceed 100, in calculating the National Advertising and Promotional Fund Contribution, we cap the total number of Sales Representatives at 100, making the maximum total National Advertising and Promotional Fund Contribution equal to $2,550 per month.

10/ The Website Fee is $300 per year, plus applicable taxes. You are required to update the information of your brokerage business and that of your Sales Representatives on HomeLife®'s Website. After joining you will be assigned a password for the broker/manager to use at your operation, which will enable you to update text information about your Business and upload photographs of your Sales Representatives. We will provide you, within a reasonable period after joining the HomeLife® franchise, instructions on how to update your information on your portion of HomeLife®'s Website (Intranet). You will designate a "Technology Liaison" at your office to be the contact person for such website maintenance. The Technology Liaison may be you, your secretary, a Sales Representative in your office, or any third party of your choosing. It is the responsibility of the Technology Liaison to keep all information current and updated and to assure that all information is updated in a timely manner, including posting all new agents on the website. All Sales Representatives in your office will also obtain a password to obtain access to HomeLife®'s Intranet Website which contains numerous marketing tools, programs, and systems for their use.

11/ As part of our Share the Wealth Program, our franchisees may receive up to 10% of the Royalty Fees and Support Fees from prospects that the franchisee has referred to us who ultimately purchase a franchise. In addition, if the franchisee agrees to provide support services for multiple franchisees in a region or state where that franchisee has referred franchisees to us, and meets the other qualifications for participation in the program, we will pay the franchisee an additional "Income Sharing Bonus Plan" fee of 15% of the Royalty Fees and Support Fees collected from those franchisees once we receive payment from the franchisees in that region or state and the payment has cleared. As part of our Income For Life Program, we require our franchisees to offer their current Sales Representatives, where permitted by law, a share in the revenues generated by sales made by new Sales Representatives recruited and mentored by current Sales Representatives. The percentage or amount paid to the recruiting Sales Representatives is determined by the individual franchisee. Under certain state laws, franchisees who agree to provide ongoing support services to other franchisees in exchange for a share of ongoing royalties and/or support fees may be required to register as subfranchisors.

12/ These fees are subject to, no more than once per year, the Fee Adjustment. "Fee Adjustment" means an increase at our discretion by up to the greater of (i) 5% annually on a compounding basis regardless of whether we exercise such adjustment in any calendar year, or (ii) the difference, expressed as a percentage, in CPI as determined by comparing the CPI in effect as of the Effective Date of the Franchise Agreement to the CPI in effect as of the date of the Fee Adjustment, without reference to any prior Fee Adjustment, if any. "CPI" means the National Consumer Price Index-All Urban Consumers-All Items (1982-1984 = 100) published by the U.S. Department of Labor (or if the CPI is no longer published, another substitute reference reasonably designated by us).

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

CONVERSION OFFICE (Not Signed Pursuant Boutique Conversion Program)[(1), (2)]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[(6)]	$18,000	Lump Sum	Upon signing of Franchise Agreement	Us
Building Signs[(3)]	$700 to $15,000	As Arranged	As Arranged	Vendor(s)
Yard Signs	$1,000 to $5,000	As Arranged	As Arranged	Vendor(s)
Start-up Supplies	$1,000 to $10,000	Lump Sum	Prior to Opening	Vendor(s)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Insurance, including General Liability, Errors & Omissions[9]	$500 to $2,000	As Arranged	As Arranged	Insurer(s)
Additional Funds (8 months)[12]	$13,000 to $60,000	As Arranged	As Arranged	Vendor(s)
TOTALS[13]	$34,200 to $110,000			

YOUR ESTIMATED INITIAL INVESTMENT
START-UP OFFICE[4]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[6]	$18,000	Lump Sum	Upon signing of Franchise Agreement	Us
Real Estate and Improvements[7]	$12,000 to $50,000	As Arranged	As Arranged	Landlord or Contractor(s) of your choice (also see Note 2)
Signage	$1,000 to $5,000	As Arranged	As Arranged	Vendor(s)
Equipment, fixtures, furnishings[8]	$12,000 to $40,000	As Arranged	As Arranged	Vendor(s)
Start-up Supplies[8]	$1,000 to $10,000	Lump Sum	Prior to Opening	Vendor(s)
Insurance, including General Liability, Errors & Omissions[9]	$500 to $2,000	As Arranged	As Arranged	Insurer(s)
Miscellaneous Opening Costs[10]	$2,500 to $10,000	As Arranged	As Arranged	Vendor(s)
Additional Funds (8 months)[12]	$13,000 to $60,000	As Arranged	As Arranged	Vendor(s)
TOTALS[13]	$60,000 to $195,000			

YOUR ESTIMATED INITIAL INVESTMENT
HOMELIFE HOP-ON™ PROGRAM[5]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[6]	$2,500	Lump Sum	Upon signing of Franchise Agreement	Us
Start-up Supplies[8]	$1,000 to $7,500	Lump Sum	Prior to Opening	Vendor(s)
Vehicle[11]	$0 to $800	Installments	Prior to Opening	Vehicle dealership
Vehicle Signage	$100 to $3,000	Lump Sum	Prior to Opening	Vendor
Insurance, including General Liability, Errors & Omissions[9]	$2,500 to $5,000	As Arranged	As Arranged	Insurer(s)
Miscellaneous Opening Costs[10]	$2,500 to $10,000	As Arranged	As Arranged	Vendor(s)
Additional Funds (8 months)[12]	$10,000 to $30,000	As Arranged	As Arranged	Vendor(s)
TOTALS[13]	$18,600 to $58,800			

YOUR ESTIMATED INITIAL INVESTMENT

BOUTIQUE CONVERSION PROGRAM OFFICE[1], [2]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[6]	$3,500	Lump Sum	Upon signing of Franchise Agreement	Us
Building Signs[3]	$700 to $15,000	As Arranged	As Arranged	Vendor(s)
Yard Signs	$1,000 to $5,000	As Arranged	As Arranged	Vendor(s)
Start-up Supplies	$1,000 to $10,000	Lump Sum	Prior to Opening	Vendor(s)
Insurance, including General Liability, Errors & Omissions[9]	$2,500 to $5,000	As Arranged	As Arranged	Insurer(s)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Additional Funds (8 months)[12]	$13,000 to $45,000	As Arranged	As Arranged	Vendor(s)
TOTALS[13]	$21,700 to $83,500			

Explanatory Notes

1. This table provides an estimate of the initial investment needed to convert a single existing real estate brokerage office to a HomeLife® Business under the traditional HomeLife® Business or the HomeLife ICI™ model. All fees are non-refundable unless otherwise indicated.

2. This estimate does not include any rent or leasehold improvements because it should be an ongoing expense of your existing business. If the appearance of your office does not meet our current office standards, we may not grant you a franchise or we may require you to refurbish the office before opening your business under the HomeLife® name. This estimate does not include any amount necessary to refurnish or remodel your existing office. We are unable to estimate such cost, if any, since it will depend upon its existing conditions.

3. Single face box signs are estimated at $700 and large buildings signs are estimated at $15,000 (excluding installation costs); however, pricing may be more or less depending on what type of sign is chosen (size, dimensions, and material).

4. This table provides an estimate of the initial investment needed to establish a start-up HomeLife® Business under the traditional HomeLife® Business or the HomeLife ICI™ model. All fees are non-refundable unless otherwise indicated.

5. This table provides an estimate of the initial investment needed to establish a HomeLife® Business with the HomeLife Hop-On™ Program. All fees are non-refundable unless otherwise indicated. If you sign the HomeLife Hop-On™ Addendum, you are not required to operate your Business from a physical office. If you sign the HomeLife Hop-On™ Addendum, because you will not be required to obtain an office, you will not incur any expenses for obtaining equipment, fixtures, and furnishings.

6. You must pay the initial franchise fee concurrently with signing the Franchise Agreement. The initial franchise fee is payable in a lump sum, unless at our option we allow you to pay it in installments over no more than a 6-month period. If we offer you an installment period to pay the initial franchise fee you will execute a promissory note, which is attached as Exhibit C to this disclosure document.

7. The estimate provided is based on rent for office sizes ranging from 800 square feet to 3,500 square feet. We require a minimum of 800 square feet for the HomeLife® Business.

Variables that affect the cost of rental for your premises include property location, building size, improvements, access to major streets, real estate taxes, common area maintenance and the like. You should thoroughly investigate the cost of business premises and all other initial investment costs in your market. In many instances a tenant may be able to negotiate a lease that provides for the landlord to bear most or all of the costs of tenant improvements. However, as a tenant you may have to incur these costs. The length of the lease may have a bearing on tenant or leasehold improvement costs you must pay. Build-out costs may vary, but generally speaking a typical build-out costs between $20 to $200 per square foot (before any applicable tenant improvement allowances from your landlord) when significant construction and tenant improvements are necessary, depending on the type of structure.

8. The variation in the cost of equipment and supplies is due to factors such as shipping distance, price differences between suppliers, and quantity purchased. You may purchase or lease certain services or equipment, supplies, signs and opening inventory from any source provided that the items meet our standards and specifications and provided that we approve the source of such goods and services.

9. You must procure at your own expense and maintain in full force and effect during the term of the Franchise Agreement, an insurance policy or policies that protect you and us, and your/its officers, directors, partners and employees against any loss or liability resulting from bodily injury, personal injury, death, property damage, general loss or other related expenses arising in or occurring upon, as a result of, or in connection with your Business, as we may reasonably require for our and your protection. You must secure the policies before you begin your Business. The policies must include general liability insurance and errors and omissions insurance. You must supply us with a certificate of insurance showing compliance with these requirements prior to opening your Business. Maintenance of the insurance and performance by you of your obligations under the insurance requirements in the Franchise Agreement will not relieve you of any liability under the indemnity provision of the Franchise Agreement. In particular, you must maintain commercial general liability insurance and professional liability (real estate errors and omissions) insurance, each in the amount of $2 million per occurrence, and other coverage as stated periodically by us. We must be named as an "additional insured" on the policies. The dollar range represents the estimated insurance premium for one year.

10. This estimate includes advertising, online lead generation, security deposits, fees your local MLS charges for providing Internet Data Exchange (IDX) search, utility costs, business licenses and other prepaid expenses. You may incur additional miscellaneous expenses in the first 3 months of operation as a HomeLife® office, such as promotional costs announcing your affiliation with us, the cost of sending additional managers to Orientation and the cost of consulting an attorney, accountant or other professional advisor.

11. If you sign the HomeLife Hop-On™ Addendum, you will not be required to obtain a physical location from which you operate your Business. However, you must use your existing vehicle or obtain, either via purchase or lease, a vehicle so that you may visit clients and homes. If you choose to lease a vehicle, we estimate the lease payment will be

$350 to $800 per month, and if you choose to purchase a vehicle, we estimate the cost of a new vehicle may be up to $50,000. The low end of the range in the table anticipates that you already own a vehicle, and the high end of the range estimates your first lease payment.

12. We have relied on our owners' and employees' 30+ years of experience in the real estate brokerage business to determine the range of additional funds you may need to convert an existing real estate brokerage into, or to establish, a HomeLife® Business franchise. You will need additional capital to support on-going expenses, i.e., payroll and utilities, to the extent these costs are not covered by sales revenue. We estimate that the range shown above will be sufficient for the first 8 months of operation after you commence your Business. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Except as specifically stated in the preceding table, no payments made to us are refundable.

13. Except for financing of the initial franchise fee, neither we nor any of our affiliates offers any financing for any part of your initial investment. (See Item 5 and Item 10)

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require ongoing maintenance of quality and uniformity throughout the HomeLife® system by identifying certain standards governing the use of HomeLife® name and Marks in your day-to-day business, including on business cards, stationery, signage and in related advertising and marketing. Accordingly, you must purchase building signs, yard signs, stationery, business cards and other HomeLife® trademark-bearing items used in your real estate business that meet the specifications we prescribe. Although we provide a list of preferred suppliers for these items, we do not require you to purchase these supplies from any particular supplier. All items bearing the Marks ("Proprietary Items") must conform to our specifications. We may provide such specifications to franchisees in the Operations Manual, and we may modify these specifications on written notice to you. These specifications generally include standards for size, appearance and uniformity.

We provide specific standards for the furniture, fixtures and equipment and general office design that you use for your office, but you can purchase your furniture, fixtures and equipment from any supplier you choose. If you sign the HomeLife Hop-On™ Addendum, you must obtain a vehicle and vehicle wrap that meets our standards and specifications.

You must use the service provider we designate to link your webpage to our website. You must sign a Computer Software Licensing Agreement with us. Under the Computer Software Licensing Agreement, you receive access to TechPack, which is an internet-based software platform incorporating various third-party software programs covering marketing, advertising, and other technology services. Under the Computer Software Licensing Agreement, you may also elect to receive certain technology services we may periodically offer at our then-current fee for such services. The current form of Computer Software Licensing Agreement is attached as Exhibit D to the Franchise Agreement. Except for these required suppliers, we currently do not require you

to use any designated software vendors to obtain any other software we require or recommend, but we may do so in the future.

Except as described above, we do not require that you purchase or lease products or services from a specific supplier, but we are not prohibited from doing so. If we do, in the future, require you to purchase or lease products from a specific supplier, we or our affiliates may be the exclusive supplier of such products or services.

In addition, if we establish a required supplier for a particular product or service and you would like to purchase any products or services from an alternative supplier that we have not yet approved, you first must submit sufficient information, specifications and samples for us to determine whether the supplier's item complies with our standards and specifications or the supplier meets our criteria, which criteria we do not provide to franchisees. We will typically provide you with written notification of the approval or disapproval of an alternative supplier you have proposed within 7 days after receipt of your request. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service or other criteria. We do not currently charge testing and/or inspection fees, but we may do so in the future. We may limit the number of approved suppliers to obtain volume discounts, assure consistent quality and adequate supplies for you. On a routine and continuing basis, we may visit, consult with or inspect the operations of our approved suppliers to ensure compliance with our standards, requirement and specifications, as well as to assure compliance with federal, state and local law and regulation and contractual obligations. We may revoke a supplier's approved status if the supplier no longer meets our criteria, if it breaches its agreement with us, or if the products or services offered are no longer competitive in price or quality.

We estimate the cost to purchase products and services that will be restricted by us in some manner, including of Proprietary Items and the internet service described above, represents 10% to 40% of your total purchases in connection with establishing and operating your Business.

We do not have any purchasing or distribution cooperatives. We have negotiated purchasing arrangements with suppliers for printed materials, internet website hosting and design service, signage, insurance, advertising and marketing services, real estate software management services, promotional services, office supply, telecommunications services, and direct mail services. These arrangements currently offer you up to 50% discounts off of standard pricing of the suppliers. However, we cannot ensure the discounts will remain the same in the future. We provide no material benefits to you based on your use of approved suppliers.

You must maintain in force at your expense during the term of the Franchise Agreement, comprehensive public liability, property damage, third-party liability, general and motor vehicle liability and errors and omissions insurance, each in the amount of $2,000,000 per occurrence. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide

for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You must routinely furnish us copies of your Certificate of Insurance or other evidence of your maintaining this coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Business on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

Andrew Cimerman, our President and Chief Executive Officer, is the sole shareholder of Moventag Inc., an online virtual home and relocation service provider platform, and Mr. Cimerman owns shares in Reallium. You may elect to purchase services for your Business from these service providers, but you are not required to do so. However, we encourage you to refer your clients to Moventag Inc. Except for these entities, there are no other required or approved suppliers in which one of our officers owns an interest.

We may occasionally receive rebates from our approved suppliers of print products. The rebates may be a flat fee amount up to $5,000 or a percentage of franchise purchases (ranging from 1% to 10%). During the fiscal year ended December 31, 2025, neither we nor our affiliates derived any revenue from suppliers based on the sale of products or services to our franchisees. However, we and our affiliates may do so in the future.

Except as described above, neither we nor any of our affiliates are currently an approved or the only supplier of any products or services (but we and our affiliates are not prohibited from being a supplier). During the fiscal year ended December 31, 2025, neither we nor our affiliates received any revenue from franchisees for required purchases or leases by franchisees.

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 Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Section 2.A of Franchise Agreement	Items 7 and 11
(b) Pre-opening purchases/leases	Section 2.C of Franchise Agreement	Items 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 2.B of Franchise Agreement	Items 6, 7 and 11
(d) Initial and ongoing training	Sections 4.A and 4.B of Franchise Agreement	Item 11
(e) Opening	Section 2.D of Franchise Agreement	Item 11

Obligation		Section in Agreement	Disclosure Document Item
(f)	Fees	Section 3 of Franchise Agreement; Section 3 and Schedule A of Computer Software Licensing Agreement	Items 5, 6 and 7
(g)	Compliance with standards and policies/Operations Manual	Sections 4.C and 8.G of Franchise Agreement	Items 8 and 11
(h)	Trademarks and proprietary information	Sections 5 and 6 of Franchise Agreement	Item 13 and 14
(i)	Restrictions on products/ services offered	Sections 8.B and 8.D of Franchise Agreement	Items 8, 11 and 16
(j)	Warranty and customer service requirements	Not Applicable	Not Applicable
(k)	Territorial development and sales quotas	Not applicable	Item 12
(l)	Ongoing product/service purchases	Section 8.D of Franchise Agreement	Item 8
(m)	Maintenance, appearance and remodeling requirements	Sections 8.A and 8.G of Franchise Agreement	Item 11
(n)	Insurance	Section 8.F of Franchise Agreement	Items 7 and 8
(o)	Advertising	Section 9 of Franchise Agreement	Items 6 and 11
(p)	Indemnification	Section 16.D of Franchise Agreement; Section 7 of Computer Software Licensing Agreement	Item 6
(q)	Owner's participation/ management/staffing	Section 8.C of Franchise Agreement	Items 11 and 15
(r)	Records and reports	Section 10 and Exhibit C-2 of Franchise Agreement	Not Applicable
(s)	Inspections and audits	Section 11 of Franchise Agreement	Not Applicable
(t)	Transfer	Section 12 of Franchise Agreement	Item 17
(u)	Renewal	Section 13 of Franchise Agreement	Items 6 and 17
(v)	Post-termination obligations	Section 15 of Franchise Agreement	Item 17
(w)	Non-competition covenants	Sections 7 and 15.D of Franchise Agreement	Item 17
(x)	Dispute resolution	Section 17 of Franchise Agreement	Item 17

ITEM 10

FINANCING

Except as described below, we do not offer direct or indirect financing arrangements. We do not guarantee your note, lease, or other obligations.

Under some circumstances we may permit a franchisee to pay the initial franchise fee over a period of time not exceeding 6 months, by way of monthly, bi-monthly or quarterly installments. If we finance a portion of the initial franchise fee, you will sign a promissory note substantially in the form contained in Exhibit C (the "Initial Franchise Fee Promissory Note"). If we decide to allow you to pay the initial franchise fee in installments, we will not charge interest on the outstanding principal unless you fail to make an installment payment when due, in which case we may require you to pay us interest on the outstanding balance at a rate equal to the lesser of 18% per annum or the highest commercial contract interest rate the law allows. The payments made under the Initial Franchise Fee Promissory Note are non-refundable. The down payment, monthly, bi-monthly or quarterly installment payments and term will be subject to negotiation. If you are a corporation, limited liability company, partnership, or other legal entity, your owners must guarantee your obligations under the Initial Franchise Fee Promissory Note. We do not impose a pre-payment penalty; however, there are no refunds of interest paid, which may, in effect, result in a prepayment penalty. If you breach the Initial Franchise Fee Promissory Note, all principal and accrued interest payments are accelerated, and you are obligated to pay immediately the entire amount due and any court costs and attorney's fees if a collection action is necessary. In addition, we may terminate the Franchise Agreement upon your breach of the Initial Franchise Fee Promissory Note. Under the Initial Franchise Fee Promissory Note, you waive various rights and defenses, including your rights to diligence, demand, and presentment for payment, notice of nonpayment, protest, and notice of amendments or modifications. You also waive any defense under the statute of limitations and allow that a confessed judgment may be taken against you. We do not intend, but are not prohibited from, selling or assigning the Initial Franchise Fee Promissory Note to a third party. However, if we did sell or assign the Initial Franchise Fee Promissory Note to a third party, you may lose all your defenses against us as a result of the sale or assignment.

ITEM 11

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

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

Before you open your Business, we (or a third party designated by us) will provide you the following assistance:

1. Approve proposed site for your office. (Section 2.A of Franchise Agreement)

2. Provide initial training for your Designated Manager (as defined in Item 15) and your Sales Representatives. (Section 4 of Franchise Agreement)

3. Provide you access to our Operations Manual (as defined below). (Section 4.C of the Franchise Agreement)

4. Provide specifications for all required equipment (including computer system), furniture, fixtures and signs. (Sections 2.B and 2.C of the Franchise Agreement)

During the operation of your Business, we (or a third party designated by us) will provide you the following assistance:

1. Provide your Designated Manager or previously trained Sales Representatives with additional training at the times and locations that we designate. If you have a new Designated Manager, we will provide the new designated manager with an initial training program at our then-current fee. (Section 4.A of the Franchise Agreement)

2. Administer a National Advertising and Promotional Fund. (See "National Advertising and Promotional" below). (Section 9.A of the Franchise Agreement)

3. Provide you access to our Operations Manual (as defined below). (Section 4.C of the Franchise Agreement)

4. Advise you from time to time, as we deem necessary, concerning the operation of your Business. (Section 4.B of the Franchise Agreement)

5. Approve or disapprove advertising materials you submit to us. (Section 9.B of the Franchise Agreement)

6. Provide you with a list of approved and recommended vendors and suppliers for products and services. We do not deliver or install these items. (Section 8.D of the Franchise Agreement)

Advertising and Promotion

As one of our franchisees, you have access to a wide range of marketing programs and materials designed to build name awareness and promote the services provided by your Business. These marketing programs and materials are funded by the National Advertising and Promotional Fund.

National Advertising and Promotional Fund

We will administer an advertising fund for HomeLife® (the "National Advertising and Promotional Fund") to develop advertising, marketing, and public relations programs and materials for HomeLife® Businesses. You must contribute to the National Advertising and Promotional Fund. The amount you must contribute depends on whether you have elected the Flat-

Fee Option or the Percentage Fee Option. If you have elected the Flat-Fee Option, you will contribute a monthly amount that varies based on the number of Sales Representatives registered with your Business and that is calculated by taking the sum of: (a) $50; plus (b) the product of $25 multiplied by the number of Sales Representatives registered with your Business. However, even if you have more than 100 Sales Representatives registered with your Business, we cap the number of Sales Representatives used in calculating your contribution to the National Advertising and Promotional Fund at 100, so the maximum amount you will be required to contribute to the National Advertising and Promotional Fund is $2,550 per month. If you have elected the Percentage Fee Option, you must contribute 1% of the Gross Revenue of your Business for the first $1,000,000 in Gross Revenue generated in a given calendar year. No further contributions are required after you obtain $1,000,000 in Gross Revenue in a given calendar year. Neither we nor our affiliates currently operate any HomeLife® Businesses. However, any HomeLife® Business that we or our affiliates may own in the United States or elsewhere may not contribute to the National Advertising and Promotional Fund on the same percentage basis as franchisees.

