FRANCHISE DISCLOSURE DOCUMENT

REALTY EXECUTIVES INTL. SVCS. LLC
an Arizona limited liability company
4343 E. Outlier Blvd., Suite 123
Phoenix, Arizona 85008
Phone: 800-252-3366
E-Mail: info@REALTYEXECUTIVES.COM
Website: www.realtyexecutives.com

REALTY EXECUTIVES INTL. SVCS. LLC offers franchises for the operation of real estate brokerages that offers a variety of real estate services to the general public.

The total investment necessary to begin operation of your REALTY EXECUTIVES franchise ranges from $54,700 (which assumes a virtual office) to $433,500 (which assumes a physical office). This includes $37,000 that must be paid to us.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 4343 E. Outlier Blvd., Suite 123, Phoenix, Arizona 85008, or by phone at 800-252-3366, or by emailing Franchising@RealtyExecutives.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 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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or go to your state's website 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: April 15, 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 or 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 this franchisor have the financial ability to provide support to my business?	Item 21 or EXHIBIT “G” includes financial statements. Review these statements carefully
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Realty Executives 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 troubles 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 Realty Executive franchisee?	Item 20 or EXHIBIT “F” lists current and former franchisees. You can contact them to ask about their personal 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 for the location of additional information.

What You Need To Know About Franchising Generally

Continuing responsibility to pay fees. You are expected to pay royalties and other fees even if you are losing money.

Business model can 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 only in Arizona. Out-of-state dispute resolution may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Arizona than in your own state.

2. **Minimum Payments**. You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and/or loss of your investment.

3. **Minimum Sales Performance Levels**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and/or loss of your investment.

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 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.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(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 this 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 subfranchisor.

(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.

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:

State of Michigan Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we", "us" and "the Company" mean REALTY EXECUTIVES INTL. SVCS. LLC – the franchisor. "You" means the person who buys a REALTY EXECUTIVES franchise – the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation and your members if you are a limited liability company. Your "Office(s)" means the office that you will operate if we grant you a REALTY EXECUTIVES franchise.

Corporate Information

REALTY EXECUTIVES INTL. SVCS. LLC is an Arizona limited liability company that was organized on April 1, 2014. Our principal business address is 4343 E. Outlier Blvd., Suite 123, Phoenix, Arizona 85008, and our telephone number is 800-252-3366. Our agent for service of process is disclosed in Exhibit "B" to this Disclosure Document. We do not do business under any names other than "REALTY EXECUTIVES INTL. SVCS. LLC" and the trade names "Realty Executives International", "Realty Executives" and "REI".

Business History

We began offering REALTY EXECUTIVES franchises in May of 2015. We are not engaged in any business other than offering the REALTY EXECUTIVES franchises described in this Disclosure Document and administering the REALTY EXECUTIVES franchise system. We have never offered franchises in any other line of business. We have never directly operated a REALTY EXECUTIVES brokerage. However, our affiliates have owned and operated REALTY EXECUTIVES brokerages in various states since September 2017.

Parents, Affiliates and Predecessors

We have the following direct and indirect parent companies:

PARENT COMPANIES	
Name	**Principal Business Address**
New REI Holdings, LLC	Same as ours
TNC REI LLC	Same as ours
Outlier Holdings LLC	4343 E Outlier Blvd., Suite 300 Phoenix, Arizona 85008

Our predecessor is Realty Executives International, Inc. ("Predecessor"). Predecessor's principal business address was located at 4343 E. Outlier Blvd., Suite 123, Phoenix, Arizona 85008. Predecessor never directly operated a REALTY EXECUTIVES brokerage. Predecessor offered REALTY EXECUTIVES franchises from March of 1987 until April of 2015. Predecessor also offered REALTY EXECUTIVES regional development franchises from February of 1990 through March of 2011 under a separate Disclosure Document. During that time, Predecessor sold a total of 22 regional development franchises. Regional Developers are responsible for offering, selling, developing, servicing and supporting REALTY EXECUTIVES subfranchises within an exclusive territory. On April 14, 2014, we entered into a transaction with Predecessor pursuant to which we acquired specified assets of Predecessor, including all of the franchise agreements of Predecessor.

We do not have any affiliates that: (a) offer goods or services to our franchisees; or (b) offer (or have ever offered) franchises for REALTY EXECUTIVES businesses. The following table lists each of our affiliates that offers, or has ever offered, franchises in other lines of business. None of the affiliates listed below has ever operated a REALTY EXECUTIVES business.

AFFILIATE FRANCHISING COMPANIES				
Name	**Principal Business Address**	**Business Franchised***	**Time Offered**	**Number Sold (12/31/2025)**
Pump It Up Holdings, LLC	4343 E Outlier Blvd., Suite 220 Phoenix, AZ 85008	Pump It Up®	2015 to present	78
BounceU Holdings, LLC	4343 E Outlier Blvd., Suite 220 Phoenix, AZ 85008	BounceU®	2009 to present	15
Passport Health, LLC	4343 E Outlier Blvd., Suite 300 Phoenix, AZ 85008	Passport Health®	2014 to present	19

* Pump It Up is an entertainment business that features supersized branded equipment, other active and creative games, merchandise, food and services and is identified by the trade name and service mark "Pump It Up®".

* BounceU is an open-play and party service business featuring interactive games and inflatable play equipment and activities identified by the trade name and service mark "BounceU®".

* Passport Health is a travel health and immunization business that specializes in administering a variety of vaccines, providing travel immunizations and information, selling related products and supplies, and performing associated services such as physical exams under the brand name Passport Health®.

Description of Franchised Business

We grant franchises to operate real estate offices under the REALTY EXECUTIVES name using our unique system, which includes the "original 100% Commission Concept" as well as our distinctive logos, promotional materials, operating systems and proprietary Intranet portal known as PrimeAgent (collectively, the "System"). We offer franchises to franchisees that operate pre-existing real estate businesses as well as franchisees that have no prior experience in operating a real estate business. We will train you how to utilize our System to operate a real estate office that provides a variety of real estate services, including leasing, listing, purchasing, referrals, selling, trading and other services of a similar nature (your "Business"). We will also share best business practices, invite you to collaborate with us and other franchise owners, and provide you with other resources and support that you can utilize in operating your Business. We do not show you how to operate a real estate business.

We will grant you a license to use certain trademarks, service marks, logos and trade names, including the REALTY EXECUTIVES brand name (collectively, the "Marks"), relating to the operation of your Business. We will provide you with access to our proprietary Intranet site called PrimeAgent which includes information regarding the operational aspects of a REALTY EXECUTIVES franchise. We may also provide you with operational information through other formats, including training videos, digital presentations, documents and other training resources. The Disclosure Document collectively refers to all of this information as the "Manual". You will operate your REALTY EXECUTIVES franchise as an independent business using the Marks, the System, the REALTY EXECUTIVES name, as well as the support, guidance and other methods and materials provided or developed by us. You will offer and provide real estate services to the general public under the terms and conditions contained within the franchise agreement (the "Franchise Agreement") and the Manual. The form of Franchise Agreement is attached to this Disclosure

Document as Exhibit “C”. You may offer no other goods or services in conjunction with the System or the Marks without our prior written approval.

Market and Competition

The market of potential customers of a REALTY EXECUTIVES business is comprised primarily of members of the general public who are buying and selling real property, along with the sale of operating businesses and property management services. If you operate a REALTY EXECUTIVES franchise, your competition will primarily consist of other licensed real estate brokerage firms, including real estate firms that are affiliated with other national real estate franchise systems. You will also compete with online real estate aggregators and brokerages, independent real estate brokerage firms and individuals that are buying or selling real estate on their own behalf.

Laws and Regulations

You must comply with all federal, state and local laws and regulations relating to the operation of your Business. Most states have a regulatory agency that regulates the activities of local real estate brokers and salespersons, and you must comply with any rules or regulations issued by such regulatory agencies. In addition, your local regulatory agency may require that your business be licensed as a real estate broker and that you and certain of your employees be individually licensed or registered as real estate brokers or real estate salespersons. Your business may also be subject to the federal law entitled the “Real Estate Settlement Procedures Act.” There may be other federal, state and/or local laws or regulations pertaining to your Business with which you must comply. You may wish to investigate these laws before buying a REALTY EXECUTIVES franchise.

ITEM 2

BUSINESS EXPERIENCE

Chairman and CEO - Dave Tedesco

Mr. Tedesco has served as our Chairman since April 2014 and CEO since December 2016. From April 2014 through the present, Mr. Tedesco has also served as Executive Chairman and Board Member of our Predecessor, as well as Chairman and a member of the board of managers of New REI Holdings, LLC. Mr. Tedesco has been Managing Director and Chief Executive Officer of Outlier, a Phoenix-based private investment firm, since September 2006.

President - Patrick van den Bossche

Mr. van den Bossche has served as our President since January 2018. He is also a licensed Arizona real estate agent since 2005.

Chief Financial Officer – Shelly Jaggers

Ms. Jaggers has served as our Chief Financial Officer since January of 2022. From May 2007 to December 2021, Ms. Jaggers served as Controller for us (and prior to that, our Predecessor).

Vice President, Legal – Laura Rogal

Ms. Rogal has served as our Vice President of Legal since January 2026. From January 2022 to January 2026, Ms. Rogal served as the Assistant General Counsel for Outlier, a Phoenix-based private investment firm. Prior to January 2022, Ms. Rogal worked as an attorney in private practice in Phoenix, Arizona.

ITEM 3

LITIGATION

ALEJANDRO LOPEZ V. NEXTHOME, INC., REALTY EXECUTIVES INTL. SVCS., LLC, SHOREWEST REALTORS, INC.; Case No. 24-cv-11735, United States District Court, Northern District of Illinois, filed November 14, 2024.

On November 14, 2024, Alejandro Lopez filed a class-action lawsuit against three real estate companies, including REI, in his capacity as a class representative for a class comprised of first-time homebuyers. The lawsuit seeks relief under four separate causes of action: (1) violation of Section 1 of the Sherman Act, 15 U.S.C. §1; (2) commission-fixing conspiracy in violation of the Illinois Antitrust Act, 740 ILCS 10/1 et seq.; (3) violation of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 et seq.; and (4) unjust enrichment. On October 16, 2025, the Court entered an order granting preliminary approval to a global class action settlement in which a number of defendants in the lawsuit, including REI, are participating. On October 22, 2025, the Court granted a motion to consolidate this case with various other cases under the same or similar set of alleged facts. The new case name is now *Tuccori v. At World Properties*, LLC, 24-cv-00150. All discovery and other proceedings are stayed and suspended until further order of the Court while the settlement process continues forward.

REALTY EXECUTIVES INTL. SVCS., LLC V. GALLERY PROPERTIES RE, INC., GALLERY PROPRETIES RE II, INC., ROGERS P&L ENTERPRISES, INC., AND CHRISTOPHER NUTT; Case No. CV2024-021690, Maricopa County (Arizona) Superior Court, Filed August 12, 2024.

On August 12, 2024, we filed a lawsuit in the Maricopa County Superior Court for the State of Arizona against three former franchisees (Gallery Properties RE, Inc., Gallery Properties RE II, Inc. and Rogers P&L Enterprises, Inc.) and their owner/guarantor, Christopher Nutt. The lawsuit arose from breaches of the franchisee's franchise agreement due to the non-payment of fees by the franchisees under the various Franchise Agreements and Amending Agreements. None of the defendants appeared or participated in this litigation. On October 7, 2024, default was entered against all of the Defendants. On October 30, 2024, REI filed its Motion for Entry of Default Judgment against all Defendants. The Court has entered Default Judgment against all Defendants. On March 17, 2025, Christopher Nutt filed for protection under Chapter 13 Bankruptcy, which stayed all enforcement of REI's claims against him. The March 2025 Bankruptcy was later dismissed against Mr. Nutt. In August 2025, Mr. Nutt again filed for protection under Chapter 13. His second bankruptcy filing was dismissed in December 2025.

REALTY EXECUTIVES INTL. SCVS., LLC V. BCC MOUNTAIN RESORTS MANAGEMENT, INC., Case No. 136614, In The Supreme Court of British Columbia, Filed March 3, 2023.

On March 3, 2023, we filed a lawsuit in the Supreme Court of British Columbia, Kelowna Registry against a former franchisee, BCC Mountain Resorts Management, Inc. The lawsuit arose from breaches of the franchisee's franchise agreement due to (a) failure to meet quota of licensed salespersons; (b) improper use of REI's marks; (c) failure to maintain a registered broker as required by local statute; (d) failure to pay all amounts due under the franchise agreement on a timely basis; and (e) causing damage to REI's brand due to public and ongoing disputes with third parties. When BCC Mountain failed to cure those defaults, REI terminated the franchise agreement and filed its lawsuit, seeking damages for (a) arrears of fees in the amount of $9,106.96; (b) lost future fees of $72,273.28; and (c) damages for breach of the duty of fair dealing in the amount of $50,000, along with interest and costs. This lawsuit has been long delayed due to the failure of the franchisee to properly or adequately participate in the litigation, as well as the timing of process of the legal system in British Columbia. On November 1, 2024, the court struck BCC Mountain's response to the Civil Claim due to various disclosure violations on the part of the former franchisee.

REALTY EXECUTIVES INTL. SVCS., LLC V. WHALEY REALTY CRL, LLC AND KRYSTAL WHALEY; Case No. CV2023-001036, Maricopa County (Arizona) Superior Court, Filed on January 20, 2023.

On January 20, 2023, we filed a lawsuit in the Maricopa County Superior Court for the State of Arizona against a former franchisee, Whaley Realty CRL, LLC, and its owner, Krystal Whaley. The lawsuit arose from breaches of the franchisee's franchise agreement as to Whaley Realty, and breach of the personal guaranty by Ms. Whaley. We have alleged that Whaley Realty breached the Franchise Agreement by, among other things: (a) failure to comply with the books and records request that was made under Section 10.2; (b) failure to meet the Salesperson quota under Section 9; (c) failure to maintain the required designated/principal broker for each office location, as required under Section 8.6; and (d) the existence of complaints made to the Tennessee Real Estate Commission which causes negative and/or harmful public perceptions of the REALTY EXECUTIVES brand and has adversely affected the reputation of and/or the goodwill associated with its Marks. On October 10, 2023, Default Judgment was entered against Whaley Realty CRL LLC in the principal amount of $228,922.72, along with interest accruing at 18% per annum and court costs. On December 4, 2023, Default Judgment was entered against Krystal Whaley in the principal amount of $228,922.72, along with interest accruing at 18% per annum and court costs.

Realty Executives Intl. Svcs., LLC v. Realty Executives Lifestyle Group, LLC, Thomas Clark, Karen Ann Murphy Clark, Larry J. Spann, and Southeastern Real Estate Associates, LLC; Case No. CV2022-004288, Maricopa County (Arizona) Superior Court, filed on April 6, 2022.

On April 6, 2022, we filed a lawsuit in the Maricopa County Superior Court for the State of Arizona against a former franchisee, Realty Executives Lifestyle Group, LLC ("Franchisee"), and its owners, Thomas Clark, Karen Ann Murphy Clark and Larry J. Spann, along with its successor-in-interest, Southeastern Real Estate Associates, LLC ("SREA"). The lawsuit arose from the non-payment of fees by the Franchisee under its Franchise Agreements and Amending Agreement. The Complaint also alleged that Mr. Clark engaged in fraud when he entered into the Amending Agreement, sought relief against Mr. Clark for breach of a Promissory Note, and sought a finding that SREA was the successor-in-interest of the Franchisee. On or around October 19, 2022, the parties reached an agreement with respect to settlement, and on December 6, 2022, the settlement agreement was fully executed. Under the settlement agreement, Mr. Spann agreed to pay, and has paid, $1,000 to us. The settlement agreement also calls for Mr. Clark to pay us the total amount of $104,600 over a period of approximately 3.5 years, including an initial payment of $50,000. As of the date of this Disclosure Document, Mr. Clark is not in compliance with his payment obligations under the settlement agreement.

Realty Executives Intl. Svcs., LLC v. Struzan Holdings LTD., Dwight Streu and Bernie Molzan, Court File Number 2001-00239, Court of Queen's Bench of Alberta, filed on January 7, 2020.

On January 7, 2020, we filed a lawsuit against a former franchisee and its owners for the territory of the Provinces of Alberta and British Columbia for breach of their franchise agreement. Defendants advised us that they did not intend to renew the franchisee's real estate brokerage license, which would result in breach of the franchise agreement and abandonment of the franchised business despite 5 years remaining under the term. The Complaint also alleged that Mr. Streu and Mr. Molzan breached the noncompetition and non-solicitation covenants under their franchise agreement by joining a competing real estate brokerage and soliciting and recruiting former REALTY EXECUTIVES agents to work with them. This case and all claims related to it were resolved by settlement, with a discontinuance of claim filed on January 19, 2022. As part of the settlement, the defendants agreed to pay us an undisclosed amount in full satisfaction of our claims for lost future royalties and past amounts due.

Realty Executives Intl. Svcs., LLC v. IBJ, Inc. et. al.; Case No. CV2019-005351, Maricopa County (Arizona) Superior Court, filed on March 15, 2019

On March 15, 2019, we filed a lawsuit and request for Preliminary Injunction in the Maricopa County Superior Court for the State of Arizona against former franchisee, IBJ, Inc. and its owners Badar Mansoor, Julian Lopez, Leah Mitchell and Irfan Nazir. The lawsuit was filed in response to Defendants apparently opening and operating a competing real estate business from the same facility as Defendants' REALTY EXECUTIVES office in a seeming effort to divert money, business and goodwill away from us. The complaint alleged:

(i) trademark infringement and false designation due to Defendants improperly utilizing our trademarks in connection with the competing business;

(ii) breach of contract due to Franchisee's operation of a competitive business in violation of the non- competition covenants imposed under the Franchise Agreement and failure to pay ongoing transaction fees owed to us; and

(iii) breach of the implied covenant of good faith and fair dealing based on the conduct alleged in the breach of contract claim.

The franchise agreement was terminated, and we sought recovery of damages and a preliminary injunction relating to Defendants' alleged trademark infringement, false designation and improper accounting. In response, Defendants filed counterclaims against us alleging breach of contract and breach of the implied covenant of good faith and fair dealing for our alleged failure to provide certain support required under the franchise agreement. We denied all of the Defendants' claims and provided controverting evidence. This case and all claims related to it were resolved by settlement, and all matters were dismissed with prejudice on January 15, 2021, with the defendants agreeing to pay $150,000 to REI as part of the final settlement.

Realty Executives Intl. SVCS, LLC v. Bill Tarrabain, Philippe Roy, Rick Roswell, Gary Kirkham, and Devonshire Western Canada Ltd.; Court File No. 1701-08015, Court of Queen's Bench of Alberta, filed on June 16, 2017; Realty Executives Intl. Svcs., LLC, v. Devonshire Western Canada Ltd, a Canadian entity, Bill Tarrabain and Najat Tarrabain, Philippe Roy and Jane Doe Roy, Richard Rowswell and Stella Rowswell, and Gary Kirkham, Case No. 2:17-CV-02671-PHX-DJH, Filed August 8, 2017

On June 16, 2017, we filed a lawsuit seeking injunctive relief in the Court of Queen's Bench of Alberta in Calgary, Alberta against our former regional developer and its owners for the territory of the Province of Alberta in connection with their alleged breach of the non-competition and non-solicitation covenants contained in their regional development agreement resulting from their entering into or causing the subfranchisees in the Province of Alberta owned or controlled by them to enter into agreements with Maxwell Realty Inc., a competitive chain of real estate brokerages. The regional developer agreement was terminated, and we sought injunctive relief prohibiting Defendants from competing and soliciting our franchisees and their agents and personnel in violation of Defendants' regional developer agreement. On June 22, 2017, the court dismissed this case in response to REI's motion so that REI could pursue its claims in Arizona instead of Alberta.

On August 8, 2017, we refiled suit in US District Court for the State of Arizona, again alleging breach of contract and in particular breach of non-competition and non-solicitation covenants in the regional development agreement. Defendants filed counterclaims, which they later withdrew, and the parties filed cross-motions for summary judgment. The trial court judge granted Defendants' motion for summary judgment as to portions of the case, which ruling we promptly appealed to the Ninth Circuit Court of Appeals. While that appeal was pending and prior to resumption of the remaining aspects of the case in District Court, we commenced an additional case against certain parties included among or closely related to the Defendants by filing a complaint before the American Arbitration Association setting forth allegations similar to those in the District Court action, on additional contractual grounds. The arbitration action defendants filed a motion seeking to have the arbitration case dismissed on various grounds, which motion was denied.

In January, 2022, before a resolution of the Appeal in the Ninth Circuit or of the Arbitration before the American Arbitration Association, the parties reached a confidential, mutually agreed resolution of their disputes and the various legal actions brought and pursued by us against the Devonshire-associated entities and individuals in multiple venues since 2015. In connection with the settlement and dismissal of all actions, the Defendants agreed not to contest $1,000,000 of our total overall damages claim and to abandon any theory of claim or offset for seeking any portion of the approximately $1,300,000 in legal fees expended by the Defendants in the actions overall.

Realty Executives Intl. SVCS, LLC v. FJM Corporation, Charles J. Moore, Frances E Moore and Brokers Holdings, LLC; Case No. CIV2:16-cv-01511-RFB-NJK, United States District Court, District of Nevada, filed on June 24, 2016

On June 24, 2016, we filed a lawsuit and request for Preliminary Injunction in the United States District Court in the District of Nevada against our franchisee FJM Corporation, Inc. ("FJM"), franchise owners Charles Jeffery Moore and Frances E. Moore, and Brokers Holdings, LLC ("Brokers Holdings"), following the sale of FJM's stock to Brokers Holdings. We alleged that: (i) the sale violated our franchise agreement with FJM; and (ii) Defendants engaged in trademark infringement by continued use of our Marks after the transfer of the franchise business to Brokers Holdings. The Court entered a preliminary injunction in our favor prohibiting Defendants from using our Marks. The preliminary injunction expired October 10, 2016. Our claims (for breach of contract and infringement) were compelled to arbitration pursuant to the arbitration clause in the franchise agreement. This case and all related actions were resolved by settlement and all matters were dismissed with prejudice on July 24, 2017, with the defendants agreeing to pay damages as part of the final settlement and refrain from any further use of our Marks.

Other than these 9 actions, no litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us a non-refundable initial franchise fee of $37,000 for any area that has a general population of 35,000 or more people. You must pay us a non-refundable initial franchise fee of $20,000 for any area that has a general population of less than 35,000 people.

If we believe an adjustment is warranted, we may waive, reduce or change the amount or the payment date for the initial franchise fee. There is no formula for these adjustments and each situation is evaluated on a case-by-case basis. Relevant factors may include: (a) larger or more experienced prospective franchisees; (b) prospective franchisees with whom we or our affiliates have had prior business experience; (c) prospective franchisees departing from other franchise or licensing systems; and (d) prospective franchisees in other unique circumstances. In 2025, we did not collect any initial franchise fees.

The entire amount of the initial franchise fee is due in full at the time you sign the Franchise Agreement unless we finance all or a portion of the fee. See Item 10 for a discussion of the financing we offer. The initial franchise fee is not refundable under any circumstances and is uniformly imposed except as otherwise discussed above.

<u>Initial Training Fee</u>

We will provide our initial training program for your Managing Principal (defined in Item 15) and 2 additional trainees at no charge. If you register more than 3 people to our initial training program, we may charge you an initial training fee of $800 for each person that attends initial training (other than the 3 people that may attend at no additional charge). The initial training fee for the additional employees is due 10 days after invoicing. The initial training fee is uniformly imposed and nonrefundable.

ITEM 6 OTHER FEES

Type of Fee [1 & 2]	Amount	Due Date	Remarks
Monthly Service Fee	Varies based on fee structure you choose	15th day of the month	See Notes 3 and 9.
Territory Fee	Varies based on Territory population	15th day of the month	See Notes 4, 5 and 9.
Marketing Fees	$300 multiplied by the greater of (a) your Salesperson Count; or (b) your Salesperson Quota	15th day of the month	See Notes 5 and 7.
Marketing, Training & Educational Materials	Our cost to produce and deliver the materials	As invoiced	None.
Technology Fees	Varies based on fee structure and whether you chose to purchase optional tools. See Note 8 for a description of the technology tools and services and associated pricing	Billed directly to your credit card on the same date each month, which is the date that you signed up for the service	The concierge support team will help you set up your website. See Note 8 for additional information.
Training Fees	<u>Initial Training</u>: $800 per person for initial training	10 days after invoicing	We provide initial training for 3 individuals at no additional charge. You must pay us a training fee of $800 for each additional

Type of Fee [1 & 2]	Amount	Due Date	Remarks
	Other Training: Up to $1,200 per person per program depending on program		person that attends initial training (whether before or after opening). We may also charge training fees for periodic ongoing training programs that we offer. The training fees range from $0 to $1,200 depending on the program.
Event Fee	Ranges from $400 to $1,750 per person (currently $699 per person)	At time of registration for the event	Each year, you must attend at least 1 national, regional, or other REI-organized event. You must pay to us the minimum meeting fee for 1 person if you fail to attend any qualifying event in that year.
Transfer Fee	$15,000	Prior to transfer of franchise	None.
Audit Fee	$9,000, plus the actual cost of the audit or inspection, including reasonable accounting and attorney's fees and travel and living expenses for anyone participating in the audit	10 days after invoicing	Payable if the audit reveals underpayment or understatement of fees owned to us by 3% or more; otherwise we will bear the cost of the audit. Past due amounts are immediately due, in addition to applicable late fees (i.e., default interest).
Late Payment Charge	Lesser of 24% of the total amount past due (prorated on a daily basis) or the highest rate allowed by applicable law	Upon demand	Payable with respect to all past due amounts.
Declined Payment Fee	$90 for each returned check or declined ACH or credit card payment	Upon demand	None.
Extension Fee	Monthly fee equal to the sum of (a) $600 administrative fee plus (b) $100f multiplied by your Salesperson Count	15th day of the month	If your Term expires and you continue to operate your Business, then we have the option, without notice to you, to automatically renew the Franchise Agreement for a 6-month period. During the 6-month period (and any further extension period), you will pay us the Extension Fee in addition to all other fees due to us under the Franchise Agreement. See Note 9 regarding increases in this fee.

Type of Fee [1 & 2]	Amount	Due Date	Remarks
Supplier Review Costs	Actual costs we incur to review suppliers or products you propose	As incurred	If you propose the use of a non-approved supplier, we may charge you our costs that we incur in reviewing the supplier and its products or services.
Taxes	Actual amount of gross receipts, sales, use or other tax or assessment we pay	As incurred	See Note 10.
Attorneys' Fees	Actual attorneys' fees incurred by us	As incurred	See Note 11.
Indemnity	Actual amount of damages we incur	As incurred	You must indemnify us if we suffer damages or incur any liability based on your actions, the marketing or operation of your Business, or your breach of the Franchise Agreement.
Required Purchases and Licenses	Costs vary depending on the circumstances. Currently there are no required purchases or licenses from us beyond the Technology Fees	As invoiced	You must purchase certain products according to our standards and specifications or from approved or designated suppliers, which may include us or our affiliates. We also may require that you license software or technology from us.
Liquidated Damages for Misappropriation of Know-How	$300,000 for each unauthorized use of Know-How	Immediately upon demand	Payable only if you or your owners, operators or employees misappropriate our Know-How.

<u>Notes</u>:

1. **<u>Definitions</u>**. For purposes of the fee table and elsewhere in this Disclosure Document, the following defined terms have the meanings given to them below:

   "*Billing Date*" means the day of each month we specify when we calculate your Monthly Fees and send you the associated invoice. The current Billing Date is the 20th day of each month. Monthly Fees are due the 15th day of the following month. We may change the Billing Date upon at least 30 days' prior written notice.

   "*Monthly Fees*" means and includes the Monthly Service Fee, Territory Fee, Marketing Fee and Extension Fee (where applicable).

   "*Monthly Sales Commissions*" means the total compensation earned by a Salesperson from all Transactions closed by such Salesperson during a given month.

   "*Office*" means and includes dedicated brick-and-mortar Realty Executives offices, shared office space, executive suites, coworking spaces, virtual offices and any other location from which franchise business is conducted or that qualifies as an "Office" (or the equivalent) under the terms of the Franchise Agreement.

"*PrimeAgent*" refers to the entire content of our proprietary technology tool, which is located at www.PrimeAgent.com.

"Referral-Only Licensee" is any licensed real estate professional whose role within your Business is strictly limited to referring prospective buyers or sellers to other active Salespersons, in exchange for receiving a referral fee from that active Salesperson. A Referral-Only Licensee does not represent any buyer or seller for the purpose of buying or selling any real estate, nor do they represent any tenant or landlord for the purpose of leasing any real estate.

"*Salesperson*" means any person who (a) holds a license or similar authority (if such license or authority is required by applicable law) issued by a state, commonwealth or province authorizing such person to buy or sell or assist others with the buying or selling of real estate and (b) is associated with your Business in any capacity, including, but not limited to, any licensed owner, broker, agent or assistant.

"*Salesperson Count*" means the actual number of Salespersons and Referral-Only Licensees associated with your Business as of the relevant Billing Date. You are required to accurately input the Salesperson Count into PrimeAgent.

"*Salesperson Quota*" means the minimum number of Salespersons that are required to be associated with your Business as of the relevant Billing Date. Your Salesperson Quota will be described in Attachment "F" to your Franchise Agreement.

"*Transaction*" means any completed real estate transaction or service for which a Salesperson participated in any manner. The closing date for a Transaction is deemed to be the date on which all relevant documents have been executed by all parties to the transaction. For purposes of calculating Monthly Service Fees, a Transaction means one "side" of a completed Transaction between a buyer and seller. If a Salesperson represents both the buyer and the seller in a closed Transaction, then the closing of the Transaction counts as 2 closed Transactions for the Salesperson. On the other hand, if a Salesperson represents only the buyer or the seller (but not both), then the closing of the Transaction counts as 1 closed Transaction for the Salesperson. If a Referral-Only Licensee participates in any Transaction, then that individual becomes a Salesperson.

"*Transaction Reporting Date*" means the day of each month we specify on or before which you must report, through PrimeAgent, all Transactions closed during the immediately preceding month by Salespersons you designate as "percentage-based". The current Transaction Reporting Date is the 15th day of each month. We may periodically change the Transaction Reporting Date upon at least 30 days' prior written notice.

2. **<u>Nature of Fees and Method of Payment</u>**. Except where otherwise noted or where you engage in separate contracts with third-parties, all fees are imposed by and payable to us. All fees are nonrefundable. We may collect and pay a portion of the Technology Fees to various third-party licensors on your behalf. All fees are uniformly imposed except as otherwise provided below. We may require that you pay us ongoing fees by electronic debit from your designated checking account and sign an ACH Authorization form to enable us to do so, or alternatively, provide us with a credit card for all payments due and owing, and authorize us to run that credit card on a monthly basis. When you pay us any fee by credit card, we may charge you an additional credit card processing fee of not more than 3% per transaction. Our current ACH Authorization form is attached to the Franchise Agreement as Attachment "G". You must ensure sufficient funds are available for withdrawal or credit (if paying on a credit card) before each due date. We currently require that you pay the Technology Fees by credit card.

3. **Monthly Service Fee**. Your Monthly Service Fee may vary depending on the fee structure you select. You may choose between our Flat Fee Model or Flex Model (each described below in more detail). The Monthly Service Fee structure you select will be identified in your Franchise Agreement.

Flat Fee Model

Under the Flat Fee Model (the Original 100% Commission Concept), you pay us a Monthly Service Fee equal to the greater of:

(a) $450 multiplied by the greater of: (i) your Salesperson Count; or (ii) your Salesperson Quota, plus $5 per Referral-Only Licensee; or

(b) $1,000.

Flex Model

Under the Flex Model, the Monthly Service Fee varies depending on whether you designate a given Salesperson as “flat fee-based” or “percentage-based”. Each month you pay us a Monthly Service Fee equal to the greater of:

(a) the sum of (i) $450 multiplied by the total number of Salespersons that are included in your Salesperson Count and you designate as “flat fee-based” plus (ii) 8% of the aggregate Monthly Sales Commissions earned during the immediately preceding month by all Salespersons you designate as “percentage-based”, plus (iii) $5 per Referral-Only Licensee; or

(b) $1,000.

We reserve the right to limit the number of percentage-based Salespersons and the length of time those Salespersons may have the percentage-based designation.

Reporting Obligations Under the Flex Model

If you operate under the Flex Model, then with respect to each Salesperson you designate as “percentage based” you must: (a) submit a monthly report that identifies all Transactions closed by each Salesperson during the immediately preceding month using our PrimeAgent transaction reporting page, on or before the Transaction Reporting Date; and (b) send to us, upon our request, a report that identifies all of the Salesperson’s listings and describes the dispositions of those listings (including listings sold) during the immediately preceding month. If you fail to consistently submit these reports on or before the applicable Transaction Reporting Date, we reserve the right, in our sole discretion, to convert you to our then-current Flat Fee Model.

Monthly Service Fee Variations

In certain circumstances, we may reduce or modify the Monthly Service Fee for franchisees based on particular characteristics of their market and their business, taking into account a number of factors, such as the franchisee’s size and maturity, local competition and the fee structure utilized by the franchisee.

4. **Territory Fee Structure**. You pay us a monthly Territory Fee. The Territory Fee is calculated as $500 for every 40,000 residents in your Territory, with a minimum monthly Territory Fee of $500

per month regardless of the population of the Territory. For example, the monthly Territory Fee for a territory with a population of 30,000 would be $500 per month while the monthly Territory Fee for a territory with a population of 75,000 would be $1,000 per month. We reserve the right to adjust downward the number of residents used for this calculation at any time, but will not adjust it more than once every two years. If you choose to open a single point location outside of your Territory, after receiving our written permission to do so, and despite there being a population of 0 people for that single point, your Territory Fee will increase by $500-1,000, depending on the existing Territory Fee you are paying us and other factors, including location of other franchisees.

You have the right to open multiple Offices within your current Territory. You pay us a Territory Fee that gives you the right to open as many Offices as you desire within your current Territory. You do not pay any Office Fees.

Population Determinations

The monthly Territory Fee is determined based on the population associated with your Territory at the time the Franchise Agreement is executed. We determine the number of residents in your Territory based on the then-current United States Census results, currently available at https://data.census.gov/. In our sole discretion, we may adjust the monthly Territory Fee not more than once every two (2) years based on population changes within your Territory according to the then-current United States Census data. We will notify you in writing at least 30 days prior to implementing a change to your Territory Fee based on population changes within your Territory.

5. **Marketing Fee**. You must pay us a monthly Marketing Fee equal to $300 multiplied by the greater of (a) your Salesperson Count; or (b) your Salesperson Quota. We will deposit all Marketing Fees into the Marketing Fund (defined in Item 11).

6. **Technology Fee**. You must acquire and utilize all technology systems we specify (the "Technology Systems"). The Technology Fee includes all amounts you pay us and/or our affiliates relating to the Technology Systems you have been instructed to acquire and/or utilize, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the Technology Fee may change based on changes to the Technology Systems (or the associated services we provide) or the prices charged by third-party suppliers with whom we enter into master agreements. We will not increase the Technology Fee more than one time during any six-month period. The Technology Fee does not include amounts you pay directly to third-party suppliers for any component of the Technology Systems or for any other amounts you pay directly to third-party suppliers for any technology you may choose to utilize independent of our Technology Systems. Our current Technology Fee is comprised of the various components listed in the table below. Each component is described in more detail in Item 11 under "Computer System".

Technology	Fee	Additional Remarks
PrimeAgent (our proprietary Intranet portal)	$250 per month	You must summit monthly reports to us through PrimeAgent if you operate under the Flex Model. You must maintain and update your Salesperson roster and your Referral-Only Licensees in PrimeAgent to accurately reflect all Salespersons associated with your Business. If you fail to submit reports or other required data in a timely manner, we may increase your

Technology	Fee	Additional Remarks
		PrimeAgent fee from $250 to $599 per month for a three-month period. Your PrimeAgent fee returns to $250 per month if you timely enter all required data throughout the three-month period. If you do not timely enter all required data throughout that three-month period, your PrimeAgent fee may remain at $599 per month until we determine, in our sole discretion, that you are in compliance with your data entry obligations in the Franchise Agreement.
Broker Website	$300 per month	We provide you with a broker website to help promote your business.
Agent Website	$45 per month	We offer websites for Salespersons to purchase. The Salesperson may pay us directly for the website, or you may pay us on behalf of your Salesperson for their website.
Additional Property Codes	$6 per set of 25 codes	At no additional charge, we provide you with 25 codes for use with the mobile marketing/text messaging system. You may purchase additional codes for $6 per set of 25 codes.
Premium Email Campaigns/Newsletter	$11.95 per month (premium) $22.95 per month (unlimited)	We provide electronic marketing campaigns for you with email blasts. The $11.95 monthly fee entitles you to up to 1000 premium email campaigns and newsletters, while the $22.95 monthly fee provides access to up to 5,000 contacts. Use of this service is optional.
Team Marketing System	$65 per month plus $6 per month per member	We offer "team" websites for $65 per month, with an additional charge of $6 per month per Salesperson who is a part of that "team". Team websites are optional.

In addition to the technology fees described above, we reserve the right to charge you a reasonable administrative fee relating to our operation of the Technology Systems. Any administrative fee for the Technology Systems would be in addition to the monthly technology fee. If we choose to charge you this additional fee, we will advise you of the new charge, in writing, not less than 60 days before we impose the fee.

7. We have the right to increase the Monthly Fees (including any "minimum" Monthly Service Fee) Technology Fees, and any other fees identified in this Agreement or in any amendment to this Agreement, based on CPI changes. Any increase to any Fees will be implemented not more than one time each calendar year, and will calculated in the following manner: the fees payable each year of the Franchise Agreement shall be increased by a fraction, the numerator of which is the CPI for the prior calendar year (the "Prior Year") and the denominator of which is the CPI for the year immediately preceding the Prior Year. For purposes of this calculation, "CPI" means the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor, for All

Urban Wage Earners and Clerical Workers, U.S. Cities (1982-84 = 100), "All Items." If we, in our sole discretion, determine not to apply a fee increase in any given year, we may choose to apply a multi-year fee increase during any subsequent year.

8. You must reimburse us for any gross receipts, sales, use or other tax or assessment levied against us by any taxing authority based on any fees or other amounts that you pay to us under the terms of the Franchise Agreement. We will notify you of any such tax or assessment, and you must pay us the amount of the tax or assessment before it becomes delinquent. This reimbursement obligation does not apply with respect to income taxes imposed on us by the jurisdiction in which your Office(s) are located and we are solely responsible for all such income taxes.

9. If we are the prevailing party in any legal proceeding in which we are adverse to you, we are entitled to recover from you all of our expenses, including, but not necessarily limited to, our costs and attorneys' fees.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	**Amount [1]**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Franchise Fee[1]	$37,000	Lump Sum	Upon signing of Franchise Agreement	Us
Travel and Living Expenses (2 people while training)	$1,200 to $3,500	As incurred	During training	Airlines, hotels and restaurants
Furniture and Equipment[3]	$1,000 to $30,000	Lump sum or as arranged by seller or lessor	As arranged by seller or lessor	Supplies
Office Supplies[4]	$1,000 to $2,000	As incurred	As incurred	Supplies
Signage[5]	$500 to $15,000	As arranged	As arranged	Supplies
Rent (3 months) and Real Estate Improvements[6]	$0 to $250,000	As incurred	As incurred	Landlords and Vendors
Annual Insurance[7]	$3,000 to $6,000	As arranged	As arranged	Insurance company
Professional Fees[8]	$1,000 to $40,000	As arranged	As arranged	Professional service providers
Additional Funds – 3 months[9]	$10,000 to $60,000	As incurred	As incurred	Employees, suppliers, vendors and us
Total Estimated Initial Investment[10]	$54,700 to $443,500			

Notes:

1. We may offer financing to franchisees for the initial franchise fee. No fees payable to us are refundable. We are unaware of any fees payable to third party suppliers that are refundable, although some landlords may refund security deposits at the end of the lease if the tenant does not default.

2. See Item 5 for additional information.

3. You do not need to purchase additional office furniture, computers, etc. if you are already operating an office. If you are starting a new office without any prior infrastructure in place, these costs can range from a few hundred dollars to several thousand dollars depending on the quality of furniture and equipment and the amount purchased. Only basic office furniture and equipment is recommended (e.g., desks, chairs, smartphone, computer, printer, etc.). In order to facilitate communication with us and as a fundamental element of your Business, we require that you maintain an active email address. We estimate the total cost to purchase furniture and equipment for an office starting out without any furniture or equipment will range from $1,000 to $30,000. Your actual costs may vary widely depending on your personal choices for what you end up purchasing.

4. You must purchase certain forms and office supplies for the operation of your Business.

5. The costs for office signs vary tremendously depending on size and type. In addition, variations in local sign ordinances make it impossible to predict such costs with any degree of precision or accuracy.

6. We do not have any specific requirements relating to the offices that must be established and maintained by REALTY EXECUTIVES franchisees, except that: (a) your Office may not be located in a residence (unless otherwise permitted by your local jurisdiction while still permitting prominent REALTY EXECUTIVES signage); and (b) your office must be kept in good repair and present a professional appearance to the public and your clients. A typical REALTY EXECUTIVES office ranges in size from 500 to 6,000 square feet, with an average size of 1,000 square feet. REALTY EXECUTIVES offices are usually located in residential shopping areas and light commercial areas and generally on well-traveled arteries. The figures in the chart are based on the operation of a single Office and presume that you will be leasing your Office, with a rental rate ranging from $1.75 per square foot per month to $5 per square foot per month. The range of rental rates may be higher or lower depending on the region in which your Office is located. Other factors affecting rental rates include rental history, length of lease, type of lease (including whether it is a full-service lease, triple net lease or other type of lease) and your ability to negotiate terms. If you purchase your Office, your costs will vary greatly depending on size and location and you must make your own determination as to improvements. The costs of purchasing an Office vary so widely that we cannot reasonably estimate the cost. The low estimate assumes you are establishing a virtual Office, in which case you will not bear these rent-related expenses.

   We estimate the cost for leasehold improvements can range from $10 to $25 per square foot. Not all offices will require leasehold improvements. In some cases, the landlord may assume responsibility for some or all of the leasehold improvements. If leasehold improvements are required, we assume the total cost may range from $8,000 to $200,000. The low estimate in the table above assumes either no leasehold improvements are required, or the landlord covers the cost of any required leasehold improvements. The high estimate includes significant leasehold improvements that are either required by the landlord or requested by you as the tenant.

7. You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A- or better by Alfred M. Best & Company, Inc., including the following:

Policy Type	Minimum Coverage
“All risk” Property Insurance	Replacement Value

Policy Type	Minimum Coverage
Comprehensive General Liability Insurance	$1,000.000 per occurrence and $3,000,000 in the aggregate
Errors and Omissions Insurance	$1,000.000 per occurrence and $3,000,000 in the aggregate
Automobile Liability Insurance	$1,000,000 Combined Single Limit and $1,000,000 in the aggregate
Theft and Dishonesty Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Privacy and Cybersecurity Liability Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Commercial Umbrella Insurance	$5,000,000 per occurrence and $5,000,000 in the aggregate
Business Interruption Insurance	At least 6 months
Employer's Liability Insurance	$1,000,000
Worker's Compensation Insurance	As required by law
Landlord-Required Insurance	As required by your lease

The required coverage and policies are subject to change. Your policy must have a maximum deductible of $10,000.00. All insurance policies must be endorsed to: (a) name us (and our members, officers, directors, and employees) as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

8. We recommend that you retain an attorney to review the real estate and franchise documents and assist you in forming a corporation or other legal business entity to operate the Business. We also recommend that you retain an accountant for advice in establishing and operating your Business and filing necessary tax forms and returns. The estimates also include the costs for local associations and state and corporate registrations fees. The estimates given are on an annual basis.

9. This figure represents your initial startup expenses over the first 3 to 6 months of operation of the Business. These expenses include payroll costs. This figure does not include any salary for you. It also includes projected association fees, technology fees and working capital. These figures are estimates and you may have additional expenses starting your Business. The estimate of additional funds is based on an owner-operated business and is based on our perception of the recent experience of start-up franchisees. In general, you can expect to put additional cash into the business during at least the first 3 to 9 months, and sometimes longer.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must obtain our prior written approval in order to use a non-approved supplier for the purchase or lease of any source-restricted supplies, goods, services, fixtures, equipment, or inventory that we identify from time to time for your use in the operation of your Business. As of the date of this Disclosure Document, our source-restricted goods and services are limited to our proprietary technology portal, PrimeAgent, and our broker websites. We also have certain third-party vendors that are source restricted, which could change in our sole discretion at any time and without any warning to you. Upon your request, we can provide you with identified, but not necessarily recommended, list of suppliers for certain goods and services that are not categorized as source-restricted. For such goods and services that are not source-restricted, you are permitted to use any supplier that you choose, except that (a) all suppliers must satisfy the supplier selection criteria described in the Manual; and (b) any purchase that you make for advertising materials or operational forms bearing the Marks must comply with our specifications outlined in the Manual and/or any Brand

Standards Guide as to color, size and content. We are the exclusive supplier of PrimeAgent and our broker websites.

We do not have any specifications for your computer system except that it must have internet access and you must be able to utilize PrimeAgent through it. You must utilize the broker website that we designate. We reserve the right to, in the future, require that you purchase other goods and services that meet our specifications and/or that you purchase certain goods and services only from approved or designated suppliers (which may include or be limited to us and/or our affiliates).

We will notify you within 30 days of any changes to, or the establishment of, specifications, or approved or designated suppliers, or the revocation of the approval of existing designated or approved suppliers. This notice may be disseminated to you by various means, including written or electronic correspondence, verbal or telephonic notification, amendments or updates to the Manual, or any similar means of communication. Of the total purchases that will be required to establish your Business, we estimate that around 3% of these purchases will be from approved or designated suppliers or will consist of items that must meet our specifications. Of the total purchases that will be required to operate your Business, we estimate that nearly 30% of these purchases will be from approved or designated suppliers or will consist of items or services that must meet our specifications.

We reserve the right to be an approved supplier for certain goods or services that you purchase for use in your Business. Currently, we make available to our franchisees certain marketing materials that they are permitted to download from PrimeAgent at no additional charge. We may also provide marketing materials in other formats, and we reserve the right to charge you for our costs to produce and deliver the marketing or other materials. In addition, we may develop training or educational products that we may sell to franchisees for a separate cost, or that we may choose to provide for you at no cost. We will designate these products as optional or mandatory and we may charge you for any costs that we incur in preparing and/or delivering any training or educational products to you. In exchange for various fees described in Item 6, we provide franchisees with: (a) access to PrimeAgent; and (b) a separate broker website. We also offer various optional technology tools, resources and services that you may choose to purchase and utilize at your discretion.

Previously, we have negotiated purchase agreements to enable franchisees to purchase certain items at discounted prices. Our current purchase agreements relate to printed and promotional materials and products, signage, wireless phones and service, automobile purchases and rentals, training/coaching, accounting software, office machines, online education, reputation management, moving, and digital advertising. We have certain recommended suppliers for optional products that you may choose to purchase (although you are not required to do so). In some of these instances, but not all of them, these suppliers pay us a rebate or referral fee that ranges from 0% to 50% of the price paid by the franchisees. We are not obligated to negotiate any purchase agreements, but may choose to do so for the benefit of our franchisees.

No person affiliated with us is currently an approved, or the only approved, supplier. Realty Executives Relocation Services, LLC (“RS LLC”) is an approved supplier that provides optional referral services for REALTY EXECUTIVES agents throughout the system. RS LLC is not an affiliate of ours due to lack of common control. However, we do hold a 25% minority ownership interest in the company. There are no approved or designated suppliers in which any of our officers own an interest.

You may not receive any material benefits for using designated, approved or recommended suppliers. You may receive preferential pricing or additional services for using designated, approved or recommended suppliers, but we are not required to negotiate any of those benefits on your behalf. There are currently no purchasing cooperatives, although we reserve the right to establish them in the future.

For the fiscal year ending December 31, 2025, our total revenues were $5,247,882, and we received $355,186 based on franchisee purchases from designated or approved suppliers (including us), which represents 6.768% of our total revenues.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other related agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

Obligations	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 6.2	Item 11
b. Pre-opening purchases/leases	Sections 6.2, 7.4, 8.4 & 10.1	Items 7, 8 & 11
c. Site development and other pre-opening requirements	Sections 6.3 & 6.4	Items 6, 7 & 11
d. Initial and ongoing training	Section 5	Items 6 & 11
e. Opening	Section 6.5	Item 11
f. Fees	Sections 4.3, 5, 7.1, 7.2, 7.4, 8.5, 10.3, 14, 15.2, 16.4 & 18.2	Items 5 & 6
g. Compliance with standards and policies/operating manuals	Sections 6.2, 7.3, 7.4, 8 & 16.1	Items 8 & 11
h. Trademarks and proprietary information	Section 16	Items 13 & 14
i. Restrictions on products/services offered	Section 8.3	Item 16
j. Warranty and client service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Section 9	Item 12
l. Ongoing product/service purchases	Section 8.4	Items 8 & 11
m. Maintenance, appearance and remodeling requirements	Section 6.3	Item 11
n. Insurance	Section 10.1	Item 7
o. Advertising	Section 7	Items 6,8 & 11
p. Indemnification	Section 17	Item 6
q. Owner's participation/ management/staffing	Sections 8.6 & 11	Item 15
r. Records/reports	Sections 10.2, 10.3 & 10.4	Item 6
s. Evaluations/audits	Section 15	Item 6 & 11
t. Transfer	Section 18	Item 17
u. Renewal	Sections 4.1 & 4.2	Item 17
v. Post termination obligations	Sections 20	Item 17
w. Non-competition covenants	Not Applicable	Item 17
x. Dispute resolution	Section 21	Item 17

ITEM 10 FINANCING

From time to time, we may offer financing for the initial franchise fee. Depending on the creditworthiness of the franchisee and other relevant factors, we may finance up to 100% of the initial franchise fee. In determining whether to approve you for financing, and if so, the amount that we will finance, we will consider various factors including your credit report and other indicia of your creditworthiness. We do not guarantee any of your notes, leases or other financial obligations.

Depending on the circumstances, we may, in our sole discretion, choose to offer you financing as a retention or other incentive, or for any other purpose as we may deem appropriate for the facts or circumstances of the particular franchise or franchisee. REI does not intend to offer financing of any monthly fee, and you are expected to timely pay all amounts due to REI as invoiced and in the manner set forth in the Franchise Agreement.

If we provide you with financing for any purpose, you must sign a promissory note in our favor with an initial principal amount equal to the amount financed, along with any applicable interest and other fees. You must pay us the non-financed portion of the initial franchise fee when you sign the Franchise Agreement. The financing terms may be follows:

> Amount Financed – Up to 100% of initial franchise fee, or any other amount as we deem appropriate
>
> Interest Rate – ranges from 8% to 20%
>
> APR – ranges from 8% to 20%
>
> Repayment Period – Ranges from 3 months to 5 years
>
> Payment Terms – Equal monthly installments of principal and compound interest unless otherwise agreed upon*
>
> * Depending on the duration of the repayment period, we may vary the structure of the financing. For example, we may offer “interest only” payments for a portion of the repayment period. Or, in some cases, we may offer “interest only” payments for the duration of the repayment period with a balloon payment of the entire principal amount upon the expiration of the repayment period.

You may prepay all or any portion of the Promissory Note at any time without penalty. If you are an entity, everyone who owns an equity interest in the entity must sign a personal guarantee for the financed amount. We will require that the spouse(s) of all individual(s) owning any equity interest in the entity sign the personal guarantee as well.

If you fail to make any payment under the Promissory Note when due, we may accelerate the entire principal balance outstanding under the Promissory Note. In addition, if you fail to make any payment under the Promissory Note when due, we may charge you default interest on the past due amount at a rate equal to the lesser of 24% per annum (prorated on a daily basis) or the highest rate permitted by your state’s law and, if we so decide, we may terminate your Franchise Agreement as well. If your Franchise Agreement is terminated due to a breach of the Promissory Note, you will not be entitled to a refund of any fees that you had previously paid to us and we may take any action that we feel appropriate to collect any amounts that remain unpaid under the Promissory Note and/or the Franchise Agreement, including an acceleration of all amounts due for the remainder of the Term. As an alternative to terminating the Franchise Agreement due to any breach of the Promissory Note, we may choose to eliminate (or reduce the size of) your Territory.

You must reimburse us for all collection costs that we incur in enforcing our rights under the Promissory Note, which may include, but not be limited to, attorneys' fees, costs, and collection agency expenses. You agree not to assert: (a) demand, diligence, grace, presentment for payment, protest, notice of nonpayment, nonperformance, extension, dishonor, maturity, protest and default; and (b) recourse to guarantee or suretyship defenses (See Section 10 of the Note).

Our form of Promissory Note is attached to this Disclosure Document as Exhibit "J". We reserve the right to sell or assign the Promissory Note although it is not our current practice to do so.

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 will:

1. License you the intellectual property necessary to begin operating your Business. (Section 2)

2. Provide you with written specifications for certain of the goods and services you must purchase to establish your Business, as well as a written list of approved, designated and/or recommended suppliers for purposes of acquiring these goods and services. We do not deliver or install any of the items that you are required to purchase. (Sections 8.2 & 8.4)

3. Provide you with access to the Manual for the duration of the term of your Franchise Agreement. See Section below entitled "Manual" for additional information. (Section 8.2)

4. Provide you with access to designs for marketing materials via PrimeAgent and other electronic means. (Section 7.2)

5. Provide a mandatory initial training program. For additional information, see Section below entitled "Training Program". (Section 5.2)

During the operation of your Business, we will:

1. Maintain a website that will include identification of all of the REALTY EXECUTIVES franchisees. We may remove from this website certain or all information relating to any terminated franchisee or any franchisee that is in default of their Franchise Agreement. We may modify the content of and/or discontinue such website at any time in our sole discretion. (Section 7.4)

2. Provide you with your own REALTY EXECUTIVES broker website that will include information about your Business. This broker website resides as sub-domain under our domain and is directly linked to our website. You must exclusively utilize the broker website we provide unless we agree to waive this requirement in our sole discretion. You must pay us a $350 monthly fee for this website. (Section 7.4)

3. Administer the Marketing Fund. For additional information about your advertising obligations, see the Sections below entitled "Advertising and Marketing." (Section 7.1)

During the operation of your Business, we may, but need not:

1. Hold periodic national conventions, events or meetings to discuss system changes and issues affecting REALTY EXECUTIVES franchisees. We also may, from time to time, hold symposiums directed

towards brokers and owners. You must attend at least one of these events each year if choose to hold such an event. We may charge you a registration fee for these events that range from $400 to $1,750 per person per event. You are responsible for all out-of-pocket expenses incurred by you or any representative of your Business in attending these events. (Section 5.5 & 5.6)

2. Provide an annual training program for your owners and employees. Your Managing Principal and at least one other staff member are required to complete this training program in the first twelve months of operation. The training may be held at our corporate headquarters or virtually. (Section 5.1)

3. Provide you, from time to time, with ongoing guidance by telephone or video consultation, virtual meetings, or limited on-site assistance at our discretion. See Section below entitled "Training Program" for additional information. (Section 5.4)

4. Negotiate purchase agreements with vendors to obtain discounted prices for REALTY EXECUTIVES franchisees. (Section 8.4)

5. Provide you with access to required and/or optional software, technology and related tools and services that are (or may be) utilized in the operation of a REALTY EXECUTIVES brokerage. (Section 8.5)

Training Program (Section 5)

We provide virtual onboarding for the initial step of the Training Program, which includes an introduction and overview of our intranet portal, PrimeAgent, including the technology, marketing, training, and communication resources available to you.