We will direct all programs that the National Advertising and Promotional Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The National Advertising and Promotional Fund may pay for preparing and producing video, audio, and written materials and electronic, virtual, or digital media for various forms of media (including, without limitation, television, radio, magazines, newspapers, direct mail, and email); developing, implementing, and maintaining a franchise system website and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, advertising for solicitation of new franchisees and sales representatives; purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; conducting market research; conducting social media campaigns; online lead generation; referral programs; real estate listing enhancement costs and subsidies; listing distribution arrangements; regional and national Franchise System events and related activities; social media development and training; awards; lead management system development, maintenance, and updates; customer loyalty programs; brand extension, development, and marketing; agent recruiting initiatives; and supporting public relations, market research, direct sales tools, websites, and other advertising, promotion, and marketing activities. However, we will not use over 20% of the National Advertising and Promotional Fund on advertising that is principally a solicitation of the sale of franchises.

We will account for the National Advertising and Promotional Fund separately from our other funds and not use the National Advertising and Promotional Fund for any of our general operating expenses. However, we may use the National Advertising and Promotional Fund to pay the reasonable salaries and benefits of personnel who manage and administer the National Advertising and Promotional Fund, the National Advertising and Promotional Fund's other administrative costs, travel expenses of personnel while they are on Advertising Fund business, meeting costs, overhead relating to National Advertising and Promotional Fund business, and other expenses that we incur in activities reasonably related to administering or directing such National Advertising and Promotional Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for National Advertising and Promotional Fund Contributions.

The National Advertising and Promotional Fund will not be our asset. The National Advertising and Promotional Fund is not a trust. We do not owe any fiduciary obligation to you for administering the National Advertising and Promotional Fund or any other reason. We will hold all National Advertising and Promotional Fund Contributions for the benefit of the contributors and use contributions for the purposes described in this Subsection. The National Advertising and Promotional Fund may spend in any fiscal year more or less than the total National Advertising and Promotional Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on the National Advertising and Promotional Fund Contributions to pay costs before using the National Advertising and Promotional Fund's other assets. We will prepare an annual, unaudited statement of National Advertising and Promotional Fund collections and expenses and give you the statement upon written request. We may have the National Advertising and Promotional Fund audited annually, at the National Advertising and Promotional Fund's expense, by an independent certified public accountant. We may incorporate the National Advertising and Promotional Fund or operate it through a separate entity whenever we deem appropriate.

We intend for the National Advertising and Promotional Fund to maximize recognition of the Marks and patronage of HomeLife® Businesses contributing to the National Advertising and Promotional Fund. Although we will try to use the National Advertising and Promotional Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all HomeLife® Businesses contributing to the National Advertising and Promotional Fund, we need not ensure that National Advertising and Promotional Fund expenditures in or affecting any geographic area are proportionate or equivalent to National Advertising and Promotional Fund Contributions by HomeLife® Businesses operating in that geographic area or that any Business benefits directly or in proportion to its National Advertising and Promotional Fund Contributions from the development of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Advertising and Promotional Fund Contributions at the National Advertising and Promotional Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the National Advertising and Promotional Fund.

We may at any time defer or reduce contributions of a HomeLife® Business franchise owner and, upon 30 days' prior notice to you, reduce or suspend National Advertising and Promotional Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the National Advertising and Promotional Fund. If we terminate the National Advertising and Promotional Fund, we will, at our option, either spend the remaining National Advertising and Promotional Fund Contributions or distribute all unspent monies to our franchise owners who are then contributing to the National Advertising and Promotional Fund, and to us and our affiliates, in proportion to their, and our, respective National Advertising and Promotional Fund Contributions during the preceding 12-month period.

We have not previously collected contributions toward a National Advertising and Promotional Fund from franchisees. Therefore, during our fiscal year ended December 31, 2025, no contributions were spent toward media placement, production, or administrative expenses.

Other Advertising Obligations

We recognize that in today's market advertising is vitally important to the real estate industry. Whether advertising properties for sale, generating leads or recruiting salespeople it is of great importance that you utilize traditional advertising and social media to promote your business.

You must promote your Business by spending, in addition to the National Advertising and Promotional Fund Contributions, on local advertising, marketing, and promotions within the area reasonably surrounding the Location (or within the area where you operate your Business if you operate the HomeLife Hop-On™ Program) an amount you reasonably determine as necessary to promote your Business. We do not specify an amount you are required to spend, but in our experience most franchisees spend up to approximately $2,500 per month on local advertising. We do not collect the amount you must spend on local advertising, but we may require you to provide us a report documenting all of your local advertising expenses. We also require you, as part of your local advertising obligation, to use an online lead generation service of your choosing, which we estimate will cost between $50 to $100 per month.

You must advertise your Business in Yellow Pages telephone directories in your area and in other business directories that we specify. You must pay the cost of these advertisements. You must obtain our approval of your advertising, marketing and promotional materials, which we have not previously approved. You may not use any advertising, marketing or promotional materials that we have disapproved, and that do not include copyright, trademark or other notices we designate in writing. You must provide us with samples of your direct mail pieces, marketing, advertising and promotional materials prior to use. Although the Franchise Agreement does not require us to respond within a certain time period to requests for advertising or website approval, we will typically respond within 15 days of your submission.

You must establish a Website at your sole expense that mentions or describes you or your Business or displays any of the Marks (the "Approved Website"). TechPack includes a module that provides an Approved Website, and if you elect to use this module of TechPack, you will have satisfied the requirement of establishing an Approved Website (but you are not prohibited from creating another website for your business so long as it meets the standards that we establish). You may not register any internet domain names that include any of our Marks, including the "HomeLife® name, except that you may register a domain name that includes the "HomeLife®" name if it is part of the name that we approve for your business. We will have final approval right over all content of the Approved Website and all links contained in the Approved Website. You must also provide a link to the Franchise System Website (defined below) on your Approved Website. We may terminate your right to maintain an Approved Website at any time and require you to maintain a webpage on the Franchise System Website.

We have established a Website to advertise, market and promote HomeLife® Businesses, the products and services that they offer and sell, and/or the HomeLife® Business franchise opportunity (a "Franchise System Website"). We will maintain the Franchise System Website and may use the National Advertising and Promotional Fund's assets to develop, maintain, and update the Franchise System Website. You also must pay the Website Fee for the Franchise System Website. Our current Website Fee is $300 per year, and we may increase the Website Fee in our discretion upon notice to you. We periodically may update and modify the Franchise System

Website (including your webpage). You acknowledge that we have final approval rights over all information on the Franchise System Website (including your webpage). You will require each Sales Representative at your Business to have a website and you will provide us with the email addresses for all Sales Representatives.

You must join the local multiple listing services that encompasses the geographic area surrounding the Location (or within the area where you operate your Business if you operate the HomeLife Hop-On™ Program) and remain a member in good standing of such MLS throughout the term of this Agreement. You must ensure that each of your Sales Representatives, whether they are your employees or independent contractors, also satisfy this requirement.

The franchise agreement does not obligate you to participate in a local or regional advertising cooperative. There currently are no formal franchisee advertising councils that advise us on advertising and marketing policies and programs.

Computers – Hardware and Software

We currently do not require you to buy or use an electronic cash register or specific computer hardware. However, we may require you to obtain and use specified computer hardware and/or software during the term of the Franchise Agreement. Within 90 days after you receive notice from us, you agree to obtain the computer hardware or software that we designate. There are no contractual limitations on the frequency or cost of this obligation.

You must sign a Computer Software Licensing Agreement with us. Under the Computer Software Licensing Agreement, you receive access to TechPack, which is an internet-based software platform incorporating various third-party software programs covering marketing, advertising, and other technology services. The current form of Computer Software Licensing Agreement is attached as Exhibit D to the Franchise Agreement. The cost of licensing this software platform is $64.99 per month plus $39.99 per month for each Sales Representative registered with your office who elects to use the software platform. You may also elect to receive certain technology services we may periodically offer at our then-current fee for such services. Other than signing the Computer Software Licensing Agreement, we currently do not require you to use any designated software vendors to obtain any other software we require or recommend, but we may do so in the future.

We do not currently have independent access to information stored on your computer system, but we may do so in the future.

Operations Manual

We will provide guidance through manuals, audiotapes, video tapes, compact discs, computer software, information available on an internet site, other electronic, virtual, or digital media, and/or written materials, including the Operations Manual (the "Operations Manual"), which may include one or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available on an internet site, other electronic, virtual, or digital media, and/or written materials. We will provide you with a copy of the Operations Manual, at our

option, either in the form of a hard copy or electronically online. There are 60 pages in our current Operations Manual. See Exhibit G for the Table of Contents to the Operations Manual.

Site Selection

Unless you sign the HomeLife Hop-On™ Addendum, you must obtain and maintain a site acceptable to us for your Business. Your location must be at least 800 square feet. If you sign the HomeLife Hop-On™ Addendum, you do not need to acquire an office.

We will consult with you on a site, which we will approve or disapprove based on factors such as business count, traffic count, accessibility, parking, visibility and competition. We do not typically own the site for your Business. We do not assist in conforming your site to local ordinances and building codes or in the construction, remodeling, or decorating of your site. When you have given us all the necessary information on the site you have selected, we generally will approve or disapprove the site within 30 days. While there is not a specific deadline by which you must identify or obtain approval of your site, you must open your Business upon the earlier of 90 days after you sign your lease for the site or 180 days after you sign the Franchise Agreement. If you cannot select a site we approve and open your Business within the time period required under the Franchise Agreement, we may terminate the Franchise Agreement. You may not relocate without our prior written consent. In considering a request for relocation, we will condition our consent on factors such as the proximity of any other HomeLife® Businesses, business count, traffic count, accessibility, parking, visibility and competition.

Opening of Your Business

You typically will open your Business approximately 120 days after you sign the Franchise Agreement. However, if you sign the HomeLife Hop-On™ Addendum, this period will be reduced to approximately 4 to 6 weeks after you sign the Franchise Agreement. Factors that affect this time include obtaining a satisfactory site, lease negotiations, local ordinances, delivery and installation of equipment, and renovation of the premises. You must open your Business within 180 days after the effective date of the Franchise Agreement (or 90 days if you have signed the HomeLife Hop-On™ Addendum). If you fail to open your Business within this time period, we may terminate the Franchise Agreement and retain the entire franchise fee. We do not provide assistance in hiring employees for your Business.

Training

We will provide an initial training program for your Designated Manager on the material aspects of operating a HomeLife® Business. Your Sales Representatives must also attend this initial training program at the same time as your Designated Manager. Currently, our initial training program lasts 2 to 3 days (although the specific number of days depends on our opinion of your Designated Manager's and Sales Representatives' experience and needs) and takes place at our principal office, at a designated training facility of our choice, or online. Your Designated Manager must complete initial training to our satisfaction within 10 months after the effective date of the Franchise Agreement. If we determine that your Designated Manager cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement. We do not assess you a fee for the first time we provide initial training, but you will be responsible for your Designated

Manager's and Sales Representatives' travel and living expenses, wages and workers' compensation insurance while attending initial training. We may choose to offer this training and assistance online, which may save you time and travel and living expenses.

Your Designated Manager may request additional training at the end of the initial training program, to be provided at our then current per diem charges, if your Designated Manager does not feel sufficiently trained in the operation of a HomeLife® Business. We and you will jointly determine the duration of this additional training. However, if your Designated Manager completes our initial training program to our satisfaction and has not expressly informed us in writing at the end of that program that he or she does not feel sufficiently trained in the operation of a HomeLife® Business, then you will be deemed to have been trained sufficiently to operate a HomeLife® Business.

We may require your Designated Manager and/or previously trained Sales Representatives to attend and complete to our satisfaction various training courses that we periodically choose to provide at the times and locations that we designate. We will not require attendance at more than 2 such courses, or for more than a total of 3 business days, during a calendar year. Besides attending these courses, you agree to attend an annual meeting of all Business franchise owners at a location we designate. Attendance will not be required for more than 5 days during any calendar year. You must pay all costs to attend, including our then-current registration fee, which is currently $295 per attendee.

If you have a new Designated Manager or hire additional Sales Representatives during the term of your Franchise Agreement, the new Designated Manager and Sales Representatives must complete our then current initial training program to our satisfaction. Though we do not currently charge any additional fee for training new trainees, we may do so in the future. You also must pay all travel and living expenses which your Designated Manager or additional Sales Representatives incurs during all training courses and programs.

As of the date of this disclosure document, we provide the following initial training:

TRAINING PROGRAM

Subject[1, 2, 3]	Hours of Classroom Training	Hours of On-the-Job Training	Location
5 Star Management Series Training	6 to 9 hours	None	Our principal office in Newport Beach, California, at a designated training facility of our choice or online
5 Star Higher Standards Certification Course	3 hours	None	Our principal office in Newport Beach, California, at a designated training facility of our choice or online

Explanatory Notes

1. There are no definitive starting and stopping times for when the sessions will begin and end. We will schedule the time to conduct a training session on an as-needed basis.

2. These training courses are conducted by Gabrielle Jeans who has 8 years of experience with us and over 50 years of experience in the subject matters taught. Occasionally, other guest speakers may make appearances at the training programs, either in person and/or on our webinars, to provide real estate education and/or to provide information about various services and programs offered occasionally by us. For example, some speakers may be existing franchisees or other industry experts.

3. We use various handouts as our principal instructional materials. We also maintain a list of qualified persons, unaffiliated with us, who provide training in various businesses and real estate related areas. Use of any of the persons is entirely at your discretion and their cost will vary. In addition to initial training, we offer HomeLife® University as ongoing training and make it available to you and your Sales Representatives in person for a fee (currently, $59 to $249 per course) or online for no fee.

ITEM 12

TERRITORY

Franchise Agreement

Unless you sign the HomeLife Hop-On™ Addendum, you may operate your Business only at a specific location which we approve. If you sign the HomeLife Hop-On™ Addendum, you will operate your Business virtually and will not be obligated to obtain a physical office.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

HomeLife® Businesses are free to advertise, solicit and accept orders from any customers regardless of the HomeLife® Businesses's location. There are no limitations on your ability to solicit customers in any location. There are no restrictions on your solicitation or accepting of orders through any alternative channel of distribution (such as the Internet), catalog sales, telemarketing, or other direct marketing, except that, with respect to the Internet, you may only engage in promotional or similar activities through the Approved Website.

We and our affiliates reserve the right to:

(1) establish and operate, and allow others to establish and operate, other HomeLife® Businesses and other real estate brokerage businesses using the Marks at any location and on such terms and conditions as we deem appropriate;

(2) establish and operate, and allow others to establish and operate, real estate brokerage businesses for commercial real estate only using the Marks and the Franchise System, at any location and on such terms and conditions we deem appropriate;

(3) establish and operate, and allow others to establish and operate real estate brokerage businesses, located anywhere, that may offer products and services which are identical or similar to products and services offered by HomeLife® Businesses, under other trade names, trademarks, service marks and commercial symbols different from the Marks, and on any terms and conditions we deem appropriate;

(4) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, the internet), wherever located or operating regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from the HomeLife® Businesses, and that sell products and/or services that are identical or similar to, and/or competitive with, those that the HomeLife® Businesses customarily sell under any terms and conditions we deem appropriate;

(5) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at HomeLife® Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

(6) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at HomeLife® Businesses, or by another business; and

(7) engage in all other activities not expressly prohibited by the Franchise Agreement.

We are not required to pay you if we exercise any of the rights specified above. You may not relocate your office to a new location without our prior written consent. In considering a request for relocation, we will condition our consent on factors such as the proximity of any other HomeLife® Businesses, business count, traffic count, accessibility, parking, visibility and competition.

Under the terms of the Franchise Agreement, if you wish to establish an additional location from which your Business will be conducted, and you satisfy our then-current criteria to obtain an additional location, then we may grant you the right to operate a franchise from an additional location for a reduced initial franchise fee of $5,000.

Except as described above, the Franchise Agreement does not give you any right of first refusal or similar rights to acquire additional franchises within any given area.

Affiliate that Offers Franchises for Real Estate Brokerage

Our affiliate, Realty World®, has been offering franchises for real estate brokerage businesses using the Realty World® trademark from June 2000 to the present. Our affiliate, Red Carpet®, offered franchises for real estate brokerage businesses from July 2008 through 2011 and it intends to begin offering franchises again in the next fiscal year. Realty World® and Red Carpet® each has its principal business address at 1101 Dove Street, Suite 228, Newport Beach, California 92660. Realty World® and Red Carpet® franchisees may operate within the area surrounding your Location. We have no obligation to resolve conflicts between Realty World® or Red Carpet® franchisees and HomeLife® franchisees with respect to territory, customers, or franchisor support. Our principal business address is at the same street address as Realty World® and Red Carpet®, but we are located within a separate suite at such address. Other than maintaining a separate suite, we do not have any other plans to maintain physically separate offices and training facilities for these similar businesses.

ITEM 13

TRADEMARKS

Under the terms of the Franchise Agreement, we grant you the non-exclusive right to operate a HomeLife® Business under the Marks. You may not use any of the Marks as part of your firm or corporate name. However, you may file a d/b/a using the Marks in your d/b/a name. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of your Business or any interest in the franchise. We claim ownership of the following Marks, which are, as set forth below, filed or registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Serial No.	Filing Date	Registration No.	Registration Date
	86663045	June 15, 2015	4,907,817	March 1, 2016
HOMELIFE	97169725	December 13, 2021	6,948,835	January 10, 2023
	90110017	August 12, 2020	6,709,381	April 26, 2022
HOMELIFE HOP-ON	90507674	February 3, 2021	7,287,720	January 23, 2024
HOMELIFE ICI	97185217	December 22, 2021	7,644,857	January 7, 2025

For each registration noted above, all required affidavits and renewals have been filed.

If you sign the HomeLife Hop-On™ Addendum, you will be authorized to use the "HomeLife Hop-On™" Mark in connection with the operation of your Business.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings, material litigation, or currently effective agreements involving the Marks which are relevant to their use by our franchisees. We do not know of any superior prior rights in the Marks. We do not know of any infringing uses of the Marks that could materially affect your use of the Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of any of the Marks. We may take the action we think appropriate, which may include taking no action, and we will control any litigation or administrative proceeding.

If we decide to modify or discontinue use of any of the Marks or to use one or more additional or substitute Marks, you must follow our directions to modify or discontinue use of the Marks or to use one or more additional or substitute Marks within a reasonable time after notice. We need not reimburse you for your direct expenses of changing your Businesses signs or other materials, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

We are not required to indemnify you for any costs that you incur in defending the claim brought against you or any proceeding where you are named as a party because of your authorized and proper use of the Marks. We may defend and control the defense of any proceeding from your use of any of the Marks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or pending patent applications which are material to the franchise.

We have not obtained any copyright registration that is material to the franchise. However, we claim common copyright law rights protection for our Operations Manual, brochures and marketing materials and similar items. You may use these items only as we specify while operating your franchise and must stop using them if we so direct you. Neither you nor your Sales Representatives may reproduce these materials or adapt them for use on any internet or other computer network without our approval.

There are no determinations of the U.S. Copyright Office or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees. No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights, although we intend to do so. We do not know of any infringing uses of or superior rights in our copyrighted materials.

We will disclose certain information of ours, and our affiliates that is confidential, proprietary, and considered part of our trade secrets in which we claim a valid economic interest as a result of our investment and research efforts to develop such information. We may further disclose to you certain information that is confidential and proprietary that may be acquired by us through a licensing agreement. The confidential, proprietary, and trade secret information may be part of the products, services, and programs we offer. Such confidential, proprietary, or trade secret information may include financial, business information patterns, plans, compilations, program devices, formulas, designs, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing.

Except as necessary, in connection with the operation of your Business and as we approve, during the term or at any time after the expiration or termination of the Franchise Agreement, you may not directly or indirectly use for your own benefit or communicate or divulge to, or use for the benefit of, any other person or entity, any confidential, proprietary, or trade secrets that you acquired during the existence of the your relationship with us. Some of our affiliates may use and offer similar proprietary confidential or trade secret information under special licensing agreements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require that you personally supervise your Business or attend training. Your Business must be managed by a "Designated Manager," who will be the point of contact between us and your Business. Your Designated Manager need not have an ownership interest in you if you are a legal entity, and we place no restrictions on your ability to choose managers. Your Designated Manager must complete initial training to our satisfaction. You are obligated to make sure that your Designated Manager and anyone else with access to our confidential information not disclose that confidential information.

Because every state requires that a real estate brokerage be directly supervised by a broker of record who meets its real estate licensing requirements, you must designate a broker of record. You must identify your broker of record in the Franchise Agreement and you must notify us of any change. We place no limitations on who you designate as your broker of record if this broker of record meets the licensing requirements applicable to your Business, and he or she may be you, one of your owners, a manager or an employee.

If you are a corporation, limited liability company, partnership or other legal entity, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations of the Franchise Agreement and all other agreements related to your Business. Each owner's spouse must consent to the owner's execution of the guaranty, acknowledging that the marital assets are at risk under the guaranty.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not use your Business or the premises of your Business for any purpose other than the operation of a Business in compliance with the Franchise Agreement. You may not offer any products or services that we have not approved. You must offer all products and services that we require to be offered at your Business. We may establish and operate the Referral Service described in Item 6, and if we do so, you must agree to participate in the Referral Service. We may change the types of products and services required to be offered at your Business on reasonable written notice to you. There are no limits on our right to do so. We do not restrict the customers to whom you may sell approved products and services. If you enter the Franchise Agreement under the HomeLife ICI™ model, it is expected that the client base of your Business will be comprised of at least 70% commercial and industrial properties, with the remainder being comprised of residential brokerage.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTIONS

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 or Other Agreements	Summary
(a) Length of the franchise term	Section 1.D	5, 7, 10, 15, or 20-year term (at your discretion)
(b) Renewal or extension of the term	Section 13	If you are in full compliance, you may acquire one successor franchise on our then-current terms (which may be materially different from existing terms) for of 5, 7, 10, 15 or 20 years (at your discretion).

Provision	Section in Franchise or Other Agreements	Summary
(c) Requirements for franchisee to renew or extend	Section 13	Give us timely notice; maintain possession of your Businesses' premises or find acceptable suitable premises; remodel your Business according to our then-current standards (regardless of cost); pay a renewal fee and sign new franchise agreement and other documents we use to grant franchises. Under the Franchise Agreement, "renewal" means one single additional term for a period of 5, 7, 10, 15 or 20 years (at your discretion). In connection with any renewal and provided you have substantially complied with the Franchise Agreement, you must execute our then-current form of franchise agreement, which may provide materially different terms and conditions than your original franchise agreement, such as different fee requirements and renewal rights, refurbish or relocate your Business as needed, and pay renewal fee.
(d) Termination by franchisee	Not applicable	You may not terminate the Franchise Agreement (subject to state law)
(e) Termination by franchisor without cause	Not applicable	We may not terminate the Franchise Agreement
(f) Termination by franchisor with cause	Section 14	We may terminate only if you or your owners commit one of several violations
(g) "Cause" defined – curable defaults	Section 14	Under Franchise Agreement, you have 10 days to cure monetary defaults and failure to maintain insurance; 30 days to cure operational defaults and other defaults not listed in (h) below; and 90 days to relocate your Business to a new site if you lose possession of the premises

Provision	Section in Franchise or Other Agreements	Summary
(h) "Cause" defined – non-curable defaults	Section 14	Non-curable defaults under Franchise Agreement include failure to open your Business within 180 days after the Franchise Agreement's effective date (90 days under the HomeLife Hop-On™ Addendum); failure to complete training within 10 months of opening; abandonment; unapproved transfers of your Business; material misrepresentations or omissions; conviction of a felony; dishonest or unethical conduct; unauthorized use of the Operations Manual or other confidential information; failure to pay taxes; understating Gross Revenues; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; failure to comply with anti-terrorism laws; suspension or revocation of real estate license; receiving more than two notices that you have acted inappropriately or abusively towards us, other franchisees, or customers; failure to comply with third-party obligations in connection with your Business (including, failure to pay any amounts when due); and failure to comply with other agreements with us or our affiliates and failure to correct within applicable cure period, if any
(i) Franchisee's obligations on termination/non-renewal	Section 15	Obligations include paying outstanding amounts; complete de-identification; assigning telephone and other numbers; and returning confidential information (also see (r) below)
(j) Assignment of contract by franchisor	Section 12.A	No restriction on our right to assign; we may assign without your approval
(k) "Transfer" by franchisee – defined	Section 12.B	Includes transfer (or attempted transfer) of Franchise Agreement, sales of your Business's assets, transfer of ownership interest in you or your owners, and/or any transfer, surrender, loss of possession or control, or management of your Business
(l) Franchisor's approval of transfer by franchisee	Section 12.B	No transfer without our prior written consent

Provision	Section in Franchise or Other Agreements	Summary
(m) Conditions for franchisor approval of transfer	Section 12.C	New franchise owner qualifies; you pay us, our affiliates, and third-party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; you provide all information and documents we request regarding the proposed transfer, the transferee, and its owners; new franchise owner (and its owners and affiliates) are not in a competitive business; training completed; lease transferred; transferee agrees to upgrade and remodel your Business according to our specifications, if necessary, within 45 days after transfer's effective date; you or your transferee signs our then-current franchise agreement and other documents; transfer fee paid; we approve purchase price and payment terms; you subordinate amounts due to you; you de-identify; and you sign release (if law allows) (also see (r) below). Our current form of general release is attached as Exhibit I.
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 12.F	We may match any offer for your Business or an ownership interest in you
(o) Franchisor's option to purchase franchisee's business	Not applicable	
(p) Death or disability of franchisee	Section 12.E	Assignment of franchise or an ownership interest in you to approved party within 9 months; we may manage your Business if there is no qualified Designated Manager approved by us
(q) Non-competition covenants during the term of the franchise	Section 7	No diverting business; no ownership interest in, or performing services for, a competitive business anywhere. A "competitive business" means (i) any real estate brokerage business, or (ii) any business granting franchises or licenses to others to operate real estate brokerage businesses (other than a Business operated under a franchise agreement with us). (subject to state law)

Provision	Section in Franchise or Other Agreements	Summary
(r) Non-competitions covenants after the franchise is terminated or expires	Section 15.D	Upon expiration or termination of the Franchise Agreement, you and your owners may not have direct or indirect ownership interest in any competitive real estate business within a 25-mile radius of your Business for 2 years after expiration or termination of the Franchise Agreement (subject to state law)
(s) Modification of the agreement	Section 17.K Sections 1(b) and 11(g) of Computer Software Licensing Agreement	No modifications except in writing, but we may change the Operations Manual and System Standards We may change third-party software providers in our discretion. Further, the third-party providers may alter their software without any warning to us and/or you. Otherwise, no modifications unless in writing signed by both parties.
(t) Integration/merger clause	Section 17.N Section 11(g) of Computer Software Licensing Agreement	Only the terms of the Franchise Agreement (including System Standards in the Operations Manual) are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in the Disclosure Document. Agreement constitutes the entire understanding of the parties, and revokes and supersedes all prior agreements between the parties with respect to the subject matter therein.

Provision	Section in Franchise or Other Agreements	Summary
(u) Dispute resolution by arbitration or mediation	Section 17.E	Except where necessary to obtain equitable relief, you and we agree to mediate any disputes prior to or contemporaneously with the initiation of legal action or arbitration. We and you must submit certain disputes for binding arbitration. Mediation must occur in Orange County, California. Arbitration must occur within 50 miles of our then-current principal place of business (currently, Newport Beach, California).
(v) Choice of forum	Section 17.G	Subject to mediation and arbitration requirement and state law, litigation generally must be in courts nearest our then-current principal place of business (currently, Newport Beach, California)
(w) Choice of law	Section 17.F	Except for federal laws in the U.S., laws of that state in which Business is located (subject to state law).

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit J.

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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 representations 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 Andrew Cimerman, HomeLife International Inc., 1101 Dove Street, Suite 235 Newport Beach, California 92660, 1-800-668-0186, homelifeus@homelifeus.com, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2023 TO 2025[(1)(2)]

Outlet Type	Year	HomeLife® Businesses at the Start of the Year	HomeLife® Businesses at the End of the Year	Net Change
Franchised	2023	4	4	0
	2024	4	5	+1
	2025	5	5	0
Company Owned or Managed	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	**2023**	**4**	**4**	**0**
	2024	**4**	**5**	**+1**
	2025	**5**	**5**	**0**

(1) The figures in this Table No. 1 and the other tables of this Item 20 are as of December 31 of each year.

(2) The figures in this Table No. 1 and the other tables reflect HomeLife® Businesses under the traditional model. As of December 31, 2025, there were no HomeLife® Businesses operating in the United States under the HomeLife ICI™ model.

TABLE NO. 2

FRANCHISED HOMELIFE® BUSINESSES
TRANSFERS OF HOMELIFE® BUSINESSES FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2023 TO 2025[1]

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	**0**
	2024	**0**
	2025	**0**

TABLE NO. 3

FRANCHISED HOMELIFE® BUSINESSES
STATUS OF FRANCHISED HOMELIFE® BUSINESSES
FOR YEARS 2023 TO 2025

State	Year	HomeLife® Businesses at Start of Year	HomeLife® Businesses Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	HomeLife® Businesses at End of Year[2]
Arizona	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
California	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Virginia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Totals	**2023**	**4**	**0**	**0**	**0**	**0**	**0**	**4**
	2024	**4**	**1**	**0**	**0**	**0**	**0**	**5**
	2025	**5**	**0**	**0**	**0**	**0**	**0**	**5**

TABLE NO. 4

STATUS OF COMPANY-OWNED HOMELIFE® BUSINESSES
FOR YEARS 2023 TO 2025

State	Year	HomeLife® Businesses at Start of Year	HomeLife® Businesses Opened	HomeLife® Businesses Reacquired from Franchisee	HomeLife® Businesses Closed	HomeLife® Businesses Sold to Franchisee	HomeLife® Businesses at End of Year
All States	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

TABLE NO. 5

HOMELIFE® BUSINESSES
PROJECTED FRANCHISE OPENINGS[1]
AS OF DECEMBER 31, 2025

State	Franchise Agreements Signed But HomeLife® Business Not Opened	Projected New Franchised HomeLife® Businesses in the Next Fiscal Year	Projected New Company-Owned HomeLife® Businesses in the Next Fiscal Year
All States	0	0	0
Totals	**0**	**0**	**0**

Exhibit E is a list of our franchisees as of December 31, 2025. Exhibit F is a list of the name, city and state, and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had their franchise agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the fiscal year ended December 31, 2025, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

No franchisees have signed confidentiality clauses during the last three fiscal years. We are not aware of any trademark-specific franchisee organizations associated with our franchise system.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements for the fiscal years ending December 31, 2025, 2024, and 2023 are attached as Exhibit D.

ITEM 22

CONTRACTS

The following contracts are exhibits to this disclosure document:

Exhibit B	Franchise Agreement (including Computer Software Licensing Agreement)
Exhibit B-1	HomeLife Hop-On™ Program Addendum
Exhibit B-2	Boutique Conversion Program Addendum
Exhibit H	Disclosure Acknowledgment Statement
Exhibit I	Sample General Release
Exhibit J	State Riders to the Franchise Agreement

ITEM 23

RECEIPTS

Exhibit K contains detachable documents acknowledging your receipt of the disclosure document.

EXHIBIT A

STATE AGENCIES / AGENTS FOR SERVICE OF PROCESS

Listed below are the names, addresses, and telephone numbers of the state agencies having responsibility for each state's franchise disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection & Innovation:
1 (866) 275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104-4428
(415) 972-8565

HAWAII

Business Registration Division
Securities Compliance Branch
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building, 5th Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 335-7567

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

(agent for service of process)

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

New York

(state administrator)

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

(for service of process)

Secretary of State of New York
99 Washington Avenue
Albany, NY 12231
(518) 473-2492

NORTH DAKOTA

North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Department of Business Services Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
201 West Washington Avenue
Madison, Wisconsin 53703
(608) 266-1064

EXHIBIT B

FRANCHISE AGREEMENT

HOMELIFE INTERNATIONAL INC.

FRANCHISE AGREEMENT

_____
FRANCHISEE

_____
DATE OF AGREEMENT

_____
_____
_____
ADDRESS

Type of Brokerage:

____ Traditional HomeLife brokerage

____ HomeLife ICI brokerage

TABLE OF CONTENTS

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE. 1
   - A. PREAMBLES. 1
   - B. ACKNOWLEDGMENTS. 1
   - C. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP. 2
   - D. GRANT OF FRANCHISE. 2
   - E. ADDITIONAL LOCATION. 3
   - F. NO EXCLUSIVITY AND RESERVATION OF RIGHTS. 3

2. SITE SELECTION, LEASE OF LOCATION, AND DEVELOPMENT AND OPENING OF YOUR BUSINESS. 4
   - A. SITE SELECTION. 4
   - B. BUSINESS DEVELOPMENT. 4
   - C. COMPUTER SYSTEM. 4
   - D. BUSINESS OPENING. 5

3. FEES. 5
   - A. INITIAL FEES. 5
   - B. SUPPORT FEES. 5
   - C. ROYALTY FEES. 5
   - D. NATIONAL ADVERTISING AND PROMOTIONAL FUND CONTRIBUTIONS. 5
   - E. GROSS REVENUE. 5
   - F. SALES REPRESENTATIVE. 6
   - G. LATE PAYMENTS. 6
   - H. INCREASE IN FEES. 6
   - I. METHOD OF PAYMENT AND APPLICATION OF PAYMENTS. 6

4. TRAINING AND ASSISTANCE. 7
   - A. TRAINING. 7
   - B. GENERAL GUIDANCE. 8
   - C. OPERATIONS MANUAL. 8
   - D. DELEGATION OF PERFORMANCE. 9

5. MARKS. 9
   - A. OWNERSHIP AND GOODWILL OF MARKS. 9
   - B. LIMITATIONS ON YOUR USE OF MARKS. 9
   - C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS. 9
   - D. DISCONTINUANCE OF USE OF MARKS. 9

6. CONFIDENTIAL INFORMATION. 10

7. EXCLUSIVE RELATIONSHIP. 11

8. BUSINESS OPERATIONS AND SYSTEM STANDARDS. 11
   - A. CONDITION AND APPEARANCE OF YOUR BUSINESS. 11
   - B. PRODUCTS AND SERVICES YOUR BUSINESS OFFERS. 11
   - C. MANAGEMENT OF YOUR BUSINESS. 11
   - D. APPROVED PRODUCTS, SERVICES, AND SUPPLIERS. 12
   - E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES. 12
   - F. INSURANCE. 13

G. COMPLIANCE WITH SYSTEM STANDARDS. 13
H. AFFILIATED VENDORS. 14
I. MEMBERSHIP IN MULTIPLE LISTING SERVICE; INTERNET DATA EXCHANGE. 14
J. REFERRAL SERVICE PROGRAM. 14

9. ADVERTISING. 14
A. NATIONAL ADVERTISING AND PROMOTIONAL FUND. 14
B. LOCAL ADVERTISING. 16
C. WEBSITES. 16
D. SALES REPRESENTATIVE MARKETING. 17

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS. 18

11. INSPECTIONS AND AUDITS. 19
A. OUR RIGHT TO INSPECT YOUR BUSINESS. 19
B. OUR RIGHT TO AUDIT. 19

12. TRANSFER. 19
A. BY US. 19
B. BY YOU. 19
C. CONDITIONS FOR APPROVAL OF TRANSFER. 20
D. TRANSFER TO A WHOLLY OWNED CORPORATION OR LIMITED LIABILITY COMPANY. 21
E. YOUR DEATH OR DISABILITY. 22
F. OUR RIGHT OF FIRST REFUSAL. 22

13. EXPIRATION OF THIS AGREEMENT. 23
A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE. 23
B. GRANT OF A SUCCESSOR FRANCHISE. 23
C. AGREEMENTS/RELEASES. 24
D. OUR RIGHT TO SOLICIT SALES REPRESENTATIVES. 24

14. TERMINATION OF AGREEMENT. 24

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT. 26
A. PAYMENT OF AMOUNTS OWED TO US. 26
B. DE-IDENTIFICATION. 26
C. CONFIDENTIAL INFORMATION. 27
D. COVENANT NOT TO COMPETE. 27
E. SOLICITATION OF SALES REPRESENTATIVES. 28
F. CONTINUING OBLIGATIONS. 28

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION. 28
A. INDEPENDENT CONTRACTORS. 28
B. NO LIABILITY FOR ACTS OF OTHER PARTY. 28
C. TAXES. 28
D. INDEMNIFICATION. 28

17. ENFORCEMENT. 29
A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS. 29
B. WAIVER OF OBLIGATIONS. 29
C. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US. 30
D. RIGHTS OF PARTIES ARE CUMULATIVE. 30
E. DISPUTE RESOLUTION. 30
F. GOVERNING LAW. 33
G. CONSENT TO JURISDICTION. 33
H. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. 33
I. DAMAGES. 34
J. INJUNCTIVE RELIEF. 34
K. BINDING EFFECT. 34
L. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR. 34
M. EFFECTIVE DATE. 35
N. CONSTRUCTION. 35

18. NOTICES AND PAYMENTS. 36

19. PROHIBITED PARTIES. 36

EXHIBITS

Exhibit A	Ownership and Designated Manager
Exhibit B	Sales Representative Quota
Exhibit C-1	Percentage Fee Basis Plan
Exhibit C-2	Flat-Fee Basis Plan
Exhibit D	Computer Software Licensing Agreement
Exhibit E	Guaranty and Assumption of Obligations

HOMELIFE INTERNATIONAL INC.
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into by and between **HOMELIFE INTERNATIONAL INC.**, a Michigan corporation with its principal business address at 1101 Dove Street, Suite 235, Newport Beach, California 92660 (""us,"), and _____ _____, a/an _____ with its principal business address at _____ ("you"), as of the Effective Date (defined in Section 17.M).

1. **PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.**

A. PREAMBLES.

(1) We have, over a considerable time period and with considerable effort, developed a network of real estate brokerage businesses known as HomeLife® businesses (individually, the "HomeLife® Business" and collectively, "HomeLife® Businesses"). These HomeLife® Businesses have distinctive business formats, marketing plans, methods, systems, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or modify from time to time.

(2) We use, promote, and license certain trademarks, service marks, and other commercial symbols in operating the HomeLife® Businesses, including, without limitation, the HomeLife® mark, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for the HomeLife® Businesses (collectively, the "Marks").

(3) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a HomeLife® Business offering the products and services we authorize and using our business formats, methods, rules, procedures, signs, designs, layouts, standards, specifications, and Marks (the "Franchise System").

(4) You have applied for a franchise to own and operate a HomeLife® Business under the type of brokerage indicated on the cover page of this Agreement (the "Approved Brokerage"). Unless otherwise specified in this Agreement, term Homelife® Business includes HomeLife® Businesses under both the traditional HomeLife brokerage model and the HomeLife ICI brokerage model.

B. ACKNOWLEDGMENTS. You acknowledge:

(1) That you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business a HomeLife® Business conducts may, and probably will, evolve and change over time.

(2) That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us.

(3) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(4) That your execution of this Agreement and your operation of the HomeLife® Business will not violate or constitute a breach of any of your, your affiliates', or your owners' obligations, covenants or agreements to or with any third-party.

C. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP. If you are at any time a corporation, limited liability company, or partnership (each, an "Entity"), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit A** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date and each of your owners during this Agreement's term will execute a Guaranty and Assumption of Obligations, in the form annexed as **Exhibit E** to this Agreement, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us revised **Exhibit A** to reflect any permitted changes in the information that **Exhibit A** now contains;

(4) Your Business will be the only business you operate (although your owners may have other, non-competitive business interests).

D. GRANT OF FRANCHISE. You have applied for a franchise to own and operate a HomeLife® Business under the Approved Brokerage at _____ _____ (the "Location"). (If the Location has not been determined as of the Effective Date, the Location shall be the site selected in accordance with Section 2.A hereof.) Subject to this Agreement's terms, we grant you a franchise (the "Franchise") to operate a HomeLife® Business under the Approved Brokerage ("your Business") and to use the Franchise System in its operation. The term of this Agreement is (check one):

(1) Five (5) years _____;
(2) Seven (7) years _____;
(3) Ten (10) years _____;
(4) Fifteen (15) years _____; or
(5) Twenty (20) years _____,

beginning on the date this Agreement becomes effective pursuant to Section 17.M of this Agreement.

You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Business. You may use the Location only for your Business.

E. ADDITIONAL LOCATION. If at any time during the term of this Agreement, you wish to establish an additional Location from which your Business will be conducted, then, unless such additional Location was established by reason of a relocation of your Business with our prior written consent, you shall enter into our then-current form of franchise agreement (which may have terms that differ materially from the terms of this Agreement) for such additional Location; *provided*, *however*, (1) the initial franchise fee for each such additional Location shall be Five Thousand Dollars ($5,000.00) and (2) you shall maintain a minimum number of Sales Representatives from the additional Location for the purpose of calculating fees payable to us. The right to open any such additional Location shall be subject to our prior written approval, which approval we will not unreasonably withhold. It shall not be unreasonable for us to withhold our approval if you have not fully complied with the terms and conditions of this Agreement.

F. NO EXCLUSIVITY AND RESERVATION OF RIGHTS. We grant you the right to operate your Business at the Location only. You acknowledge and agree that your Sales Representatives must also only operate at the Location. Except pursuant to the provisions of Section 1.E, you have no right to open any additional offices or locations under this Agreement. You acknowledge and agree that this Agreement does not grant you any exclusive or protected territory. You further acknowledge and agree that we (and our affiliates) retain the right at all times during this Agreement's term to engage in any and all activities that we (and they) deem appropriate, wherever and whenever we (and they) desire, and whether or not such activities compete with your Business, including, without limitation, the right to:

(1) establish and operate, and allow others to establish and operate, other HomeLife® Businesses and other real estate brokerage businesses using the Marks and the Franchise System, at any location and on such terms and conditions we deem appropriate;

(2) establish and operate, and allow others to establish and operate, real estate brokerage businesses for commercial real estate only using the Marks and the Franchise System, at any location and on such terms and conditions we deem appropriate;

(3) establish and operate, and allow others to establish and operate real estate brokerage businesses, located anywhere, that may offer products and services which are identical or similar to products and services offered by the HomeLife® Businesses, under other trade names, trademarks, service marks and commercial symbols different from the Marks, and on any terms and conditions we deem appropriate;

(4) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, the Internet), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from the HomeLife® Businesses, and that sell products and/or services that are identical or similar to, and/or competitive with, those that the HomeLife® Businesses customarily sell under any terms and conditions we deem appropriate;

(5) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at HomeLife® Businesses, and

franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

(6) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at HomeLife® Businesses, or by another business; and

(7) engage in all other activities not expressly prohibited by this Agreement.

2. SITE SELECTION, LEASE OF LOCATION, AND DEVELOPMENT AND OPENING OF YOUR BUSINESS.

A. SITE SELECTION. We must approve the Location and you may operate your Business only at the Location. The Location must be at least 800 square feet. Our recommendation or approval of the Location indicates only that we believe that the site meets our then acceptable criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. You acknowledge and agree that your acceptance of the Franchise and selection of the Location are based on your own independent investigation of the suitability of the site for your Business. The lease or sublease for the Location (the "Lease") must contain any terms and provisions which we may require from time to time (although we will not negotiate your Lease). You must provide us with all information and documents we request relating to your Lease prior to execution. You may not relocate your Business without our prior written consent.

B. BUSINESS DEVELOPMENT. Within ninety (90) days after the date you sign a Lease for the Location, you agree at your expense to do the following: (a) construct the front lobby and reception area in accordance to plans and specifications approved by us; (b) decorate your Business in compliance with plans and specifications approved by us; and (c) purchase and install any required Computer System (as defined in Section 2.C below). You agree to place or display at the Location (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve from time to time. Upon our request, you agree to purchase or lease approved brands, types, or models of fixtures and signs containing any of the Marks only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

C. COMPUTER SYSTEM. Notwithstanding anything to the contrary contained herein, upon our request, you agree to obtain and use specified integrated computer hardware and/or software, including an integrated computer-based order-entry system, together with the associated hardware, software, applications, integrations, and related integrations (the "Computer System"). We may modify specifications for, and components of, the Computer System. You also agree to maintain a functioning email address and all specified points of high-speed Internet connection. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within ninety (90) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to

ensure that your Computer System, as modified, is functioning properly and in compliance with all applicable laws.

You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement's term. You must execute the Computer Software Licensing Agreement in the form attached hereto as **Exhibit D**.

Although you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

D. BUSINESS OPENING. You agree not to open your Business until: (1) you pay the initial franchise fee and other amounts then due to us; (2) we have approved your Location; (3) you give us certificates for all required insurance policies; (4) you give us copies of real estate licenses for your Broker of Record (defined in Section 8.C); and (5) we have approved any d/b/a you propose to use for your Business. Subject to your compliance with these conditions, you agree to open your Business for business within one hundred eighty (180) days after the Effective Date.

3. **FEES.**

A. INITIAL FEES. You agree to pay us a nonrecurring and nonrefundable initial franchise fee of $18,000 in the form we specify, which may include by bank check, cashier's check, wire transfer, or electronic funds transfer. The initial franchise fee is due, and fully earned by us, when you sign this Agreement.

B. SUPPORT FEES. You agree to pay us by the twenty-fifth (25th) day of each month, on an ongoing basis, a monthly Support Fee (the "Support Fee") of $225.

C. ROYALTY FEES. You agree to pay us a monthly royalty (the "Royalty Fee"), in the manner provided in Section 3.I below, on or before the twenty-fifth (25th) day of each month in the amount set forth on **Exhibit C-1** (Percentage Fee Basis Plan) or **Exhibit C-2** (Flat-Fee Basis Plan) attached hereto.

D. NATIONAL ADVERTISING AND PROMOTIONAL FUND CONTRIBUTIONS. You agree to pay us a monthly National Advertising and Promotional Fund contribution (the "National Advertising and Promotional Fund Contribution"), in the manner provided in Section 3.I below, on or before the twenty-fifth (25th) day of each month set forth on **Exhibit C-1** (Percentage Fee Basis Plan) or **Exhibit C-2** (Flat Fee Basis Plan) attached hereto.