We will provide a mandatory initial training program for your Managing Principal and up to two additional people (the "Initial Trainees") for a period of approximately two days. The Managing Principal must be one of the Initial Trainees. Training may occur at our World Headquarters located in Phoenix, Arizona, or at any other location that we designate. We reserve the right, in our sole discretion, to conduct the initial training program virtually through video conference calls, webinars or any other electronic method that we deem appropriate. Currently, the initial training program is not scheduled, and instead we offer the initial training program on an as-needed basis.

The content of the initial training program is subject to modification from time-to-time. As of the effective date of this Disclosure Document, the initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on-the-Job Training	Location
Franchise History & Vision	.50	0	Phoenix, Arizona or any other location we designate
Brand Advantages & Business Model	.50	0	Phoenix, Arizona or any other location we designate
PrimeAgent Technology Suite	1.0	0	Phoenix, Arizona or any other location we designate

Subject	Hours of Classroom Training	Hours of on-the-Job Training	Location
Marketing & Branding	1.0	0	Phoenix, Arizona or any other location we designate
Training Resources	.50	0	Phoenix, Arizona or any other location we designate
Recruiting & Retention Strategies	2	0	Phoenix, Arizona or any other location we designate
Competitive Intelligence	1	0	Phoenix, Arizona or any other location we designate
Business Practices	2.5	0	Phoenix, Arizona or any other location we designate
Legal Considerations	.75	0	Phoenix, Arizona or any other location we designate
Questions / Answers	2.0	0	Phoenix, Arizona or any other location we designate
Total	**11.75**		

The instructors include Patrick van den Bossche along with other Realty Executives employees and third-party training vendors as we may utilize from time-to-time, in our sole discretion. .. Mr. van den Bossche joined Realty Executives in 2018 and is a licensed real estate agent with over 20 years of industry experience. Our training team provides instruction in the areas of marketing, technology, and business. Attendees may experience training sessions as outlined in the table above, and/or as hosted by additional subject matter experts. All instructors will be licensed or certified as required by their designated real estate department in the state in which they reside.

The initial training materials consist of digital presentations (including pre-recorded and live video), sample marketing materials and electronic documents. You will not be charged an additional fee for any of the initial training materials. The Initial Trainees must complete the initial training program within 90 days after signing the Franchise Agreement and before your Office is opened for business, unless you had previously been a franchisee of Realty Executives and in good standing with us in the past two years. Your Office must be open for business within 90 days after signing the Franchise Agreement. If you fail to open your business and complete the initial training program within this period of time, we have the right to terminate your Franchise Agreement.

In addition to the initial training program, we may choose to, but need not, send one of our representatives to visit your Office to provide consultation services regarding the overall operation of your Office, including accounting, personnel management and business management. There is no additional fee for the first on-site visit to your Office if we elect to undertake such a visit. However, if you request any on-site visit, or if we deem an on-site visit to be necessary due to the operation of your Business or any other factor, you must pay all reasonable travel, lodging and other related expenses that we incur in providing this service to you. This service is subject to the availability of our representatives.

We also provide regular training events for your owners and employees. In each calendar year, your Managing Principal and at least one other staff member you designate must attend at least one training event that we organize or otherwise approve. This training may be conducted virtually or it may be held at our World Headquarters located in Phoenix, Arizona, or at any other location that we deem reasonable.

The initial franchise fee covers our training costs for your Managing Principal and two additional members of your staff. If we train more than three individuals, you must pay us the Training Fee for each such additional person. The Training Fee is $800 for each staff member other than initial three trainees. You are responsible for payment of all food, travel and lodging expenses incurred by you and your employees in attending the training program.

In addition to the training described above, we may offer periodic ongoing training programs for you and your Salespersons. These training programs may be conducted at our headquarters or they may be conducted remotely through live or recorded webinars or through any other method that we deem appropriate. We may designate ongoing training programs as mandatory or optional. We may charge you a training fee for each person that participates in the training program. The training fee ranges from $0 to $1,200 per person, depending on the program.

Manual (Section 8.2)

We will provide you with access to our Manual during the term of your Franchise Agreement. Among other things, the Manual may, but need not, include:

- a description of authorized services and products that you may sell;
- specifications, operating procedures, and quality standards for products, services and procedures that we may prescribe from time to time for franchisees;
- guidelines and standards for marketing materials, websites and signage;
- tradename requirements and criteria;
- a written list of goods and services (or specifications for goods and services) you must purchase for use in the development and operation of your Business and a list of any designated or approved suppliers for these goods or services (if any); and
- supplier selection criteria (if any).

All mandatory provisions contained in the Manual are incorporated into and considered part of the Franchise Agreement. The Manual is confidential and remains our intellectual property. You must return the Manual to us or otherwise cease any use of it at the time your Franchise Agreement expires or is terminated. We reserve the right to modify the Manual at any time, and you must comply with all changes to the Manual that we make. Any changes we make to the Manual will not alter your status or fundamental rights under the Franchise Agreement. The Manual currently contains a total of 790 pages of written content, 185 videos, and is provided virtually through PrimeAgent. Because the Manual is virtual and consists of a suite of resources, our page count is merely an estimate, and the content is regularly updated and enhanced with new resources. A copy of the Table of Contents to the Manual is attached to this Disclosure Document as Exhibit “E”.

Office Requirements (Section 6)

You must have at least one open, designated Office at all times during the operation of your Business. There are no contractual limitations on the maximum number of Offices you may open in your Territory.

As discussed in Item 6 Note 1, a designated Office includes dedicated brick-and-mortar Realty Executives offices, shared office space, executive suites, virtual offices (including virtual offices listing addresses within your Territory, through business directories such as Google My Business or similar sites) and any other location from which business is conducted or that qualifies as an "Office" (or the equivalent) under the terms of your Franchise Agreement. If you are required or choose to have a brick-and-mortar Office, we do not have any requirements or specifications regarding the location or design of your Office, except that: (a) you may not open an Office outside your Territory without our prior written approval; (b) your Office must comply with all signage requirements listed in the Manual; and (c) your Office must be kept in good repair and present a professional appearance to the public and your clients. We have sole discretion in determining whether an Office: (a) is deemed to be "open" for purposes of the Franchise Agreement; and (b) is in good repair and presents a professional appearance. In determining whether or not a particular Office is an "open" Office, we may consider the following factors, in addition to any other factors that we deem relevant:

- where the Office is located;
- whether there is any signage at your Office (if it is a physical location);
- whether there is any publicly available REALTY EXECUTIVES advertising about the Office;
- whether the phone number associated with the Office is answered by referring to REALTY EXECUTIVES;
- if the Office has been registered with your state or local real estate commission, if required to do so;
- whether real estate agents are operating out of the Office; and
- whether the Office is licensed as a branch office of an existing REALTY EXECUTIVES Office as may be required by local laws, regulations, rules or ordinances.

You may not operate any designated Office (including a brick-and-mortar office, shared office space, executive suite, virtual office or any other physical location from which business is conducted or that qualifies as an Office or equivalent under the terms of your Franchise Agreement) that is located outside of your Territory without our approval, which we may withhold in our sole discretion. If we grant approval to open an Office located outside your Territory, we may impose any terms and conditions we deem appropriate as a condition to granting our approval. Notwithstanding the foregoing, you must abide by all local laws, regulations, rules and ordinances with respect to operating a real estate office.

We do not assist you with locating or securing your Office. We do not provide you with assistance with any construction, remodeling, decorating, conforming the premises to local ordinances and building codes, obtaining any required permits or with hiring or training your employees prior to or after the opening of your Business. You do not need our approval of the location of the premises for your Offices within your Territory. You also do not need our approval of the terms of your lease or purchase agreement. You have sole discretion in selecting your site (which must be located within your Territory) and designing your

Office. However, your site must not violate the high ethical standards and distinguishing characteristics of the franchise. We do not typically own the premises and lease it to you.

<u>Computer System</u>

You must purchase and install a computer system that enables you to access the internet so you can: (a) utilize the web-based franchise program and all support materials through PrimeAgent; (b) utilize financial accounting software (we do not require any specific software, but we do require that you utilize accounting software); and (c) communicate with us and your clients via email. We estimate the cost of your computer system, including computer hardware and software, printer, scanner, and Internet access will range from $3,000 to $12,000 to purchase, or $200-$600 per month if you are renting the items.

You must prepare financial reports and utilize your own financial accounting software to maintain digital storage of financial and business data. We expect that you will utilize cloud storage for maintaining this data. At this time, we do not require that you use any particular financial accounting software. Upon your request, we will provide you with our recommended financial software programs. We will not have independent access to the data you collect, or to your computer systems. However, we may inspect your computer systems and access any of your data as part of any inspection of your Business and/or financial records.

You will use PrimeAgent to report all closed transactions for any Salesperson that is on a transaction-based fee plan (i.e., percentage-based). We are responsible for any required maintenance to PrimeAgent.

Unless otherwise disclosed above, neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system. While every computer system is different and we allow you to choose from a wide variety of computer systems to operate your Business, we estimate the cost of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system can range from $0 to $3,000 per year.

For certain of the technology that you need to use for your Business, you will pay us: (a) $250 per month ($3,000 per year) for access to PrimeAgent; and (b) $300 per month ($3,600 per year) for your broker website. We may, in our discretion, waive your obligation to utilize the broker website and/or pay the associated fee, either through a fee reduction or through other means of reducing or eliminating the fee for the broker website.

If you are required under your Franchise Agreement to enter data through PrimeAgent, and you fail to enter the required data in a timely manner, we may increase your monthly fee for PrimeAgent from $250 to $599 per month for a 3-month period. Your monthly PrimeAgent fee will return to $250 per month if you timely enter all required data throughout that 3-month period. If you do not timely enter all required data throughout that 3-month period, the fee for PrimeAgent may remain at $599 per month until such time that we determine, in our sole discretion, that you are in compliance with your data entry obligations from the Franchise Agreement.

We also offer optional websites for Salespersons, at a cost of $45 per month per website. A Salesperson can pay us directly for their website. Some franchisees choose to make these website payments on behalf of their Salespeople. We also offer “team” websites for $65 per month, with an additional charge of $6 per month per Salesperson who is a part of that “team”.

We may periodically review and adjust any fees for any technology we offer (including, but not limited to, the fees for access to PrimeAgent, the broker website, the Salesperson website, and/or the “team” website) to reflect changes in the costs we incur in providing the associated software or technology. However, we will not increase these technology fees more than 2 times in any 12-month period.

We may develop different technology and tools for your use and we may discontinue existing technology and tools. Any such change may result in an increase or a decrease in the technology fee. We may designate any tool either as mandatory or optional.

At your own expense, you must maintain your computer systems in good working order. During the Term, you may be required to upgrade or update your computer hardware and/or software to conform to our then-current specifications. There are no contractual limitations on the frequency or cost of these updates or upgrades. We reserve the right to change the software or technology that you must use or add new software or technology at any time.

Advertising and Marketing (Section 7)

Local Marketing

We do not require that you spend a specific amount of money on local advertising. Except as described in the Marketing Fund section below, we also have no obligation to spend money on advertising in your Territory.

We will provide you with access to digital copies of our marketing materials, which you will be able to download from PrimeAgent and other electronic medium. We may also provide you with marketing plans and other materials that can be used for marketing, including print media layouts, social media templates, audio and video files, and other promotional and marketing materials. We reserve the right to charge you our direct cost to produce these materials and deliver them to you. Alternatively, we may enter into relationships with third-party suppliers who will create advertising or marketing materials that you may purchase directly and utilize for your Business.

You have the option to create advertising for your own use, provided that it complies with our established graphics standards and identifies you as an independently owned and operated REALTY EXECUTIVES franchise. We reserve the right to deny you permission to use any advertising material for any reason, and if such permission has been denied, you must immediately cease use of that material and you may not use that advertising material any further. You must retain copies of all advertising material prepared by you and provide copies of those advertising materials to us upon our request.

Websites, Social Media and Online Marketing

We provide you with a broker website that includes information specific to your Business. You pay us $300 per month for the website. The websites we provide are linked to our corporate REI website and remain our property at all times. You are permitted to use social media to market your Business in compliance with our Social Media Policy and any other requirements we impose, including our Brand Standards. We have the right to audit your website, social media and online marketing channels and may require that you remove any content that does not satisfy all of our brand standards and other policies, standards and requirements.

Marketing Fund

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System and the Marks, we have established and maintain a marketing fund (the “Marketing Fund”). The Marketing Fund is used for website development and search engine optimization, regional and/or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, publicity, and any other programs that we deem necessary or desirable to promote the System ("Marketing Campaigns").

We will, in our sole discretion, determine the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any Marketing Campaign. Most of the advertising is designed for use in print media, social media websites, and other digital assets. All advertising programs and materials developed by the Marketing Fund remain our sole property.

You must pay us a Marketing Fee calculated as $300 multiplied by the greater of: (a) your Salesperson Count; or (b) your Salesperson Quota. We will deposit all Marketing Fees into the Marketing Fund. However, the Marketing Fund is not a trust.

Marketing Fees are kept in a separate bank account from that of REI's general operations and revenues received as Marketing Fees are accounted for separately from our other funds. We will not use Marketing Fees to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Marketing Fund and the Marketing Campaigns. These expenses may include, without limitation: administering the Marketing Fund and collecting Marketing Fees; conducting market research; preparing and conducting media programs and activities; employing advertising, marketing and/or public relations agencies; collecting and accounting for contributions to the Marketing Fund; and paying for the preparation and distribution of marketing materials. None of the Marketing Fees will be used for advertisements principally directed at selling franchises. Except as described in this paragraph, we have no obligation to spend money on advertising in your Territory.

During the 2025 fiscal year, the advertising funds were spent in the following manner:

Allocation of Marketing Expenditures (2025)				
Use of Funds	**Production**	**Media Placement**	**Administrative Expenses**	**Other***
Percentage Allocation	5.7%	1.2%	0%	93.1%

* "Other" includes the following: (a) website/SEO (62.6% of total marketing expenditures); (b) mobile marketing (18.7% of total marketing expenditures); and (c) CRM campaigns (18.7% of total marketing expenditures).

Our administration of the Marketing Fund is intended to maximize general public recognition and patronage of the REALTY EXECUTIVES System for the benefit of us and all REALTY EXECUTIVES franchisees. We will use our best efforts to apportion advertising spend to obtain the greatest benefit for all franchisees. Any surplus of funds in the Marketing Fund may be invested for the benefit of the Marketing Fund, and we may lend money to the Marketing Fund if there is a deficit. An unaudited financial accounting of the operations of the Marketing Fund, including deposits into and disbursements from the Marketing Fund, will be prepared annually and made available to you within thirty days upon your written request.

There is no franchisee advertising council that advises us on marketing or advertising matters.

<u>Opening Requirements</u> (<u>Section 6.4</u>)

You may not begin operating your Business until you have acquired all necessary licenses, the Initial Trainees have completed the initial training program, and you have complied with your other pre-opening obligations. We anticipate that a typical REALTY EXECUTIVES franchisee will open their office within 1 to 3 months after signing the Franchise Agreement. Factors that may affect this timing include:

- the amount of time needed to find a suitable site for your Office
- protracted lease negotiations with a landlord for a brick-and-mortar office location
- the amount of time needed to secure financing, insurance, licenses and/or permits
- whether you are converting an existing business or starting a new business
- the condition of your Office and extent of required upgrades, remodeling and renovations
- construction delays of the Office due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures for the Office
- the amount of time needed to complete training
- the amount of time needed to hire and train your staff

Unless we allow you additional time in writing, your Business must be opened within 90 days after you sign the Franchise Agreement. Your failure to open within the 90-day period constitutes an event of default under your Franchise Agreement.

ITEM 12 TERRITORY

<u>Territory Description</u>

We will grant you an exclusive territory that will be defined in Attachment "B" of the Franchise Agreement at least 7 days before you sign it (your "Territory").

In some cases, we grant "single point" franchises where the exclusive territory is limited solely to the premises of the approved Office location (i.e., there is no territory "surrounding" the Office). In other cases, we grant territories that vary in size based on our negotiations with the franchisee. There is no minimum size for a territory. In most cases a territory will be defined by a single address, or by zip codes, postal codes or other boundaries (usually with a minimum population of 40,000 except in smaller towns with populations of less than 40,000). Due to variations in demographics, it is impossible to establish a standard population estimate for an exclusive territory. Your Territory Fee increases by $500 for every 40,000 residents in your Territory.

If the population within your Territory increases significantly during the term of your Franchise Agreement, and you choose to renew the Franchise Agreement, we may adjust the boundaries of your Territory at the time of renewal such that your modified Territory includes a population that is similar to the population of your original Territory as of the date you signed the original Franchise Agreement.

<u>Offices Within Territory</u>

The Franchise Agreement grants you the right to open and operate Offices within your Territory. There are no contractual restrictions on the maximum number of Offices you may open within your Territory. You are required to maintain a minimum of one open Office at all times during your Territory.

There are no restrictions on your ability to relocate one or more Offices within your Territory, except you must maintain at least one open designated Office within your Territory at all times.

Offices Outside Territory

You may not open or operate an Office that is located outside of your Territory without our prior written approval, which we may withhold in our sole discretion. If we grant approval to open an Office located outside your Territory, we may impose any additional terms and conditions to opening that Office that we deem appropriate as a condition to granting our approval, which will include, at a minimum, the requirements that you are not currently in default under the Franchise Agreement, and that you sign an Amending Agreement with us to modify the Franchise Agreement to include the newly expanded Territory.

You are prohibited from using our Marks in connection with any office or other commercial space located outside your Territory. This prohibition also applies to virtual offices which list an address outside of your Territory (for example, through business directories such as Google My Business or similar sites).

Restrictions on Your Sales and Marketing Activities

Subject to applicable law, you may advertise and market your services outside your Territory, and you may list and sell real estate that is located outside your Territory and serve clients who reside outside your Territory, as long as you comply with all policies and procedures in the Manual governing extra-territorial marketing. However, you may not represent that you have an Office (either physical or virtual) located outside your Territory.

Currently, you are permitted to market and sell through alternative channels of distribution (including within and outside of your Territory), but only in accordance with the guidelines we prescribe from time to time. One of the guidelines that we prescribe is a prohibition against targeted marketing directed outside of your own Territory and into a territory assigned to us, our affiliate or another franchisee. We can revoke your ability to market and sell through one or more types of alternative channels of distribution at any time. Alternative channels of distribution include marketing and sales conducted through direct marketing, such as on websites or through digital marketing.

There are no other restrictions on your ability to solicit clients, whether from inside or outside of your Territory.

Exclusive Territorial Rights

Your Territory is exclusive. Absent a written agreement to the contrary, neither we nor any other REALTY EXECUTIVES franchisee will be authorized to establish a REALTY EXECUTIVES office within your Territory during the term of your Franchise Agreement.

Limitations on Territorial Rights

Other REALTY EXECUTIVES businesses (including those operated by us, our affiliates or other franchisees) may list and sell real estate that is located within your Territory and serve clients who reside within your Territory as long as they comply with all policies and procedures in the Manual governing marketing outside of your Territory.

Although it is not currently our practice to do so, we reserve the right to sell, or license others to sell, competitive or identical goods or services (whether under the Marks or under different trademarks) through alternative channels of distribution, including within your Territory. Alternative channels of distribution include marketing and sales conducted through direct marketing, such as over the Internet or through digital advertising. You are not entitled to any compensation for sales made by us or third parties through alternative channels of distribution, either inside of your Territory or outside of it.

Minimum Performance Requirements (Franchise Agreement)

In addition to negotiating the boundaries of your Territory, we will negotiate your Salesperson quota with you at least 7 days prior to executing the Franchise Agreement. Your Salesperson quota will be determined based upon the size, population and market of your Territory, as well as other related factors as we may deem appropriate based on the circumstances of your ownership of the Business and your Territory. You must establish and maintain contracts with the minimum number of Salespersons and within the time periods required by your quota. The number of Salespersons that you are required to contract with may increase after the end of each or any year of your Term to allow you time to develop your business.

Achieving your Salesperson quota is an essential aspect of the franchise relationship, since the growth of your network of Salespersons is necessary to achieve a corresponding growth in brand recognition and brand value in your Territory. If you fail to meet your Salesperson quota in any month, we may, in our sole discretion, immediately take any one or more of the following actions:

- reduce the size of your Territory to correspond with the number of Salespersons that you have in your sales force;
- collect all the Monthly Fees, in an amount not less than the minimum monthly amount due, that would reasonably have been expected to have been payable if you had met your quota; and/or
- terminate your Franchise Agreement.

We may also reduce the size of your Territory, or convert your Territory to a single point location, under any of the following circumstances:

- if you fail to execute a new Franchise Agreement but continue to operate your Business after the expiration of the Term;
- if you are in default under the Franchise Agreement and fail to cure before the expiration of the applicable cure period;
- if you are in default on any of your financial obligations under the Franchise Agreement or any Promissory Note issued in our favor, and fail to remedy the default before the expiration of the applicable cure period; and/or
- if you default on any of your financial obligations under the Franchise Agreement or any Promissory Note issued in our favor 2 or more times during the term, even if such defaults are cured.

Additional Franchises and Territories

Our standard Franchise Agreement does not grant you any options, rights of first refusal or similar rights to acquire additional territories or franchises.

Competitive Businesses Under Different Marks

Currently, neither we nor any of our affiliates grant franchises that are authorized to use the Marks other than in the REALTY EXECUTIVES franchise system, although we reserve the right to establish other franchise systems in the future. Similarly, neither we nor any affiliate of ours currently operates another franchise system or other channel of distribution that involves the sale of products or services similar to the products or services offered at a REALTY EXECUTIVES office.

We do not currently operate a REALTY EXECUTIVES office using the System and the Marks, although we reserve the right to operate one or more such offices in the future so long as we comply with the territorial protections granted to our franchisees. Through certain affiliated enterprises, we do own interest in certain REALTY EXECUTIVES office locations.

ITEM 13 TRADEMARKS

You are obligated to provide real estate sales and services consistent with our high standards of ethics and conduct. You are required to use the service mark "REALTY EXECUTIVES" to identify your Offices and services. You will be licensed to use the following federally registered trademarks:

Registered Marks			
Mark	**Registration Number**	**Registration Date**	**Date of Next Renewal**
REALTY EXECUTIVES	1037111	March 30, 1976	March 30, 2026
REALTY EXECUTIVES	2083460	July 29, 1997	July 29, 2027
REALTY EXECUTIVES	2083462	July 29, 1997	July 29, 2027
WHERE THE EXPERTS ARE	3437912	May 27, 2008	May 27, 2028
PRIMEAGENT[1]	4761989	June 23, 2015	June 23, 2035
POWERED BY EXPERTS	5204171	May 16, 2017	May 16, 2027
REALTY EXECUTIVES COLLECTION	7167170	September 19, 2023	September 19, 2029
{UN}CORPORATE	6793232	July 19, 2022	July 19, 2028
EXPERIENCE FREEDOM	5903977	November 5, 2019	November 5, 2029
REALTY EXCELLENCE	3991316	July 5, 2011	July 5, 2031
THE ONLY COMPANY NAMED FOR ITS PEOPLE	1976442	May 28, 1996	May 28, 2026
REALTY EXECUTIVES COLLECTION	7167169	September 19, 2023	September 19, 2029
REALTY EXECUTIVES	6631935	February 1, 2022	February 1, 2028

WHAT'S YOUR SIGN?	6142480	September 1, 2020	September 1, 2026
	2797022	December 23, 2023	December 23, 2033

1. PrimeAgent is registered to New REI Holdings, LLC, which licenses use of the registered trademark to REI for the benefit of REI and its franchisees.

All trademark registrations are on the Principal Register of the United States Patent and Trademark Office. All required affidavits have been filed and we intend to file all renewals by the required renewal date.

We or our affiliates may apply for or adopt additional trademarks and those additional marks may or may not be licensed to you during the term of the franchise relationship. We may also license to you additional trademarks created by us or our affiliates, whether registered or unregistered. In this use of the word "trademark", we mean trade names, trademarks, service marks, and logotypes used to identify your REALTY EXECUTIVES franchise or the products or services sold at your Business. Upon our request, you must modify or discontinue the use of any trademark licensed to you or begin using any new trademark that we specify. If this happens, we will have no liability to you for any costs or damages that you incur as a result of the change in the trademark.

You must follow our rules when using the Marks. You cannot use the words "REALTY EXECUTIVES", either alone or in conjunction with one or more other words, or any of our other Marks, as part of your legal entity name. You cannot use the words "REALTY EXECUTIVES", either alone or in conjunction with one or more other words, as part of a domain name, social media account/profile, email address, or any other digital asset, unless you receive our prior written consent. If you have received permission to use the words "REALTY EXECUTIVES" for a domain name, social media account/profile, or email address, upon expiration, termination or transfer of the Franchise Agreement, you must immediately delete the social media account/profile and any other digital asset. Further, upon the expiration, termination or transfer of the Franchise Agreement, you must assign to us the registration of any domain name which contains the words "REALTY EXECUTIVES", along with any email address that uses the words "REALTY EXECUTIVES".

You may not use the REALTY EXECUTIVES name in connection with the sale of any product or service that was not previously authorized by us to you in writing.

You may adopt and use REALTY EXECUTIVES as part of your trade name or "doing business as" (DBA) name, but only if: (a) your tradename satisfies all requirements and criteria specified in the Manual and any published brand standards or guidelines; and (b) prior to use, you submit the proposed tradename to us and we approve your tradename through the issuance of a Tradename Approval Notice in the form attached to the Franchise Agreement as Attachment "D". You may not use any tradename that we have not, in writing, approved you to use. You must immediately surrender, cancel or abandon the tradename upon the termination, expiration or transfer of the Franchise Agreement. You agree that if you do not timely surrender, cancel or abandon the tradename when required to do so, that we have the right to pursue cancellation of the tradename on your behalf.

You must notify us immediately if you learn or are otherwise made aware of an infringing or challenging use of any of the Marks. We will take the action we think appropriate in response to any infringement or other misuse of the Marks. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You must modify or discontinue the use of any Mark licensed to you if we are required to modify or discontinue use of the Mark as a result of litigation or other written agreement. If this happens, we will have no liability or other obligation to you resulting from the modification or discontinuation of the use of the Mark. You must not directly or indirectly contest our rights to the Marks.

We are not required under the Franchise Agreement to: (a) protect your right to use the Marks or protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (b) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved in a manner that is unfavorable to you.

As of the date of this Disclosure Document, there are no: (a) currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; or (d) agreements that limit our right to use or license the use of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks. We make no representation regarding the enforceability of the Marks in any particular territory.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. During the course of the Franchise Agreement, you will receive proprietary information contained within the Manual (which includes information and resources pertaining to franchise training, public relations, marketing and advertising, recruiting, insurance, new office startup, and other information and resources prepared by us) and other instructional and training materials. Although we have not filed an application for copyright registration for the Manual, we do claim copyright in the Manual and further claim that the information contained in the Manual is proprietary and our trade secrets. We also own proprietary know-how in the form of operating methods, specifications, techniques, and information pertaining to the operation and marketing of a REALTY EXECUTIVES brokerage and any products or merchandise that we have or may develop.

You are required to maintain the confidentiality of all of our proprietary materials and use them only in strict accordance with the terms of the Franchise Agreement and Manual. You must promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information. There are no infringements of our Know-How that are known by us at this time.

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

Except as otherwise discussed below, at least one owner of the franchise must be directly involved in the operation, management and supervision of your Business (the "Managing Principal"). The "Managing Principal" is determined as follows:

- If the franchisee consists of a single individual, that individual will be the Managing Principal.
- If the franchisee consists of more than one individual, you must designate one of those individuals who will be the Managing Principal.

- If the franchisee is a corporation, limited liability company, or partnership, you must designate one of the individual owners, members or partners, as applicable, who will be the Managing Principal.