E. GROSS REVENUE. "Gross Revenue" means all revenues derived from commissions, fees or professional services, both actual or to be imputed, from all transactions of your Sales Representatives whether in cash, commission notes, or any other valuable consideration received in lieu of cash; and shall include revenues from all transactions using the Franchise System involving you, your broker(s), and/or any of your or your broker(s)' officers, directors, shareholders, partners, employees.

Gross Revenue will be computed without deduction for any payment to your brokers, sales managers, Sales Representatives, or employees, payments for any multiple listing fees, insurance, home protection plans, business expenses or taxes, but with deduction for any referral fees paid to any other non-affiliated real estate brokerage firms.

F. SALES REPRESENTATIVE. "Sales Representative" shall mean each person who possesses a real estate license that is affiliated, directly or indirectly, with your Business, including, but not limited to, sales associates, broker associates, brokers, licensed assistants and each broker of record and/or manager. You agree that you and each of your Sales Representatives will join and remain a member in good standing and comply with the by-laws, rules and regulations of a local board of realtors (or comparable organization). You also agree to participate in a board-owned multiple listing service, where available. You and your Sales Representatives must also abide by the Code of Ethics of the National Association of Realtors. Upon our request, you must provide us with a current and active email address for each of your Sales Representatives. If you fail to provide written notice of a new Sales Representative within five (5) business days after a new Sales Representative becomes affiliated with you, you must pay us an amount equal to Two Hundred Fifty Dollars ($250) for each Sales Representative for whom you have not provided written notice. You agree to have the minimum number of Sales Representatives by the dates and during the periods set forth on **Exhibit B** attached hereto ("Sales Representative Quota"). In the event you fail to meet the Sales Representative Quota, and you have selected **Exhibit C-2** (Flat Fee Basis Plan) as the basis for payment of your Royalty Fee and National Advertising and Promotional Fund Contribution, without limiting any other remedies available to us, you will pay Royalty Fees and National Advertising and Promotional Fund Contributions as if you had met your Sales Representative Quota and you will use the fee schedule described in **Exhibit C-2** for the purposes of calculating these fees. Within five (5) days after a new Sales Representative becomes affiliated with your Business, you must provide us with written notice of such affiliation. We reserve the right to require you to participate in a revenue-sharing program for Sales Representatives, which may require you to share in the revenues generated by sales made by new Sales Representatives recruited and mentored by current Sales Representatives affiliated with your Business.

G. LATE PAYMENTS. You will pay us simple interest at the rate of the lesser of 10% per annum or the highest rate permitted under applicable law on any amount you owe us that is overdue by ten (10) or more days. You acknowledge that this Section 3.G is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Business.

H. INCREASE IN FEES. If the term of this Agreement exceeds ten (10) years, commencing on the ten (10) year anniversary of the Effective Date, all amounts set forth in this Agreement or any exhibit or attachment to this Agreement in dollars and/or cents, including, without limitation, the Support Fee, the Royalty Fee (under **Exhibit C-2**), and National Advertising and Promotional Fund Contributions (under **Exhibit C-2**), will automatically increase on an annual basis by three percent (3%) per annum.

I. METHOD OF PAYMENT AND APPLICATION OF PAYMENTS. At our request, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account or credit card automatically for all amounts due under this Agreement (the "EFT Authorization"). Such EFT Authorization shall remain in full force and effect during the term of this Agreement. We will debit the business account or credit card you designate in the EFT Authorization for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You agree to ensure that funds will be available in your designated account to cover our withdrawals.

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You agree that your failure to establish or to require your Sales Representatives to pay any of the fees payable under this Agreement or your failure to collect any of these fees from your Sales Representatives does not relieve you of your obligation to remit all monthly fees payable to us under this Agreement.

We may require you to pay any amounts due under this Agreement by means other than check, credit card or automatic debit whenever we deem appropriate, and you agree to comply with our payment instructions.

4. TRAINING AND ASSISTANCE.

A. TRAINING. We will provide an initial training program to your Designated Manager (defined in Section 8.C) on the material aspects of operating a HomeLife® Business under the Approved Brokerage. Your Sales Representatives must also attend this initial training program at the same time as your Designated Manager. We will schedule and provide approximately 2 to 3 days of training (although the specific number of days depends on our opinion of your Designated Manager's and your Sales Representatives' experience and needs) at our principal offices, at a designated training facility of our choice, or online through a Website or intranet. Within ten (10) months after the Effective Date, your Designated Manager must complete the initial training to our satisfaction. If we determine that your Designated Manager cannot complete initial training to our satisfaction, we may terminate this Agreement. We do not assess a fee for the first time we provide initial training, but you will be responsible for your Designated Manager's and Sales Representatives' travel and living expenses, wages and workers' compensation insurance while attending training; provided, however, we reserve the right to offer such training and assistance online, which may save you time and travel and living expenses.

Your Designated Manager may request additional training at the end of the initial training program, to be provided at our then-current charges (currently, $200 per hour, subject to Fee Adjustments, defined below) if your Designated Manager does not feel sufficiently trained in the operation of a HomeLife® Business. We and you will jointly determine the duration of this additional training. However, if your Designated Manager satisfactorily completes our initial training program and has not expressly informed us in writing at the end of that program that he or she does not feel sufficiently trained in the operation of a HomeLife® Business, then you will be deemed to have been trained sufficiently to operate a HomeLife® Business. "**Fee Adjustment**" means an increase at our discretion by up to the greater of (i) 5%, on a compounding basis regardless of whether we exercise such adjustment in any calendar year, or (ii) the difference, expressed as a percentage, in CPI as determined by comparing the CPI in effect as of the Effective Date to the CPI in effect as of the date of the Fee Adjustment, without reference to any prior Fee Adjustment, if any. "**CPI**" means the National Consumer Price Index-All Urban Consumers-All Items (1982-1984 = 100) published by the U.S. Department of Labor (or if the CPI is no longer published, another substitute reference reasonably designated by us).

We may require your Designated Manager and/or previously trained Sales Representatives to attend and complete to our satisfaction various training courses that we periodically choose to provide at the times and locations that we designate at our then-current charges (currently, $59 to $249 per course, subject to Fee Adjustments). We will not require attendance at more than two (2) such courses, or for more than a total of three (3) business days, during a calendar year. Besides attending these courses, you agree to attend an annual meeting of all HomeLife® Business franchise owners at a location we designate. Attendance will not be required for more than five (5) days during any calendar year. You agree to pay all

costs to attend, including our then-current registration fee for each attendee (currently, $325 per attendee, subject to change based on third-party supplier costs).

If you appoint a new Designated Manager during this Agreement's term or hire additional Sales Representatives, the new Designated Manager and Sales Representatives must complete our then-current initial training program to our satisfaction. We may charge reasonable fees for training such new trainees. You also agree to pay all travel and living expenses which your Designated Manager or additional Sales Representatives incur during all training courses and programs.

You acknowledge and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time. You acknowledge and agree we may communicate our programs, systems, education, and training directly to your Sales Representatives. You acknowledge and agree that any training we agree to provide pursuant to this Agreement may be provided, at our option, through the Website, intranet, or any other format we choose.

B. GENERAL GUIDANCE. We may advise you from time to time regarding the operation or your Business based on your reports or our inspections and may guide you with respect to: (1) standards, specifications, and operating procedures and methods that HomeLife® Businesses use; (2) purchasing required and authorized products and services; (3) advertising and marketing materials and programs; (4) employee hiring and training; and (5) administrative and management. Such guidance will be furnished in the form of our operations manual for the operation of Businesses (the "Operations Manual"), which may include one or more separate manuals as well as audiotapes, DVDs, compact discs, computer software, information available on an Internet site, other electronic media, and/or written materials. At our option, we may also provide guidance via telephone conversations and/or consultation at our offices.

At your option, you may utilize the services of a coach or consultant we designate from time to time to provide special guidance, coaching, assistance, or training. We will charge you our then applicable fee, including our coach or consultant's per diem charges (currently, $150 per hour, subject to Fee Adjustments) and travel and living expenses.

C. OPERATIONS MANUAL. We will give you access to the Operations Manual during the term of this Agreement. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating HomeLife® Businesses ("System Standards") and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards. You agree to keep your copy of the Operations Manual current, including downloading any updates to the Operations Manual which we make available on a restricted Website or intranet or through other electronic media, and in a secure location at your Business. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than your employees who need to know its contents. You may not at any time copy, duplicate, record, or reproduce any part of the Operations Manual.

At our option, we may post some or all of the Operations Manual on a restricted Website or intranet to which you will have access. (For purposes of this Agreement, "Website" means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the Internet and World Wide Web home pages). If we do so, you agree to monitor and access the Website or intranet for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a Website or intranet will be deemed to be part of Confidential Information (as defined in Section 6).

D. **DELEGATION OF PERFORMANCE**. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

5. **MARKS.**

A. **OWNERSHIP AND GOODWILL OF MARKS**. Your right to use the Marks and the System is derived only from this Agreement and limited to your operating your Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks or the System is a breach of this Agreement and infringes our intellectual property rights. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity of, or our rights to, the Marks.

B. **LIMITATIONS ON YOUR USE OF MARKS**. You agree to use the Marks as your Business's sole identification, except that you agree to identify yourself as its independent franchised owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any Website (unless in connection with our approved Franchise System Website), domain name, email address, social media account, username, other online presence or presence on any electronic, virtual, or digital medium of any kind (an "Online Presence"); or (5) in any other manner that we have not expressly authorized in writing. However, you may file a d/b/a using the Marks in your d/b/a name. You may not use any Mark in advertising any prospective transfer that would require our consent under Section 12. You agree to display the Marks prominently as we prescribe at your Business and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS**. You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, is necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

D. **DISCONTINUANCE OF USE OF MARKS**. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your Business's signs or other materials, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

6. CONFIDENTIAL INFORMATION.

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the System and the operation of Homelife® Businesses (including your Business) (some of which constitutes our trade secrets under applicable law), regardless of whether it is marked confidential (the "Confidential Information"), including (without limitation): (1) site selection criteria; (2) the Operations Manual; (3) the System Standards; (4) proprietary formulas, marketing plans, market research, promotional, marketing and advertising programs for Businesses; (5) knowledge of specifications for, and suppliers of, products and supplies; (6) any computer software or similar technology which is proprietary to us or our affiliates, including digital passwords and identifications and any source code of, and data, reports, and other materials generated by, stored in, and/or derived from the Computer System; (7) knowledge of the operating results and financial performance of Businesses other than your Business; and (8) your Business's customer list.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating your Business during this Agreement's term, and that Confidential Information is proprietary, includes our and our affiliates' trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you: (a) will not use Confidential Information in any other business or capacity; (b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's term and then thereafter for as long as the item is not generally known to the public; (c) will not make unauthorized copies of any Confidential Information disclosed via electronic, virtual, or digital medium or in written or other tangible form; and (d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to your personnel, Sales Representatives and others and using non-disclosure agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights, provided that it is your responsibility to ensure that such agreements comply with and are enforceable under applicable laws in your jurisdiction.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known through publication or communication by others (without violating an obligation to us or our affiliates); or which, after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to a HomeLife® Business, whether under the Approved Brokerage or not, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our and our affiliates' sole and exclusive property, part of the Franchise System, and works made-for-hire for us and our affiliates. To the extent that any item does not qualify as a "work made-for-hire" for us and our affiliates, by this paragraph you assign ownership of that item, and all related rights to that item, to us and our affiliates and agree to take whatever action (including signing assignment or other documents) we

request to evidence our and our affiliates' ownership or to help us and our affiliates obtain intellectual property rights in the item.

7. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' immediate family members will:

(a) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of your Business to a Competitive Business; or

(d) engage in any other activity which might injure the goodwill of the Marks and/or the HomeLife® Businesses.

The term "Competitive Business" means (i) any real estate brokerage business, or (ii) any business granting franchises or licenses to others to operate real estate brokerage businesses (other than a HomeLife® Business operated under a franchise agreement with us).

8. BUSINESS OPERATIONS AND SYSTEM STANDARDS.

A. <u>CONDITION AND APPEARANCE OF YOUR BUSINESS</u>. You agree that you will not use any part of the Location for any purpose other than operating your Business in compliance with this Agreement, and that you will place or display at the Location (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we approve from time to time. You further agree to maintain, at your own expense, the condition and appearance of your Business and the Location in accordance with the System Standards and consistent with the image of a HomeLife® Business as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service.

B. <u>PRODUCTS AND SERVICES YOUR BUSINESS OFFERS</u>. You agree that you (1) will offer and sell from your Business the products and services that we periodically specify; (2) will not offer or sell at your Business, the Location or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove.

C. <u>MANAGEMENT OF YOUR BUSINESS</u>. Your Business shall be managed by a designated manager who has completed our initial training program to our satisfaction (the "Designated Manager"). You (or one of your owners if you are an Entity) or your Designated Manager must at all times hold a valid state real estate broker license under whose license your Business will be conducted (the "Broker of Record"). You will identify the Broker of Record on **<u>Exhibit C-1</u>** or **<u>Exhibit C-2</u>** attached

hereto. Your Designated Manager, who may but does not need to be one of your owners, must work full-time at your Business, to supervise the day-to-day operations of your Business and continuously exert his/her best efforts to promote and enhance your Business. If you wish to desire to appoint a Designated Manager after the Effective Date, or if you appoint a new Designated Manager during this Agreement's term, you must obtain our approval of any such Designated Manager prior to delegating any management or supervisory responsibilities to such individual. In addition to the Designated Manager training requirements set forth in Section 4, we may establish conditions for approving any such Designated Manager in our discretion, which may include confirmation that they will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require.

D. APPROVED PRODUCTS, SERVICES, AND SUPPLIERS. We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of products and services that we periodically authorize for use at your Business. During this Agreement's term you must purchase or lease all fixtures, products and services containing any Mark for your Business only according to our standards and specifications and, if we require, only from suppliers or distributors that we designate or approve (which may include or be limited to us and/or our affiliates). You acknowledge and agree that we do not provide any warranty to any products that we require you to purchase or lease. You further acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our affiliates provide to you and from payments made to us or our affiliates by suppliers that we designate or approve for some or all of our franchisees).

If you want to use any products containing any of the Marks that we have not yet evaluated or want to purchase any item from a supplier or distributor that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or distributor meets our criteria. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We reserve the right periodically to re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet our criteria.

E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES. You must secure and maintain in force throughout this Agreement's term all required licenses, permits and certificates relating to your Business's operation and operate your Business in full compliance with all applicable laws, ordinances and regulations. You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Business as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at http://www.treasury.gov). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 16.D pertain to your obligations hereunder.

Your Business must in all dealings with its clients, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or

advertising practice which might injure our business or the goodwill associated with the Marks or other HomeLife® Businesses. You must notify us in writing within three (3) business days of: (1) the commencement of any action, suit or proceeding relating to your Business, or any audit, investigation, or similar proceeding with respect to pending or threatened actions, suits or proceedings relating to your Business; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Business; (3) any notice that you, your personnel, or your Business may have violated any law, ordinance or regulation relating to your Business; and (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a customer or potential customer relating to your Business. You must immediately provide to us copies of any documentation you receive of events in (1) through (4) above and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

F. INSURANCE. During the term of this Agreement you must maintain in force at your sole expense comprehensive public liability, property damage, third-party liability, general and motor vehicle liability and errors and omissions insurance, each in the amount of Two Million Dollars ($2,000,000) per occurrence, against claims for bodily and personal injury, death and property damage caused by or occurring in connection with your Business's operation, all containing the minimum liability coverage we prescribe from time to time. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and your Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. You must ensure that each of your Sales Representatives, whether they are your employees or independent contractors, also satisfy the requirements set forth in this Section 8.F.

G. COMPLIANCE WITH SYSTEM STANDARDS. You acknowledge and agree that operating and maintaining your Business according to System Standards are essential to preserve the goodwill of the Marks and the goodwill of all HomeLife® Businesses. Therefore, you agree at all times to operate and maintain your Business according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify System Standards which you have agreed to maintain in the operation of your Business, you retain the right and sole responsibility for the day-to-day management and operation of your Business and the implementation and maintenance of System Standards at your Business. System Standards may regulate any aspect of your Business's operation and maintenance, including, but not limited to, any one or more of the following: (1) sales, marketing, advertising and promotional programs and materials and media used in these programs; (2) staffing levels for your Business and employee qualifications, training, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions); (3) use and display of the Marks; (4) days and hours of operation; (5) participation in market research; (6) terms of the client contracts; (7) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition; and

(8) any other aspects of operating and maintaining your Business that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Businesses.

You agree that System Standards we prescribe in the Operations Manual, or communicate to you in writing or another form, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified. You acknowledge that our periodic modification of the System Standards (including, without limitation, changes to the hardware and software required for the Computer System), which may accommodate regional and/or local variations, may obligate you to invest additional capital in your Business and/or incur higher operating costs.

We have the right to operate, develop, and change the System Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and on our judgment of what is in our and/or the best interests of the HomeLife® Businesses and the Marks at the time our decision is made.

H. AFFILIATED VENDORS. You acknowledge and agree that we have and will, at our option, continue to have affiliates that offer products or services to you or your clients. Even if we do not designate such affiliate as the sole supplier of such products or services, you agree to use commercially reasonable efforts to purchase products and/or services from such affiliate. You also agree to use commercially reasonable efforts to refer such affiliate to your clients.

I. MEMBERSHIP IN MULTIPLE LISTING SERVICE; INTERNET DATA EXCHANGE. You must join the local multiple listing service ("MLS") that encompasses the geographic area surrounding the Location and remain a member in good standing of such MLS throughout the term of this Agreement. You must ensure that each of your Sales Representatives, whether they are your employees or independent contractors, also satisfy this requirement. Subject to applicable law and the rules of the applicable MLS, you must provide us with access to the MLS so that we can obtain a listings data feed and provide an Internet Data Exchange (IDX) search on our Franchise System Website (defined in Section 9.C) and mobile app and such other websites and apps as we deem necessary. You must pay any fees the MLS charges for providing the IDX search on the products we specify.

J. REFERRAL SERVICE PROGRAM. In order to provide efficient administrative and professional services to the customers of all HomeLife® Businesses, we reserve the right to establish and operate a national and international referral service (the "Referral Service") by and among HomeLife® Businesses. If established, you must agree to participate in the Referral Service. You acknowledge and agree that the terms of the Referral Service may require you to pay us a percentage of the Gross Revenue you receive on the sale of a property that has been referred to you by a referring HomeLife® Business (the "Referral Gross Revenue"), and that we shall be entitled to retain a portion of such percentage and remit the balance to the referring HomeLife® Business. We may also require you to remit a portion of the Referral Gross Revenue directly to the referring HomeLife® Business.

9. ADVERTISING.

A. NATIONAL ADVERTISING AND PROMOTIONAL FUND. We may establish and administer a National Advertising and Promotional Fund for HomeLife® Businesses (the "National Advertising and Promotional Fund"). We will use the National Advertising and Promotional Fund for advertising, marketing, and public relations programs and materials we deem appropriate.

We will direct all programs that the National Advertising and Promotional Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The National Advertising and Promotional Fund may pay for preparing and producing video, audio, and written materials and electronic, virtual, and digital media for various forms of media (including, without limitation, television, radio, magazines, newspapers, direct mail, and email); developing, implementing, and maintaining a Franchise System Website (as defined in Section 9.C below) and/or related strategies; administering regional and multi-regional marketing and advertising programs, including, without limitation, advertising for solicitation of new franchisees and sales representatives; purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; conducting market research; conducting social media campaigns; online lead generation; referral programs; real estate listing enhancement costs and subsidies; listing distribution arrangements; regional and national Franchise System events and related activities; social media development and training; awards; lead management system development, maintenance, and updates; customer loyalty programs; brand extension, development, and marketing; agent recruiting initiatives; and supporting public relations, market research, direct sales tools, websites, and other advertising, promotion, and marketing activities.

We will account for the National Advertising and Promotional Fund separately from our other funds and not use the National Advertising and Promotional Fund for any of our general operating expenses. However, we may use the National Advertising and Promotional Fund to pay the reasonable salaries and benefits of personnel who manage and administer the National Advertising and Promotional Fund's and other administrative costs, travel expenses of personnel while they are on fund business, meeting costs, overhead relating to National Advertising and Promotional Fund business, and other expenses that we incur in activities reasonably related to administering or directing such National Advertising and Promotional Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for National Advertising and Promotional Fund Contributions.

The National Advertising and Promotional Fund will not be our asset. The National Advertising and Promotional Fund is not a trust. We do not owe any fiduciary obligation to you for administering the National Advertising and Promotional Funds or any other reason. We will hold all National Advertising and Promotional Fund Contributions for the benefit of the contributors and use contributions for the purposes described in this Section 9.A. The National Advertising and Promotional Fund may spend in any fiscal year more or less than the total National Advertising and Promotional Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on the National Advertising and Promotional Fund Contributions to pay costs before using the National Advertising and Promotional Fund's other assets. We will prepare an annual, unaudited statement of National Advertising and Promotional Fund collections and expenses and give you the statement upon written request. We may have the National Advertising and Promotional Fund audited annually, at the National Advertising and Promotional Fund's expense, by an independent certified public accountant. We may incorporate the National Advertising and Promotional Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9.A.

We intend for the National Advertising and Promotional Fund to maximize recognition of the Marks and patronage of HomeLife® Businesses contributing to the National Advertising and Promotional Fund. We need not ensure that National Advertising and Promotional Fund expenditures in or affecting any geographic area are proportionate or equivalent to National Advertising and Promotional Fund Contributions by HomeLife® Businesses operating in that geographic area or that any Business benefits directly or in proportion to National Advertising and Promotional Fund Contributions from the development

of advertising and marketing materials or the placement of advertising and marketing. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Advertising and Promotional Fund Contributions at the National Advertising and Promotional Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the National Advertising and Promotional Fund. Except as expressly provided in this Section 9.A, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the National Advertising and Promotional Funds.

We may at any time defer or reduce contributions of a HomeLife® Business franchise owner and, upon thirty (30) days' prior notice to you, reduce or suspend National Advertising and Promotional Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the National Advertising and Promotional Fund. If we terminate the National Advertising and Promotional Fund, we will (at our option) either spend the remaining National Advertising and Promotional Fund Contributions in accordance with this Section 9.A or distribute all unspent monies to our franchise owners who are then contributing to the National Advertising and Promotional Fund, and to us and our affiliates, in proportion to their, and our, respective National Advertising and Promotional Fund Contributions during the preceding twelve (12) month period.

B. **LOCAL ADVERTISING**. You must promote your Business by spending, in addition to the National Advertising and Promotional Fund Contributions, on local advertising, marketing, and promotions within the area reasonably surrounding the Location ("Your Local Advertising") an amount you reasonably determine as necessary to promote your Business. We will not collect Your Local Advertising, but upon our request, you will provide to us a report documenting all of Your Local Advertising expenses.

You agree to list and advertise your Business in at least one (1) recommended classified telephone directory distributed within your Business's market area (in the business classifications we prescribe from time to time) and to use form of classified telephone directory advertisement approved by us. You must also list your Business with the online directories and subscriptions we periodically prescribe (such as Google®), and/or establish any other Online Presence we require or authorize. If other HomeLife® Businesses are located within the directory's distribution area, we may require you to participate in a collective advertisement with those other HomeLife® Businesses and to pay your share of that collective advertisement. Your Local Advertising and promotion, including Online Presences, must follow our guidelines. You may not develop, maintain, or authorize any Online Presence that mentions or describes you or your Business or displays any of the Marks without our prior written consent. You also agree to participate, at your cost, in any direct mail program that we implement and to use an online lead generation service.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. Before you use them, you agree to send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

C. **WEBSITES**. You must establish a Website at your sole expense that describes you and your Business and displays the Marks we specify ("Approved Website"). You may not register any Internet domain names that include any of our Marks, including the "HOMELIFE" name, except that you may register a domain name that contains the "HOMELIFE**"** name if it is a name that we have approved for your Business. At our option, we may register a domain name containing the Marks and license to you the

right to use such domain name for the Approved Website during the term of this Agreement, provided that you are in full compliance with this Agreement and the System Standards. We have final approval right over all content of the Approved Website and all links contained in the Approved Website. You must also provide a link to the Franchise System Website (as defined below) on your Approved Website. Notwithstanding anything to the contrary contained herein, you acknowledge and agree that we may terminate your obligation and right to maintain an Approved Website at any time and require you to maintain a webpage on the Franchise System Website. If you desire to establish any Website, other than the Approved Website, using any of our Marks, you must obtain our prior written consent. You must follow any guidelines we provide regarding content of and use of the Marks in connection with, Websites describing HomeLife® Businesses. You must also require each Sales Representative at your Business to have a website and you will provide us with the email address for each Sales Representative at your Business.

We have established a Website to advertise, market, and promote HomeLife® Businesses, the products and services that they offer and sell, and/or the HomeLife® Business franchise opportunity (a "Franchise System Website"). We will maintain the Franchise System Website and may use the National Advertising and Promotional Fund's assets to develop, maintain, and update the Franchise System Website. You also must pay an annual fee (the "Website Fee") for the Franchise System Website. Our current Website Fee is $300 per year and is subject to change based on third-party supplier costs. We periodically may update and modify the Franchise System Website (including your webpage). You acknowledge that we have final approval rights over all information on the Franchise System Website (including your webpage). We will own all intellectual property and other rights in the Franchise System Website, including your webpage, and all information they contain (including, without limitation, the domain name or URL for your webpage, the log of "hits" by visitors, and any personal or business data that visitors supply).

Even if we provide you a webpage on our Franchise System Website, we will only maintain such webpage while you are in full compliance with this Agreement and all System Standards we implement (including, without limitation, those relating to the Franchise System Website). If you are in default of any obligation under this Agreement or our System Standards, then we may, in addition to our other remedies, temporarily remove your webpage from the Franchise System Website until you fully cure the default. We will permanently remove your webpage from the Franchise System Website upon this Agreement's expiration or termination.

Except as provided above, or as approved by us in writing or in the Operations Manual, you may not develop, maintain or authorize any Online Presence that mentions your Business, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your Business, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

D. **SALES REPRESENTATIVE MARKETING**. Subject to our right to approve advertising materials and use of the Marks under this Agreement, your Sales Representative may create Websites and other marketing materials that assist in the furtherance of their activities for your Business. You acknowledge and agree that your Sales Representatives will comply with our guidelines with respect to the use of our Marks. In the event any of your Sales Representative ceases to be an independent contractor for your Business for any reason, you must ensure that such Sales Representative immediately

ceases to use all Marks and removes all Marks from any and all marketing materials used by such Sales Representative. Without limiting the foregoing, you acknowledge and agree that you must cause such Sales Representative to cease using the name "HomeLife" and any derivative thereof in any manner, including use of such names as part of any domain name, internet address or email address.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use a Computer System to maintain certain sales data and other information. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the twenty-fifth (25^{th}) day of each calendar month, a report on your Gross Revenue of each Sales Representative during the preceding calendar month and the number of transactions closed;

(b) on or before the twenty-fifth (25^{th}) day of each calendar month, a listing of all Sales Representatives affiliated with your Business;

(c) within ninety (90) days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Business as of the end of that fiscal year, prepared in accordance with generally accepted accounting principles. We reserve the right to require that you have these financial statements and the financial statements of any prior fiscal years certified and/or audited by an independent accounting firm approved by us in writing;

(d) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Business and the Franchise;

(e) on or before the twenty-fifth day (25^{th}) day of each calendar month, a report from your local real estate broker association listing all of the real estate agent affiliations;

(f) within ten (10) days after our request, the MLS roster for your Business along with MLS records reflecting all listings and sales activity for your Business during the immediately preceding twelve (12) month period; and

(g) within ten (10) days after our request, any other information we request regarding you and your Business in the format we require.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports and other information submitted by you. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to your Business's operation. You agree to preserve and maintain all records in a secure location at your Business for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

11. **INSPECTIONS AND AUDITS.**

A. **OUR RIGHT TO INSPECT YOUR BUSINESS**. To determine whether you and your Business are complying with this Agreement and all System Standards, we and our designated agents or representatives, may at all times and without prior notice to you: (1) inspect your Business; (2) photograph your Business and observe and record (both audio and video) your Business's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview your Business's personnel and Sales Representatives; (5) interview customers; and (6) inspect and copy any books, records, and documents relating to your Business's operation. You consent to such recordings and agree to cooperate with us (and our designees) fully. You agree to obtain all third-party consents required under applicable laws to permit such recordings. If we exercise any of these rights, we will not interfere unreasonably with your Business's operation. You must reimburse all of costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with any re-inspections or follow-up visits that we conduct after any audit or inspection of your Business identifies one or more failures of System Standards, and/or if any follow-up visit is necessary because we or our designated representatives were for any reason prevented from properly inspecting any or all of your Business (including because you or your personnel refuse entry to your Business's premises).

B. **OUR RIGHT TO AUDIT**. We may at any time during your business hours, and without prior notice to you, examine your (if you are an Entity) and your Business's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You must cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of your Business's Gross Revenue, you must pay us, within fifteen (15) days after receiving the examination report, any Royalty Fees and National Advertising and Promotional Fund Contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement exceeding five percent (5%) of the amount that you actually reported to us for the period examined, you must reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. **TRANSFER.**

A. **BY US**. You acknowledge that we maintain a staff to manage and operate the franchise system for the HomeLife® Businesses and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, member, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction.

B. **BY YOU**. You acknowledge and agree that the rights and duties this Agreement creates are personal to you (or to your owners if you are an Entity) and that we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, without our prior written approval, you may not transfer any of the following, or attempt to transfer any of the following, including by listing any of the following for sale on any sales directory or platform: (1) this Agreement (or any interest in this Agreement); (2) your Business or substantially all of its assets; (3) any ownership interest in you (regardless of its size); (4) and/or any ownership interest in any of your owners (if such owners are legal entities). A transfer of your Business's ownership, possession, or control, or substantially all of its assets, may be made only with

a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in this Agreement, you or substantially all of the assets of your Business, and/or any transfer, surrender, loss of possession or control, or management of your Business. Without limiting the foregoing, you may not, without our prior written consent, pledge this Agreement (to someone other than us) or of an ownership interest in you or your owners or transfer of an interest in this Agreement or substantially all of the assets of your Business in a divorce, insolvency or entity dissolution proceeding.

C. CONDITIONS FOR APPROVAL OF TRANSFER. If you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section 12.C. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred if the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and meet our then applicable standards for Business franchise owners (including no ownership interest in or performance of services for a Competitive Business). If the proposed transfer is of this Agreement or a controlling ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

(1) the transferee has sufficient business experience, aptitude, and financial resources to operate your Business;

(2) you have paid all Support Fees, Royalty Fees, and National Advertising and Promotional Fund Contributions, and other amounts owed to us, our affiliates, and third-party vendors;

(3) you have submitted all required reports and statements;

(4) you have not violated any provision of this Agreement or any other agreement with us during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(5) you provide us all information or documents we request about the proposed transfer, the transferee, and its owners;

(6) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(7) the transferee (or its managing owner) satisfactorily complete our training program;

(8) your landlord allows you to transfer the Lease or sublease the Location to the transferee;

(9) the transferee agrees (if the transfer is of this Agreement), if we determine is necessary, to upgrade, remodel, and refurbish your Business in accordance with our current requirements and specifications for HomeLife® Businesses within forty-five (45) days after the

effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take within this time period);

(10) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

(11) you pay us a transfer fee of $3,500;

(12) you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our owners, officers, directors, employees, and agents;

(13) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of your Business;

(14) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Business are subordinate to the transferee's obligation to pay Support Fees, Royalty Fees, National Advertising and Promotional Fund Contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

(15) you and your transferring owners will not, for a period of two (2) years after the sale of your Business (or ownership interest in you), directly or indirectly, compete with, or solicit sales representatives or clients of, your Business; and

(16) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other HomeLife® Businesses you own and operate) identify yourself or themselves or any business as a current or former HomeLife® Business or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a HomeLife® Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding your Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Business. We will not approve any transfer that we determine is not a bona fide, arms' length transfer or is not being consummated in good faith by you and the transferee.

Our consent to a transfer of this Agreement and your Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with this Agreement.

D. TRANSFER TO A WHOLLY OWNED CORPORATION OR LIMITED LIABILITY COMPANY. Notwithstanding Section 12.C above, if you are in full compliance with this Agreement, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than your Business and, if applicable, other Businesses, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and

outstanding ownership interests, provided that all of your Business's assets are owned, and your Business's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur and sign the form of consent to assignment and assignment to corporate entity satisfactory to us which may include a general release of any and all claims against us and our owners, officers, directors, employees and agents. You further agree to provide us with all organizational documents for the corporation or limited liability company that we require.

E. YOUR DEATH OR DISABILITY.

(1) **Transfer Upon Death or Disability**. Upon your or any of your owners' death or disability, your or your owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the owner's ownership interest in you, to a third party (which may be your or your owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or your owner from supervising your Business's management and operation.

(2) **Operation Upon Death or Disability**. If, upon your Designated Manager's death or disability, a manager approved by us is not managing your Business, you must appoint a manager within thirty (30) days of the date of death or disability. The manager must complete our standard training program at your expense. A new Designated Manager acceptable to us also must be appointed for your Business within thirty (30) days.

F. OUR RIGHT OF FIRST REFUSAL. If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement and your Business, or an ownership interest in you (except to or among your current owners, which is not subject to this Section 12.F), in a transaction that otherwise would be allowed under Sections 12.B. and 12.C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and your Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12.B. and 12.C above. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that: (1) we may substitute cash for any form of payment proposed in the offer; (2) our credit will be deemed equal to the credit of any proposed buyer; (3) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and (4) we must receive, and you and your owners agree to make,

all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable.

If we exercise our right of first refusal, you and your selling owner(s) (and your and their immediate family members) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 15.D. below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.F. If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.B. and 12.C above.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. EXPIRATION OF THIS AGREEMENT.

A. <u>YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE</u>. When this Agreement expires:

(1) if you (and each of your owners) have substantially complied with this Agreement during its term; and

(2) provided that (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand your Business, add or replace improvements and operating assets, and otherwise modify your Business as we require to comply with System Standards then applicable for new HomeLife® Businesses, or (b) at your option, you secure a substitute premises that we approve and you develop those premises according to System Standards then applicable for HomeLife® Businesses,

then you may acquire one successor franchise to operate your Business as a HomeLife® Business under the Approved Brokerage for an additional term of five (5), seven (7), ten (10), fifteen (15) or twenty (20) years, at your option. You agree to sign the franchise agreement we then use to grant franchises for HomeLife® Businesses under the Approved Brokerage (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided that you will pay a renewal fee of Three Thousand Dollars ($3,000) and the full cost incurred by us renewing this Agreement, including, without limitation, any legal fees incurred by us to facilitate the renewal.

B. <u>GRANT OF A SUCCESSOR FRANCHISE</u>. You agree to give us written notice of your election to acquire a successor franchise no more than three hundred sixty (360) days and no less than one hundred eighty (180) days before this Agreement expires. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise. We agree to give you written notice ("Our Notice"), not more than thirty (30) days after we receive your notice, of our decision:

(1) to grant you a successor franchise;

(2) to grant you a successor franchise on the condition that you correct existing deficiencies of your Business or in your operation of your Business;

(3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise; or

(4) not to grant you a successor franchise because we no longer maintain a franchise program for Businesses.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice, which may include actions to cure any operating deficiencies or to bring your Business into compliance with then applicable System Standards.

C. AGREEMENTS/RELEASES. If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, directors, employees, agents, successors, and assigns.

D. OUR RIGHT TO SOLICIT SALES REPRESENTATIVES. You acknowledge and agree that if you fail to give us with written notice of your election to acquire a successor franchise one hundred eighty (180) days prior to the expiration of this Agreement or if you give us written notice that you do not elect to acquire a successor franchise, we may immediately commence to solicit your Sales Representatives and other employees for other HomeLife® Businesses or any other business.

14. TERMINATION OF AGREEMENT.

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating your Business;

(2) you do not open your Business for business within the time frame set forth in Section 2.D;

(3) you (or your Designated Manager) do not satisfactorily complete initial training;

(4) you abandon or fail actively to operate your Business for thirty (30) or more consecutive days, unless you close your Business for a purpose we approve;

(5) you surrender or transfer control of your Business's operation without our prior written consent;

(6) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;

(7) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(8) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects your Business's reputation or the goodwill associated with the Marks;

(9) you (or any of your owners or, if one or more of your owners is an Entity, the owner of a controlling interest in that Entity) make or attempt to make an unauthorized assignment of this Agreement, an ownership interest in you (or your owner), or your Business;

(10) you lose the right to occupy the Location or relocate to another location without our prior written consent;

(11) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(12) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Business and fail to correct such violation within seventy-two (72) hours after you receive notice from us or any other party;

(13) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(14) you fail to pay when due any federal or state income, service, sales, or other taxes due on your Business's operation, unless you are in good faith contesting your liability for these taxes;

(15) you or any of your owners or affiliates fail to pay any other third party, including the lessor of the Location, any other amount owed in connection with your HomeLife® Business when due, and do not cure such failure within any applicable cure period granted by such third party;

(16) you understate your Sales Representatives' Gross Revenue three (3) times or more during this Agreement's term or by more than five percent (5%) on any one occasion;

(17) you fail to report the accurate number of Sales Representative three (3) times or more during this Agreement's term;

(18) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(19) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or your Business is not vacated within thirty (30) days following the order's entry;

(20) you file a petition in bankruptcy or a petition in bankruptcy is filed against you;

(21) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(22) your real estate license is suspended or revoked;

(23) you fail to meet the Sales Representative Quota and do not correct the failure within ninety (90) days after we deliver written notice of the failure to you;

(24) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;

(25) you (or any of your owners) have received more than two notices from us that you (or your owner(s)) have acted inappropriately or abusively towards us and/or our representatives and affiliates, and/or other franchisees, whether in connection with your actions under this Agreement or any other agreement between you and us or our affiliates; or

(26) you fail to comply with any other agreement with us or our affiliate and do not correct such failure within the applicable cure period, if any.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

A. PAYMENT OF AMOUNTS OWED TO US. You agree to pay us immediately after this Agreement expires or is terminated the amounts owed to us (and our affiliates) which then are unpaid.

B. DE-IDENTIFICATION. When this Agreement expires or is terminated for any reason:

(1) you may not directly or indirectly at any time or in any manner (except with other Businesses you own and operate) identify yourself or any business as a current or former HomeLife® Business or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a HomeLife® Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us, at your expense, within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, letterhead and other materials containing any

Mark or otherwise identifying or relating to a HomeLife® Business that we request and allow us, without liability to you or third parties, to remove these items from your Business;

(4) you agree to immediately notify your state real estate commission, your local board of realtors, the National Association of Realtors, and your clients that your Business is no longer in existence and that you are no longer affiliated with us;

(5) you agree promptly and at your own expense to make the alterations we specify in our Operations Manual (or otherwise) to distinguish your Business clearly from its former appearance and from other HomeLife® Businesses in order to prevent public confusion;

(6) you agree to immediately notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to pay all outstanding balance due relating to such numbers or listings; to authorize the transfer of these numbers and directory listings to us or, at our direction, to a third party; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(7) you agree to immediately (i) cease using or operating any Online Presence related to your Business or the Marks and (ii) take any action as may be required to disable such Online Presence, or transfer exclusive control and access of such Online Presence to us, as we determine;

(8) you agree to shut down the Approved Website, cease using any Marks on any Website and to transfer all domain names containing our names to us;

(9) you agree to notify all vendors that your Business is no longer in existence and that you are no longer affiliated with us; and

(10) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. CONFIDENTIAL INFORMATION. You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including marketing plans, award point programs, and computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the Franchise System) in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials that we have loaned you.

D. COVENANT NOT TO COMPETE. Upon expiration or termination for any reason of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of the expiration or termination, neither you nor any of our owners (or their immediate family members) will have any direct or indirect interest as an owner (whether or record, beneficially, or otherwise), investor, partner, director or officer, in any Competitive Business (as defined in Section 7 above) located or operating within a twenty-five (25) mile radius of the Location. If any person restricted by this Section 15.D fails to comply with the foregoing obligations as of the expiration or termination of this Agreement, the two (2) year restricted period for that person will commence on the date the person begins to comply with this Section, which may be the date a court order is entered enforcing this provision.

E. **SOLICITATION OF SALES REPRESENTATIVES**. You acknowledge and agree that upon termination or expiration of this Agreement, we have the right to solicit your Sales Representatives and other employees for other HomeLife® Businesses or any other business.

F. **CONTINUING OBLIGATIONS**. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including all obligations relating to non-competition, non-interference, confidentiality, information security and data privacy, and indemnification.

16. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

A. **INDEPENDENT CONTRACTORS**. You and we acknowledge and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Business personnel, and others as your Business's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

B. **NO LIABILITY FOR ACTS OF OTHER PARTY**. We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Business's operation or the business you conduct under this Agreement.

C. **TAXES**. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us.

D. **INDEMNIFICATION**. You acknowledge, covenant and agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of: (i) the development or operation of your Business, (ii) the business you conduct under this Agreement, (iii) your breach of this Agreement, or (iv) instituted by your employees, or by others that arise from your employment practices, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may, in its discretion and at your expense, control the defense of any claim against it (including choosing and retaining its own legal counsel), agree to settlements of claims against it, and take any other remedial,

corrective, or other actions in response to such claims. This indemnity will survive and continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

17. **ENFORCEMENT.**

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. WAIVER OF OBLIGATIONS. We and you may by written instrument unilaterally waive or reduce any of the obligation of, or restriction upon, the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Businesses; the existence of franchise agreements for other Businesses which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise,

settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Illinois, Michigan, New York or Virginia: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

C. YOU MAY NOT WITHHOLD PAYMENTS DUE TO US. You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement. You agree to submit all claims, unless otherwise resolved by our and your mutual agreement, to arbitration as provided in Section 17.E below.

D. RIGHTS OF PARTIES ARE CUMULATIVE. Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. DISPUTE RESOLUTION.

(a) Mediation. Except where it is necessary for either you or us to obtain equitable relief to preserve the goodwill of our respective businesses (including but not limited to the enforcement of obligations upon termination of this Agreement), you and we each agree to enter into mediation of all disputes involving this Agreement or any other aspect of the relationship between us, for a minimum of four (4) hours, prior to or contemporaneously with the initiation of legal action or arbitration against the other, as provided in this Section 17.E. Either party may submit a mediation demand to the Judicial Arbitration and Mediation Services ("**JAMS**"). Mediation shall proceed according to JAMS's then-current rules governing mediation, and shall be conducted at JAMS's office in Orange County, California or, if JAMS's offices are unavailable, another suitable location in Orange County, California. Completion of mediation is not a precondition to engaging in proceedings in a legal action or arbitration.

(b) Non-Arbitrable Claims. We and you agree that the following controversies, disputes, claims or remedies ("**Claims**") between us (and/or our affiliates, and our and their respective shareholders, members, officers, directors, agents, and/or employees) and you (and/or your owners, guarantors, affiliates, and/or employees) shall not be subject to arbitration:

(i) Claims related to or based on improper use of the Marks, trade secrets and other intellectual property owned by us, including but not limited to your obligations under Section 15.B. of this Agreement;

(ii) Claims seeking injunctive relief; and

(iii) Claims brought to enforce any payment obligations under this Agreement, including but not limited to payment of the Support Fee, the Royalty Fee, and National Advertising and Promotional Fund Contributions;

A court of competent jurisdiction, as provided in Section 17.G, before whom one or more of the Claims identified in this Section 17.E(b) have been brought shall hear and address such Claims, and shall grant all appropriate relief, without regard to the existence or status of any other Claims that may be pending before an arbitrator or any other tribunal. Except as set forth in Section 17.H, the court will have the right to award any relief which it deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due) and injunctive relief. The court shall determine all issues of arbitrability of all Claims.

(c) Arbitrable Claims. We and you agree that all Claims between us (and/or our affiliates, and our and their respective shareholders, members, officers, directors, agents, and/or employees) and you (and/or your owners, guarantors, affiliates, and/or employees), other than those expressly identified in Section 17.E(b), arising out of or related to:

(1) this Agreement or any other agreement between you (or your owners) and us (or our affiliates);

(2) our relationship with you;

(3) the scope or validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliates) or any provision of any of such agreements; or

(4) any System Standard;

must be submitted for binding arbitration, on demand of either party, to JAMS.

The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to JAMS's then-current Comprehensive Rules and Procedures. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our then-current principal place of business (currently, Newport Beach, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US (AND/OR ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES), ON THE ONE HAND, AND YOU (AND/OR YOUR OWNERS,

GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." The arbitrator may, upon reasonable request of either party, permit the party to issue subpoenas to third parties for depositions and/or the production of documents, consistent with the restrictions stated in this paragraph. You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

With respect to any discovery of electronically stored information, you and we agree that such requests must balance the need for production of electronically stored information relevant and material to the outcome of a disputed issue against the cost of locating and producing such information. You and we agree that:

A. production of electronically stored information need only be from sources used in the ordinary course of business. No party shall be required to search for or produce information from back-up servers, tapes, or other media;

B. the production of electronically stored information shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the information and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

C. the description of custodians from whom electronically stored information may be collected shall be narrowly tailored to include only those individuals whose electronically stored information may reasonably be expected to contain evidence that is relevant and material to the outcome of a disputed issue;

D. the parties shall attempt to agree in advance upon, and the arbitrator may determine, reasonable search parameters; and

E. where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, which cost advance will not be awarded to the prevailing party in any final award.

In any arbitration each side may take no more than three depositions, unless the parties mutually agree to additional depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours, unless the parties mutually agree to additional time.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories.