The Managing Principal must successfully complete our initial training program. The Managing Principal must be actively involved in the day-to-day management and operation of your Business unless you hire a Substitute Manager. If the Managing Principal is not a licensed real estate broker, you must ensure that at all times you have at least one licensed real estate broker that is authorized to act on behalf of your Business and supervise the activities of your Salespersons. If you have multiple Offices, if required by applicable law, you must hire a branch manager to oversee the operations of each Office. We do not require that a licensed real estate broker own any equity interest in the franchisee.

You have the right to delegate the responsibilities of the Managing Principal for the day-to-day management and operation of your Business to a third-party that you hire. We do not require that the third-party manager own an interest in the franchise. The Managing Principal must assume ultimate responsibility for the supervision and operation of the Business if the manager is unable to perform their duties for any reason, until such time that you obtain a suitable replacement manager.

If you are an entity, each person holding an ownership interest in you, along with the spouse of each of the foregoing individuals, must execute a personal guaranty of the Franchise Agreement, the form of which is attached to the Franchise Agreement as Attachment “C”.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All real estate services that you offer in connection with your Business under the Marks are subject to approval. You may offer all real estate services including leasing, listing, purchasing, referrals, selling, trading, lead generation, auctions and other services of a similar nature. We may change these services from time to time, and you must comply with these changes. You will have the sole right to determine the prices charged for goods and services sold through your Business. You may not sell any unauthorized goods or services under the Marks, but you are permitted to offer other real estate settlement services in conjunction with your Business, such as mortgage services, title services, escrow services, property management services, etc., provided that these other services are not offered or advertised in association with the Marks and the offer and sale of these services complies with all applicable federal, state and local laws and regulations. We do not restrict the customers to whom you may sell goods and services.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

The Franchise Relationship		
Provision	**Section in Agreement**	**Summary**
a. Length if the franchise term	Section 4.1	The term is for 10 years. If you sign a new Franchise Agreement for another territory, we may, at our option, extend the term of any previously executed Franchise Agreement to run concurrently with the term of the new Franchise Agreement.
b. Renewal or extension if the term	Sections 4.1, 4.2 & 4.3	If you fail to timely exercise your renewal option and you continue to operate the Business without signing a new Franchise Agreement at or before the expiration of the Term, then the Franchise Agreement will renew automatically for one 6-

The Franchise Relationship		
Provision	**Section in Agreement**	**Summary**
		month period, becoming an Interim Term, unless we notify you that we instead elect for the term to expire. During the Interim Term, we may terminate or modify your territorial rights in any manner that we choose. During the Interim Term, we have the right, in our sole discretion, to modify any term of the Franchise Agreement. We may terminate the Franchise Agreement with 30 days' written notice at any time during the Interim Term. If you wish to terminate the Franchise Agreement at the end of the Interim Term, you must provide us with no less than 60 days' prior written notice. The termination date may be sooner if we mutually agree to terminate at an earlier date or if the termination is with cause (see below). If you operate during the Interim Term, you will pay us a $100 surcharge per Salesperson per month, plus a $600 per month administrative fee (together, the "Extension Fee") in addition to all other fees due to us under the Franchise Agreement.
c. Requirements for you to renew	Section 4.2	If you want to continue being a Realty Executive franchisee after the conclusion of your current term, you must do the following: (1) give us written notice of your intent to renew not less than 90 days before the end of the term; (2) be in good standing under this Franchise Agreement, including no events or default; (3) be in good standing under any other agreements you have with us, including any Promissory Note or other contracts; and (4) sign a release (subject to state law). If you renew, you will be required to go through the franchise disclosure process and execute a new Franchise Agreement utilizing our then-current form document. Any renewal will require you to sign a new Franchise Agreement that may contain materially different terms and conditions than your original contract.
d. Termination by you.	Section 19.1	You may only terminate the Franchise Agreement if we materially breach the Franchise Agreement and fail to cure the breach within 90 days after you send us a written notice of default. You have no other right to an early termination of the Franchise Agreement.
e. Termination by us without cause	Section 19.4	We cannot terminate the Franchise Agreement without cause unless you and we mutually agree in writing to terminate. We have no obligation to agree to allow you to terminate without cause, and may

The Franchise Relationship		
Provision	**Section in Agreement**	**Summary**
		withhold our agreement to do so in our sole discretion.
f. Termination by us with cause	Sections 19.2 & 19.3	We can terminate the Franchise Agreement for cause if you are in default under the Franchise Agreement.
g. "Cause" defined – curable defaults	Section 19.3	You have 30 days to cure most defaults, other than defaults which are considered "non-curable defaults" and those which specify cure periods of less than 30 days.
h. "Cause" defined – non-curable defaults	Section 19.2	The following defaults cannot be cured and may, at our discretion, result in immediate termination of the Franchise Agreement: (i) failure to commence operations within 90 days of the effective date of the Franchise Agreement, or failure to maintain at least one open, designated Office at all times throughout the Term; (ii) failure to maintain required license(s) or at any time failing to have a licensed broker; (iii) conviction of certain types of crimes or subjection to certain disciplinary proceedings; (iv) insolvency; (v) bankruptcy; (vi) unauthorized seizures; (vii) abandonment of franchise; (viii) failure to pay us or our affiliate(s) within 10 days after receipt of demand for payment; (ix) failure to cure breach of payment obligations under any promissory note you sign in our favor; (x) underreporting of any amount due us by at least 3% after previous underreporting occurred; (xi) material misrepresentations to us; (xii) unauthorized transfers of ownership; (xiii) unauthorized use of our intellectual property or violation of any confidentiality or non-disclosure covenant; (xiv) failure to comply with any applicable material law; (xv) failure to meet your Salesperson quota; (xvi) 2 or more defaults in any 12-month period, even if cured; (xvii) conduct by you or one of your owners which we, in our sole discretion, deem to be detrimental or otherwise harmful to our brand, the Marks and/or the System; (xviii) receipt by us of more than 2 complaints about you or your owners as to the operation of the Business or your conduct relating to the Business in any 12-month period; and (xix) termination of any other agreement between you and us or our affiliate(s) based on your default.
i. Your obligations on termination/non-renewal	Section 20	Obligations include ceasing use of our intellectual property, complete de-identification of our brand, assignment of phone numbers, cancellation or assignment of URLs, domain names, email servers/accounts and social media accounts, assignment of listings, return of the Manual and

The Franchise Relationship		
Provision	**Section in Agreement**	**Summary**
		materials bearing the Marks, canceling fictitious names, and payment of all amounts due to us (also see r, below).
j. Assignment of contract by us	Section 18.1	No restriction on our right to assign, but we will remain liable for the performance of all of our obligations arising under the Franchise Agreement prior to the date of assignment.
k. "Transfer" by you – definition	Section 18.2	Includes transfer of contract or assets or change of ownership of you.
l. Our approval of transfer by you	Sections 18.2 & 18.3	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to other existing owners or to an immediate family member, without our prior approval. We have the right to approve or deny all other transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	Section 18.2	Transferee must receive and review the then-current Franchise Disclosure Document, fill out our then-current Application, successfully complete a background check, meet our qualifications, successfully complete training, obtain all required licenses and permits, and sign a new Franchise Agreement, including executing a new personal guaranty. You must be current on all your payments, pay the transfer fee and sign a general release (subject to state law) and subordination agreement. We must approve the terms of the transfer.
n. Our right of first refusal to acquire your business	Section 18.5	We have the right to match any bona fide, arms-length offer for your Business, regardless of whether the offer is for a stock sale, sale of assets or some other form of sale and regardless of whether the Franchise Agreement itself is part of the sale.
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Section 18.4	Any transfer, including by will or intestacy, requires our prior written consent. The transfer must be completed within 6 months.
q. Non-competition covenants during the term of the franchise	Not Applicable	You and your owners may not have any interest in any competing business, other than owning 5% or less in a public company that is a competing business.
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable.

The Franchise Relationship		
Provision	**Section in Agreement**	**Summary**
s. Modification of the agreement	Sections 4.3 & 23.8	We may unilaterally change the Manual or reduce the scope of any covenant imposed on you to comply with applicable law. We may also modify any term of the Franchise Agreement during the Interim Term, if applicable. Other modifications require a writing signed by both parties.
t. Integration/ merger clause	Section 23.8	Only the terms of the Franchise Agreement and attachments to Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim any of the representations we make in this Disclosure Document. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.
u. Dispute resolution by mediation	Section 21	Subject to state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants.
v. Choice of forum	Section 21	Subject to state law, all mediation and litigation must take place in the county where we maintain our principal place of business (currently Maricopa County, Arizona) at the time the dispute arises.
w. Choice of Law	Section 23.1	Subject to state law, Arizona law governs.

ITEM 18 PUBLIC FIGURES

We do not currently use any public figures 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, you may be able to review 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 Federal Trade Commission, the appropriate state regulatory agencies, and our management by contacting our Legal Department at 4343 E. Outlier Blvd., Suite 123, Phoenix, Arizona 85008 or by phone at (800) 252-3366.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table 1 - System Wide Outlet Summary for Years 2023 to 2025				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2023	299	287	-12
	2024	287	258	-29
	2025	258	217	-41
Company Owned	2023	0	0	0
	2024	0	0	0
	2025	0	6	6
Total Outlets	2023	299	287	-12
	2024	287	258	-29
	2025	258	223	-35

Table 2 - Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) for Years 2023 to 2025		
State	**Year**	**Number of Transfers**
Total	2023	0
	2024	0
	2025	0

Table 3 - Status of Franchised Outlets for Years 2023 to 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termina -tions**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations-Other Reasons**	**Outlets at End of Year**
Alabama	2023	6	0	0	0	0	0	6
	2024	6	0	1	0	0	0	5
	2025	5	0	0	0	0	0	5
Arizona	2023	71	3	4	0	0	0	70
	2024	70	2	14	0	0	0	58
	2025	58	10	31	0	0	0	37
California	2023	28	1	3	0	0	0	26
	2024	26	0	2	0	0	0	24
	2025	24	0	1	0	0	0	23
Florida	2023	15	0	1	0	0	0	14
	2024	14	0	3	0	0	0	11
	2025	11	1	1	0	0	0	11
Georgia	2023	3	0	0	0	0	0	3

Table 3 - Status of Franchised Outlets for Years 2023 to 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termina -tions**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations-Other Reasons**	**Outlets at End of Year**
	2024	3	0	0	0	0	0	3
	2025	3	1	1	0	0	0	3
Illinois	2023	15	0	0	0	0	0	15
	2024	15	0	3	0	0	0	12
	2025	12	1	2	0	0	0	11
Indiana	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Iowa	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Kansas	2023	7	0	1	0	0	0	6
	2024	6	1	1	0	0	0	6
	2025	6	0	0	0	3	0	3
Kentucky	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Louisiana	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	1	0	0	0	0	3
Maryland	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Massachusetts	2023	10	0	1	0	0	0	9
	2024	9	0	1	0	0	0	8
	2025	8	0	0	0	0	0	8
Michigan	2023	9	0	0	0	0	0	9
	2024	9	0	1	0	0	0	8
	2025	8	1	1	0	0	0	8
Minnesota	2023	5	2	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	1	1	0	0	0	7
Mississippi	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
	2025	2	0	0	0	0	0	2
Missouri	2023	18	0	5	0	0	0	13
	2024	13	0	1	0	0	0	12
	2025	12	0	1	0	3	0	8
Montana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	1	0	0	0	3

Table 3 - Status of Franchised Outlets for Years 2023 to 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termina-tions**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations-Other Reasons**	**Outlets at End of Year**
New Jersey	2023	19	0	1	0	0	0	18
	2024	18	0	1	0	0	0	17
	2025	17	0	2	0	0	0	15
New Mexico	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New York	2023	4	1	1	0	0	0	4
	2024	4	0	1	0	0	0	3
	2025	3	3	3	0	0	0	3
North Carolina	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Ohio	2023	2	0	1	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Oregon	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Pennsylvania	2023	7	0	0	0	0	0	7
	2024	7	0	2	0	0	0	5
	2025	5	0	0	0	0	0	5
Tennessee	2023	17	1	1	0	0	0	17
	2024	17	4	0	0	0	0	21
	2025	21	1	3	0	0	0	19
Texas	2023	19	0	0	0	0	0	19
	2024	19	0	0	0	0	0	19
	2025	19	0	1	0	0	0	18
Utah	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Washington	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	2	0	0	0	0
Wisconsin	2023	19	0	0	0	0	0	19
	2024	19	0	4	0	0	0	15
	2025	15	0	4	0	0	0	11
Totals	2023	299	8	20	0	0	0	287
	2024	287	8	37	0	0	0	258
	2025	258	20	55	0	6	0	217

Table 4 - Status of Company Owned Outlets for Years 2023 to 2025						
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Sold to Franchisee	Outlets at End of Year
Kansas	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	3	3
Missouri	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	3	3
Totals	2023	0	0	0	0	0
	2024	0	0	0	0	0
	2025	0	0	0	6	6

Table 5 – Projected Openings as of December 31, 2025			
State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company- Owned Outlets in the Next Fiscal Year
Totals	0	0	0

Notes to Tables:

1. Our fiscal year ends on December 31. All references to years in these tables refer to December 31st of that year. The statistical data in these tables is limited to the United States. As of December 31, 2025, there were 32 REALTY EXECUTIVES real estate office franchises operating outside of the United States.

A list of all current REALTY EXECUTIVES franchisees is attached to this Disclosure Document as Exhibit "F" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2025. In addition, Exhibit "F" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year 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 other buyers when you leave the franchise system**.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Exhibit "I" (Part A) to this Disclosure Document lists, to the extent known, the names, addresses, telephone numbers, email address and URL of each trademark-specific franchisee organization associated with the franchise system being offered that we have created, sponsored or endorsed. Exhibit "I" (Part B) to this Disclosure Document lists the independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Audited financial statements for the fiscal years ended December 31, 2025, December 31, 2024, and December 31, 2023 are attached to this Disclosure Document as Exhibit "G". Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

Exhibit "C"	Franchise Agreement
Exhibit "D"	General Release
Exhibit "J"	Financing Documents

Attachments to Franchise Agreement

Attachment "C"	Personal Guaranty
Attachment "D"	Tradename Approval Notice
Attachment "G"	ACH Authorization Form
Attachment "H"	Authorization to Transfer Agreement

RECEIPTS

Exhibit "L" to this Disclosure Document are detachable receipts. If you receive this Disclosure Document in paper form, you are to sign both receipts, keep one copy, and return the other copy to us. If you receive this Disclosure Document electronically, you only need to sign once.

EXHIBIT “A”

TO

DISCLOSURE DOCUMENT

State Administrators and Agents for Service of Process

[*See Attached*]

CALIFORNIA
Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

651 Bannon Street, Suite 300
Sacramento, California 95811
(866) 275-2677

1455 Frazee Road, Suite 315 San Diego, California 92108 (866) 275-2677

Agent for Service of Process: Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

ILLINOIS
Illinois Attorney General Franchise Division
500 South Second Street Springfield, Illinois 62706
(217) 782-4465

Agents for Service of Process: Illinois Attorney General Franchise Division
500 South Second Street Springfield, Illinois 62706
(217) 782-4465

INDIANA
Indiana Secretary of State 200 West Washington Street, #201,Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Agents for Service of Process: Indiana Secretary of State
201 State House
200 West Washington Street, Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MICHIGAN
Michigan Attorney General
Consumer Protection Division Attn: Franchise
525 West Ottawa Street, 5th Floor
Lansing, Michigan 48913
(517) 335-7567

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

NEW YORK
NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Floor New York, New York 10005
(212) 416-8236

Agents for Service of Process: New York Secretary of State
99 Washington Avenue
Albany, New York 12231
(518) 473-2492

RHODE ISLAND
Department of Business Regulation
Division of Securities
1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920
(401) 462-3646

VIRGINIA
State Corporation Commission Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor Richmond, Virginia 23219
(804) 371-9733

Agent for Service of Process: State Corporation Commission Division of Securities and Retail Franchising
1300 East Main Street, 1st Floor Richmond, Virginia 23219
(804) 371-9733

WASHINGTON
Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, WA 98501-1200
(360) 902-8760

Agent for Service of Process: Director Department of Financial Institutions
150 Israel Road SW Tumwater, Washington 98501
(360) 902-8760

WISCONSIN
Department Divisions of Securities
State of Wisconsin
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-0448

EXHIBIT “B”

TO

DISCLOSURE DOCUMENT

<u>Franchisor’s Agent for Service of Process</u>

Laura Rogal
4343 E Outlier Blvd., Suite 229E
Phoenix, Arizona 85008

EXHIBIT “C”

TO

DISCLOSURE DOCUMENT

Franchise Agreement

[*See Attached*]

REALTY EXECUTIVES
FRANCHISE AGREEMENT

Franchisee Name: ______________________________
Date of Agreement: ____________________________
Franchisee Mailing Address: ____________________
____
Franchisee Email Address: ______________________

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ATTACHMENTS

REALTY EXECUTIVES FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made this ____ day of [MONTH], 2026 (the "Effective Date") by REALTY EXECUTIVES INTL. SVCS., LLC, an Arizona limited liability company ("we" or "us") and [ENTITY NAME], a(n) [ENTITY STATE] [ENTITY TYPE] ("you").

1. DEFINITIONS. Certain capitalized terms that are used throughout this Agreement are defined in ATTACHMENT "A" to this Agreement.

2. GRANT OF FRANCHISE. We grant you a license to own and operate an independent REALTY EXECUTIVES real estate brokerage (your "Business") using the Intellectual Property for one or more real estate offices (each, an "Office") located within the geographic area set forth on ATTACHMENT "B" (your "Territory"). You may only provide the real estate-related goods and services that we authorize from time to time (collectively, "Authorized Services") from your Office. You may provide Authorized Services from your Office with respect to real estate that is located outside of your Territory. You may not market, offer or sell Authorized Services under the Marks from any premises other than an Office. You may not conduct business from any Office prior to requesting permission from us, in writing, including the address of such Office, and receiving such written permission from us to operate the Office. You may not open or operate an Office that is located outside of your Territory.

3. TERRITORIAL RIGHTS AND LIMITATIONS. Your Territory is exclusive during the Term. By exclusive, we mean that we will not establish, or grant a franchise to any third party to establish, a real estate office that both: (i) is physically located within your Territory; and (ii) provides Authorized Services under the Marks. Your exclusive rights to your Territory do not prevent us or any REALTY EXECUTIVES franchisee from: (i) marketing Authorized Services under the Marks within your Territory; or (ii) providing Authorized Services with respect to real estate that is located within your Territory or for any consumer who is located within your Territory. We reserve all rights not expressly granted to you under this Agreement. Without limiting the generality of the foregoing, we reserve the right to develop, operate and grant rights, franchises and/or licenses to third parties to develop and operate real estate offices or other competing businesses, whether under the Marks or under any other trademark, service mark or trade name, and on any terms and conditions that we in our sole discretion deem appropriate, provided that we comply with your exclusive rights described in this Section if these competing businesses are real estate offices that provide Authorized Services under the Marks. We reserve the right, in our sole discretion, to eliminate (or reduce the size of) your Territory under any of the following circumstances: (i) if you operate your Business after the expiration of the Term pursuant to Section 4.3; (ii) if you default on any of your financial obligations under this Agreement or any Promissory Note issued in our favor and fail to remedy the default before the expiration of the applicable cure period; (iii) if you are in default or material breach of any of your obligations under this Agreement and fail to remedy the default before the expiration of the applicable cure period; or (iv) if you default on any of your financial obligations under this Agreement or any Promissory Note issued in our favor two or more times during the Term, even if cured. We may also modify your Territory in the manner permitted by Section 9 if you fail to achieve or otherwise maintain your Salesperson quota.

4. TERM AND RENEWAL.

4.1 Generally.

(i) The term will begin on the Effective Date and expire 10 years thereafter (the "Term").

(ii) You may have the opportunity to enter into a new, subsequent franchise agreement (a "Successor Agreement"), as long as you meet the conditions specified below. The Successor Agreement shall be the then-current form of franchise agreement that we use in granting comparable REALTY EXECUTIVES franchises as of the expiration of the Term. The terms and conditions of the Successor Agreement may vary materially and substantially from the terms and conditions of this Agreement. Any possible Successor Agreement will be for a period of up to 10 years, or whatever other shorter or longer period of time as may be the current offered term for the current form of franchise agreement. You will have no further right to operate your Business following the expiration of this Franchise Agreement if you choose to not enter into a Successor Agreement and/or we, in our sole discretion, determine that you are not permitted to enter into a Successor Agreement.

4.2 Successor Agreement Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must: (i) notify us in writing of your desire to enter into a Successor Agreement not less than 90 days before the expiration of the Term; (ii) not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the new franchise agreement; (iii) go through the franchise disclosure process and execute a new franchise agreement and all ancillary documents that we require franchisees to sign, including personal guarantees, no later than 30 days before the expiration of the Term; (iv) sign a General Release; and (v) take any additional action that we reasonably require.

4.3 Interim Term. If you do not sign a new Franchise Agreement at the end of the Term but you continue to accept the benefits of this Agreement, then, at our option, this Agreement may be treated either as: (i) expired as of the date of the expiration of the Term, meaning any continued operation by you would be done without a franchise agreement and in violation of our rights; or (ii) automatically renewing for one or more six (6) month periods (the "Interim Term"). We will communicate with you if we deem your Franchise Agreement to have expired, but we need not communicate with you if we deem there to be an Interim Term. During the Interim Term, we may terminate the Agreement with 30 days' written notice to you. If you intend to terminate the Agreement at the end of any Interim Term, you must provide us with written notice no less than sixty (60) days before the end of that Interim Term.

The Agreement may terminate prior to the end of the Interim Term upon mutual agreement by the parties or as otherwise provided for in this Agreement. All of your obligations under this Agreement will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the effective date of the termination of the Interim Term. During the Interim Term, we have the right, in our sole discretion, to modify your Territory in any manner, as well as modify any other element of this Agreement as we choose. For the entirety of the Interim Term, you agree to pay us an Interim Term fee in the amount of $100 per Salesperson per month, along with a $600 per month administrative fee (collectively, the "Extension Fee") while you continue to operate during the Interim Term. This Extension Fee applies regardless of the designated fee structure and regardless of each respective Salesperson's fee structure designation. This Extension Fee is assessed monthly for the entirety of the Interim Term and is in addition to all other fees you are required to pay under the terms of this Agreement.

Except as described above, you have no rights to continue to operate your Business following the expiration of the Term.

4.4 Solicitation of Salespersons. If you do not sign a new Franchise Agreement thirty (30) days or sooner before the end of your Term, or you do not provide notice of your intent to sign a new Agreement not less than ninety (90) days before the end of your Term, we have the right, as of the expiration of those timetables, to contact your Salespersons, at any time and in any manner of our choosing, to: (i) notify them that you no longer have the right to operate a REALTY EXECUTIVES franchise as of the end of the Term; and (ii) discuss the possibility of them entering into a franchise with us or becoming Salespersons for another REALTY EXECUTIVES franchise. If you are in an Interim Term, we may contact your Salespersons, at any time and in any manner of our choosing, to: (i) notify them that your Term has expired and advise that you are presently in an Interim Term; and (ii) discuss the possibility of them entering into a franchise with us or becoming Salespersons for another REALTY EXECUTIVES franchise.

5. TRAINING, CONFERENCES & CONVENTIONS.

5.1 **Annual Franchise Training Program**. We will make available our annual training program to your owners and employees. At a minimum, the Managing Principal and at least one other person that you designate must complete this training program in the first year of your Business being opened. The training program will take place at our World Headquarters in Phoenix, Arizona or any other location we choose. We reserve the right, in our sole discretion, to conduct the annual training program virtually through video conference calls, webinars or any other method that we deem appropriate.

5.2 **Initial Training Program**. You are required to participate in an initial training program within 90 days of executing the Franchise Agreement, and prior to opening your Business. This Initial Training Program will be conducted virtually through video conference calls, webinars, or any other method that we deem appropriate, and will include assisting you with PrimeAgent setup, PrimeAgent training, roster management, profile management, implementing marketing campaigns, discussing recruiting goals, and other initial and continuing operational tools as we may deem appropriate. We will train the Managing Principal and two other individuals that you designate at no additional charge. You agree to pay us an additional fee (the "Initial Training Fee") for each additional person that we train. The Initial Training Fee is currently $800 per additional person that we train. We may require that your Owners or any other representative of your Business take or retake our initial training program as a condition to you signing a Successor Agreement. In addition, any persons associated with your Business (including brokers) that you send to training after your Initial Training Program will require payment of the Initial Training Fee.

5.3 **On-Site Training/Assistance**. As part of any training program, we may choose to, but need not, send our representative(s) to your Office to assist you with the opening and/or ongoing operations of your Business. If you request any on-site visits and we agree to do the on-site visit for you, you must reimburse us for all reasonable travel, meals, lodging and other expenses that we incur in providing this service to you.

5.4 **Periodic Training Programs**. From time to time, we may offer training programs for you and your Salespersons. These training programs may be conducted at our headquarters or they may be conducted remotely through live or recorded webinars or through any other method that we deem appropriate. We may designate ongoing training programs as mandatory or optional. We may charge you a training fee for each person that participates in the training program. The training fee ranges from $0 to $1,200 depending on the program.

5.5 **Periodic Events**. We may choose to, but need not, hold a national, regional, or local symposium. Each year that we hold an event in your area, or hold a national event for all REALTY EXECUTIVES Owners and/or Managing Principals, your Managing Principal must attend at least one of those events. We reserve the right to charge you a non-refundable registration fee to attend any event. The registration fee must be paid within ten days after invoicing. Currently, the registration fee varies between $400 and $1,750 per person per event.

5.6 **Failure to Attend Mandatory Event**. If you fail to attend at least one event in each calendar year in which an event has been held which mandates your attendance, we may charge you the then-applicable registration fee for one attendee. In addition, if you fail to attend at least one event in each calendar year in which one is held and which mandates your attendance, we have the right to declare you to be in default under this Franchise Agreement, and reserve all remedies available to us relating to this event of default.

5.7 **Expenses**. You are responsible for all food, lodging and travel costs that is incurred while attending any training program or other event.

6. ESTABLISHING OFFICES.

6.1 **Opening Offices Within Your Territory**. You may open as many Offices as you deem appropriate within your Territory.

6.2 **Site Selection**. You have sole discretion to choose where in your Territory to establish your Office(s). You may not establish an Office outside of your Territory without our prior written consent, which may be withheld in our sole discretion. You do not need us to approve the location of your Office(s) within your Territory. You do not need our approval of any lease or purchase agreement for your Office(s). You may relocate an Office without our prior approval as long as: (i) the new location is within your Territory; (ii) the new Office complies with the requirements set forth in this Agreement and the Manual; and (iii) you provide us with at least 30 days' notice before you open at the new location.

6.3 **Requirements for Your Office**. The definition of a REALTY EXECUTIVES Office includes dedicated brick-and-mortar REALTY EXECUTIVES offices, shared office space, executive suites, virtual offices and any other location from which business is conducted or that qualifies as an "office" (or equivalent) under the terms of this Agreement and applicable local laws, rules, regulations or ordinances. You are prohibited from using our Marks in connection with any office or other commercial space located outside your Territory. This prohibition also applies to offices which list a business address outside your Territory (for example, through online or physical business directories such as Google My Business or similar sites), even if you do not actually conduct business from that location. If we permit you to open an Office outside of your current Territory, we have the right to condition the opening of the new Office on any factor in our sole discretion, which will include, at a minimum, the requirements that you are not currently in default under the Franchise Agreement, and that you sign an Amending Agreement with us to modify that Franchise Agreement to include the newly expanded Territory. As of the Effective Date, we do not have any specific requirements for the appearance or build-out of a physical Office except that it: (i) must be in good repair and condition; (ii) must present a professional appearance to the public and your customers that satisfies our high standards and distinguishing characteristics; and (iii) must comply with all signage requirements set forth in the Manual. We reserve the right to require that you renovate, modify the appearance of, or relocate your physical Office if we, in our commercially reasonable judgment, determine that your physical Office does not satisfy any of the foregoing requirements. Except as described in this Section, you have sole discretion with respect to designing, constructing and remodeling your Office, all of which will be done at your sole expense.

6.4 **Fixtures, Furnishings, Equipment and Supplies**. You agree to acquire all fixtures, furnishings, equipment and supplies that are necessary or appropriate for the operation of a real estate franchise. Currently, we do not require that you purchase any specific fixtures, furnishings, equipment or supplies, but we reserve the right to do so in the future. You agree to purchase any such required items upon notice from us. We may require that you purchase such items only from suppliers that we designate or approve. We may designate ourselves as an exclusive supplier. We are currently the exclusive supplier of PrimeAgent, which you are required to use. We are the non-exclusive supplier of the websites used by franchisees and their brokers and agents.

6.5 **Commencing Operations**. You must commence operations within 90 days after the Effective Date (your "Initial Opening Date"). We have sole discretion to determine whether your operations are "commenced." In making this determination, we will consider the following factors, along with any other factors that we deem relevant: (i) whether there is any publicly available REALTY EXECUTIVES advertising or marketing regarding your Office; (ii) whether there is any signage at your Office (if it is a physical location); (iii) whether your Business's phone number is answered by someone who refers to REALTY EXECUTIVES; (iv) whether real estate agents are operating out of your Office; and (v) whether the Office is operating as may be required by local laws. You may not commence operations prior to: (i) obtaining all insurance required by Section 10.1; (ii) obtaining all required licenses and permits; and (iii) completing the Initial Training Program. You must immediately notify us in writing of the date that any Office closes for a period anticipated to exceed seven days. Providing us with this notification does not excuse your obligations under Section 6.6, below.

6.6 **Maintaining an Open Office**. Throughout the entirety of the Term, you must maintain at least one open Office in your Territory.

7. ADVERTISING & MARKETING.

7.1 Marketing Fund.

(i) Administration. Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System and the Marks, we have established and will maintain a marketing fund (the "Marketing Fund") for purposes of promoting the System and the Marks. We will deposit into a separate bank account all fees that you (and all other franchisees) pay into the Marketing Fund (the "Marketing Fees"). The Marketing Fund is not established as or intended to be a trust.

The Marketing Fund is used for marketing, advertising, promotional materials, public and consumer relations, publicity, website development, search engine optimization and any other programs or services that we deem necessary or desirable to promote the System (collectively, the "Marketing Campaigns"). We have sole discretion to determine the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to any Marketing Campaign.

We will not use Marketing Fees to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Marketing Fund and the Marketing Campaigns (which may include, without limitation: administering the Marketing Fund; collection of Marketing Fees; conducting market research; preparing and conducting media programs and activities; employing advertising agencies: collecting and accounting for contributions to the Marketing Fund; and paying for the preparation and distribution of marketing materials). Any surplus of funds in the Marketing Fund may be invested for the benefit of the Marketing Fund. We may lend money to the Marketing Fund if there is a deficit. A financial accounting of the operations of the Marketing Fund, including deposits into and disbursements from the Marketing Fund, will be prepared annually and made available to you within thirty days upon your written request.

(ii) Contributions. You agree to pay us a monthly Marketing Fee specified in ATTACHMENT "E". The Marketing Fee is due on the 15th day of each month. The amount of the Marketing Fee due to us may be increased in our discretion and upon written notification to you, and you agree to pay any such increased Marketing Fee. Any company-owned or affiliate-owned REALTY EXECUTIVES real estate franchise will contribute to the Marketing Fund on the same basis as our franchisees who operate under the same fee structure utilized by such franchise. If we modify the amount or timing of the contributions that must be made to the Marketing Fund, any company-owned or affiliate-owned REALTY EXECUTIVES real estate franchise that is established or acquired after the modification may contribute to the Marketing Fund utilizing the modified amount or timing. Except as stated in this Section, we have no obligation to expend our own funds or resources for any Marketing Campaign.

7.2 **Marketing Materials Provided by Us**. We will provide you with access to marketing materials via PrimeAgent or any other forum we decide to utilize. These marketing materials may include print media layouts, social media assets, audio and video files, and other promotional and marketing materials. You may be required to download these marketing materials from the internet. We reserve the right to charge you our direct cost to produce these materials and deliver them to you.

7.3 **Marketing Materials Prepared by You**. You must use reasonable efforts to promote our System and Marks within your Territory. All advertising and marketing materials that you create, which includes any materials that we originally created and you then modify, must: (i) comply with our established graphics standards and marketing guidelines; (ii) identify your Business as an independently owned REALTY EXECUTIVES franchise; and (iii) be completely factual, conform to the highest standards of ethical advertising, and comply with all federal, state and local laws. We have the right to disapprove of your advertising and marketing materials at any time if we believe, in our sole discretion, that they do not comply with our standards and guidelines, or they adversely affect the reputation and goodwill associated with our Marks or the System as a whole. You must retain copies of all of your advertising and marketing materials used at any time throughout the Term, whether such materials are electronic or physical, and provide copies of those materials to us upon request. You agree to comply with any extraterritorial advertising policy we may establish from time to time.

7.4 **Internet and Websites**. We will maintain a website for REALTY EXECUTIVES franchisees that will include any information about your Business that we deem appropriate. We have the sole discretion to modify the content of and/or discontinue the website at any time. We will provide you with a franchisee website that will include information specific to your Business. This website will be linked to the REALTY EXECUTIVES website and will remain our property at all times. The website hosting fee is $300 per month, and is part of the Technology Fees described in Section 8.5. Other optional technology fees that are available to you at an additional monthly cost include team pages and electronic marketing campaigns. We may, in our sole discretion, waive the requirement that you utilize our website and/or pay the associated fee. Your website, internet presence, social media, and any other mobile or digital marketing and communications are not permitted if they conflict with our brand standards, social media policies and any protocols we have as prescribed in this Agreement, the Manual, or any other written policy we may promulgate from time to time. We may condition our approval of your online presence on any terms and conditions we deem reasonably appropriate. You may promote your Business through social media, as long as you are in compliance with our then-current social media policy. At all times, we have the right to disapprove of your website or any activity conducted online or through other methods of digital, mobile or electronic communication. If we advise you that we disapprove of your website or any other online or electronic activities, you must immediately cease the use of such website or activity, or otherwise modify the website or activity specifically in accordance with our instructions. You may not use any of the Marks on your website or on social media except as we expressly permit. You may not post any of our proprietary, confidential or copyrighted material or information on your website without our prior written permission. You may not publish any material in which a third-party has any direct or indirect ownership interest, including, without limitation, video clips, photographs, sound bites, text, trademarks or service marks, or any other materials in which any third party may claim intellectual property rights. You agree to list on your website(s) and social media any other website maintained by us, and any other information we require in the manner we dictate. You must obtain our prior written approval for any domain name, URL, and/or social media handle or profile name before you register, purchase, or otherwise obtain the same. You may not register or use any infringing or inflammatory domain name or URL in connection with your Business. You may not engage in cybersquatting, typosquatting or domain squatting in connection with your Business, whether or not the domain name is your business name or any other business name.

8. OPERATING STANDARDS.

8.1 <u>Generally</u>. You agree to operate your Business and provide authorized goods and services using the same quality and distinguishing characteristics as directed by Us and as provided by other REALTY EXECUTIVES franchises so as to maintain the uniformity and high standards of the System. You and your Salespersons must provide professional, courteous, and high-quality services to the public, and maintain high ethical and moral standards, including acting in compliance with all local, regional, state and national regulatory agencies as required for licensed Salespersons and/or Brokers.

8.2 <u>Operating Manual</u>. During the Term, we will provide you with access to PrimeAgent, which includes information regarding the operational aspects of a REALTY EXECUTIVES franchise. We may also provide you with operational information through other mediums, including videos, presentations and other training resources. This Agreement collectively refers to all operational information as the "**Manual**". Among other things, the Manual may, but need not, include: (i) a description of authorized services and products that you may offer; (ii) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for franchisees; (iii) mandatory and suggested guidelines and standards for marketing materials, websites and signage; (iv) a list of goods and services that you must purchase; (v) approved, designated and recommended suppliers for goods or services you must purchase; and (vi) our supplier selection criteria, if any. Because the Manual is electronic and consists of a suite of resources, the content is continuously updated and enhanced with new resources. We can modify any of the content in the Manual without notice to you. All information in the Manual is confidential and proprietary and constitutes our trade secrets. Information contained within the Manual may not be disclosed to third parties. You agree to take all reasonable and necessary precautions to prevent any third party from viewing or otherwise obtaining information contained in the Manual. You should operate your Business in strict compliance with this Agreement and the Manual.

8.3 <u>Authorized Goods and Services</u>. You may only offer and sell the services that we approve. Currently, we allow you to offer the following real estate services under our Marks: leasing; listing; purchasing; referral; selling; trading; real estate auctions; and other real estate related services of a similar nature. You may also offer complementary, but not competing, real estate services in conjunction with your Business, such as mortgage services, title services, and escrow services, provided that: (i) these other services are not offered or advertised in association with our Marks; and (ii) the offer and sale of these other services complies with all applicable federal, state and local laws and regulations. Absent prior written approval, you may not offer or sell any other goods or services under our Marks other than those identified in this Agreement.

8.4 <u>Suppliers and Purchasing</u>. You must purchase all goods and services required by the Manual in connection with the establishment and ongoing operation of your Business. You may use any supplier that you choose for the purchase of goods and services used in your Business, except that: (i) all suppliers must satisfy the supplier selection criteria described in the Manual; (ii) any purchase that you make for advertising materials or operational documents bearing the Marks must comply with our specifications outlined in the Manual as to color, size and content; and (iii) we are currently the exclusive designated supplier of PrimeAgent. We will identify our recommended suppliers in the Manual, but you are not required to use these suppliers for any purchases. Notwithstanding the foregoing, we reserve the right to require that you purchase certain items from suppliers that we may designate or approve in the future. We may designate ourselves or our affiliates as the exclusive supplier for certain goods and services. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and REALTY EXECUTIVES franchisees. If we have any negotiated purchase agreements, we will arrange for you to be able to purchase such goods directly from the supplier at the discounted price.

8.5 **New Software or Technology; Technology Fees**. You must pay us a monthly fee of $250 for access to PrimeAgent, proprietary Intranet portal. You must also pay us a monthly fee of $300 per month for your Business website. We have the right, in our sole discretion, to waive the requirement that you utilize your Business website. Additional technology we offer you to purchase from us includes: (a) agent website/on-demand subscriptions, for a fee of $45 per month; (b) additional property codes, for a fee of $6 for a set of 25 codes; (c) premium email campaigns/eNewsletters, for a fee of $11.95 per month; (d) unlimited premium email campaign/eNewsletter, for a fee of $22.95 per month; and (e) team marketing system, for a fee of $65 per month plus $6 per team member. These fees (collectively, the "Technology Fees") are due immediately upon invoicing. You must pay the Technology Fees by credit card, unless we offer you some other payment medium at a later date. At any time, we may develop additional proprietary software and/or other technology that must be used by REALTY EXECUTIVES franchisees. If this occurs, you must enter into a separate license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees for your use of that software and/or technology. The terms of the license agreement will govern the terms pursuant to which you can utilize this software or technology. We also reserve the right to enter into master software or technology license agreements with any third-party vendors and then sublicense the software or technology to you. If we enter into this type of master agreement, we may charge you for all amounts that we must pay to the vendors based on your use of the software or technology, plus a reasonable administrative fee for our services. We may change the technology, software, and other tools you must use (or may use, if designated as optional) at any time and any such change may result in a change to the Technology Fees you must pay. We reserve the right to periodically adjust the Technology Fees in any manner to reflect changes to the costs we incur for these items. However, we will not increase the Technology Fees more than two times during any twelve-month period.

8.6 **Compliance with Real Estate Laws and Regulations**. You must ensure that your Business operates in compliance with all laws applicable to the provision of real estate services in your Territory. You must also ensure that each of your Brokers and Salespersons comply with all such laws, including, without limitation, any licensure requirements. At all times, you are required to have at least one licensed Broker that is authorized to act on behalf of your Business and supervise the activities of your Salespersons. If more than one licensed Broker is required by your state or local regulations due to the number of Offices you have in your Territory, then you must comply with those regulations as well. Your Broker must provide each Salesperson with the level of supervision required by applicable law and adequately perform all duties prescribed by applicable law, including, without limitation, regular personal oversight, management, orientation, instruction and supervision with respect to all general real estate brokerage business matters and other matters relating thereto. If you have multiple Offices, you must ensure that you designate a manager to oversee the operations of each Office, if required by applicable law.

8.7 **Referrals**. Referrals within the REALTY EXECUTIVES System are an important part of our System. You agree that when reasonable and appropriate, you will refer requests for real estate services to a licensed REALTY EXECUTIVES office in another city or territory. You must ensure that all referrals by your Brokers and Salespersons comply with all of the requirements of the Real Estate Settlement Procedures Act (12 U.S.C. §§ 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500) (collectively, "RESPA"), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. If another REALTY EXECUTIVES franchisee refers a customer to any of your Offices and you earn compensation for rendering real estate services to such a referred customer, you agree to pay the referring franchisee a referral fee. You have the right to set the amount of the referral fee to be paid to the referring REALTY EXECUTIVES franchisee. This referral fee has historically ranged from 20% to 30% of the amount you receive from the referred transaction. You are solely responsible for ensuring that all such referrals and payments comply with all of the requirements of RESPA.

9. QUOTA. You must contract with not less than the minimum number of Salespersons specified in ATTACHMENT "F" in connection with the operation of your Business. The number of Salespersons identified in ATTACHMENT "F" is your minimum "**Salesperson Quota**". Achieving your Salesperson Quota is an essential aspect of the franchise relationship, since the growth of your network of Salespersons is necessary to achieve a corresponding growth in brand recognition and brand value in your market. Your failure to meet this obligation may result in significant damage to our brand and your Business. If you fail to maintain the minimum number of Salespersons required by this Section 9, we may, in our sole discretion, take any one or more of the following actions: (i) terminate this Agreement pursuant to Section 19.2; (ii) reduce the size of your Territory to correspond with the number of Salespersons that you have reported through PrimeAgent; or (iii) collect the Monthly Fees that would have been due and payable as if you had met your Quota. If we collect the Monthly Fees based on the amounts due and payable as if you had met your Quota, you must achieve your Quota within ninety days of us implementing the increased Monthly Fees. If we choose to not terminate this Agreement or reduce your Territory based on your failure to maintain the Salesperson Quota, and you continue to fail to meet your Quota for a period of ninety days, we reserve the right to then immediately terminate the Agreement or reduce your Territory at that time.

10. YOUR ADDITIONAL RESPONSIBILITIES.

10.1 Insurance. At your sole cost and expense, you agree to procure and maintain in full force and effect at all times during the Term all policies of insurance that we require in the minimum amounts that we require, including, but not limited to, general public liability insurance against claims for personal injury, death or property damage occurring in connection with your Business, as well as errors and omission insurance. Those minimum coverages are currently as follows:

Policy Type	Minimum Coverage
"All risk" Property Insurance	Replacement Value
Comprehensive General Liability Insurance	$1,000.000 per occurrence and $3,000,000 in the aggregate
Errors and Omissions Insurance	$1,000.000 per occurrence and $3,000,000 in the aggregate
Automobile Liability Insurance	$1,000,000 Combined Single Limit and $1,000,000 in the aggregate
Theft and Dishonesty Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Privacy and Cybersecurity Liability Insurance	$1,000,000 per occurrence and $1,000,000 in the aggregate
Commercial Umbrella Insurance	$5,000,000 per occurrence and $5,000,000 in the aggregate
Business Interruption Insurance	At least 6 months
Employer's Liability Insurance	$1,000,000
Worker's Compensation Insurance	As required by law
Landlord Required Insurance	As required by your lease

You agree to purchase such policies solely from insurance companies that are licensed and admitted in the state in which your Territory is located. If your Territory is located in multiple states, then your insurance policies must be appropriate for all states in which your Territory is located. All insurance policies required under this Section must: (i) be endorsed to name us, our members, officers, directors, and employees, as additional insureds; (ii) contain a waiver by the insurance carrier(s) of all subrogation rights against us; and (iii) provide that we receive ten days prior written notice of the termination, expiration, cancellation or modification of any such policy. The coverage by any insurance policy required by this Agreement shall include and respond to legal proceedings wherever brought. Should any of your insurance companies fail to give us notice as required by this Section, then the policy of that company may be disapproved by us, in which case you shall immediately find new coverage satisfactory to us with an alternative carrier. Upon ten (10) days prior notice, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or any other relevant changes in circumstances. On the Initial Opening Date and on each anniversary of the Initial Opening Date, you must send us certificates of insurance evidencing your compliance with your obligations under this Section 10.1. Your obligation to obtain and maintain the insurance described in this Section is not limited in any way by reason of any insurance that we maintain, nor will your performance of such obligations relieve you of any indemnification obligations under Section 17.

10.2 Books and Records. You are required to prepare complete and accurate books, records, accounts and tax returns (as applicable) for your Business. For a period of at least five years after their preparation, you must maintain all financial and other records pertaining to your Business. These records must be maintained in a secure location that is readily accessible by you. At all times during the Term, you must maintain a written list of all of your clients, Salespersons, and transactions. Within seven days of our request, you must send us, by whatever method we designate, copies of any of the requested records relating to your Business .

10.3 Reports. You must prepare monthly reports of your operations in the form and manner that we prescribe. All reports must be made available to us no later than the 15th day of each month. At a minimum, each month, you must ensure that the roster of Salespersons associated with your Business and the number of your Offices are accurate within PrimeAgent as of your monthly billing date. If you operate under the Flex Model, then with respect to each percentage-based Salesperson, you must also: (a) submit a monthly report no later than the Transaction Reporting Date that identifies all Transactions closed by each Salesperson during the immediately preceding month using the PrimeAgent transaction reporting page; and (b) send to us, upon our request, a report which identifies all of the Salesperson's listings, and describes the disposition of those listings during the immediately preceding month. You also must utilize PrimeAgent to enter all other data we specify. You must enter this information for the applicable reporting period no later than the 15th of each month. If you fail to enter the required information into PrimeAgent in a timely manner, or if you report any of the required information inaccurately, we may, in our sole discretion, increase your fee for access to PrimeAgent to $299 per month. The fee increase for PrimeAgent due to your failure to provide accurate and necessary reports will be for a period of three months. If you enter the required information throughout the three-month period accurately and in a timely manner, the fee for PrimeAgent will revert to your original per month cost following the expiration of the three-month period. If you do not enter the required information in a timely manner for the entirety of that three-month period, your fee for PrimeAgent will remain at $299 per month until such time that you have entered timely reports for not less than three months in a row.

You must provide and/or create any and all other reports that we require from time to time in the form and manner that we prescribe. You authorize us to disclose the reports and operating data that we receive from you to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

10.4 Financial Statements. No later than April 1 of each year, you must prepare a balance sheet for your Business as of the end of the prior calendar year, as well as an annual statement of profit and loss and source and application of funds. All financial statements must be: (i) verified and signed by you certifying to us that the information is true, complete, and accurate; and (ii) prepared in any format that we reasonably require. We have the right to require that your financial statements be audited by a certified public accountant. Upon request, and within ten days of that request, you must send us a copy of any financial statement required by this Section. You authorize us to disclose your financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

10.5 Legal Compliance. You must secure and maintain all required licenses, permits and regulatory approvals for the operation of your Business. You must operate and manage your Business in full compliance with all applicable laws, ordinances, rules and regulations. You must notify us in writing within two business days of receipt of any information relating to any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Business or your financial condition. This necessarily includes, but is not limited to, any investigation by any agency which regulates real estate salespersons and/or brokers in your state, as well as any lawsuit or legal demand for action made against you. You must immediately deliver to us a copy of any report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

11. MANAGEMENT OF BUSINESS. A major requirement for the success of your Business is the active, continuing, and substantial personal involvement in and hands-on supervision and management of your Business by the Managing Principal (as defined in ATTACHMENT "A"). The Managing Principal must be actively involved in the day-to-day management and operation of your Business. Notwithstanding the foregoing, you may delegate the responsibilities for the day-to-day management and operation of your Business to a third-party manager, provided that the original Managing Principal agrees to assume responsibility for the supervision and operation of the Business if the manager is unable to perform their duties for any other reason, until such time that you obtain a suitable replacement manager. Nothing in this Section 11 is intended to relieve you of your obligations under Section 8.6 with respect to the supervision of your Business by a licensed Broker. Any employees that you hire will be employees of yours and are not our employees. We do not control or direct the activities of any of your employees.

12. FRANCHISEE AS ENTITY. If you are an Entity, you must provide us with a list of all of your Owners and their spouses, if applicable. If the ownership of your Entity changes, you must advise us of the new or revised ownership of the Entity within ten days of any change. You must provide us with a resolution of the Entity authorizing the execution of this Agreement or a statement that the Entity's organizational documents do not require such a resolution, a copy of the Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). By entering into this Agreement, you represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation, and you agree to maintain the Entity in good standing for the duration of the Term.

13. GUARANTY. If you are an Entity which is a limited liability company, all members of the limited liability company must jointly and severally guarantee the Entity's performance of this Agreement and shall bind themselves to the terms of this Agreement by signing a Personal Guaranty, the current form of which is attached as ATTACHMENT "C". If you are an Entity which is a corporation, the President, CEO, or other authorized person(s) of the Entity must guarantee the Entity's performance of this Agreement and shall bind themselves to the terms of this Agreement by signing a Personal Guaranty, the current form of which is attached as ATTACHMENT "C". We also require that the spouse of each Owner (or guarantying person) also sign a Personal Guaranty.

14. FEES.

14.1 **Initial Franchise Fee**. You must pay us a non-recurring initial franchise fee as specified in ATTACHMENT "E" of this Agreement. The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed.

14.2 **Monthly Service Fee**. On or before the 15th day of each month, you must pay us a service fee (the "Monthly Service Fee") which is calculated in accordance with the fee schedule set forth in ATTACHMENT "E". As an example, and for the avoidance of doubt, the Monthly Service Fee attributable to your operations during the month of January would be due and payable on the 15th day of February.

14.3 **Territory Fee**. On or before the 15th of each month, you must pay us a territory fee (the "Territory Fee") that is calculated as $500 for every 40,000 people in your Territory. The amount of your Territory Fee is specified in ATTACHMENT "E".

14.4 **Declined Payment Fee**. For each check that is dishonored by your bank, or ACH payment or credit card payment that is declined due to insufficient funds in your account or for any other reason, you will pay us a $90.00 declined payment fee. If a declined payment occurs for any reason, we may require that all future payments from you be made in the form of a cashier's check or any other form of certified funds or other payment form that we specify.

14.5 **Other Fees and Payments**. You must pay us, in a timely manner, all other fees, expense reimbursements and other amounts specified in this Agreement. You must promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement). To avoid confusion, "timely" and "promptly," as used in this Section 14.5, mean within ten days of being advised of the amounts due and owing by you.

14.6 **Late Fee**. If any sums due under this Agreement have not been received by us on or prior to the specified due date, then in addition to those sums past due, you must also pay us interest on the amount past due at the rate equal to the lesser of 24% per annum (prorated on a daily basis) or the highest rate permitted by your State's law. In the event no due date has been specified by us in this Agreement or on the invoice or other document communicating to you the amounts due, interest begins to run ten days after we first provided you with notice of the amounts due. If we cannot reasonably determine the amount that you owe us due to your failure to furnish us with a report required by Section 10.3, we may assess a late fee on the entire amount that we can reasonably calculate or otherwise assume would be due. This Section 14.6 does not constitute our agreement to accept any late payment after the due date without reserving all rights available to us in doing so, or a commitment by us to extend credit to or otherwise finance the operation of your Business.

14.7 **Fee Increase**. All amounts due to us under Section 4.3 (Extension Fee), Section 7.1 (Marketing Fee), Section 14.2 (Monthly Service Fee), and Section 14.3 (Territory Fee) shall be referred to as "Monthly Fees". We have the right to increase the Monthly Fees, along with any Technology Fees (Section 8.5), on July 1 of each year in the following manner (a "Fee Adjustment"): the Monthly Fees, Technology Fees and any other fees payable each year of this Agreement shall be increased by a fraction, the numerator of which shall be the CPI for the prior calendar year (the "Prior Year") and the denominator of which will be the CPI for the year immediately preceding the Prior Year. For purposes of the CPI calculation, "CPI" means the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor, for All Urban Consumers, U.S. Cities (1982-84 = 100), "All Items." If we, in our sole discretion, choose to not apply the Fee Adjustment in a given year, that Fee Adjustment will accumulate and a multi-year Fee Adjustment may be carried over and applied during any subsequent year.

14.8 Method and Application of Payment. We permit you to pay us by check, credit card, wire, or ACH. At our option, you shall establish and maintain at your sole expense a separate bank account (the "Account") that is maintained by a commercial banking institution approved by us in our commercially reasonable judgment. If you are required to establish an Account, you will then be required to execute an ACH Authorization Form, a copy of which is attached as ATTACHMENT "G", and/or any other agreement that we or a financial institution may require in order to enable us to electronically debit the Account (the "ACH Agreement"). Except for the Initial Franchise Fee and the Transfer Fee, all fees and costs payable by you under this Agreement may be electronically debited from the Account by us pursuant to the ACH Agreement. We shall debit the Account for all authorized payments on or after the date that such payments become due and payable in accordance with the terms of this Agreement. You are responsible for depositing sufficient funds into the Account in a timely manner to cover all amounts that are owed to us pursuant to this Agreement. Currently, the Technology Fees are collected via credit card, but we may collect such Technology Fees by electronic debit or other means, including from your Account, in the future. When you pay us by credit card, we may charge you a credit card processing fee of not more than 3% of the total amount you owe us, per transaction. We will advise you in writing if this credit card processing fee is imposed. We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate.

15. INSPECTION AND AUDIT.

15.1 Inspections. To facilitate your compliance with this Agreement, we or our representatives have the right to enter your Office, evaluate your operations and evaluate your books, records, accounts and tax returns. Our evaluation may include contacting your clients to discuss their satisfaction with the service you provide. We may also contact any of your Salespersons and/or Brokers to discuss their satisfaction with the operation of your Office, and any other information that we may deem pertinent regarding how you are running your Business. We may conduct our inspection at any time and without prior notice. During the course of any inspection, we and our representatives will use reasonable efforts to minimize interference with the operation of your Business. You and your employees must cooperate and not interfere with our inspection. You consent to us accessing all technology used by you in the operation of your Business, including but not limited to any accounting or other type of management software, and accessing any information that we deem appropriate in conducting the inspection. We have the right to make copies of any documents or electronic information that we view during any inspection and have the right to take all such copies with us at the completion of the inspection.

15.2 Audit. At any time of our choosing, we have the right to conduct an independent audit of any and all of your books and financial records, including your records relating to your Salespersons and Referral-Only Licensees. You must fully cooperate with us and any third party that we hire to conduct the audit. If an audit reveals an understatement or underpayment of any amount that you owe us that occurred for any reason, or a failure to accurately submit any required report to us, you must immediately pay to us those additional fees that you owe us, as identified by us, together with any late fees pursuant to Section 14.6. Any audit will be performed at our cost and expense unless the audit: (i) is necessitated by your failure to provide the information we have previously requested or to preserve records or file reports as required by this Agreement; or (ii) reveals an understatement of any amount due to us by at least three percent (3%). If you are required to pay the cost of the audit due to either of the foregoing, you must pay us $9,000 plus our actual cost of the audit or inspection, which includes reasonable accounting and attorneys' fees and travel and lodging expenses that we or our representatives incur. The $9,000 fee and audit cost reimbursements is due ten days after invoicing. We have not waived our right to terminate this Agreement under Section 19.2 or 19.3 by accepting the $9,000 fee and reimbursements of our audit costs.

16. INTELLECTUAL PROPERTY.

16.1 **Ownership and Use of Intellectual Property**. You acknowledge that: (i) we are the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Agreement and only exists if this Agreement has not been breached by you or terminated by Us; and (iii) your right to use the Intellectual Property is limited to a license granted by us to you to operate your Offices pursuant to, and only in compliance with, this Agreement, the Manual, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights and a material violation of this Agreement. You agree to comply with all provisions of the Manual governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property. You do not have any right to license or otherwise grant permission to any third-party to use, in any manner, the Intellectual Property or the Marks.