The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

F. **GOVERNING LAW**. **ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER UNITED STATES FEDERAL LAW, THIS AGREEMENT OR ANY RELATED AGREEMENTS, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US (AND ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) AND YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH YOUR BUSINESS IS LOCATED WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.**

G. **CONSENT TO JURISDICTION**. **SUBJECT TO SECTION 17.E(c). ABOVE AND THE PROVISIONS BELOW, YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR ANY RELATED AGREEMENTS OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) AND US (AND ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) MUST BE COMMENCED IN A COURT OF COMPETENT JURISDICTION NEAREST TO OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY NEWPORT BEACH, CALIFORNIA), AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THAT COURT AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THAT COURT.**

H. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD-PARTY CLAIMS UNDER SECTION 16.D., WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER OF US.

I. **DAMAGES**. In the event this Agreement is terminated because of your (or your owners) default or by you without cause, the parties agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Support Fees, Royalty Fees, and that the National Advertising and Promotional Fund would have otherwise derived from your continued contribution to such funds, less any cost savings, through the remainder of the term of this Agreement (the "**Damages**"). The parties agree that, in addition to other damages awarded by the court or arbitrator, if this Agreement is terminated because of your (or your owners) default or by you without cause, you shall be liable to us for a lump sum amount of Damages equal to the net present value of amounts due under this Agreement, including, without limitation, the Support Fee, Royalty Fee, National Advertising and Promotional Fund Contributions that would have become due following the termination of this Agreement for the period of time that this Agreement that would have remained in effect but for your default or wrongful termination. For purposes of calculating the Damages, the parties shall use an amount equal to the average amount of fees paid by you during the twelve (12) calendar months immediately preceding the last date of regular operations of your Business in accordance with this Agreement. In the event your Business has not been in operation for at least 12 months preceding such date, the Support Fee, Royalty Fee, National Advertising and Promotional Fund Contributions will be calculated based on the average of these fees paid by all HomeLife® Businesses during the fiscal year immediately preceding such date. You and we agree that the calculation described in this Section is a calculation only of the Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of this Agreement.

J. **INJUNCTIVE RELIEF**. Nothing in this Agreement, including the provisions of Section 17.E, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

K. **BINDING EFFECT**. This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by our Chief Executive Officer and one other duly authorized officer or other representative and your duly authorized officers.

L. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. **EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.**

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS,

DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

M. **EFFECTIVE DATE**. **THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL ACCEPTED BY US AS EVIDENCED BY DATING AND SIGNING BY EITHER (i) TWO (2) OF OUR DULY AUTHORIZED OFFICERS OR REPRESENTATIVES OR (ii) OUR PRESIDENT AND CEO ALONE (SUCH DATE TO BE THE "EFFECTIVE DATE" FOR PURPOSES OF THIS AGREEMENT). NOTWITHSTANDING THAT THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL SIGNED BY US, WE RESERVE THE RIGHT TO MAKE THE EFFECTIVE DATE OF THIS AGREEMENT THE DATE ON WHICH YOU SIGN THIS AGREEMENT.**

N. **CONSTRUCTION**. The preambles and exhibits are a part of this Agreement which, together with the System Standards (which may be periodically modified, as provided in Sections 4.C., 8.G., and 17.K. above), constitutes our and your entire agreement. Other than the representations in the franchise disclosure document you received from us, there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Business (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as provided in Sections 16.D and 17.E, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You agree that whenever this Agreement allows or requires us to take actions or make decisions, we may do so in our sole and unfettered discretion, even if you believe our action or decision is unreasonable, unless this Agreement expressly and specifically requires that we act reasonably or refrain from acting unreasonably in connection with the particular action or decision. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. "Control" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the Franchise and your Business, whether as partners or a joint venture, their obligations and liabilities to us will be joint and several. References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Business or an ownership

interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or your Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "your Business" includes all of the assets of the HomeLife® Business you operate under this Agreement, including its revenue and the Lease.

This Agreement may be executed in multiple copies, each of which will be deemed an original. This Agreement may be executed by electronic means.

18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered at the earlier of the date of actual delivery or one of the following: (a) at the time delivered via electronic transmission and, in the case of amounts due, at the time we actually receive payment; (b) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (c) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Notices must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

19. PROHIBITED PARTIES.

You acknowledge that we, our employees, and our agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, you represent that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;

2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;

3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or

4. the Annex to U.S. Executive Order 13224.

You warrant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. You warrant that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us were legally obtained in compliance with these laws.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, will, during the term of this Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL ACCEPTED BY US AS EVIDENCED BY DATING AND SIGNING BY OUR CEO.

HOMELIFE INTERNATIONAL INC.,
a Michigan corporation

_____

[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____

[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]
DATED:_____

_____
[Signature]

_____
[Print Name]
DATED:_____

_____
[Signature]
[Print Name]
DATED:_____

EXHIBIT A

TO THE FRANCHISE AGREEMENT
BETWEEN HOMELIFE INTERNATIONAL INC.
AND
_____

You and Your Owners

1. **Form of Owner**.

(a) **Individual Proprietorship**. Your owner(s) (is) (are) as follows:

_____
_____
_____

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on _____, under the laws of the State of _____ . You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____ _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

Name of Each Director/Officer	Position(s) Held

2. **Owners**. The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Description of Interest**
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Designated Manager**. The Designated Manager is _____.

HOMELIFE INTERNATIONAL INC.,
a Michigan corporation

By:_____
Name: _____
Designation: _____
Dated:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____
[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

DATED:_____

EXHIBIT B

TO THE FRANCHISE AGREEMENT
BETWEEN HOMELIFE INTERNATIONAL INC.
AND
_____

SALES REPRESENTATIVE QUOTA

You agree to have a minimum of a total of:

_____Sales Representatives for your Business by the one (1) year anniversary of the Effective Date;

_____Sales Representatives for your Business by the two (2) year anniversary of the Effective Date; and

_____Sales Representatives for your Business by the three (3) year anniversary of the Effective Date and for the remainder of the term of the Agreement.

Only Sales Representatives who have not previously been affiliated with HomeLife® Businesses (other than a HomeLife® Business owned by you) for the twelve (12) month period prior to joining your Business may count towards the Sales Representative Quota. Once a Sales Representative affiliates with you, such Sales Representative will continue to count towards the Minimum Sales Representative Quota as long as such Sales Representative remains affiliated with you.

[signatures on following page]

HOMELIFE INTERNATIONAL INC.,
a Michigan corporation

By:_____
Name: _____
Designation: _____
Dated:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____
[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED:_____

EXHIBIT C-1

TO THE FRANCHISE AGREEMENT

BETWEEN HOMELIFE INTERNATIONAL INC.
AND
_____

PERCENTAGE FEE BASIS PLAN

By initialing each page of and signing this Exhibit C-1, you agree to pay the Royalty Fee and the National Advertising and Promotional Fund Contribution as a percentage of Gross Revenue pursuant to the terms of this Exhibit C-1.

Your election will apply during the entire term of the Franchise Agreement.

ROYALTY FEE:

A. Four percent (4%) of Gross Revenue in each calendar year up to and including One Million Dollars ($1,000,000) of aggregate Gross Revenue for such calendar year.

B. One percent (1%) of Gross Revenue in each calendar year in excess of One Million Dollars ($1,000,000).

NATIONAL ADVERTISING AND PROMOTIONAL FUND CONTRIBUTIONS:

A. One percent (1%) of Gross Revenue in each calendar year up to and including One Million Dollars ($1,000,000) of aggregate Gross Revenue for such calendar year.

B. After you have obtained One Million Dollars ($1,000,000) of aggregate Gross Revenue for a given calendar year, you will not be required to make any further National Advertising and Promotional Fund Contributions for such calendar year.

PAYMENT START DATE

You agree to commence paying all fees due hereunder the earlier of the date on which you commence operating your Business or _____, 20__.

BROKER OF RECORD

The Broker of Record is _____.

HOMELIFE INTERNATIONAL INC.,
a Michigan corporation

By:_____
Name: _____
Designation: _____
Dated:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____
[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED:_____

EXHIBIT C-2

TO THE FRANCHISE AGREEMENT
BETWEEN HOMELIFE INTERNATIONAL INC.
AND
_____

FLAT-FEE BASIS PLAN

By initialing each page of and signing this Exhibit C-2, you agree to pay the Royalty Fee and the National Advertising and Promotional Fund Contribution on a flat-fee basis pursuant to the terms of this Exhibit C-2.

Your election will apply during the entire term of the Franchise Agreement.

ROYALTY FEE: The product of $74 multiplied by the number of Sales Representatives registered with your Business during the calendar month immediately preceding the date the Royalty Fee is due to us; *provided, however*, we cap the number of Sales Representatives used in calculating the Royalty Fee at 100 (even if you have more than 100 Sales Representatives affiliated with your Business) so in no event will the monthly Royalty Fee exceed $7,400.

NATIONAL ADVERTISING AND PROMOTIONAL FUND CONTRIBUTIONS: The sum of: (a) $50; plus (b) the product of $25 multiplied by the number of Sales Representatives registered with your Business during the calendar month immediately preceding the date the National Advertising and Promotional Fund Contribution is due to us; *provided, however*, we cap the number of Sales Representatives used in calculating the National Advertising and Promotional Fund Contributions at 100 (even if you have more than 100 Sales Representatives affiliated with your Business) so in no event will the monthly National Advertising and Promotional Fund Contribution exceed $2,550.

PAYMENT START DATE

You agree to commence paying all fees due hereunder the earlier of the date on which you commence operating your Business or _____, 20__.

BROKER OF RECORD

The Broker of Record is _____.

OPTION TO PLACE UP TO 25% OF SALES REPRESENTATIVES ON PERCENTAGE BASIS PLAN:

Notwithstanding the fact that by signing and initial this Exhibit C-2 you have elected to pay the Royalty Fee and the National Advertising and Promotional Fund Contribution on a flat-fee basis pursuant to the terms of this Exhibit C-2, we hereby grant you the option, once per calendar year, to place up to 25% of the Sales Representatives for your Business on the Percentage Basis Plan (the "Limited Alternative Contribution").

Pursuant to the Limited Alternative Contribution, you have the option of electing annually for each calendar year, the Limited Alternative Contribution, and you will be required to designate by name, the Sales Representatives included in the Limited Alternative Contribution plan; *provided, however*, you (or if you are an entity, your owners) are not eligible to be designated. You must notify us by December 1, which Sales Representatives will be included in the Limited Alternative Contribution to commence on January 1 of the following year. You may only include up to 25% of the Sales Representatives affiliated with your Business. Once you have selected a Sales Representative to be included within the Limited Alternative Contribution, such Sales Representative must remain under the Limited Alternative Contribution for the remainder of the calendar year.

For your first year or partial year of operation, we will provide you a "Letter of Intention" and the "Limited Alternative Method Request," which you must complete and return to us within five (5) days of your receipt of our Letter of Intention in order to utilize the Limited Alternative Contribution for your first year or partial year of operation.

Each month during which you participate in the Limited Alternative Contribution, we will provide you with the following forms to be completed: (1) Monthly Invoice Report; (2) Limited Alternative Monthly Invoicing Method Report; (3) Limited Alternative Monthly Invoice Closing Report (when applicable), collectively referred to as ("the Reports"). You must complete the Reports accurately and in full and return to us each month within five (5) days of your receipt of the foregoing forms.

In the event that you fail to accurately complete and/or return the Reports for three (3) consecutive months, you will be invoiced for all Sales Representatives on a flat-fee basis pursuant to the terms of this Exhibit C-2 for the remainder of the calendar year.

Annually, by the last day of February, you must provide us with a copy of the 1099 or like year-end reporting method ("a Financial Report") for each Sales Representative participating in the Limited Alternative Contribution. In the event that the Financial Report indicates that you underpaid us during the year for any particular Sales Representative who participated in the Limited Alternative Contribution in the preceding year, we will invoice you for the difference between what you paid us and what you should have paid us.

Further, in the event that you fail to provide us with the Reports, and/or the Reports are inaccurate, and/or you fail to provide us with a Financial Report for each Sales Representative on the Limited Alternative Contribution, we will invoice you for the difference between what you actually paid us and what you would have paid us had such Sales Representatives been on a flat-fee basis pursuant to the terms of this Exhibit C-2 during the full preceding calendar year.

HOMELIFE INTERNATIONAL INC.,
a Michigan corporation

By:_____
Name: _____
Designation: _____
Dated:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____
[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED:_____

EXHIBIT D

TO THE FRANCHISE AGREEMENT
BETWEEN HOMELIFE INTERNATIONAL INC.
AND

_____

COMPUTER SOFTWARE LICENSING AGREEMENT

COMPUTER SOFTWARE LICENSING AGREEMENT

THIS COMPUTER SOFTWARE LICENSING AGREEMENT (this "Agreement") is entered into as of the Effective Date, by and between **HOMELIFE INTERNATIONAL INC.**, a Michigan corporation with its principal business address at 1101 Dove Street, Suite 235, Newport Beach, California 92660 (referred to as "we", or "us"), and _____ (referred to as "you" or "your").

WHEREAS, you and HomeLife International Inc. are parties to that certain Franchise Agreement, dated _____ (the "Franchise Agreement"), pursuant to which you are authorized to own and operate a HomeLife® business ("your Business") located at _____.

WHEREAS, in addition to the systems, programs and tools available to HomeLife® franchisees, we provide software programs identified on Schedule A from time to time (the "Licensed Programs") which incorporates certain third-party software providers ("Third Party Providers") who will supply marketing materials, advertising programs and technology products;

WHEREAS, we desire to make Licensed Programs available to you and your Sales Representatives (as such term is defined in the Franchise Agreement); and

WHEREAS, you desire to utilize the Licensed Programs in your Business, pursuant to the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the promises and the mutual covenants of this Agreement, the parties agree as follows:

1. GRANT

a) We hereby grant to you and your Sales Representatives, for the term of this Agreement, a nonexclusive, non-assignable, right and license to use the Licensed Programs in connection with your Business.

b) You acknowledge that the Third Party Providers may alter their programs and services without warning to you or us, and that we may change Third Party Providers at any time at our sole discretion.

2. TERM

This Agreement shall be effective as of the date it is executed by us (the "Effective Date") and shall extend for the period of one (1) year ("Initial Term"). This Agreement shall be automatically renewed for additional one-year terms ("Extended Term") unless you notify us in writing of your intention not to renew the Agreement, said notice to be provided at least sixty (60) days prior to the expiration of the then in-effect Term.

3. COST / FEES

In consideration for the license granted hereunder during the Initial Term of this Agreement and for each Extended Term, you agree to pay us the Monthly Fee set out in Schedule A in accordance with the Payment Process recited in Schedule A.

4. CONFIDENTIALITY / SECURITY

a) You acknowledge that Licensed Programs provided by the Third Parties Suppliers and us under this Agreement contains Confidential Information belonging either to the Third Parties Suppliers or to us. Nothing in this Agreement transfers any right or interest to you in: the Licensed Programs, our Confidential Information, our tools, programs, services, our brand, our trademarks and intellectual property rights (including patent, copyright and trademarks - and derivative works produced therefrom), the coding and data of the Licensed Programs, any updates and changes to Licensed Programs. You shall not modify, reproduce, sell, sublicense, distribute, transmit, transfer, reverse engineer, decompile, disassemble or otherwise divulge, directly or indirectly, by any means or any form, Licensed Programs, or any portion thereof, without our prior written consent. You shall ensure that you and your Sales Representatives do nothing that violates our or the Third Party Providers' patent, trademark, copyright or other intellectual property rights.

b) If you become aware of an apparent breach of our patent, trademark, copyright or other intellectual property rights you shall promptly notify us of said breach. We and/or our affiliates shall take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any intellectual property.

c) You shall take all reasonable steps necessary to ensure that the Licensed Programs, or any portion thereof, are not made available or disclosed by you or your Sales Representatives to any other person. If you or your Sales Representatives breach this Section and if you or your Sales Representatives have not remedied the breach within thirty (30) days after written notice from us, we shall be entitled to terminate this Agreement by notice in writing given to you. Upon such termination, you shall deliver to us all material furnished to you pertaining to Licensed Programs, and shall warrant in writing that all copies thereof have been returned to us or destroyed. You agree that in addition to all other remedies upon a breach of this Section, we shall be entitled to seek an injunction or other equitable relief against the continuance of such breach whether or not we have given you notice of the breach and whether or not the thirty (30) days have expired after notice is given.

d) You and your Sales Representatives are responsible to safeguard your login and password to any Licensed Program. Damage to your data and Licensed Programs may result if our password is cracked or breached. If you believe that your password or that of your Sales Representatives has been breached you must notify us immediately. We are not responsible for damages or lost data as a result of your failure to safeguard your password. You agree to follow our instructions, if any, regarding curative actions and public statements relating to any such breach.

5. PLATFORM PARTICIPATION

a) You must assist us from time to time in executing necessary agreements or providing technical assistance in order for any Licensed Program to function as designed. For example, we may require your assistance to integrate your Multiple Listing Service ("MLS") feed into the Licensed Programs.

b) You shall ensure that you and your Sales Representatives use the Licensed Programs in accordance with all applicable laws or regulations. We may, at our sole discretion, revoke your license or the license of your Sales Representatives if we have reason to believe there has been a violation of this agreement or any law or real estate code of ethics or if the Licensed Programs or Third Party

Suppliers' programs have been damaged, compromised or used in a way contrary to their terms of use.

6. WARRANTIES

a) We do not warrant guarantee or make any representation regarding the content, currency, merchantability, reliability or fitness for a particular purpose of the information provided in the Licensed Programs. You are aware that the Licensed Programs may contain errors or inaccuracies.

b) As you are able to edit data, in no event will we be liable to you, your Sales Representatives, your customers and any third party for any direct, indirect, special, punitive, exemplary or consequential losses or damages whatsoever arising out of errors of inaccuracies in the data of information in the Licensed Programs.

c) As the programs and services within the Licensed Programs are provided by the Third Party Suppliers in no event will we be liable to you, your Sales Representatives, your customers and any third party for any reason whatsoever for any loss, including loss of profit, loss of business, loss of opportunity or the like whether in the contemplation of the parties, whether based on breach of contract, tort (including negligence), product liability, loss of data, down time, disruption or otherwise resulting from the use of the Licensed Programs.

d) We are not liable to you for any damage or alteration to your equipment including but not limited to computer equipment, handheld device or mobile telephones as a result of the use of the Licensed Programs.

7. INDEMNITY

You will indemnify, defend, and hold us and our affiliates harmless from any lawsuit or proceeding brought against us, our affiliates, and any of our respective officers, directors, employees and agents, based upon or otherwise arising out of any conduct by you or your Sales Representatives related to the use of the Licensed Programs.

8. IMPROVEMENTS AND DISRUPTIONS

Any improvements or modifications made by us of the Third Party Suppliers to the Licensed Programs shall be promptly provided to you and shall be automatically included in this Agreement. From time to time we or the Third Party Suppliers may require scheduling downtime in order to perform maintenance on the Licensed Programs. We do not anticipate this downtime to be more than 10 hours per month but the length and frequency of downtime are out of our control. Problems with your local internet service provider, computer network, hardware or software are also out of our control and we are not responsible for any damages resulting from such problems.

9. TERMINATION.

a) This Agreement shall automatically terminate upon the expiration or termination of the Franchise Agreement. This Agreement will terminate if you have failed to pay your fees in accordance with Schedule A and failed to cure any breach of this Agreement after receiving thirty (30) days' notice from us.

b) Upon termination, all data, email addresses, images, contacts or information stored in the Licensed Programs shall be deleted. We have no obligation to backup or retrieve your data.

10. POST-TERMINATION RIGHTS

Upon the expiration or termination of this Agreement, all rights granted to you under this Agreement shall forthwith terminate and immediately revert to us and you shall discontinue all use of the Licensed Programs.

11. GENERAL TERMS

a) **NOTICES:** Any notice required to be given pursuant to this Agreement shall be in writing and mailed by certified or registered mail, or delivered by a national overnight express service. Either party may change the address to which notice or payment is to be sent by written notice to the other party pursuant to the provisions of this paragraph.

b) **JURISDICTION AND DISPUTES:** This Agreement shall be governed by and construed in accordance with the choice of law and dispute resolution provisions set forth in the Franchise Agreement, which provisions are incorporated herein.

c) **AGREEMENT BINDING ON SUCCESSORS:** This Agreement shall be binding on and shall inure to the benefit of the parties hereto, and their heirs, administrators, successors, and assigns.

d) **WAIVER:** No waiver by either party of any default shall be deemed as a waiver of any prior or subsequent default of the same or other provisions of this Agreement.

e) **SEVERABILITY:** If any provision hereof is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other provision and such invalid provision shall be deemed to be severed from the Agreement.

f) **ASSIGNABILITY:** The license granted hereunder is personal to you and may not be assigned by you without our consent.

g) **INTEGRATION:** This Agreement constitutes the entire understanding of the parties, and revokes and supersedes all prior agreements between the parties with respect to its subject matter and is intended as a final expression of their agreement. It shall not be modified or amended except in writing signed by the parties hereto. This Agreement shall take precedence over any other documents that may be in conflict therewith.

[*Signature page follows*]

[Signature Page to Computer Software Licensing Agreement]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have each caused to be affixed hereto its or his/her hand and seal the day indicated.

HOMELIFE INTERNATIONAL INC.,
a Michigan corporation

By:_____
Name: _____
Designation: _____
Date:_____

[*NAME OF FRANCHISEE*]

Signature_____ (I have authority to bind the company)
Print Name_____
Date _____

Schedule A

Licensed Software and Fees and Payments

Software	Fee
TechPack	Each month you, as the Brokerage / Broker of Record, shall pay us a minimum Monthly TechPack Fee in the amount of $64.99 and each Sales Representative registered with your office who elects to register to use the Software Platform shall pay us a Monthly TechPack Fee in the amount of $39.99. If you elect to receive any services in addition to the Software Platform, you will pay our then-current fee with respect to each such service.

Payment Process: You and each Sales Representative registered with your Business shall register with the third-party payment processor of our choice. Each month, on the first day of the month your credit card and your Sales Representative's credit card will be charged. The Sales Representative may elect to pay the payment processor via pre-authorized withdrawal from a bank account.

Payment Start Date: Payment of the Monthly Software Fees shall begin on _____. Thereafter, Monthly Software Fees are due on the same day of the month that the service began. (For example, if the first Monthly Software Fee was first collected on the 20th day of a month, then the Monthly Software Fee will be due on the 20th day of all subsequent months. If the first Monthly Software k Fee was first collected on the 29th, 30th, or 31st day of a month, then the Monthly Software Fee will be due on the last day of any month that doesn't have that many days.)

MLS and IDX Fees: You shall pay all MLS fees, IDX fees or any other third party or data fees necessary to make the Software Platform available to you and your Sales Representatives.

Fee Adjustment: The Third Party Suppliers may adjust the fees they charge to us. Therefore, we may adjust the Monthly Software Fees we charge to you. You acknowledge and agree that the Monthly Software Fee may be adjusted at our sole discretion at any time.

Franchise Fees: The Monthly Software fees are in addition to any other fees set out in the Franchise Agreement. For example, in the Franchise Agreement you are required to pay Royalty Fees, National Advertising and Promotional Fund Contributions, and Support Fees. Said fees are in addition to the fees payable under this Agreement.