16.2 **Changes to Intellectual Property**. We have the right to modify the Intellectual Property at any time in our sole and absolute discretion, including by changing the Marks, the System, the copyrights or the Know-how. If we modify or discontinue use of any of the Intellectual Property, you must comply with any instructions regarding your ongoing usage of the Intellectual Property within 30 days of us sending those instructions. You waive all claims arising from or relating to any change, modification, substitution or discontinuation of the Intellectual Property. We are not liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with any proprietary mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

16.3 **Use of Marks**. You agree to use the Marks as the sole identification of your Offices, unless otherwise required by law or regulation to use other identifiers. You must identify yourself as the independent owner of your Offices in the manner that we prescribe. You may use the mark REALTY EXECUTIVES as part of your tradename or "doing business as" (DBA) name, but only if: (i) your tradename satisfies all requirements and criteria specified in the Manual; (ii) your tradename complies with all applicable rules and regulations imposed under the real estate laws of your state and municipality; and (iii) prior to use, you submit the proposed tradename to us and we approve your tradename through the issuance of a Tradename Approval Notice in the form attached to this Agreement as ATTACHMENT "D". You may not use any tradename that we have not approved for you in writing. Your tradename may not be the same as, or confusingly similar to, any other tradename that is currently used in the System. You must immediately surrender, cancel or abandon any tradename or DBA that uses the Marks upon the termination, expiration or transfer of this Agreement. You agree that if you do not timely surrender, cancel or abandon the tradename when required to do so, that we have the right to pursue cancellation of the tradename on your behalf.

You may not use any of the Marks as part of your corporate name, if you are an Entity. Without our prior written approval, you may not use any of the Marks: (i) as part of any tradename or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement); or (ii) in any modified form. You agree to prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give such notices of trade and service mark registrations and copyrights as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law. You may not employ any of the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse any third-party or result in liability to us for any indebtedness or obligation of yours.

16.4 **Use of Know-how**. We will disclose the Know-how to you through the Initial Training Program, the Manual, and in other guidance furnished to you during the Term. You do not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement for the development and operation of your Business. The Know-how is proprietary to us and is disclosed to you solely for use in the development and operation of your Business during the Term. The Know-how is disclosed to you solely on the condition that you agree that you: (i) will not use the Know-how in any other business or for any other purpose whatsoever; (ii) will maintain the confidentiality of the Know-how during and after the Term; (iii) will not make unauthorized copies or transmissions of any portion of the Know-how; and (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of any of the Know-how (including, without limitation, restrictions on disclosure of the Know-how to your employees and the use of nondisclosure clauses in their employment agreements). You acknowledge and agree that if any Know-how is misappropriated (for example, copied, transferred, published or used without our prior authorization), we will suffer substantial damages, the measure of which may be difficult to ascertain. Given the foregoing, you agree that if you or any of your Owners, Managing Principal or your agents or employees misappropriate our Know-how, you shall pay us the sum of $300,000 for each use of each item of Know-how that was misappropriated. You acknowledge and agree that the sum described in the preceding sentence is a reasonable measure of compensatory damages and does not constitute a penalty. In addition to the monetary remedy described in this Section 16.4, for any misappropriation of the Know-how, we may seek and obtain any other remedy available under this Agreement, at law, or in equity, including, without limiting the generality of the foregoing, punitive damages and injunctive relief.

16.5 Improvements. If you conceive of or develop any improvements or additions to the services or products offered by, or the method of operation of, a REALTY EXECUTIVES business, or any advertising or promotional ideas related to such business (collectively, "Improvements"), you agree to promptly and fully disclose the Improvements to us. You may not disclose the Improvements to any other third-party. You must obtain our approval prior to using any Improvement. Any Improvement approved by us may be used by us and any third party that we authorize to operate a REALTY EXECUTIVES franchise, without any obligation to you for royalties or other fees. You must assign to us or our designees, without charge, all rights to the Improvements, including the right to grant sublicenses. In return, we will authorize you to utilize any Improvement that may be developed by us or any other REALTY EXECUTIVES franchisee that we authorize for general use in connection with the operation of a REALTY EXECUTIVES office. Prior to the expiration of the Term, you must assign to us or our designee (at no charge to us) all rights to the Improvements and you will have no further rights to the Improvements, absent a separate written agreement with us to the contrary.

16.6 Notification of Infringements and Claims. You must immediately notify us of any: (i) apparent infringement of any of our Intellectual Property; (ii) challenge to your use of any of our Intellectual Property; or (iii) claim by any person of any rights in any of our Intellectual Property. You may not communicate with anyone other than us and our counsel in connection with any such infringement, challenge or claim. We have the sole discretion to take any action in response to any Intellectual Property issues as we deem appropriate; provided, however, that we will protect your right to use the Marks. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any of our Intellectual Property. You must execute any and all instruments and documents, render assistance, and do any acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

16.7 Compliance of Salespersons and Employees. You must ensure that your Salespersons and employees comply with all of the provisions in this Section 16.

17. INDEMNITY. You are required to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following Claims: (i) any Claim asserted against you and/or any of the Indemnified Parties arising from the marketing, use or operation of your Business or your alleged performance and/or non-performance and/or breach of any of your obligations under this Agreement; (ii) any other Claim arising from alleged violations of your relationship with and responsibility to us; or (iii) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any Claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting with the defense of any such Claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs, administrative and related expenses, and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such amounts due.

18. TRANSFERS.

18.1 <u>By Us</u>. This Agreement and the franchise is fully assignable by us without prior notice to you. Any transfer by us shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons or entities without assigning the Agreement.

18.2 <u>By You</u>. The rights and duties created by this Agreement are personal to you and the Owners, and we have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer, other than a Permitted Transfer, without our prior written approval. Any Transfer without our approval shall be void and shall also constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(i) the proposed transferee is, in our opinion, an individual or entity of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate a REALTY EXECUTIVES office and otherwise meets all of our then-applicable standards for franchisees, including filing out our then-current application, successful completion of a background check and financial disclosure, where applicable;

(ii) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliates;

(iii) the Managing Principal has successfully completed the initial training program to our satisfaction and satisfied all of our other requirements for Managing Principals;

(iv) the transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law in order to own and operate the Business;

(v) the transferee and its owners must review our then current Franchise Disclosure Document sign our then-current form of franchise agreement, including all personal guaranty documents that are required by us (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term shall be the Term remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;

(vi) you or the transferee pay us a $15,000 transfer fee to defray expenses that we incur in connection with the Transfer;

(vii) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer;

(viii) at our option, you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the Franchise Agreement;

(ix) we do not elect to exercise our right of first refusal described in Section 18.5; and

(x) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

18.3 Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must give us at least ten days prior written notice before engaging in the transfer. You, the Owners, and the transferee each agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

18.4 Death or Disability of Managing Principal. Upon the death or permanent disability of the Managing Principal, their ownership interest in you (if you are an entity) or the franchise, as applicable, must be assigned to another Owner or to a third-party within 180 days after the date of the death or permanent disability. The assigned Owner or third-party must be approved by us prior to the assignment. Any assignment to a third- party is subject to all terms and conditions of Section 18.2 unless the assignment qualifies as a Permitted Transfer. You must arrange for immediate supervision of the Business by a qualified replacement approved by us until such assignment is completed. For purposes of this section, a person is deemed to have a "permanent disability" only if the person has a medical or mental problem that prevents the person from substantially fulfilling their obligations under this Agreement or otherwise operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three months.

18.5 Our Right of First Refusal. We have the right to purchase your Business, or any Equity Interest in you, or any of your assets that are material to the operation of your Business or related in any manner to your compliance with this Agreement, prior to them being offered for sale to any third party. Prior to selling your Business or Equity Interest or assets, as applicable, you or the Owner(s), as applicable, must obtain a bona fide, written offer signed by the potential purchaser. You must submit an exact copy of that offer to us. We have sixty days after receipt of the offer from you to decide whether we will purchase the asset(s) offered for sale for the same price and upon the same terms, other than payment terms, contained in the offer. If we notify you that we intend to purchase the interest, you or the Owner(s), as applicable, must sell the interest to us and may not sell any interest to the proposed third-party purchaser.

Once we have communicated to you that we have chosen to purchase the subject assets, we will have ninety days to prepare for closing. We are entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the Business, Equity Interest or assets, as applicable, or, at our election, the representations and warranties contained in the offer.

If we do not exercise our right of first refusal, you or the Owner(s), as applicable, may complete the Transfer to the purchaser pursuant to and on terms no more favorable than those that you provided to us, subject to the requirements of Section 18.2. If the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall survive any aborted or abandoned offer you receive and apply with respect to any subsequent offer. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

Any sale of your Business to a third-party does not absolve you of any obligations under the Franchise Agreement. If your sale of the Business is to a third-party which does not continue as a Realty Executives franchisee and/or refuses to execute a new franchise agreement with us, then you will continue to remain obligated under the Franchise Agreement through the remainder of the Term, regardless of whether the Business is sold or not.

At any time following your notice to us of a proposed transfer with respect to which our right of first refusal applies, and regardless of whether we exercise our right of first refusal or not, we shall have the unrestricted right to contact your agents to discuss a potential position with us or other franchisees in the event that we exercise our right of first refusal. Following our notification to you that we will exercise our right of first refusal, we shall have the unrestricted right to solicit agents and employees for any and all business purposes, including potential positions with us or other franchisees.

19. TERMINATION.

19.1 By You. If we materially breach this Agreement and we fail to cure such material breach within ninety days after you send us a written notice specifying the nature of the breach, you may terminate this Agreement upon written notice of that termination to us. If you terminate this Agreement under this Section 19.2, you must still comply with your post-termination obligations described in Section 20 and all other obligations that survive the expiration or termination of this Agreement.

19.2 Termination By Us Without Cure Period. We may, in our sole discretion, terminate this Agreement upon ten days' written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:

(i) if you fail to commence operations within 90 days after the Effective Date;

(ii) if any required real estate license held by you, any of your Owners, your Managing Principal, or any Broker affiliated with your Business is suspended or revoked by the regulatory authority in your state, even if you or such individual still maintain appeal rights;

(iii) if, for any period of time, you fail to have a licensed Broker for your brokerage, or as otherwise required by the laws, regulations and/or rules of your State;

(iv) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(v) if your Business, or a substantial portion of the assets associated with your Business, are seized, taken over or foreclosed by a government official in the exercise of their duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Business, and it is not discharged within five days of such levy;

(vi) if the Managing Principal abandons, surrenders, transfers control of or fails to actively manage or operate your Business for a period of five consecutive business days (subject to the force majeure provision), unless (a) your Business is being managed by a manager approved by us; or (b) your Business is not operational for a purpose approved by us;

(vii) if you fail or refuse to pay any amount owed to us or an affiliate of ours within ten days after receipt of a demand for payment;

(viii) if we finance anything relating to your Business and you default under the promissory note or other document utilized for that financing, and fail to cure such default in the time and manner provided by the promissory note or other document, if any such cure period is provided;

(ix) if you underreport any amount owed to us by 3% or greater, after having already committed such a breach that had been cured in accordance with Section 19.3;

(x) if you make any material misrepresentation to us, whether occurring before or after being granted the franchise;

(xi) if you or an Owner engage in any conduct which we, in our sole discretion, deem to be detrimental or otherwise harmful to the Marks, your Business, the REI brand, and/or the System;

(xii) if, in any twelve-month period, you or an Owner are the subject of more than two complaints received by REI as to the operation of the Business or any other conduct by you or an Owner relating to the Business;

(xiii) if you or an Owner: (a) are convicted of or plead no contest to a felony, a crime involving moral turpitude, or any other crime or offense; (b) are subject to any material administrative disciplinary action; or (c) fail to comply with any material federal, state, or local law or regulation applicable to your Business;

(xiv) if you or an Owner makes an unauthorized Transfer;

(xv) if you or an Owner makes an unauthorized use of the Intellectual Property;

(xvi) if you or an Owner commits any act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(xvii) if you or an Owner breach the covenants described in Section 16;

(xviii) if you fail to meet the minimum Salesperson quota requirements described in Section 9 and/or ATTACHMENT "F";

(xix) if you default under this Agreement two or more times during any 12-month period, regardless of whether such defaults were cured in accordance with the terms of this Agreement; or

(xx) if, due to your default, either (a) we terminate any other agreement between you and us; or (b) any affiliate of ours terminates any agreement between you and such affiliate.

In the event the Agreement is terminated for any reason identified under Section 19.2, you are obligated to us for the full value remaining on the Agreement through the end of the Term. The full value of the Agreement through the remainder of the Term shall be calculated using the minimum monthly payments that would be due and owing to Us for all of the remaining billing months in the Term.

19.3 Additional Conditions of Termination. In addition to our termination rights in Section 19.2, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement, any mandatory provision in the Manual, or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 19.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

19.4 Mutual Agreement to Terminate. If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period with respect to termination. In the event the parties mutually agree to terminate this Agreement, you will remain obligated to us for the full value remaining on the Agreement through the end of the Term, regardless of the date on which the Agreement was terminated. This Section 19.4 is not a permissive right that you may invoke in an attempt to obtain an early termination of the Agreement.

20. POST-TERM OBLIGATIONS. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) Immediately cease using the Intellectual Property;

(ii) Pay us all amounts that you owe us, including all accrued interest and Late Fees, within 15 days of the effective date of the termination, expiration or Transfer of this Agreement;

(iii) Immediately return all copies of the Manual, or any portions thereof, as well as all signs, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks or other identification relating to a REALTY EXECUTIVES business, unless we allow you to transfer such items to an approved transferee;

(iv) Immediately cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks, and assign to us any URLs, domain names, email addresses and social media accounts relating to your Business;

(v) Immediately make all modifications and alterations to your Offices that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third-party at the premises; provided, however, that this subsection shall not apply if your franchise is transferred to an approved transferee;

(vi) Notify all local, state, and other regulatory agencies that your Business and any related licenses are no longer affiliated with Realty Executives;

(vii) Notify all social media platforms, telephone companies, listing agencies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use: (a) the domain names and any social media profiles, if applicable, related to the operation of your Business; and (b) any regular, classified or other telephone directory listings associated with the Marks.

You hereby authorize the Agencies to transfer all domain names, social media profiles and listings to us or at our direction. We have the sole right to all such domain names and listings used in connection with your Business. You authorize us and appoint us and any officer we designate as your attorney-in-fact, to direct the Agencies to transfer the domain names) and listings to us or at our direction should you fail or refuse to do so. All such Agencies may accept this Agreement as conclusive evidence of our exclusive rights in such domain names and directory listings and its authority to direct their transfer. To assist in effectuating such transfer(s), you must execute the Authorization to Transfer Agreement attached hereto as ATTACHMENT "H"; and

(viii) Provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

21. DISPUTE RESOLUTION.

21.1 Negotiation and Mediation. Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, the parties agree to submit the Dispute to mediation before a mutually-agreeable mediator prior to litigation. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Any Dispute involving an Excluded Claim will not be subject to mediation unless otherwise agreed to by both parties. The Parties may mutually agree to waive the requirement to participate in mediation and proceed directly to litigation for resolution of any Dispute.

21.2 Litigation. If (a) a Dispute is not successfully resolved by mediation within 60 days after either party makes a demand for mediation or (b) the Dispute involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance with the choice of venue provision set forth below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether there are any claims alleging a breach of Section 16 of this Agreement).

21.3 Venue. All mediation and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Maricopa County, Arizona). The parties irrevocably waive any objection to such venue and, with respect to litigation proceedings, submit to the jurisdiction of such courts.

21.4 Attorney's Fees and Costs. If we or you must enforce this Agreement in a judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. In addition, if you or one of your Owners breaches any term of a Definitive Agreement, you must reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.

21.5 Waivers. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 16) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR

FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

21.6 Defined Terms. For purposes of Section 21, the following defined terms have the meanings given to them below:

"Claim" or "Claims" means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

"Definitive Agreements" means, collectively, this Agreement, any other Franchise Agreement between you (or your affiliates) and us (or our affiliates) for a REALTY EXECUTIVES brokerage or any other franchised concept, and all ancillary agreements executed in connection with any of the foregoing, including, without limitation, each related Personal Guaranty.

"Dispute" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the franchise; or (c) the relationship between the parties.

"Excluded Claim" means any Claim or Claims alleging a breach of Section 16 of this Agreement.

22. YOUR REPRESENTATIONS. YOU HEREBY REPRESENT THAT: (i) YOU RECEIVED (1) AN EXACT COPY OF THIS AGREEMENT AND ITS ATTACHMENTS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT IS EXECUTED; AND OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (A) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (B) AT SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY; AND (ii) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

23. GENERAL PROVISIONS.

23.1 Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, *et seq*.), this Agreement and the franchise relationship shall be governed by the laws of the State of Arizona, without reference to its principles of conflicts of law. Any law of the State of Arizona that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

23.2 Relationship of the Parties. Nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself in all dealings with third parties as a franchisee of ours, as well as the independent owner of your Business. You agree to place notices of independent ownership on such forms, stationery, advertising, websites, social media profiles, email signatures, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. Neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

23.3 **Severability and Substitution**. Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable.

23.4 **Waivers**. We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (i) any custom or practice of the parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other REALTY EXECUTIVES franchisees; or (iv) the acceptance by us of any payments, partial or otherwise, due from you after breach of this Agreement.

23.5 **Approvals**. Whenever this Agreement requires our approval, you must make a timely written request to us for that approval, and the approval must be given in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.

23.6 **Force Majeure**. Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations results from any event of force majeure. Any delay resulting from an event of force majeure will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable under the circumstances.

23.7 **Binding Effect**. This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 10.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to Section 10.1 and Section 17, respectively.

23.8 **Integration**. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY SECTION 8.2 AND SECTION 23.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email correspondence or other form of informal communication, including but not limited to text messages, shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachments are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contractual relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document.

23.9 **Covenant of Good Faith**. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect your interests either favorably or adversely; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing of those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any litigation or other proceeding shall substitute its judgment for our judgment so exercised.

23.10 **Rights of Parties are Cumulative**. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

23.11 **Survival**. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, Section 14, Section 15, Section 17, Section 20, Section 21 and Section 23.

23.12 **Construction**. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

23.13 **Time of Essence**. Time is of the essence in this Agreement and every term thereof.

23.14 **Counterparts**. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

23.15 **Notice**. All notices given under this Agreement must be in writing, delivered by hand, email, delivery/courier service or first-class mail, return receipt requested, to the following addresses:

YOU: As set forth below your signature on this Agreement

US: REALTY EXECUTIVES INTL. SVCS. LLC
c/o Legal Department
4343 E. Outlier Blvd., Suite 123
Phoenix, Arizona 85008

We can change the address for delivery of Notice under this Section by giving you written notice ten days prior to the effective change. Notice under this Section has been given at the time delivered by hand or by email, or three business days after placed in the mail or presented to the delivery service for delivery.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR: REALTY EXECUTIVES INTL. SVCS. LLC an Arizona limited liability company	**FRANCHISEE:** [ENTITY NAME] [ENTITY STATE/TYPE]
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Its: ______________________________	Its: ______________________________

Franchisee Physical Address for Notices:

ATTACHMENT "A"

DEFINITIONS

"*Agencies*" is defined in Section 20(vii).

"*Agreement*" is defined in the Introductory Paragraph.

"*Authorized Services*" is defined in Section 2.

"*Business*" is defined in Section 2.

"*Claim*" or "*Claims*" means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

"*Competitive Business*" means any business that either (i) provides any one or more of the following real estate services pertaining to real property: leasing; listing; purchasing; referral; selling; trading; and other services of a similar nature that require a real estate license; or (ii) offers, sells or supports franchised or licensed businesses that provide any one or more of the following real estate services pertaining to real property: leasing; listing; purchasing; referral; selling; trading; and other services of a similar nature that require a real estate license.

"*Copyrights*" means all works and materials for which we or our affiliate has secured common law or registered copyright protection and that we allow REALTY EXECUTIVES franchisees to use or display in connection with the marketing and/or operation of a REALTY EXECUTIVES real estate office, whether now in existence or created in the future.

"*Dispute*" is defined in Section 21.

"*Effective Date*" is defined in the Introductory Paragraph. If, for some reason, there is no date listed in the Introductory Paragraph, then the Effective Date shall be the date on which the authorized representative of REI has executed the Franchise Agreement.

"*Entity*" means a corporation, partnership, limited liability company or other form of association.

"*Equity Interest*" means, with respect to any Entity: (a) all of the shares of capital stock of such Entity; (b) all warrants, options or other rights for the purchase or acquisition from such Entity of shares of capital stock of such Entity; (c) all securities convertible into or exchangeable for shares of capital stock of such Entity or warrants, rights or options for the purchase or acquisition of such securities; and (d) all other ownership or profit interests in such Entity (including partnership, member or trust interests), whether voting or non-voting.

"*Fee Adjustment*" is defined in Section 14.8.

"*Flat Fee Model*" is defined in ATTACHMENT "E".

"*Flex Model*" is defined in ATTACHMENT "E".

"*General Release*" means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.

"*Improvements*" is defined in Section 16.5.

"*Indemnified Party*" or "Indemnified Parties" means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"*Intellectual Property*" means, collectively or individually, our Marks, Copyrights, Know-how and System.

"*Interim Term*" is defined in Section 4.3.

"*Know-how*" means all of our trade secrets and other proprietary information relating to the development, marketing and/or operation of a REALTY EXECUTIVES real estate office, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manual.

"*Losses and Expenses*" means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

"*Managing Principal*" means the Owner who is primarily responsible for the day-to-day management and operation of your Business. The Managing Principal is determined as follows: (i) if the franchisee consists of a single Owner, that Owner will be the Managing Principal; (ii) if the franchisee consists of more than one Owner, you must designate one of those Owners to be the Managing Principal; (iii) if the franchisee is a legal entity, you must designate one Owner to be the Managing Principal; and (iv) if the franchisee is a partnership, the Owner that is the general partner of the franchisee (or the Owner who directly or indirectly owns the greatest percentage of the voting and ownership interests in the general partner if the general partner is an Entity) will be the Managing Principal.

"*Manual*" is defined in Section 8.2.

"*Marks*" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a REALTY EXECUTIVES real estate office, including the name "REALTY EXECUTIVES" and any other trademarks, service marks or trade names that we designate for use by a REALTY EXECUTIVES real estate office. The term "Marks" also includes any distinctive trade dress used to identify a REALTY EXECUTIVES real estate office, whether now in existence or hereafter created.

"*Marketing Campaign*" is defined in Section 7.1(a).

"*Marketing Fund*" is defined in Section 7.1(a).

"*Monthly Fees*" is defined in Section 14.8.

"*Monthly Service Fee*" is defined in Section 14.2.

"*Office*" is defined in Section 2.

"*Office Fee*" is defined in ATTACHMENT "E".

"*Owner*" or "*Owners*" means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. "Owner" includes both passive and active owners.

"*Permitted Transfer*" means: (i) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Managing Principal; (ii) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power; and/or (iii) a Transfer from an Owner (other than the Managing Principal) to a spouse, parent, sibling, child or grandchild of such Owner.

"Referral-Only Licensee" is any licensed real estate professional whose role within your Business is strictly limited to referring prospective buyers or sellers to other active Salespersons, in exchange for receiving a referral fee from that active Salesperson. A Referral-Only Licensee does not represent any buyer or seller for the purpose of buying or selling any real estate, nor do they represent any tenant or landlord for the purpose of leasing any real estate.

"*RESPA*" is defined in Section 8.7.

"*Salesperson*" is defined as any person who (i) holds a license or similar authority issued by a state, commonwealth or province authorizing such person to buy or sell or assist others with the buying or selling of real estate; and (ii) is associated with the franchise in any capacity, including, but not limited to, any licensed owner, broker, agent or assistant.

"*System*" means our system for operating a real estate office under the name "REALTY EXECUTIVES", and which includes the "original 100% Commission Concept" as well as our distinctive logos, promotional materials, operating systems and proprietary transaction reporting portal.

"*Team*" means a group of two or more Salespersons and any unlicensed administrative support individuals, collectively operating as a real estate sales team as part of a franchise.

"*Team Lead*" means a Salesperson serving as the leader or primary Salesperson for a Team or group of Salespersons and other unlicensed individuals, operating as part of a franchise.

"*Team Member*" means a Salesperson who is operating as part of a Team within a franchise.

"*Term*" is defined in Section 4.1.

"*Territory*" is defined in Section 2.

"*Training Fee*" is defined in Section 5.1.

"*Transfer*" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the franchise (or any interest therein), the Business (or any portion thereof) or an ownership interest in an Entity that is the franchisee, including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

"*We*" or "*us*" is defined in the Introductory Paragraph.

"*You*" is defined in the Introductory Paragraph.

ATTACHMENT “B”

TERRITORY

The Territory referenced in Section 2 of the Franchise Agreement shall consist of the following geographic area:

____

____

ATTACHMENT “C”

PERSONAL GUARANTY

[*See Attached*]

PERSONAL GUARANTY OF FRANCHISE AGREEMENT

In consideration of and as an inducement to REALTY EXECUTIVES INTL. SVCS. LLC, an Arizona limited liability company ("Franchisor"), entering into that certain Franchise Agreement dated as of [MONTH] [DAY], 2026 between Franchisor and [ENTITY NAME], a(n) [ENTITY STATE/TYPE] ("Franchisee") (the "Franchise Agreement"), the undersigned individuals (each, a "Guarantor") jointly and severally, personally and unconditionally, do hereby: (a) guarantee to Franchisor, and its successors 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 in (i) the Franchise Agreement; and (ii) any ancillary agreement executed by Franchisee and Franchisor (or executed by Franchisee in favor of Franchisor) in connection with the Franchise Agreement, including but not limited to any agreement for the purchase of goods or services from Franchisor and any promissory note related to payments made to Franchisor (collectively, the "Agreements"); and (b) agree to be personally bound by, and personally liable for, each and every provision in the Agreements, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the requirements pertaining to non-competition, confidentiality, transfers, and dispute resolution.

Each Guarantor 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; and (4) any right the Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this guaranty shall be joint and several; (2) such Guarantor shall render any payment or performance required under the Agreements 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 that 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 each of the Agreements and following the termination, expiration or transfer of each of the Agreements to the extent any obligations under any such Agreements survive such termination, expiration or transfer.

Franchisor requires that the spouse of each Guarantor execute this guaranty as well in their individual capacity, as a separate and independent Guarantor. Each Guarantor represents and warrants that if no signature appears below for such Guarantor's spouse, such Guarantor is not married.

Each Guarantor 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 and Guarantors of Franchisee;

(b) Guarantor shall render any payment or performance required under any of the Agreements 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 one or more of the Agreements 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 only against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee;

(e) This Guaranty shall be governed by and construed in accordance with the laws of the State of Arizona; and

(f) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

IN WITNESS WHEREOF, each of the undersigned has executed this Personal Guaranty as of the date or dates set forth below.

GUARANTOR

By: ____
Name: ______________________________________
Date: _______________________________________

GUARANTOR

By: ____
Name: ______________________________________
Date: _______________________________________

ATTACHMENT "D"

Notice of Tradename Approval

[*See Attached*]

TRADENAME APPROVAL NOTICE

REALTY EXECUTIVES INTL. SVCS. LLC, an Arizona limited liability company ("we" or "us") is issuing this Tradename Approval Notice (this "Notice") to [ENTITY NAME], [ENTITY STATE/TYPE] ("you"), effective [MONTH] [DAY], 2026, in connection with the Realty Executives Franchise Agreement that we executed with you on [MONTH] [DAY], 2026 (the "Franchise Agreement"). The purpose of this Notice is to confirm our approval of the tradename you have proposed.

Approved Tradename:

Pursuant to Section 16.3 of the Franchise Agreement, we approve the following tradename for your use in connection with the REALTY EXECUTIVES business you will operate pursuant to the Franchise Agreement:

[____________________]

By signing below, you agree that the tradename identified in this Notice is your approved tradename and you will not use any other tradename for the Business without our prior written approval. You are responsible for submitting any fictitious name filing to the appropriate state or local agencies that may be required by the laws of your state. Upon the termination, expiration or transfer of this Agreement, you must surrender or cancel the tradename and cancel any associated fictitious name filing.

You must sign below to acknowledge your receipt of this Notice. You have no right to use the tradename listed above until you have executed this Notice.

FRANCHISOR:	**FRANCHISEE:**
REALTY EXECUTIVES INTL. SVCS. LLC	[ENTITY NAME]
an Arizona limited liability company	[ENTITY STATE/TYPE]
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Its: ______________________	Its: ______________________

ATTACHMENT "E"

FEE STRUCTURE

Initial Franchise Fee (one-time fee)	$37,000
Marketing Fee (monthly)	
National	$300
Monthly Service Fee (monthly)	
Flat Fee Model	
Flat Fee Portion (per Salesperson)	$400
Monthly Minimum	$1,000
Flex Model	
Flat Fee Portion (per Salesperson)	$400
Percentage- Based Portion (% GCI)	8%
Monthly Minimum	$1,000
Referral Only Licensee	$5
Territory Fee (monthly)	$[ ]
Technology Fee (monthly)	
Intranet Portal (PrimeAgent.com)	$250
Broker Website	$350

Initial Franchise Fee.

The Initial Franchise Fee must be paid by cashier's check, wire transfer or other immediately available funds.

Marketing Fee.

The Marketing Fee shall be multiplied by the greater of (a) your Salesperson Count; or (b) your Salesperson Quota and is subject to the Fee Adjustment.

Monthly Service Fee.

The Monthly Service Fee is based upon the fee structure you have selected. You and we must mutually agree on the fee structure you will utilize. You will be billed for and you will operate under one of the following fee structures, each of which is more fully described below: (a) a flat fee structure (the "Flat Fee Model"); or (b) a fee structure that includes both a flat fee and percentage-based fees (the "Flex Model").

Place a mark by the Monthly Service Fee structure that you have elected

________ Flat Fee Model
________ Flex Model

Flat Fee Model. If you operate under the Flat Fee Model, you will pay us the greater of: (a) the Flat Fee Portion amount multiplied by the greater of (i) total number of Salespersons associated with you on the billing date of each month or (ii) the minimum number of Salespersons required to be associated with you on the billing date of each month pursuant to the terms of your Franchise Agreement; or (b) the Monthly Minimum. The Flat Fee Portion amount and the Monthly Minimum amount are subject to Fee Adjustment.

Flex Model. If you operate under the Flex Model, the Monthly Service Fee will vary depending on whether you designate the Salesperson as "flat fee-based" or "percentage-based". You will pay us the greater of: (a) the sum of (i) the Flat Fee Portion multiplied by the number of Salespersons you designate as flat fee-based and associated with you on the billing date of each month, plus (ii) the Percentage-Based Portion multiplied by the total gross commissions generated by Salespersons you designate as percentage-based for all transactions closed in the immediately preceding month; or (b) the Monthly Minimum. The Flat Fee Portion amount and the Monthly Minimum amount are subject to Fee Adjustment.

In PrimeAgent, once you designate a Salesperson as flat fee-based or percentage-based, you must notate the designation to that Salesperson's user profile. We reserve the right to limit the number of percentage-based Salespersons as well as the length of time those Salespersons may have the percentage-based designation.

Territory Fee

The Territory Fee is payable for your designated Territory. In exchange for the Territory Fee, you may open as many Offices within your Territory as you desire. The Franchise Agreement grants you the right to operate only one Territory.

The Territory Fee is calculated as $500 for every 40,000 people in your Territory, with a minimum monthly Territory Fee of $500 per month. For example, the monthly Territory Fee for a territory with a population of 30,000 would be $500 per month, while the monthly Territory Fee for a territory with a population of 75,000 would be $1,000 per month. The monthly Territory Fee is based on the population associated with your Territory at the time the Franchise Agreement is executed. If the population within your Territory significantly increases during the Term, we reserve the right to adjust the boundaries of your Territory at any time such that the population associated with the modified Territory is similar to the population associated with the original Territory at the time the Franchise Agreement was executed. We will not modify the boundaries of your Territory more than once every twenty-four months, except for reasons noted in other sections in this Agreement. The Territory Fee is subject to Fee Adjustment.

If you choose to open a single point location outside of your Territory, after receiving our written permission to do so, and despite there being a population of 0 people for that single point, your Territory Fee will increase by $500-$1,000, depending on the existing Territory Fee you are paying us and other factors, including location of other franchisees.

The Monthly Fees are calculated as of the billing date, which currently is on or about the 20th of each month. The billing date is subject to change upon at least 30 days' prior written notice to you.

Technology Fee

You must acquire and utilize all technology systems we specify from time to time (the "Technology Systems"). You pay us a "Technology Fee" that refers to all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the Technology Fee may change based on changes to the Technology Systems, the associated services we provide, or the prices charged by third-party suppliers with whom we enter into master agreements. We will not increase the Technology Fee more than one time during any six-month period. Any Technology Fee paid to us, whether a mandatory fee or an optional fee, is subject to Fee Adjustment. The Technology Fee does not include amounts you pay directly to third-party suppliers for any component of the Technology Systems.

As discussed further below, for the Technology Fee currently includes: (a) access to our proprietary Intranet portal called PrimeAgent; and (b) website development and hosting. We may, at our discretion, waive your obligation to utilize our designated website and pay the associated fees.

You will pay us $250 per month for access to PrimeAgent. For each reporting period, if required by your chosen Monthly Fee Structure or any other required reason, you must enter all transactions and all other data we specify into PrimeAgent no later than the 15th day of the month. If you fail to enter data by the required due date, we may increase your PrimeAgent fee from $250 to $599 per month. Your fee reverts to $250 per month if you timely enter all required data throughout the three-month probationary period. If you do not comply with your data entry obligations, the fee will remain at $599 per month until you have complied for a period of not less than three months.

You will pay us $300 per month for the broker website we provide to assist you in promoting your Business. We offer websites for Salespersons to purchase at the additional cost of $45 per month. You can choose to have your Salespersons pay this cost to us directly, or you may choose to make these payments on behalf of your Salespeople.

We offer optional technology to purchase. These additional technology options include: (a) additional property codes, for a cost of $6 for a set of 25 codes; (b) premium email campaigns, for a fee of $11.95 per month; (c) unlimited premium email campaigns, for a fee of $22.95 per month; and (d) a team marketing system, for a fee of $65 per month plus $6 per team member. We may offer other technology services for purchase or at no cost to you at any time, either provided by us or through our Approved Supplier program.

In addition to the technology fees described above, we reserve the right to charge you, as part of the monthly Technology Fee, a reasonable administrative fee relating to the costs we incur in administering the Technology Systems you use.

ATTACHMENT “F”

SALESPERSON QUOTA

You agree to comply with the following Salesperson Quota as specified in Section 9 of the Agreement:

EFFECTIVE DATE ANNIVERSARY PERIOD ENDING	CUMULATIVE REALTY EXECUTIVES LICENSED SALESPERSONS
1st Anniversary	
2nd Anniversary	
3rd Anniversary	
4th Anniversary	
5th Anniversary	
6th Anniversary	
7th Anniversary	
8th Anniversary	
9th Anniversary	
10th Anniversary	

ATTACHMENT "G"

ACH Authorized Form

[*See Attached*]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Location No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone Number (if different from above)	
Franchisee Fax No.	Franchisee E-mail Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (street, city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes REALTY EXECUTIVES INTL. SVCS. LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective**.**

Signature: ________________________________

Date: ____________________________________

Name: ___________________________________

Title: ____________________________________

Federal Tax ID Number: ____________________

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT “H”

<u>AUTHORIZATION TO TRANSFER</u>

[*See Attached*]

COLLATERAL ASSIGNMENT OF TELEPHONE LISTINGS, URLS AND SOCIAL MEDIA

THIS ASSIGNMENT is entered into this [DAY] day of [MONTH], 2026, in accordance with the terms of the Franchise Agreement ("Franchise Agreement") between REALTY EXECUTIVES INTL. SVCS. LLC, an Arizona limited liability company ("Franchisor") and [ENTITY NAME], a(n) [ENTITY STATE/TYPE] ("Franchisee"), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a Realty Executives Franchise Business ("Franchise Business") as set forth in the Agreement.

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor: (1) those certain telephone numbers, regular, classified or otherwise, and telephone directory listings (collectively, the "Telephone Listings"); (2) those certain Internet website addresses, domain names, URLs, and email addresses ("Domains"); and (3) user names, accounts, profiles, screen names, handles, or identities on social media sites, along with the attenuated followers, friends, or other associated users of the same ("Social Media") associated with Franchisor's trade and service marks and used from time to time in connection with the operation of the Franchised Business.

This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind arising from or in connection with this Assignment, unless Franchisor shall notify as necessary all service providers of its Telephone Listings, Domains, and Social Media to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without extension), Franchisor shall have the right and is hereby empowered to effectuate the assignment of the Telephone Listings, Domains, and Social Media, and, in such event, Franchisee shall have no further right, title or interest in the Telephone Listings, Domains, or Social Media, but Franchisee shall remain liable to all service provider(s) for all past due fees owing on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor has the sole right to and interest in the Telephone Listings, Domains, and the Social Media. Franchisee irrevocably appoints Franchisor as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest, to direct all service provider(s) to assign same to Franchisor, and Franchisee shall execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee will immediately notify the service provider(s) to assign the Telephone Listings, the Domains, and the Social Media to Franchisor. If Franchisee fails to promptly direct the service provider(s) to assign to Franchisor the Telephone Listings, the Domains, and/or the Social Media, Franchisor will have the right to direct the service provider(s) to effectuate the assignment contemplated hereunder to Franchisor.

The parties agree that the service provider(s) may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Telephone Listings, the Domains, and/or the Social Media upon such termination or expiration and that such assignment will be made automatically and effective immediately upon the service provider(s) receipt of such notice from Franchisor or Franchisee. The parties further agree that if the service provider(s) require that the parties execute assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
REALTY EXECUTIVES INTL. SVCS. LLC	[ENTITY NAME]
an Arizona limited liability company	[ENTITY STATE/TYPE]
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Its: ______________________________	Its: ______________________________

EXHIBIT “D”

TO

DISCLOSURE DOCUMENT

General Release

[*See Attached*]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (the "Release") is made as of [MONTH], 2026 by [ENTITY NAME], a(n) [ENTITY STATE/TYPE] ("Franchisee"), and each individual holding an ownership interest in Franchisee as set forth in the Franchise Agreement (collectively with Franchisee, "Releasor") in favor of REALTY EXECUTIVES INTL. SVCS. LLC, an Arizona limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Agreement"), pursuant to which Franchisee was granted the right to offer, sell, develop, service and support REALTY EXECUTIVES real estate offices within a designated geographic area;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, and Franchisor has consented to such transfer; and

WHEREAS, as a condition to Franchisor's consent to the transfer, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is authorized to enter into this Release and to perform the terms and obligations contained herein, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. [NAME] represents and warrants that they are duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Non-disparagement. Releasor expressly covenants and agrees not to make any false representation or statement of fact, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to or otherwise causing damage to any of the Released Parties, their business or their reputation.

3. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of this Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Arizona, without regard to the choice of law rules of the State of Arizona.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees, as well as any other reasonable expenses incurred in connection with enforcing or remediating the breach.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement relating to the release between the Parties and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page Follows]

IN WITNESS WHEREOF, Releasor has executed this release as of the date first written above.

FRANCHISEE:
[ENTITY]

By: ____
Name: ____
Its: ____
Date: ____

State of ____________________)

County of __________________)

The forgoing instrument was acknowledged before me this [DAY] day of [MONTH], 2026 by [NAME].

____
Notary Public

My Commission Expires:

____

FRANCHISEE'S OWNER:

By: ____
Name: ____
Date: ____

State of ____________________)

County of __________________)

The forgoing instrument was acknowledged before me this [DAY] day of [MONTH], 2026 by [NAME].

____
Notary Public

My Commission Expires:

____

EXHIBIT “E”

TO

DISCLOSURE DOCUMENT

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EXHIBIT “F”

TO

DISCLOSURE DOCUMENT

List of Franchisees

[*See Attached*]

Part A (Current Franchisees as if December 31, 2025)

State	City	Address	Phone	Owner Name(s)
Alabama	Cullman	825 Country Road 490	256-708-3678	Eagle Eye Realty & Development, LLC
Alabama	Daphne	9949 Bellaton Ave.	251-626-9705	Bay Shores Properties, LLC
Alabama	Gulf Shores	3479 B Gulf Shores Parkway,	251-968-4300	Kaiser Properties, Inc.
Alabama	Mobile	11 Water St. N, Ste 10290-75	251-289 -0484	Realty Executives Bay Group, Inc.
Alabama	Saraland	188 US-43	251-679-9998	Realty Executives Bay Group, Inc.
Arizona	Casa Grande	958 E. Rodeo #25	520-877-4940	Southern Arizona Brokerage LLC
Arizona	Cottonwood	830 S. Main Street, Ste. 2D-B	928-634-9090	Southern Arizona Brokerage LLC
Arizona	Flagstaff	15 E. Cherry Ave.	928-773-9300	Realty Executives of Flagstaff, LLC
Arizona	Flagstaff	809 W. Riordan, Ste 205	928-733-9300	Realty Executives of Flagstaff, LLC
Arizona	Glendale	21448 N. 75th Ave	602-375-2222	Michael Jones Celia Jones
Arizona	Green Valley	18767 S. Nogales Hwy	520-284-9977	Southern Arizona Brokerage LLC
Arizona	Heber	1874 Highway 260	928-367-6400	Southern Arizona Brokerage LLC
Arizona	Kingman	1916 Stockton Hill Rd.	928-753-1500	Kingman Elite Management LLC
Arizona	Litchfield Park	5310 N 148th Ave	623-680-6868	WigWam Property Management and Realty, LLC
Arizona	Oro Valley	405 W. Tortolita Mountain Circle	520-219-9000	Southern Arizona Brokerage LLC
Arizona	Payson	1389 E Christopher Creek Loop	928-478-5016	Southern Arizona Brokerage LLC
Arizona	Payson	201 W. Main St., Ste. H	928-978-1003	Southern Arizona Brokerage LLC
Arizona	Payson	611 S. Beeline Hwy	928-460-5319	Southern Arizona Brokerage LLC
Arizona	Pearce	169 N. Frontage Road	520-826-5000	Southern Arizona Brokerage LLC
Arizona	Peoria	14155 N 83rd Ave, Suite A-106	602-278-5496	Southern Arizona Brokerage LLC

State	City	Address	Phone	Owner Name(s)
Arizona	Phoenix	4343 E Outlier Blvd., Suite 123	520-877-4940	Southern Arizona Brokerage LLC
Arizona	Pinetop	1413 E. White Mountain Blvd.	928-367-6400	Southern Arizona Brokerage LLC
Arizona	Prescott	113 W. Goodwin Street	928-443-7412	Southern Arizona Brokerage LLC
Arizona	Prescott	503 E. Gurley Street	928-777-0257	Southern Arizona Brokerage LLC
Arizona	Prescott	1401 Prescott Lakes Parkway	928-777-0077	Southern Arizona Brokerage LLC
Arizona	Prescott	203 W. Willis St.	928-443-7412	Southern Arizona Brokerage LLC
Arizona	Scottsdale	5040 N Scottsdale Rd.	602-430-4110	Southern Arizona Brokerage LLC
Arizona	Scottsdale	9319 N 94th Way, Suite 900	480-338-4888	Southern Arizona Brokerage LLC
Arizona	Scottsdale	7655 E. Redfield Rd, Ste 3	480-429-3844	REM Realty & Management, Inc.
Arizona	Show Low	1400 E. Woolford Rd. Ste B	928-537-1145	Southern Arizona Brokerage LLC
Arizona	Snowflake	503 S. Main St., Ste B	928-537-7020	Southern Arizona Brokerage LLC
Arizona	Tubac	2551 Frontage Road	520-398-2222	Southern Arizona Brokerage LLC
Arizona	Tucson	2830 N Swan Rd #120B	520-877-4940	Southern Arizona Brokerage LLC
Arizona	Tucson	4007 E. Paradise Falls Dr. Ste 125	520-877-4940	Southern Arizona Brokerage LLC
Arizona	Tucson	6444 E Tanque Verde	520-314-3255	Southern Arizona Brokerage LLC
Arizona	Tucson	1580 E. Tucson Marketplace Blvd.	520-589-2396	Southern Arizona Brokerage LLC
Arizona	Tucson	9172 S. Houghton Rd., Ste 110	520-585-4720	Southern Arizona Brokerage LLC
Arizona	Tucson	6760 N. Oracle Road, Suite 130	520-850-6862	Southern Arizona Brokerage LLC
Arizona	Wickenburg	82 N Valentine St.	602-755-8556	Southern Arizona Brokerage LLC
Arizona	Wilcox	200 N. Haskell Ave.	520-589-2396	Southern Arizona Brokerage LLC
Arizona	Yuma	11665 S Fortuna Rd., Suite D	928-342-3420	Southern Arizona Brokerage LLC
Arizona	Yuma	1590 S 2nd	608-755-8556	Southern Arizona Brokerage LLC
Arizona	Yuma	2260 S 4th Ave E	928-783-8377	Southern Arizona Brokerage LLC
Arizona	Yuma	593 S 4th Ave	928-782-0405	Southern Arizona Brokerage

State	City	Address	Phone	Owner Name(s)
Arizona	Yuma	331 S. Madison Ave.	928-343-9415	Christine McConnaughay Realty PC
California	Agua Dulce	33358 Agua Dulce Canyon Rd.	661-268-6800	Tanmon, Inc.
California	Atwater	400 E. Bellevue Rd.	209-357-6700	AVAMASH, Inc.
California	Chula Vista	2240 Otay Lakes Rd., #306	619-482-9200	Dillon Corporation
California	Chula Vista	2518 Catamaran	619-489-5600	Dillon Corporation
California	Clearlake	14375 Olympic Drive, Unit 2	707-461-5130	AVAMASH, Inc.
California	Culver City	6133 Bristol Parkway, Suite 250	310-737-1992	Peter Bledsoe
California	Downey	8556 Florence Ave, Ste B	562-205-1700	Family Real Estate Services, Inc.
California	Granada Hills	16852 San Fernando Mission Blvd.	818-492-4663	EIB Global, Inc.
California	La Quinta	78065 Main St., Suite 101	760-771-9090	Marathon Financial Corporation
California	Lakewood	5822 Adenmoor Ave.	562-925-1111	RE/EX All Cities Inc
California	Los Alamitos	11292 Los Alamitos Blvd.	562-431-3591	Team Chamberlain Real Estate, Inc.
California	Mariposa	5065 Highway 140, Suite A&B	209-966-7200	AVAMASH, Inc.
California	Merced	189 W. El Portal Dr.	209-385-8500	AVAMASH, Inc.
California	Newhall	24106 Lyons Avenue	661-250-8600	Tanmon, Inc.
California	Palmdale	5022 W Avenue N, Suite 104	661-272-2727	At Realty, Inc.
California	Rocklin	3949 Deergrass Circle	916-717-6387	EMJA Enterprises LLC
California	San Fernando	563 S. Brand Blvd.	818-403-6891	SFV Associates
California	San Jose	117 Bernal Rd., #70-638	408-286-8100	Andrew Solomon Espino
California	Santa Clarita	24106 Lyons Ave.	661-286-8600	RE/EX Valencia
California	Solana Beach	153 N Highway 101, Suite 102	858-755-5566	Carolyn Cohen
California	Temecula	28581 Old Town Front St., Suite 100	951-640-8562	TMHRE, Inc.
California	Tracy	47 W. 6th St.	209-834-2343	Myra Investment & Development Corp.

State	City	Address	Phone	Owner Name(s)
California	Upper Lake	9440 Main St.	707-900-5150	AVAMASH, Inc.
Florida	Ft. Myers	3820 Colonial Blvd., Ste. 200	239-823-6849	Integrity Group LLC
Florida	Key West	3706 N. Roosevelt Blvd., Suite 208 Upper Floor	305-501-4229	We Got Your Keys Inc.
Florida	Melbourne	415 S. Babcock St., Suite C	321-821-4230	Manatee Holdings Group, Inc.
Florida	Ocala	1008 E. Silver Springs Blvd.	352-624-2333	Hannic Inc.
Florida	Orlando	2875 S Orange Ave, Suite 540	407-326-6000	Christopher Nutt
Florida	Palm Coast	4865 Palm Coast Pkwy NW, Unit 2	386-506-8008	Jungle Hut, Inc.
Florida	Palm Coast	235 Palm Coast Pkwy, Suite B	386-506-8008	Jungle Hut, Inc.
Florida	Pomano Beach	643 E. Atlantic Blvd.	954-933-1894	REXSFL Realty LLC
Florida	Sarasota	5209 Palos Verdes Drive	941-376-8769	SRQ REX, LLC
Florida	Spring Hill	5432 Spring Hill Dr.	352-684-9000	Alan F. Hengesbach Daniel P. Maracich
Florida	Summerland Key	24752 Overseas Highway	305-501-4229	We Got Your Keys Inc.
Florida	The Villages	11714 NE 62 Terrace	352-753-7500	Hannic Inc.
Georgia	Dalton	720 S. Glenwood Ave., Suite 210	706-229-9484	Terra Firma Realty LLC
Georgia	Hinesville	401 S. Main St.	912-877-6600	Southern Star Group Inc
Georgia	Savannah	251 Stephenson Ave.	912-355-5557	Coastal Empire Real Estate LLC
Illinois	Crystal Lake	7115 Virginia Rd., Suite 101	815-788-9000	Rick O’Connor Group, Inc.
Illinois	Darien	1310 Plainfield Rd., Suite 2	630-969-8880	Jana Pinc
Illinois	Lemont	15400 127th Street	630-243-9500	Christopher Budz
Illinois	Oakbrook	2625 Butterfield Rd. Suite 138 S	630-769-9050	Chris DeSanto
Illinois	Orland Park	9999 W. 143rd St.	708-349-1111	Robert Shutay
Illinois	Peoria Heights	4450 N. Prospect Rd., Suite S-6	309-760-0700	Acclaimed Partners LLC
Illinois	Schaumburg	1236 N. Roselle Rd.	847-737-7155	AGHA Realty Inc

State	City	Address	Phone	Owner Name(s)
Illinois	Shorewood	700 W. Jefferson	815-773-1150	Illinois Executives, Inc.
Illinois	Yorkville	700 W. Jefferson	815-436-6000	Illinois Executives, Inc.
Illinois	Wheaton	129 W Wesley	630-668-1199	Mike Tezak
Indiana	Crown Point	112 W. Clark St.	219-462-2224	Mike Tezak
Indiana	Schererville	21 E. US Highway 30	219-462-2224	Mike Tezak
Indiana	Valparaiso	310 E. Lincoln Way	219-462-2224	Mike Tezak
Iowa	Davenport	2720 W Locust Street, Suite 11B	972-693-1633	Camarena Realty Group, LLC
Kansas	Hutchinson	111 E. 30th Ave.	620-662-7577	4 Results, Inc.
Kansas	Lansing	102 E. Olive	913-727-1922	Mid-America Realty Services, LLC
Kansas	Lawrence	1037 Vermont St.	785-841-2400	Hedges Real Estate, Inc.
Kansas	Leawood	11401 Ash	913-642-4888	Mid-America Realty Services, LLC
Kansas	Manhattan	2316 Anderson Ave.	785-539-9333	Linda Weis Jerry Weis
Kansas	Tonganoxie	1203 State Ave., Ste B	913-417-1007	Mid-America Realty Services, LLC
Louisiana	Hammond	200 E. Charles St.	985-956-7477	Florida Parishes Realty, LLC
Louisiana	Metairie	3748 North Causeway Blvd.	504-883-5252	Specialized Real Estate Services, Inc.
Louisiana	Prairieville	15615 Airline Highway, Suite B	225-677-7772	South Louisiana Group, LLC
Massachusetts	Brewster	15A Cape Lane	508-896-3200	Northeast Marketing Group, Inc.
Massachusetts	Framingham	1253 Worcester Rd., Suite 104	508-879-0660	Partnership Properties, LLC
Massachusetts	Holliston	21 Central St.	508-429-7391	Partnership Properties, LLC
Massachusetts	Natick	10 W. Central St.	508-653-7329	Partnership Properties, LLC
Massachusetts	Taunton	174 Dean St.	508-880-0900	Manuel Silva Joseph Mozzone
Massachusetts	Waltham	144 Moody St., Bldg. 24, 2nd Floor	781-894-4000	Messina Koufos Associates, Inc.