EXHIBIT E

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS _____ day of _____ _____, by _____ (the "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (as amended, modified, restated or supplemented from time to time, the "Agreement") by **HOMELIFE INTERNATIONAL INC.** (the "Franchisor"), and _____ ("Franchisee"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this guaranty shall be joint and several; (2) he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned Guarantors represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Guarantor hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other owners of Franchisee;

(b) Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement,

resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

Guarantor agrees to be personally bound by the dispute resolution provisions under Section 17 of the Agreement, including, without limitation, the dispute resolution provision of Section 17.E, the governing law provision of Section 17.F, and the consent to jurisdiction provision of Section 17.G in accordance with their terms.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	**PERCENTAGE OWNERSHIP IN FRANCHISEE**
_____	_____
Print Name:_____ Email: _____	
_____	_____
Print Name:_____ Email: _____	
_____	_____
Print Name:_____ Email: _____	
_____	_____
Print Name:_____ Email: _____	

The undersigned, as the spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse.

_____	_____
Name of Guarantor	Name of Guarantor
_____	_____
Name of Guarantor's Spouse	Name of Guarantor's Spouse
_____	_____
Signature of Guarantor's Spouse	Signature of Guarantor's Spouse
_____	_____
Name of Guarantor	Name of Guarantor
_____	_____
Name of Guarantor's Spouse	Name of Guarantor's Spouse
_____	_____
Signature of Guarantor's Spouse	Signature of Guarantor's Spouse

EXHIBIT B1

HOMELIFE HOP-ON™ PROGRAM ADDENDUM

HOMELIFE INTERNATIONAL INC.

HOMELIFE HOP-ON™ PROGRAM ADDENDUM

This HomeLife Hop-On™ Program Addendum ("**Addendum**") is made and entered into as of _____, 20___ (the "**Addendum Effective Date**") by and between **HOMELIFE INTERNATIONAL INC**., a Michigan corporation with its principal business address at 1101 Dove Street, Suite 235, Newport Beach, CA 92660 ("**we**," "**us**," or "**our**"), and _____, whose principal business address is ("**you**" or "**your**").

1. **BACKGROUND.** Contemporaneously herewith, we and you have entered into a franchise agreement (the "**Franchise Agreement**") and this Addendum is intended to be part of the Franchise Agreement. You have requested, and we have agreed to grant you, the right to operate a HomeLife® Business, with no more than two agents, in a mobile format using virtual applications and without the obligation to operate from a physical office location. All capitalized terms used but not defined in this Addendum have the meanings set forth in the Franchise Agreement. Except as provided in this Addendum, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this Addendum, the terms of this Addendum will control.

2. **GRANT OF FRANCHISE.** Section 1.D of the Franchise Agreement is deleted and replaced with the following:

> D. **GRANT OF FRANCHISE**. You have applied for a franchise to own and operate a HomeLife® Business in a mobile format using virtual applications. Subject to this Agreement's terms, we grant you a franchise (the "**Franchise**") to operate a HomeLife® Business ("**your Business**") and to use the Franchise System in its operation. The term of this Agreement is (check one):
>
> (1) Five (5) years _____;
> (2) Seven (7) years _____;
> (3) Ten (10) years _____;
> (4) Fifteen (15) years _____; or
> (5) Twenty (20) years _____,
>
> beginning on the date this Agreement becomes effective pursuant to Section 17.M of this Agreement.
>
> You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Business.

3. **NO EXCLUSIVITY AND RESERVATION OF RIGHTS.** Section 1.F of the Franchise Agreement is amended by deleting the first three sentences of such section.

4. **SITE SELECTION.** Section 2.A of the Franchise Agreement is deleted.

5. **BUSINESS DEVELOPMENT.** Section 2.B of the Franchise Agreement is deleted and replaced with the following:

B. **BUSINESS DEVELOPMENT**. Within forty-five (45) days after the Effective Date, you agree at your expense to (a) purchase and install any required Computer System (as defined in Section 2.C below) and (b) install or affix signage to a vehicle with design and lettering we approve from time to time.

6. **BUSINESS OPENING.** Section 2.D of the Franchise Agreement is deleted and replaced with the following:

D. **BUSINESS OPENING**. You agree not to commence operation of your Business until: (1) you pay the initial franchise fee and other amounts then due to us; (2) you give us certificates for all required insurance policies; (3) you give us copies of real estate licenses for your Broker of Record (defined in Section 8.C); and (4) we have approved any d/b/a you propose to use for your Business. Subject to your compliance with these conditions, you agree to commence operation of your Business within ninety (90) days after the Effective Date.

7. **INITIAL FEES**. Section 3.A of the Franchise Agreement is deleted and replaced with the following:

A. **INITIAL FEES**. You agree to pay us a nonrecurring and nonrefundable initial franchise fee of $2,500 in the form we specify, which may include by bank check, cashier's check, wire transfer, or electronic funds transfer. The initial franchise fee is due, and fully earned by us, when you sign this Agreement.

8. **OPERATIONS MANUAL**. The third sentence of Section 4.C of the Franchise Agreement is deleted and replaced with the following:

You agree to keep your copy of the Operations Manual current, including downloading any updates to the Operations Manual which we make available on a restricted Website or intranet or through other electronic media, and in a secure location reasonably acceptable to us.

9. **CONDITION AND APPEARANCE OF YOUR BUSINESS**. Section 8.A of the Franchise Agreement is deleted and replaced with the following:

A. **CONDITION AND APPEARANCE OF YOUR BUSINESS.** You agree that, in connection with the operation of your Business, you will use only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we approve from time to time. You further agree to maintain, at your own expense, the condition and appearance of any vehicles you use for the operation of your Business in accordance with the System Standards and consistent with the image of a HomeLife® Business as an efficiently operated business offering high quality products and services and observing the highest standards of efficient and courteous service.

10. **PRODUCTS AND SERVICES YOUR BUSINESS OFFERS**. Section 8.B of the Franchise Agreement is deleted and replaced with the following:

B. **PRODUCTS AND SERVICES YOUR BUSINESS OFFERS.** You agree that you (1) will offer and sell the products and services that we periodically specify; (2) will not offer or

sell any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove.

11. **MEMBERSHIP IN MULTIPLE LISTING SERVICE; INTERNET DATA EXCHANGE.** The first sentence of Section 8.I of the Franchise Agreement is deleted and replaced with the following:

> You must join the local multiple listing service ("**MLS**") that encompasses the geographic area in and around [CITY/STATE] and remain a member in good standing of such MLS throughout the term of this Agreement.

12. **LOCAL ADVERTISING.** The first sentence of Section 9.B of the Franchise Agreement is deleted and replaced with the following:

> You must promote your Business by spending, in addition to the National Advertising and Promotional Fund Contributions, on local advertising, marketing, and promotions within the geographic area in and around [CITY/STATE] ("**Your Local Advertising**") an amount you reasonably determine as necessary to promote your Business.

13. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.** The last sentence of Section 10 of the Franchise Agreement is deleted and replaced with the following:

> You agree to preserve and maintain all records in a secure location reasonably acceptable to us for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

14. **CONDITIONS FOR APPROVAL OF TRANSFER.** Section 12.C(7) of the Franchise Agreement is deleted.

15. **TERMINATION OF AGREEMENT.** Section 14 of the Franchise Agreement is amended in the following respects:

(a) by deleting subsection (2) and replacing it with the following:

> (2) you do not commence operation of your Business within the timeframe set forth in Section 2.D;

(b) by deleting subsection (10):

(c) by deleting subsection (15) and replacing it with the following:

> (15) you or any of your owners or affiliates fail to pay any other third party any other amounts owed in connection with your Business when due, and do not cure such failure within any applicable cure period granted by such third party;

16. **COVENANT NOT TO COMPETE.** Section 15.D of the Franchise Agreement is deleted and replaced with the following:

D. **COVENANT NOT TO COMPETE** Upon expiration or termination for any reason of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of the expiration or termination, neither you nor any of our owners (or their immediate family members) will have any direct or indirect interest as an owner (whether or record, beneficially, or otherwise), investor, partner, director or officer, in any Competitive Business (as defined in Section 7 above) located or operating within [CITY/STATE] or twenty-five (25) miles from the outside boundaries of [CITY/STATE]. If any person restricted by this Section 15.D fails to comply with the foregoing obligations as of the expiration or termination of this Agreement, the two (2) year restricted period for that person will commence on the date the person begins to comply with this Section, which may be the date a court order is entered enforcing this provision.

17. **CONSTRUCTION.** The second-to-last sentence of Section 17.N of the Franchise Agreement is deleted and replaced with the following:

The term "your Business" includes all of the assets of the HomeLife® Business you operate under this Agreement, including its revenue.

[*Signature page follows*]

[Signature Page to HomeLife Hop-On™ Program Addendum]

IN WITNESS WHEREOF, we and you have duly executed and delivered this Addendum on the dates noted below.

THIS ADDENDUM SHALL NOT BE EFFECTIVE UNTIL ACCEPTED BY US AS EVIDENCED BY DATING AND SIGNING BY EITHER ANDREW CIMERMAN, OUR PRESIDENT AND CHIEF EXECUTIVE, OR TWO OF OUR DULY AUTHORIZED OFFICERS OR REPRESENTATIVES.

HOMELIFE INTERNATIONAL INC., a Michigan corporation

By: _____
Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By: _____
Title: _____

DATED: _____

By: _____
Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED: _____

EXHIBIT B2
BOUTIQUE CONVERSION PROGRAM ADDENDUM

HOMELIFE INTERNATIONAL INC.

BOUTIQUE CONVERSION PROGRAM ADDENDUM

This Boutique Conversion Program Addendum ("**Addendum**") is made and entered into as of _____, 20___ (the "**Addendum Effective Date**") by and between **HOMELIFE INTERNATIONAL INC**., a Michigan corporation with its principal business address at 1101 Dove Street, Suite 235, Newport Beach, CA 92660 ("**we**," "**us**," or "**our**"), and _____, whose principal business address is ("**you**" or "**your**").

1. **BACKGROUND.** Contemporaneously herewith, we and you have entered into a franchise agreement (the "**Franchise Agreement**") and this Addendum is intended to be part of the Franchise Agreement. You have requested, and we have agreed to grant you, the right to convert your existing real estate brokerage business to operate as a HomeLife® Business, with no more than three agents. All capitalized terms used but not defined in this Addendum have the meanings set forth in the Franchise Agreement. Except as provided in this Addendum, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this Addendum, the terms of this Addendum will control.

2. **SITE SELECTION.** Section 2.A of the Franchise Agreement is deleted in its entirety and replaced with the following:

A. **SITE SELECTION**. You may only operate your Business at the Location. You may not relocate your Business without our prior written consent. If, at any time during the term of the agreement, renew your lease or sign a lease or sublease for a new Location (the "Lease"), the Lease must contain any terms and provision which we may require from time to time.

3. **INITIAL FEES**. Section 3.A of the Franchise Agreement is deleted and replaced with the following:

A. **INITIAL FEES**. You agree to pay us a nonrecurring and nonrefundable initial franchise fee of $3,500 in the form we specify, which may include by bank check, cashier's check, wire transfer, or electronic funds transfer. The initial franchise fee is due, and fully earned by us, when you sign this Agreement.

[*Signature page follows*]

[Signature Page to Boutique Conversion Program Addendum]

IN WITNESS WHEREOF, we and you have duly executed and delivered this Addendum on the dates noted below.

THIS ADDENDUM SHALL NOT BE EFFECTIVE UNTIL ACCEPTED BY US AS EVIDENCED BY DATING AND SIGNING BY EITHER ANDREW CIMERMAN, OUR PRESIDENT AND CHIEF EXECUTIVE, OR TWO OF OUR DULY AUTHORIZED OFFICERS OR REPRESENTATIVES.

HOMELIFE INTERNATIONAL INC., a Michigan corporation

By: _____
Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____
[Name]

By: _____
Title: _____

DATED: _____

By: _____
Title: _____

DATED: _____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

_____
[Signature]

_____
[Print Name]

DATED: _____

EXHIBIT C

INITIAL FRANCHISE FEE PROMISSORY NOTE

INITIAL FRANCHISE FEE PROMISSORY NOTE

Amount $_____ Dated: _____

FOR VALUABLE CONSIDERATION, the undersigned _____ ("Maker") and _____ ("Co-Maker(s)") promise to pay to HomeLife International Inc. or its successors and assigns ("Holder"), on _____ at _____, or at such other place as Holder may designate, in writing, the principal sum of _____ (the "Principal"), which amount shall, except as set forth below, bear no interest.

1. This Initial Franchise Fee Promissory Note (this "Note") is made pursuant to that certain HomeLife Franchise Agreement dated _____ (the "Franchise Agreement") and entered into by and between Maker as "Franchisee" and Holder as "Franchisor." Principal only shall be payable as set forth in Section 11 hereof. In the event the Maker or Co-Maker(s) fail to make any payment when due, including any payment due upon acceleration of this Note, the entire outstanding Principal shall thereafter bear interest at the lesser of eighteen percent (18%) per annum or the highest rate allowed by law from its due date until paid in full.

2. All payments shall be made in lawful money of the United States of America without set-off, offset, recoupment, deduction or counterclaim of any kind whatsoever. Payments, when made, shall first be applied to accrued and unpaid interest, if any, and then to Principal.

3. Maker acknowledges and agrees that amount of this Note (reflecting the Initial Franchise Fee due pursuant to the Franchise Agreement) is fully earned by Holder and is non-refundable.

4. Maker may prepay the principal balance of this Note in full or in part at any time, with no prepayment penalty. No partial prepayment shall extend or postpone the due date of any subsequent installment payment or change the amount of the installment payment. Prepayments will be applied without notation on this Note.

5. Holder of this Note may determine that Maker and Co-Maker(s) are in default and may accelerate the unpaid Principal and all interest accrued thereon to be immediately due and payable, without presentment for payment or any notice or demand, (A) if Maker, Co-Maker(s), endorser, surety or guarantor of this Note (i) suspends business; (ii) becomes insolvent or offer settlement to any creditors; (iii) files a petition in bankruptcy, either voluntary or involuntary; (iv) institutes any proceeding under any bankruptcy or insolvency laws relating to the relief of debtors; (v) makes an assignment for the benefit of creditors; or (vi) makes any false statement or representation orally or in writing, fails to furnish information, or fails to permit inspection of any books or records on demand of Holder, (B) upon default in payment of any Principal payment due hereunder, (C) upon default, in Holder's sole opinion, of any other agreement between Maker or any Co-Maker, on the one hand, and Holder or any of Holder's affiliates, on the other hand. For the purposes of this Note, a party shall be in default of an agreement if such party shall have been given notice of such default in accordance with the terms of any such agreement, and, as to those defaults for which such party is afforded an opportunity to cure pursuant to such agreement, such party shall have failed to make such cure within the applicable cure period provided (if any). Maker's and Co-Maker(s)'s obligation to pay the Principal and interest thereon, if accelerated shall be absolute and unconditional, and shall not be subject to any rights of set-off, offset, recoupment, deduction or counterclaim of any kind whatsoever.

6. Maker and Co-Maker(s) agree(s) to pay all expenditures made in any attempt to collect any amounts due pursuant to this Note. Maker and Co-Maker(s) agree that any attorney-at-law or its attorney-in-fact may appear in any court of record situated in any county where the Maker and/or Co-Maker(s) then reside or in the county where Maker and/or Co-Maker signed this Note at any time after the debt evidenced shall become due, either at its stated maturity or by declaration, and waiving the issuing and service of process and confess judgment against the Maker and Co-Maker(s), jointly and severally, in favor of the Holder, for the amount then owning thereon, together with attorneys' fees and other legal costs and thereupon release(s) all errors and waive(s) all rights to appeal.

7. Maker, Co-Maker(s) and all endorsers or guarantors of this Note, and each of them, hereby waive, to the fullest extent permitted by law, diligence, demand, notice of demand, presentment for payment, notice of non-payment, notice of dishonor, protest and notice of protest and specifically consent to and waive notice of any renewals, extensions, amendments or modifications of this Note, whether made to or in favor of Maker or any other person or persons. Holder reserves the right to modify the terms of this Note, grant extensions, notations, renewals, releases, discharges, compositions and compromises with any party liable under this Note, with or without any notice to or the consent of, and without discharging or affecting the obligations of, any other party liable under this Note. The claiming of any statute of limitations as a defense to any demand against Maker, Co-Maker(s) or any endorser or guarantor is expressly waived by all endorsers and guarantors of this Note.

8. This Note shall be construed and enforced, without regard to conflict of laws, in accordance with the laws of the State of Michigan. The terms of this Note are confidential and will not be disclosed to any third party by Maker without the prior written consent of Holder, unless required by law.

9. This Note shall be the joint and several obligation of Maker, Co-Maker(s), all guarantors and endorsers, if any, and shall be binding upon them and their heirs, executors, personal representatives, successors and assigns and shall inure to the benefit of Holder and its successors and assigns. This Note shall not be assignable by Maker or any Co-Maker without the prior written consent of Holder.

10. Failure of Holder, for any period of time or on more than one occasion, to exercise its option to accelerate the Principal due shall not constitute a waiver of that right at any time during a period of default or in the event of any subsequent default. Holder shall not by any other omission or act be deemed to waive any of its rights or remedies unless such waiver is written and signed by an officer of Holder, and then only to the extent specifically set forth. A waiver in connection with one event shall not be construed as continuing or as a bar to or waiver of any right or remedy in connection with a subsequent event.

11. Repayment of the Principal shall be as follows:

    a. First Installment Payment: $_____ payable on _____, 20___.
    b. Second Installment Payment: $_____ payable on _____, 20___.
    c. Third Installment Payment: $_____ payable on _____, 20___.
    d. Fourth Installment Payment: $_____ payable on _____, 20___.
    e. Fifth Installment Payment: $_____ payable on _____, 20___.

[*Signature page follows.*]

IN WITNESS WHEREOF, the undersigned Maker and Co-Maker(s) have executed this Note as of the date first set forth above.

MAKERS AND GUARANTOR(S)

_____
Signature

_____
Print Name

MAKERS AND GUARANTOR(S)

_____
Signature

_____
Print Name

MAKERS AND GUARANTOR(S)

_____
Signature

_____
Print Name

EXHIBIT D

FINANCIAL STATEMENTS

HOMELIFE INTERNATIONAL INC.
COMPARATIVE FINANCIAL STATEMENTS
DECEMBER 31, 2025, 2024 AND 2023

HOMELIFE INTERNATIONAL INC.

Table of Contents

Independent Auditor's Report	Pages 3-4
Balance Sheets	Pages 5
Statement of Revenues and Expenses	Page 6
Statement of Stockholder's Equity	Page 7
Statement of Cash Flows	Page 8
Notes to Financial Statements	Pages 9-11

VanDerPol and Company
A Professional Accountancy Corporation
151 Kalmus Drive, #M-3A, Costa Mesa, California 92626 (714) 437-1025, FAX (714) 437-5900

INDEPENDENT AUDITORS' REPORT

To the Stockholder
HomeLife International Inc.

Opinion

We have audited the accompanying financial statements of HomeLife International Inc., which comprise the balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HomeLife International Inc. as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HomeLife International Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HomeLife International Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HomeLife International Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HomeLife International Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



VANDERPOL AND COMPANY
A Professional Accountancy Corporation

Costa Mesa, California
January 20, 2026

HOMELIFE INTERNATIONAL INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2025, 2024, and 2023

ASSETS

	2025	2024	2023
Current Assets:			
Cash and cash equivalents	$ 109,060	$ 130,431	$ 129,513
Accrued interest receivable	--	256	--
Prepaid expense	1,054	--	--
Due from related parties [Note 5]	68,644	60,000	60,000
Total Current Assets	178,758	190,687	189,513
Total Assets	$ 178,758	$ 190,687	$ 189,513

LIABILITIES AND SHAREHOLDER'S EQUITY

	2025	2024	2023
Current Liabilities:			
Accounts payable and accrued expenses	$ 675	$ --	$ 743
Income taxes payable	-	-	554
Due to related party	190,325	167,143	135,989
Total Current Liabilities	191,000	167,143	137,286
Total liabilities	191,000	167,143	137,286
Stockholder's Equity:			
Common stock, no par value; 1,000,000 shares authorized, 100,000 shares issued and outstanding	100,000	100,000	100,000
Preferred stock, no par value, 1,000,000 shares authorized, 175 shares issued and outstanding	175,000	175,000	175,000
Retained earnings (deficit)	(287,242)	(251,456)	(222,773)
Total Shareholder's Equity	(12,242)	23,544	52,227
Total Liabilities and Stockholder's Equity	$ 178,758	$ 190,687	$ 189,513

See independent auditor's report and accompanying notes to financial statements.

HOMELIFE INTERNATIONAL INC.
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
Revenue			
Sales	$ 7,801	$ 20,464	$ 67,059
Interest income	3,690	5,834	-
Total Revenue	11,491	26,298	67,059
Operating Expenses			
Advertising and marketing	--	--	2,000
Web hosting	11,844	11,888	11,869
Franchise support	18,625	18,994	19,976
Trademark agents	--	--	6,767
Professional fees	11,141	18,603	21,180
Commissions	--	900	--
Software	--	--	15,210
Office and administrative	2,877	2,324	2,611
Registration, fees, & taxes	1,990	1,472	1,149
Income tax (Note 3)	800	800	800
Total Operating Expenses	47,277	54,981	81,562
Net Income/(Loss)	(35,786)	(28,683)	(14,503)

See independent auditor's report and accompanying notes to financial statements.

HOMELIFE INTERNATIONAL INC.
STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	Common Stock	Preferred Stock (non-voting)	Accumulated Deficit	Total Equity
Balance-December 31, 2022	$ 100,000	$ 175,000	$ (208,270)	$ 66,730
Changes in Equity for the year ended December 31, 2023				
Net income	-	-	(14,503)	$ (14,503)
Balance, December 31, 2023	$ 100,000	$ 175,000	$ (222,773)	$ 52,227
Changes in Equity for the year ended December 31, 2024				
Net income	-	-	(28,683)	$ (28,683)
Balance, December 31, 2024	$ 100,000	$ 175,000	$ (251,456)	$ 23,544
Changes in Equity for the year ended December 31, 2025				
Net loss	-	-	(35,786)	$ (35,786)
Balance, December 31, 2025	$ 100,000	$ 175,000	$ (287,242)	$ (12,242)

See independent auditor's report and accompanying notes to financial statements

HOMELIFE INTERNATIONAL INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

	2025	2024	2023
Cash flows from operating activities			
Net income/(loss)	$ (35,786)	$ (28,683)	$ (14,503)
Adjustments to reconcile net loss to net cash provided (used) by operating activities			
Changes in assets and liabilities (increases) decreases in:			
Accounts receivable			
Prepaid expenses	(1,054)	-	-
Interest receivable	256	(256)	-
Increases (decreases) in:			
Accounts payable and accrued expenses	675	(743)	(3,056)
Net cash flows from operating activities	(35,909)	(29,682)	(17,559)
Cash Flows From Financing Activities:			
Income taxes payable	-	(554)	-
Increase in due from related party	(8,644)	-	(60,000)
Increase/(decrease) in due to related party	23,182	31,154	100,011
Cash Flows Used By Financing Activities:	14,538	30,600	40,011
Net increase/(decrease) in cash	(21,371)	918	22,452
Cash, Beginning of Year	130,431	129,513	107,061
Cash, End of Year	$ 109,060	$ 130,431	$ 129,513

See independent auditor's report and accompanying notes to financial statements.

NOTE 1. ORGANIZATION

HomeLife International Inc. (the Company) was incorporated under the laws of the state of Michigan. The Company is a real estate franchisor and licensor of real estate brokerage offices and provides operational and administrative services to franchisees in the United States of America, including industry-specific technology, specialized training and education, and advertising and marketing materials.

The Company derives revenues from recurring franchise fees, annual dues from real estate agents, broker fees, franchise sales and other franchise revenue (which consist of fees from initial sales and renewals of franchises), and other programs or events based upon industry education and training.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Accounting - The books and records for the Company are maintained on the accrual basis of accounting.

(b) Capitalization Policy and Depreciation – Property and equipment are recorded at their original cost and are depreciated over their estimated useful lives using the straight-line method of depreciation. Expenditures for maintenance and repairs of equipment are charged to expense as incurred. There were no significant property or equipment additions during the year.

(c) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(d) Revenue and Revenue Recognition – The Company's revenue is derived primarily from franchise fees, royalties and licensing fees under the Network. Income from initial franchise and broker network licensing fees are recorded on the date of the franchise or broker network contract agreement. Licensing fees, advertising fees, and royalty income are recognized when earned.

The Financial Accounting Standards Board (FASB) issued new guidance in the Accounting Standards Codification (ASC) Topic 606 Revenue from Contracts with Customers. FASB ASC 606 is a new revenue recognition standard that affects businesses that enter into contracts with customers to transfer goods and services, including public, private and non-public entities. The purpose of the standard is to eliminate variations in the way businesses across industries handle accounting for similar transactions. FASB ASC 606 went into effect for annual reporting periods beginning after December 15, 2018. FASB ASC 606 supersedes the revenue recognition requirements of FASB ASC 972-605 and most industry-specific revenue guidance in the FASB ASC. The Association adopted the new guidance as of January 1, 2019.

(e) Accounts Receivable – The Company utilizes the allowance method of accounting for losses from uncollectible receivables. Under this method, an allowance is provided based upon historical experience and management's evaluation (for likelihood of collection) of the outstanding receivables at the end of each fiscal year.

(f) Goodwill and Other Intangibles- Goodwill represents the excess of cost of the assets acquired over their fair value at the date of acquisition. The Company tests these intangible assets for impairment on an annual basis based on their fair value.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Advertising & Web Hosting Costs- The Company expenses advertising and web hosting costs when incurred. Advertising and Web Hosting costs charged to operations totaled $0, $11,888 and $13,869 for the years ended December 31, 2025, 2024, and 2023, respectively.

(h) Subsequent Events – Subsequent events have been evaluated through January 20, 2026, which is the date the financial statements were available to be issued.

NOTE 3. CREDIT LOSSES IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued guidance in ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments also known as the Current Expected Credit Losses (CECL) model. This guidance requires the Company to estimate and recognize an allowance for expected credit losses on financial assets measured at amortized cost such as accounts receivable.

The CECL model replaces the previous "incurred loss" model, which required credit losses to be recognized only when incurred. Under the CECL model, credit losses must be recognized earlier, based on historical experience, current conditions and reasonable and supportable forecasts of future economic conditions. The CECL model requires the immediate recognition of management's estimates of "current credit losses" on financial instruments, including accounts receivable.

At December 31, 2025, the Company has not recorded an allowance for credit losses. The Company uses various methodologies on delinquent accounts based on factors such as the length of time receivables have been outstanding, estimated loss rates, and historical trends in credit quality indicators. This approach is consistent with the methods the Company previously used to establish allowance for credit losses. The cumulative effect of adopting this standard did not result in any changes to the beginning of the year's allowance for credit losses or the Operating Fund balance.

NOTE 4. INCOME TAXES

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred income tax assets and liabilities are provided based on the difference between the financial statements and tax basis of assets and liabilities measured by the currently enacted tax rates in effect for the years in which these differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The components of deferred tax assets and liabilities are classified as current and non-current based upon their characteristics. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. In 2015 the FASB issued ASU No. 2015-18, "Income Taxes (Topic 740)-Balance Sheet Classification of Deferred Taxes," which requires companies to report their deferred tax liabilities and deferred tax assets together as a single non-current item on their classified balance sheets. The Company elected to adopt ASU No. 2015-18 early and applied it prospectively as allowed by the standard. As such, prior periods presented were not retrospectively adjusted.

NOTE 4. INCOME TAXES (continued)

The Association has adopted accounting standards for the accounting for uncertainty in income taxes. These standards provide guidance for the accounting and disclosure about uncertain tax positions taken by an association. Management believes that all of the positions taken by the Association in its federal and state income tax returns are more likely than not to be sustained upon examination. The Association's tax returns are subject to examination by the Internal Revenue Service and other state taxing agencies generally for three and four years, respectively, after they are filed. For the year ended December 31, 2025, federal and California income tax expense totaled $0 and $800, respectively.

NOTE 5. RELATED PARTY TRANSACTIONS

The Company has transactions with various related companies, all of which are owned and controlled by one individual. The transactions have no fixed repayment terms and carry no interest.

For the years ending 2025, 2024, and 2023, the related party transactions are as follows:

Due from Related Parties	2025	2024	2023
Total due from related parties:	$ 68,644	$ 60,000	$ 60,000

Due to Related Parties			
Total due to related parties:	$190,325	$167,143	$135,989

NOTE 6. FINANCIAL MEASUREMENT

FASB ASC 820 defines the fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a fair market hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon three levels. Level 1 measurements are based upon unadjusted quoted prices for identical assets or liabilities in active markets that an entity has the ability to access. Level 2 measurements include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 measurements are unobservable and significant to the fair value measurement.

The Company's assets at December 31, 2025 would fall under a Level 1 measurement. There are no investments that represent Level 2 or 3 measurements.

EXHIBIT E

LIST OF CURRENT FRANCHISEES

List of Franchisees
As of December 31, 2025

Arizona

HomeLife Ambassador Realty LLC
John Theis
14050 N. 83rd Avenue
Suite 290-14
Peoria, AZ 85381
(623) 202-6044

California

HomeLife Platinum Realty
Irene Lopez
15825 Main Street
La Puente, CA 91744
(626) 330-8282

Florida

HomeLife Properties LLC
Cindy Harrowsmith
7777 North Wickham Road
Suite 12 PMB 12-323
Melbourne, Florida 32940
(321) 775-0272

HomeLife Realty Coastal Properties LLC
Annette Newkirk
400 N. Ashley Dr
Tampa, Florida 33602
813-535-6175

Virginia

HomeLife Access Realty LLC
Donna Holcomb
100 Arbor Oak Drive
Suite #106
Ashland, Virginia 23005
(804) 798-7878

EXHIBIT F

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

Franchisees who left franchise system during the fiscal year ended December 31, 2025, or who have not communicated with us within 10 weeks of the issuance date of this disclosure document.

None.

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

EXHIBIT G

TABLE OF CONTENTS OF OPERATIONS MANUAL

FRANCHISE MEMBER OPERATIONS MANUAL
Table of Contents

		Page No.
I.	**INTRODUCTION**	**2**
	Introduction	2
	Mission Statement	2
	The HOMELIFE Brand	2
	The Higher Standards Brand	3
	The Five Star Higher Standards Brand	3
	Our Higher Standards Philosophy	4
	Preface	5
	HOMELIFE History	6
	Table of Contents	7
II.	**COMPLIANCE**	**10**
	What is Compliance?	10
	What are Trade Secrets?	10
	Franchisor's Obligations and Responsibilities	10
	Franchisee's Obligations and Responsibilities	11
III.	**COMPANY POLICIES**	**11**
	Relocation	11
	Office Name Change	11
	Office Name	12
	Change of Business Structure or Partners	12
IV.	**INSURANCE COVERAGE**	**12**
	Additional Named Insured	13
	Required Before Business Opens	13
	Certificate of Insurance	13
V.	**LOGO STANDARDS**	**14**
	HomeLife Image and Identification Style	14
	Protecting Corporate Signature	14
	Versions of the Logo	15
	Avoid Distortion	21
	Logo Examples	23
	Image Formats	25

VI.	**MARKETING AND MEDIA**	**26**
	Office Signs	26
	Exterior Office Front Signage	27
	Approved Vendors	31
VII.	**WEBSITE AND DOMAINS**	**32**
	Your Web Page on homelifeus.com	32
	Domain Names	32
	Domain Names and DBAs	33
VIII.	**OFFICE STRUCTURE/ADMINISTRATION**	**34**
	Office Layout and Design	34
	Support/Administrative Staff	34
	Sales Meeting Guidelines	34
	Office Communication Systems	35
IX.	**BUDGET/FINANCIAL MANAGEMENT**	**36**
	Operating/Capital Budget	36
	Financial Statements	36
	Profit and Loss Statements	36
	Financial Obligations	37
X.	**MARKETING**	**38**
	Your Grand Opening	38
	HomeLife Luxury Properties	39
	Collateral Marketing Pieces	39
	Direct Mail Postcards	39
XI.	**ADVERTISING/PUBLIC RELATIONS**	**40**
	Local Advertising Print, TV/Radio	40
XII.	**BROKER DEVELOPMENT**	**41**
	Company Business Plan Guidelines	41
	Agent Accountability	42
	Agent Retention	43
XIII.	**RECRUITING/COMPENSATION PROGRAM**	44
	Broker Recruiting Plan	44
	Income For Life	44
	Share the Wealth and Income Sharing Bonus Plan	44
XIV.	**AGENT DEVELOPMENT**	**46**
	HOMELIFE University	46
	HOMELIFE International Convention	47
	Higher Standards of Excellence National Awards Program	47
XV.	**LEAD GENERATION**	**48**
	Virtual Relocation – www.moveinandout.com	48
XVI.	**MEMBER TECHNOLOGY**	**49**
	HomeLife Corporate Website	49

Broker/Agent Education Webinars 49
HomeLife TechPack 49

XVII. DISCLAIMER 50

APPENDIX

HOMELIFE CORPORATE FORMS
Accounting Forms
- Monthly Agent Roster – Flat Fee Agents
- Monthly Agent Roster – Percentage Fee
- Escrow Activity
- Escrow Instructions and Closing Report
- Authorization for Credit Card Payment

Corporate Forms
- Consent to use HomeLife Marks with DBA/Domain Name
- De-Identification Checklist

Total Number of Pages: 60

EXHIBIT H

DISCLOSURE ACKNOWLEDGMENT STATEMENT

DISCLOSURE ACKNOWLEDGMENT STATEMENT

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED OR DOMICILED IN, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, ILLINOIS, MICHIGAN, NEW YORK, OR VIRGINIA.

HomeLife International Inc. ("HomeLife"), through the use of this Disclosure Acknowledgment Statement, desires to determine that you fully understand and comprehend that the purchase of a franchise to operate as a HomeLife real estate brokerage business (a "HomeLife Franchise") is a business decision involving the evaluation of its associated risks and that HomeLife's policy is to verify and confirm that in making your decision you are not relying upon any oral statement, representations, promises or assurances made during the negotiations for the purchase of a HomeLife Franchise by any director, officer, employee, agent or representative of HomeLife (collectively "Representative") which are not specifically set forth in HomeLife's then-current "Franchise Disclosure Document," including all of the exhibits attached to it (collectively, the "FDD").

The following representations have been prepared by HomeLife in an effort to ensure that you have a complete and accurate understanding of duties, responsibilities and obligations of a HomeLife franchisee prior to the execution of a franchise agreement for a HomeLife Franchise:

1. You acknowledge receipt of the FDD on _____. You further acknowledge that you have personally and carefully reviewed the FDD, that you understand all of the information in the FDD, and that you have been advised by a Representative to have professional advisors of your own, including legal counsel, review the FDD and consult with you regarding the risks associated with the purchase and operation of a HomeLife Franchise.

2. You acknowledge that you have made your own independent determination as to whether you have the capital necessary to fund a HomeLife Franchise operation.

3. You recognize and understand that the business risk, which exists in connection with the purchase of any business, makes the success or failure of a HomeLife Franchise subject to many variables, including, but not limited to, your skills and abilities, the hours you work, competition from other businesses, interest rates, the economy, inflation, store location, operating costs, lease terms and costs, the marketplace and other economic and other business factors. You acknowledge your willingness to accept these business risks and it is your responsibility to manage your franchise business. You understand that the success or failure of your franchise operation depends primarily upon your efforts and not that of HomeLife.

4. You acknowledge and agree that your decision to purchase a HomeLife Franchise is in no manner predicated upon any representations, assurances, warranties, guarantees or promises made by a Representative as to the likelihood of success of a HomeLife Franchise. You further acknowledge that you have not received any information from a Representative concerning actual, average, projected or forecasted franchise sales, gross receipts, revenues, income, profits or earnings, except as follows (if no exceptions, write "None"):

_____

_____

_____

_____

5. You acknowledge that no statement, promise or assurance has been made to you by a Representative concerning the likelihood of success you should or might expect to achieve from developing and operating a HomeLife Franchise that is contrary to, or different from, the information contained in the FDD. If you believe that such a statement, promise or assurance has been made, please describe such statement, promise or assurance in the space provided below. Otherwise, write "None."

_____

_____

_____

_____

6. You acknowledge that no statement, promise or assurance has been made to you by a Representative concerning the advertising, marketing, training, support services or assistance that HomeLife will furnish you that is contrary to, or different from, the information contained in the FDD. If you believe that such a statement, promise or assurance has been made, please describe such statement or promise in the space provided below. Otherwise, write "None."

_____

_____

_____

_____

7. You acknowledge that no other statement, promise or assurance has been made to you by a Representative concerning any other matter related to a HomeLife Franchise that is contrary to, or different from, the information contained in the FDD. If you believe that such a statement, promise or assurance has been made, please describe such statement, promise or assurance in the space provided below. Otherwise, write "None."

_____

_____

Prohibited Parties Clause. You acknowledge that we, our employees, and our agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, you represent that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;

2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;

3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or

4. the Annex to U.S. Executive Order 13224.

You warrant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. You warrant that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us were legally obtained in compliance with these laws.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, will, during the term of your franchise agreement for the HomeLife Franchise, become a person or entity described above or otherwise become a target of any anti-terrorism law.

PROSPECTIVE FRANCHISEE: (Individual)

_____
Name

_____
Signature

Date: _____

PROSPECTIVE FRANCHISEE:

(Corporation, Partnership or Limited Liability Company)

a/an _____ corporation
a/an _____ partnership
a/an _____ limited liability company

_____
By: _____
Its: _____

Date: _____

EXHIBIT I

SAMPLE GENERAL RELEASE

HOMELIFE INTERNATIONAL INC.

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

HomeLife International Inc. ("we," "us," or "our"), and the undersigned franchisee, _____ _____ _____ ("you" or "your"), currently are parties to a certain Franchise Agreement (the "Franchise Agreement") dated _____, 20____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal situation]_____ _____ _____ _____ _____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "HomeLife Parties") of and from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the HomeLife Parties, including without limitation, Claims (1) arising out of or related to the HomeLife Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the HomeLife Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the HomeLife Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

IF THE BUSINESS YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE HOMELIFE PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE HOMELIFE PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this release as of the date set forth below.

HOMELIFE INTERNATIONAL INC.

Print Name:_____

Title:_____

By:_____ Date:_____

FRANCHISEE

_____

Print Name:_____

Title:_____

By:_____ Date:_____

FRANCHISEE OWNER

Print Name:_____

Title:_____

By:_____ Date:_____

Print Name:_____

Title:_____

By:_____ Date:_____

EXHIBIT J

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF HOMELIFE INTERNATIONAL INC.

The following are additional disclosures for the Franchise Disclosure Document of HomeLife International Inc. required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, ILLINOIS, MICHIGAN, NEW YORK, OR VIRGINIA.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

1. 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.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. OUR WEBSITES, www.homelifeus.com and www.real-estate-franchise-opportunity.com, HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

4. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor any person 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. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The following is added to the end of Note 11 of Item 6:

If you offer sales and support services to certain other franchisees, you may be classified as a subfranchisor and would have to file separate franchise registration application in the State of California. Please consult with an attorney who specializes in the Franchise Investment Law to determine the applicability of a franchise registration.

6. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

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

The Franchise Agreement requires you to sign 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 thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

ILLINOIS

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. The following risk factor is added to the Special Risks page:

   Financial Condition. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. The following paragraph is added to the end of Item 5:

   Payment of initial franchise fees will be deferred until we have met our initial obligations to you, and you have commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.

4. The "Summary" section of Item 17(v) of the Disclosure Document, entitled "Choice of forum," is deleted in its entirety with respect to the Franchise Agreement.

5. The "Summary" section of Item 17(w) of the Disclosure Document, with respect to the Franchise Agreement, entitled "Choice of law," is deleted and replaced with the following:

   Except for U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois law shall govern the Franchise Agreement.

6. The following paragraphs are added to the end of Item 17:

   Your rights upon termination and non-renewal of the franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

   Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to us, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

B. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

C. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or

Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we, our affiliate, officers or general partners, or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend" and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of New York State and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

5. The following is added to the end of the "Summary" section of Item 17(d), entitled "Termination by franchisee":

You may terminate the Franchise Agreement on any grounds available by law.

6. The following is added to the end of the "Summary" section of Item 17(j), entitled "Assignment of contract by franchisor":

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

7. The following is added to the end of the "Summary" sections of Item 17(v), entitled "Choice of forum" and Item 17(w), entitled "Choice of law":

> However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

8. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

VIRGINIA

1. The following risk factor is added to the Special Risks page:

> **Estimated Initial Investment**. The franchisee will be required to make an estimated initial investment for a startup franchise ranging from $60,000 to $195,000. This amount exceeds the franchisor's stockholders equity as of December 31, 2022 which is $66,730.

2. The following language is added to the end of the "Summary" section of Item 17(e), entitled "Termination by franchisor without cause":

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **HOMELIFE INTERNATIONAL INC.**, a Michigan corporation with our principal business address at 1101 Dove Street, Suite 235, Newport Beach, California 92660 ("we") and _____ _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the real estate brokerage business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **FINANCIAL CONDITION**. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

3. **INITIAL FEES, FINANCIAL CONDITIONS**. The franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you. Accordingly, the following language is added to the end of Section 3.A of the Franchise Agreement:

> Payment of initial fees will be deferred until we have met our initial obligations to you, and you have commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.

4. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. The following is added to the end of the first paragraph of Section 17.L of the Franchise Agreement:

> Nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following paragraphs are added to the end of the Franchise Agreement and supersede any conflicting provisions in the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Your rights upon termination and Non-Renewal of the Franchise Agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

HOMELIFE INTERNATIONAL INC.

_____

[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____

[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

DATED:_____

RIDER TO THE FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **HOMELIFE INTERNATIONAL INC.**, a Michigan corporation with our principal business address at 1101 Dove Street, Suite 235, Newport Beach, California 92660 ("we") and _____ _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the real estate brokerage business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **RELEASES**. The following is added to the end of Sections 13.C ("Agreement/Releases"), 12.C ("Conditions for approval of Transfer"), and 12.D ("Transfer To A Wholly-Owned Corporation Or Limited Liability Company") of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of the General Business Law Sections 687.4 and 687.5, as amended.

3. **TRANSFER – BY US**. The following language is added to the end of Section 12.A (Transfer; By Us") of the Franchise Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION OF AGREEMENT**. The following language is added to the end of Section 14 ("Termination Of Agreement") of the Franchise Agreement:

> You may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW**. The following language is added to the end of Section 17.F ("Governing Law") of the Franchise Agreement:

> This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

6. **CONSENT TO JURISDICTION**. The following is added to the end of Section 17.G ("Consent To Jurisdiction") of the Franchise Agreement:

> This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

HOMELIFE INTERNATIONAL INC.

_____
[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

_____

_____

[Name]

By:_____

Title:_____

DATED:_____

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

DATED:_____

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

The following states have franchise laws that require 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	March 30, 2026
Michigan	March 30, 2026
New York	Pending
Virginia	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

RECEIPTS

RECEIPT

(OUR COPY)

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 HomeLife International 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, HomeLife International Inc. or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If HomeLife International 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 appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of the franchise seller(s) involved with the sale of this franchise is/are:

❑ Andrew Cimerman
HomeLife International Inc.
1101 Dove Street, Suite 235
Newport Beach, CA 92660
714-600-6668

❑ _____
HomeLife International Inc.
1101 Dove Street, Suite 235
Newport Beach, CA 92660
714-600-6668

❑ _____
HomeLife International Inc.
1101 Dove Street, Suite 235
Newport Beach, CA 92660
714-600-6668

We authorize the respective state agencies identified on Exhibit A to receive service of process for us if we are registered.

Issuance Date: March 30, 2026

I have received the HomeLife® Franchise Disclosure Document dated March 30, 2026 that included the following Exhibits:

Exhibit A	List of State Agencies/Agents for Service of Process	Exhibit F	List of Franchisees who have Left the System
Exhibit B	Franchise Agreement	Exhibit G	Operations Manual Table of Contents
Exhibit B-1	HomeLife Hop-On™ Program Addendum	Exhibit H	Disclosure Acknowledgment Statement
Exhibit B-2	Boutique Conversion Program Addendum	Exhibit I	Sample General Release
Exhibit C	Initial Franchise Fee Promissory Note	Exhibit J	State Specific Addenda and Riders
Exhibit D	Financial Statements	Exhibit K	Receipts
Exhibit E	List of Franchises		

PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity
By: _____
Its: _____
Print Name: _____
Dated: _____
(Do not leave blank)

If an individual:

_____
Print Name: _____

Dated: _____
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it to HomeLife International Inc., 1101 Dove Street, Suite 235, Newport Beach, California 92660.

RECEIPT
(YOUR COPY)

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 HomeLife International 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, HomeLife International Inc. or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If HomeLife International 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 appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of the franchise seller(s) involved with the sale of this franchise is/are:

❑ Andrew Cimerman HomeLife International Inc. 1101 Dove Street, Suite 235 Newport Beach, CA 92660 714-600-6668	❑ _____ HomeLife International Inc. 1101 Dove Street, Suite 235 Newport Beach, CA 92660 714-600-6668	❑ _____ HomeLife International Inc. 1101 Dove Street, Suite 235 Newport Beach, CA 92660 714-600-6668

We authorize the respective state agencies identified on Exhibit A to receive service of process for us if we are registered.

Issuance Date: March 30, 2026

I have received the HomeLife® Franchise Disclosure Document dated March 30, 2026 that included the following Exhibits:

Exhibit A	List of State Agencies/Agents for Service of Process	Exhibit F	List of Franchisees who have Left the System
Exhibit B	Franchise Agreement	Exhibit G	Operations Manual Table of Contents
Exhibit B-1	HomeLife Hop-On™ Program Addendum	Exhibit H	Disclosure Acknowledgment Statement
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PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity

By: _____

Its: _____

Print Name: _____

Dated: _____
(Do not leave blank)

If an individual:

_____

Print Name: _____

Dated: _____
(Do not leave blank)

KEEP THIS COPY FOR YOUR RECORDS