State	City	Address	Phone	Owner Name(s)
Massachusetts	Watertown	55 School St.	617-923-7778	Messina Koufos Associates, Inc.
Massachusetts	Woburn	48 Pleasant St.	781-935-2626	Patricia A Marsh
Michigan	Chesterfield	49940 Gratiot Ave.	586-949-8300	Realty Executives Home Towne, Corp.
Michigan	Dearborn	13039 Michigan Ave.	313-581-5002	Z & F Investments, Inc
Michigan	Lapeer	1022 S. Lapeer Rd.	810-667-1700	Realty Executives Main Street, LLC
Michigan	Port Huron	3543 Pine Grove Ave.	810-982-1400	Realty Executives Home Towne, Corp.
Michigan	Rochester	330 East Street	810-300-1650	Stoney Creek & Associates, LLC
Michigan	Shelby Township	49433 Hayes Road, Suite A	586-726-4600	Realty Executives Home Towne, Corp.
Michigan	Shelby Township	213 Hilltop Road	269-983-1121	REEGM Brokerage LLC
Michigan	Troy	400 E. Big Beaver Road	248-817-5776	Realty Executives Home Towne, Corp.
Minnesota	Alexandria	504 3rd Ave. E	320-763-4255	Alexandria Home Sales, LLC
Minnesota	Edina	7455 France Ave. S., Ste 186	952-767-5300	BC Financial, LLC
Minnesota	Elysian	100 Main St. W	507-267-4200	BC Financial, LLC
Minnesota	Mankato	196 St. Andrews Dr. Ste 200	507-351-3666	BC Financial, LLC
Minnesota	Plymouth	3525 Plymouth Blvd. Ste 107	952-767-5300	BC Financial, LLC
Minnesota	West St. Paul	33 E. Wentworth Ave., Suite 250	651-365-0230	BC Financial, LLC
Mississippi	Hattiesburg	118 Lamar Blvd. Ste. 10	601-268-1600	The Executive Team, Inc.
Mississippi	Ridgeland	7048 Old Canton Rd., Ste. 1003D	601-605-6066	Findlay Properties, LLC
Missouri	Eureka	113 Hilltop Village Center Drive	636-777-2800	Premiere Real Estate LLC
Missouri	Festus	344 Festus Centre Dr.	636-931-9800	JRJ Realty, LLC
Missouri	Gladstone	100 NW Englewood Rd	816-453-9100	Mid-America Realty Services, LLC

State	City	Address	Phone	Owner Name(s)
Missouri	House Springs	123 Osage Executive Circle	636-677-6800	Premiere Real Estate LLC
Missouri	Imperial	1242 Main Street, Ste A	636-900-9550	Matoushek and Sons, LLC
Missouri	Independence	4800 S. Cochise Drive	816-228-1200	Mid-America Realty Services, LLC
Missouri	Lebanon	205 E. Commercial St.	417-588-7000	Realty Group of Lebanon, LLC
Missouri	Lee's Summit	100 NE Tudor Rd.	816-246-7500	Mid-America Realty Services, LLC
Missouri	Pacific	208 W. St. Louis St.	636-271-5555	Premiere Real Estate LLC
Missouri	Rolla	414 S Bishop Ave.	573-308-4663	CT Peters Real Estate
Missouri	St. Louis	12016 Tesson Ferry Rd., Ste A	314-756-9100	Matoushek and Sons, LLC
Montana	Bozeman	1924 W. Stevens, Suite 201	406-582-0250	Jason Zalac
Nevada	Henderson	770 Coronado Center Drive, Ste 160	702-777-1234	RESN1 LLC
Nevada	Las Vegas	331 N. Buffalo Dr. #110	702-583-3343	AMH Real Estate, LLC
Nevada	Las Vegas	6240 N. Durango Dr. Ste 115	702-932-8295	Shane Scott; Liza Scott
New Jersey	Brick	263 Brick Blvd., Suite 1	732-262-0808	Maria Campelo
New Jersey	Byram Twp.	276 Route 206	973-347-3700	Real Estate Consultants, LLC
New Jersey	Dover	34 E. Blackwell Street	973-361-9090	Real Estate Consultants, LLC
New Jersey	Fairfield	271 US Highway 46 W, Bldg G- 101	973-586-9330	Doug Radford; Kyle Poskitt
New Jersey	Kinnelon	1167 Route 23 South, Ste 4	973-838-6990	Real Estate Consultants, LLC
New Jersey	Lake Hopatcong	832 NJ-15	973-601-7000	Johanna Rivera Realty, LLC
New Jersey	Little Falls	245 Patterson Ave.	973-341-4057	Real Estate Consultants, LLC
New Jersey	Nutley	653 Franklin Ave	973-846-0065	Mount Prospect Investments, LLC
New Jersey	Parsippany	113 Parsippany Rd.	973-887-0095	Cristone Realty, LLC
New Jersey	Pine Brook	263 Changebridge Road, Suite 6	973-263-9200	LP Real Estate Agency, LLC
New Jersey	Pompton Plains	363 State Route 23 South	973-305-5880	Real Estate Consultants, LLC

State	City	Address	Phone	Owner Name(s)
New Jersey	Randolph	419 Route 10 East	973-598-1200	Real Estate Consultants, LLC
New Jersey	Sparta	54 Woodport Road	973-729-7141	Real Estate Consultants, LLC
New Jersey	Vernon	294 Route 94 North	973-764-0900	Real Estate Consultants, LLC
New Jersey	Wayne	1501 Hamburg Turnpike	973-696-8800	Real Estate Consultants, LLC
New Mexico	Albuquerque	2440 Louisiana Blvd NE, Ste 570	505-750-0030	K R Elite LLC
New York	Astoria	32-56 Steinway St.	718-274-2400	Prygos NY Realty Corp
New York	Floral Park	244-06 Jericho Turnpike	516-437-8080	LDJ Neighborhood Realty LLC
New York	Woodhaven	88-16 Jamaica Ave.	718-441-4138	Loubriel and Associates Realty Inc.
North Carolina	Denver	3688 N NC HWY 16	704-966-4659	WSI Enterprises, Inc.
North Carolina	Greensboro	1400 Battleground Ave., Suite 144A	336-379-1188	Capital Realty Associates, Inc.
North Carolina	Hickory	785 Highway 70 SW	828-328-8900	WSI Enterprises, Inc.
North Carolina	Southport	P.O. Box 11303	910-454-4244	Rainbow Realty, Inc.
North Carolina	Winston-Salem	1316 Westgate Center Dr.	336-768-5878	Premier Triad Realty, LLC
Ohio	Columbus	4701 Olentangy River Rd., Suite 204	614-261-1935	The Stoffer Group, Inc.
Oregon	Grants Pass	856 NE 7th St.	541-494-3932	Barnett Real Estate, LLC
Pennsylvania	Hawley	2415 Route 6	570-390-7380	Real Estate Consultants, LLC
Pennsylvania	Milford	209 E. Hartford St.	570-296-5800	Real Estate Consultants, LLC
Pennsylvania	Pocono Pines	Route 940	570-213-5200	Sara Cramer; Deirde Cramer
Pennsylvania	Skippack	1258 Bridge Rd., P.O. Box 1249	610-584-3000	Montgomery County Executives, Inc.
Pennsylvania	Stroudsburg	731 Sarah Street, Ste. 1	570-476-2424	Sara Cramer; Deirde Cramer
Tennessee	Dickson	103 Sylvis Street	615-802-2000	Pop Realty Partners LLC
Tennessee	Clinton	369 Market Street	865-269-2007	Realty Executives Associates, Inc

State	City	Address	Phone	Owner Name(s)
Tennessee	Greeneville	1332 Tusculum Blvd	423-639-3465	East Tennessee Realtors
Tennessee	Knoxville	10215 Technology Drive, #LL1	865-427-3313	Realty Executives Associates, Inc.
Tennessee	Knoxville	3232 Tazewell Pike	865-693-3232	Realty Executives Associates, Inc
Tennessee	Knoxville	8915 Linksvue Dr.	865-531-2020	Realty Executives Associates, Inc
Tennessee	Knoxville	410 Montbrook Lane, Ste 103	865-281-1321	Realty Executives Associates, Inc
Tennessee	Knoxville	124 N. Winston Road. Ste 103	865-577-7653	Realty Executives Associates, Inc
Tennessee	Knoxville	323 Union Ave.	865-805-8222	Realty Executives Associates, Inc
Tennessee	Knoxville	820 Sevier Avenue	865-910-0708	Realty Executives Associates, Inc
Tennessee	Maryville	1213 W. Lamar Alexander Parkway	865-983-0011	Realty Executives Associates, Inc
Tennessee	Maryville	537 W. Lamar Alexander Parkway	865-888-7653	Realty Executives Associates, Inc
Tennessee	Maryville	819 W Broadway Avenue	865-999-4663	Realty Executives Associates, Inc
Tennessee	Maryville	2728 E Broadway Avenue	865-999-7272	Realty Executives Associates, Inc.
Tennessee	Oak Ridge	226 Jackson Square, Ste D	865-482-3232	Realty Executives Associates, Inc
Tennessee	Powell	2322 W. Emory Road	865-947-9000	Realty Executives Associates, Inc
Tennessee	Seymour	405 Boyds Creek Hwy	865-505-1000	Realty Executives Associates, Inc
Tennessee	Sweetwater	307 North Main Street	423-836-9494	Realty Executives Associates, Inc
Texas	Austin	13740 Research Blvd., Suite D-2	512-387-9999	Michael Neuman
Texas	Corpus Christi	4613 B S Staples	361-356-6195	Michael Neuman
Texas	Corpus Christie	15033 South Padre Island Dr, Suite 2	361-502-6100	Michael Neuman
Texas	Del Rio	1601 Venerans Blvd, Suite 2	830-215-1515	Sanchez Salinas & Associates LLC
Texas	Eagle Pass	2557 N. Veterans Blvd., Suite C	830-758-1034	Sanchez Salinas & Associates LLC
Texas	Frisco	2591 Dallas Parkway, Ste. 300	210-267-7047	Debbie Bennett
Texas	Houston	4207 N. Main St.	713-688-8844	Robert Torres

State	City	Address	Phone	Owner Name(s)
Texas	Keller	807 Bluebonnet Dr., Suite A	817-994-9050	KL Patterson Holdings, LLC
Texas	Kerrville	512 Sidney Baker Guadalupe Plaza, Suite 120	830-315-2000	Tri-Power Realty, Inc.
Texas	Killeen	2710 S. Fort Hood Rd.	254-519-2080	Raye Mayhorn
Texas	McAllen	902 Orange Ave., Ste A	956-971-8989	Michael Neuman
Texas	Port Aransas	202 N. Alister	361-800-2529	Michael Neuman
Texas	Rockport	615 South Bronte St.	361-729-7902	Michael Neuman
Texas	San Antonio	17806 Interstate Hwy 10	210-819-7336	Sanchez Salinas & Associates, LLC
Texas	San Antonio	13333 Blanco Rd., #104	210-493-0020	Rick D. Brown Realty, Inc.
Texas	San Antonio	3619 Paesanos Parkway, Suite 206	210-267-7047	Debbie Bennett
Texas	Spring	6822 Root Rd.	281-370-9010	Keno Torres, Inc.
Texas	The Woodlands	26310 Oak Ridge Road	281-784-6800	Frank Thomas IV
Utah	St. George	590 E. St. George Blvd.	435-628-1677	Jerry Jensen Real Estate, Inc.
Wisconsin	Brookfield	13005 W. Bluemound Rd.	262-783-7080	RE-Integrity, Inc.
Wisconsin	Cedarburg	W61N306 Washington Ave., Suite 203	262-377-6099	RE-Integrity, Inc.
Wisconsin	East Troy	2887 Main St.	262-642-3363	RE-Integrity, Inc.
Wisconsin	Fitchburg	5940 Seminole Centre Court, Suite 310	608-661-7900	Daniel Spransy
Wisconsin	Fitchburg	6317 McKee Road, Suite 100	608-310-7346	Daniel Spransy
Wisconsin	Glendale	4655 N. Port Washington Rd., Suite 300	414-906-4500	RE-Integrity, Inc.
Wisconsin	Green Bay	2325 Holmgren Way, Ste. 110	920-770-4210	PlusOne Realty Group, LLC
Wisconsin	Hartland	810 Cardinal Lane	262-369-8900	Reagional Managers, LLC
Wisconsin	Janesville	1521 Randolph Rd., Ste 101	608-756-3932	McLean Real Estate Investments LLC
Wisconsin	Madison	2802 Coho St, Ste 202	608-215-4143	Daniel Spransy
Wisconsin	Madison	1726 Eagan Rd.	608-661-7900	Daniel Spransy

State	City	Address	Phone	Owner Name(s)
Wisconsin	McFarland	5708 US Highway 51	608-579-1137	Capital City Realty LLC
Wisconsin	Mount Horeb	200 West Main St.	608-437-5099	Jenny Lou Johnson, Inc.
Wisconsin	Watertown	1507 E. Main St.	920-261-6727	Bradley Kuenzi

Part B (Former Franchisees as of December 31, 2025)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
Arizona	Anthem	623-979-4100	Realty Executives, Inc.
Arizona	Avondale	623-561-8800	Realty Executives, Inc.
Arizona	Cave Creek	480-489-1811	Realty Executives, Inc.
Arizona	Chandler	480-963-6000	Realty Executives, Inc.
Arizona	Fountain Hills	480-837-2288	Realty Executives, Inc.
Arizona	Mesa	480-898-1234	Realty Executives, Inc.
Arizona	Mesa	480-641-0049	Realty Executives, Inc.
Arizona	Peoria	602-278-2455	Realty Executives, Inc.
Arizona	Phoenix	602-996-9910	Realty Executives, Inc.
Arizona	Phoenix	623-551-4080	Realty Executives, Inc.
Arizona	Phoenix	480-961-5800	Realty Executives, Inc.
Arizona	Phoenix	602-861-3300	Realty Executives, Inc.
Arizona	Prescott	928-443-7412	Southern Arizona Brokerage LLC
Arizona	Scottsdale	602-957-0444	Realty Executives, Inc.
Arizona	Scottsdale	480-948-9450	Realty Executives, Inc.
Arizona	Scottsdale	480-585-0101	Realty Executives, Inc.
Arizona	Scottsdale	480-481-0032	Realty Executives, Inc.
Arizona	Scottsdale	480-233-1198	Realty Executives, Inc.
Arizona	Tempe	480-839-2600	Realty Executives, Inc.
Arizona	Yuma	928-342-3420	Realty Executives, Inc.
Arizona	Yuma	928-782-2111	Southern Arizona Brokerage LLC
Arizona	Yuma	928-783-8899	Realty Executives, Inc.
Arizona	Yuma	928-440-6871	Realty Executives, Inc.
Arizona	Yuma	928-738-7700	Realty Executives, Inc.

Arizona	Yuma	928-783-8377	Southern Arizona Brokerage LLC
Arizona	Yuma	928-782-0405	Realty Executives, Inc.
California	Valencia	661-964-1600	RE/EX Valencia
Florida	Ormond Beach	386-310-8464	Jungle Hut, Inc.
Georgia	Savannah	912-355-5557	MSW. Inc.
Illinois	Algonquin	847-458-5100	Rick O'Connor Group, Inc.
Illinois	Glendale Heights	630-942-8004	Gurpreet Singh
Michigan	St. Joseph	269-983-7721	Heaps Team, Inc.
Minnesota	Blaine	612-990-6375	Top Results, LLC
Missouri	Joplin	417-782-5552	Laberick Investments, LLC
Nevada	Pahrump	775-727-5858	NJ Executives LLC
New Jersey	Hamburg	973-827-6767	Schechter Realty Group LLC
New Jersey	Hamburg	973-827-7725	Schechter Realty Group LLC
New York	Bronx	718-320-4700	Sheik Khan
Tennessee	Nashville	615-802-2000	Pop Realty Part
Tennessee	Knoxville	865-999-7348	Realty Executives Associates, Inc.
Tennessee	Knoxville	865-357-8008	Realty Executives Associates, Inc.
Texas	Alvarado	817-790-6611	Ellen Smith Enterprises, Inc.
Washington	Bellevue	425-646-8557	Brio Professionals, LLC
Washington	Moses Lake	509-498-2055	Brio Professionals, LLC
Wisconsin	Elkhorn	262-957-4319	Southeast Real Estate Group of WI
Wisconsin	Hales Corners	414-529-7000	William J Prom Inc.
Wisconsin	Union Grove	262-843-2332	Bount & Huffhines LLC
Wisconsin	Waukesha	262-899-5462	Southeast Real Estate Group of WI

EXHIBIT “G”

TO

DISCLOSURE DOCUMENT

Financial Statements

REALTY EXECUTIVES INTL. SVCS. LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

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REALTY EXECUTIVES INTL. SVCS. LLC
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YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT

Member
Realty Executives Intl. Svcs. LLC
Scottsdale, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Realty Executives Intl. Svcs. LLC (a wholly owned subsidiary of New REI Holdings, LLC), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Realty Executives Intl. Svcs. LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Realty Executives Intl. Svcs. LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Realty Executives Intl. Svcs. LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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 Realty Executives Intl. Svcs. LLC'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 Realty Executives Intl. Svcs. LLC'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tempe, Arizona
April 15, 2026

REALTY EXECUTIVES INTL. SVCS. LLC
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 740,583	$ 1,049,511
Royalty Accounts Receivable, Net	525,830	373,309
Prepaid Expenses	53,998	41,233
Total Current Assets	1,320,411	1,464,053
PROPERTY AND EQUIPMENT, Net	803,833	1,173,336
OPERATING RIGHT-OF-USE ASSET, Net	2,329,780	2,666,784
OTHER ASSETS		
Intangible Assets, Net	332,647	393,322
Notes Receivable	104,343	143,150
Other Assets	854	854
Total Other Assets	437,844	537,326
Total Assets	$ 4,891,868	$ 5,841,499
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 813,910	$ 560,713
Accrued Expenses	187,113	49,366
Due to Member	-	200,000
Current Lease Liability - Operating	337,130	331,683
Total Current Liabilities	1,338,153	1,141,762
NONCURRENT LIABILITIES		
Lease Liability Operating, Net of Current Portion	2,013,933	2,351,063
Total Noncurrent Liabilities	2,013,933	2,351,063
Total Liabilities	3,352,086	3,492,825
MEMBER'S EQUITY	1,539,782	2,348,674
Total Liabilities and Member's Equity	$ 4,891,868	$ 5,841,499

See accompanying Notes to Financial Statements.

REALTY EXECUTIVES INTL. SVCS. LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUE		
Franchise Royalties, Office, Trademark, and Advertising Fees	$ 4,500,796	$ 5,060,416
Marketing Service Fees	201,769	220,301
Management Service Fees	187,200	-
Other Operating Revenues	145,258	37,456
Total Revenue	5,035,023	5,318,173
OPERATING EXPENSES	3,753,550	3,652,395
NET INCOME	$ 1,281,473	$ 1,665,778

See accompanying Notes to Financial Statements.

REALTY EXECUTIVES INTL. SVCS. LLC
STATEMENTS OF MEMBER'S EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024

BALANCE - DECEMBER 31, 2023	$ 2,604,140
Net Income	1,665,778
Distributions to Member	(1,921,244)
BALANCE - DECEMBER 31, 2024	2,348,674
Net Income	1,281,473
Contributions from Member	200,000
Distributions to Member	(2,290,365)
BALANCE - DECEMBER 31, 2025	$ 1,539,782

See accompanying Notes to Financial Statements.

REALTY EXECUTIVES INTL. SVCS. LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,281,473	$ 1,665,778
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	430,178	487,546
Noncash Lease Expense	5,321	5,321
Change in Allowance for Credit Losses	(82,405)	51,834
Changes in Operating Assets and Liabilities:		
Royalty Accounts Receivable	(70,116)	(225,606)
Prepaid Expenses	(12,765)	(5,438)
Accounts Payable	253,197	31,125
Accrued Expenses	137,747	693
Net Cash Provided by Operating Activities	1,942,630	2,011,253
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	-	(101,049)
Issuance of Notes Receivable	(40,070)	-
Payments Received on Notes Receivable	78,877	67,016
Net Cash Used in Investing Activities	38,807	(34,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to Member	(2,290,365)	(1,921,244)
Net Cash Used in Financing Activities	(2,290,365)	(1,921,244)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(308,928)	55,976
Cash and Cash Equivalents - Beginning of Year	1,049,511	993,535
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 740,583	$ 1,049,511
SUPPLEMENTAL DISCLOSURE AND NONCASH TRANSACTIONS		
Conversion of Accounts Receivable to Notes Receivable	$ -	$ 154,893
Conversion of Due to Member to Equity	$ 200,000	$ -

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Realty Executives Intl. Svcs. LLC (the Company) was organized on April 1, 2014 as a wholly owned subsidiary of New REI Holdings, LLC (Parent) in the state of Arizona to become a franchisor of real estate sales offices under the trade name of Realty Executives.

Domestic franchise activity for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Franchised Locations:		
Beginning Store Count	258	287
Recharacterized as Franchise Locations	(6)	-
Store Openings	20	9
Store Closings	(55)	(38)
Ending Store Count	217	258
Corporate Owned Locations:		
Beginning Store Count	-	-
Recharacterized as Franchise Locations	6	-
Store Openings	-	-
Store Closings	-	-
Ending Store Count	6	-
Total Ending Store Count	223	258

In addition to the franchises above, there were 32 and 34 real estate office franchises operating outside of the United States as of December 31, 2025 and 2024, respectively.

On April 14, 2014, the Company purchased material assets and operations from Realty Executives International, Inc.

Franchise and/or similar license arrangements have been sold throughout the United States, Mexico, Canada, Australia, Israel, Lebanon, Egypt, Jordan, Gulf Countries, Saudi Arabia, Qatar, United Arab Emirates, Oman, Bahrain, Kuwait, and Turkey.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting.

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Company considers highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Restricted cash, which includes funds held for benefit of the Marketing Fund, is accounted for within Cash and Cash Equivalents (see Note 2).

Concentrations and Credit Risk

The Company maintains checking and savings accounts with quality financial institutions. At times, cash balances may exceed the amount insured by the Federal Deposit Insurance Corporation.

Concentration of risk with respect to revenue exists because the Company's main source of revenue arises from franchise royalty and fees from real estate franchisees. These sources of revenue are related to sales of real property, which typically are affected by general economic conditions and mortgage interest rates. As of December 31, 2025 and 2024, there was not a specific revenue concentration with an individual franchisee.

Accounts Receivable and Allowance for Credit Losses

Royalty accounts receivable consists primarily of franchise royalty fees and receivables from franchised facilities. Accounts receivables are stated at their estimated collectible amounts and comprise amounts billed and currently due from customers. The Company extends credit to customers in the normal course of business. The Company establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance represents the estimate of expected credit losses based on historical experience and current economic conditions. At December 31, 2025 and 2024, the Company recorded an allowance of $422,852 and $505,257, respectively.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Computer and Equipment	3 to 5 Years
Furniture and Fixtures	7 Years
Leasehold Improvements	Lesser of Lease Term or Useful Life

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

The Company evaluates identifiable intangible assets not subject to amortization for impairment on an annual basis, or more frequently when events or changes in circumstances indicate that it is more likely than not that an asset is impaired. The Company evaluates intangible assets that are subject to amortization when circumstances indicate that it is more likely than not that an asset is impaired. Such circumstances could include, but are not limited to, a significant decrease in the market value of an asset or a significant adverse change in the extent or manner in which an asset is used or in its physical condition.

The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds the fair value of the asset. The fair value is measured based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

At December 31, 2025 and 2024, there was no impairment of intangible assets. Intangibles that do not have indefinite lives are amortized on a straight-line basis over the estimated useful lives of the assets.

Revenue Recognition

The Company recognizes revenue from contracts with customers in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers (Topic 606)*. Under Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

The Company grants to the franchisee the nonexclusive right to use the trademark name of “Realty Executives” and to receive the Realty Executive system and services during the term of the franchise. The franchisee is obligated to pay the Company continuing fees, including royalties and monthly fees. Monthly fees include service fees, office fees, marketing fund fees, and technology fees. In some cases franchisees pay an initial franchise fee at the inception of the contract.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Royalties and Monthly Fees

Royalties and monthly fees can be assessed on an ala-carte basis by service or calculated on a flat fee based on a monthly minimum using one of two models. The flex model is based on gross commission income. The all-inclusive model starts at a monthly minimum and increases incrementally based on transaction fees (relative to sales price) during the month. The franchise agreement royalties are considered a single performance obligation and recognized at a point in time as the royalties are billed to franchisees on a monthly basis for which the fees are earned. The Company's standard terms and conditions generally require payment within 30 days from the invoice date.

The related fees are based on monthly minimums or the number of agent/offices under the franchisee. The franchise agreement inclusive of the office and advertising fees are considered separate performance obligations under the franchise agreement.

The related fees are earned over 30 days or less and the Company recognizes the revenue from these fees at a point in time. These fees are billed to franchisees on a monthly basis for the month in which the fees are earned. The Company's standard terms and conditions generally require payment within 30 days from the invoice date.

Franchise Fees and Renewal Fees

The initial franchise fee is the amount paid to create the franchise affiliation and to provide some beginning assistance. The term of the franchise agreement is for 10 years with three options to renew at five years each. Initial franchise fees are related to services that are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. The Company has the ability to waive the initial franchise fee and renewal fees at their discretion. The Company has evaluated the impact of recognizing the franchise fees over the term of the agreement and has determined that it is not material. As a practical matter the Company recognizes the franchise fee at the time of execution of the contract.

The following is a summary of the Company's contracts receivable:

	December 31, 2025	December 31, 2024	January 1, 2024
Royalty Accounts Receivable, Net	$ 525,830	$ 373,309	$ 354,430

The Company did not have any contract assets or liabilities as of December 31, 2025, December 31, 2024, or January 1, 2024.

Allocations from Parent

The Company is a wholly owned subsidiary of the Parent. The Parent does not allocate expenses on a consolidated basis. Each entity contains those expenses related to its own operations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Company expenses advertising costs as incurred. For the years ended December 31, 2025 and 2024, advertising expense was $1,247,164 and $1,265,453, respectively.

Income Taxes

The Company is treated as a disregarded entity for federal income tax purposes. Consequently, federal income taxes are not payable, or provided for, by the Company. The Company's member is taxed individually on its share of the Company's earnings. The Company's income or loss is allocated to the member in accordance with the Company's operating agreement. The Company pays income and other taxes to various states based on gross revenue.

The Company follows the income tax standard for uncertain tax positions. The Company recognized no liability for uncertain tax positions as of December 31, 2025 and 2024.

Leases

The Company leases office space that is required to be recorded under ASC 842, *Leases*. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives.

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Measurement of Credit Loss Standard

For the year ended December 31, 2025, management has elected to early adopt ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.* This standard introduces a practical expedient that allows entities to assume that current conditions persist over the life of the asset, and an election permitting consideration of post-balance sheet cash collections when estimating expected credit losses. As a result, the Company no longer incorporates forward-looking macroeconomic forecasts into its credit loss estimates for outstanding accounts receivable and contract assets. Instead, the Company relies on historical loss experience and current conditions as of the reporting date. Additionally, the Company considers subsequent cash collections received prior to issuance of the financial statements when evaluating collectability.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 15, 2026, the date the financial statements were available to be issued.

NOTE 2 RESTRICTED CASH

The Company is responsible for the direction and administration of the Marketing Fund program on behalf of the Franchisees, as provided for in its franchise agreements. Accordingly, each franchisee is required to contribute to this program. The Company assesses Marketing Fund contributions due from franchisees at a flat rate based on franchise type, as defined in its franchise disclosure document. The amounts received in the Marketing Fund are restricted for designated use. Amounts not used for current year expenditures are retained for future programs. The Marketing Fund account had a balance of $12,268 and $13,470 at December 31, 2025 and 2024, respectively.

NOTE 3 PROPERTY AND EQUIPMENT

A summary of the property and equipment at December 31, 2025 and 2024 is as follows:

	2025	2024
Computers and Equipment	$ 104,958	$ 104,958
Furniture and Fixtures	58,184	58,184
Leasehold Improvements	1,852,386	1,852,386
Total	2,015,528	2,015,528
Less: Accumulated Depreciation	(1,211,695)	(842,192)
Property and Equipment, Net	$ 803,833	$ 1,173,336

Depreciation expense was $369,504 and $368,609 for the years ended December 31, 2025 and 2024, respectively.

NOTE 4 INTANGIBLE ASSETS

Intangible assets include franchise contracts and trademarks. Franchise contracts have estimated useful life of ten years, and trademarks have indefinite life. Intangible assets at December 31, 2025 and 2024 are as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
December 31, 2025			
Franchise Contracts	$ 1,605,124	$ (1,536,477)	$ 68,647
Trademarks	264,000	-	264,000
Total	$ 1,869,124	$ (1,536,477)	$ 332,647
December 31, 2024			
Franchise Contracts	$ 2,973,124	$ (2,843,802)	$ 129,322
Trademarks	264,000	-	264,000
Total	$ 3,237,124	$ (2,843,802)	$ 393,322

Amortization expense for the years ended December 31, 2025 and 2024 was $60,675 and $118,937, respectively.

Future amortization expense as of December 31, 2025 is as follows:

Year Ended December 31,	Amount
2026	$ 44,485
2027	24,162
Total	$ 68,647

NOTE 5 MEMBER'S EQUITY

The Company has one class of membership interest and is 100% owned by a single member.

NOTE 6 LEASES

The Company leases an office facility under a long-term, noncancelable lease agreement that expires June 2027 with a five-year renewal option. In the normal course of business, it is expected that the lease will be renewed. The facility lease has fixed increases in future minimum monthly rental payments based on the agreement.

NOTE 6 LEASES (CONTINUED)

following table provides quantitative information concerning the Company's leases.

	2025	2024
Lease Cost:		
Operating Lease Cost	$ 377,755	$ 377,755
Other Lease Cost	5,321	$ -
Total Lease Cost	$ 383,076	$ 377,755
Other Information		
Cash Paid for Amounts Included in the Measurement of Lease Liability:		
Operating Cash Flows from Operating Lease	$ 372,434	$ 372,434
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability:	-	-
Weighted-Average Remaining Lease Term - Operating Lease	6.4 Years	7.4 Years
Weighted-Average Discount Rate - Operating Lease	1.63%	1.63%

The Company classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025, is as follows:

Year Ending December 31,	Amount
2026	$ 372,435
2027	378,021
2028	383,608
2029	383,608
2030	383,608
Thereafter	575,448
Total Lease Payments	2,476,728
Less: Interest	(125,665)
Present Value of Lease Liability	$ 2,351,063

NOTE 7 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2025 and 2024, the Company paid management, consulting, rent, technology, and marketing fees to various related parties with the Company's member totaling $1,553,300 and $1,730,232, respectively. At December 31, 2025 and 2024, amounts due to these companies totaled $578,754 and $542,156, respectively, and are included in accounts payable on the accompanying balance sheets.

During the years ended December 31, 2025 and 2024, the Company recorded revenue from a related party totaling $381,393 and $220,561, respectively. At December 31, 2025 and 2024, the Company had a receivable balance of $18,251 and $21,380 from a related party, respectively.

NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)

At December 31, 2024, the Company had a cash advance payable to its member of $200,000. During 2025, this cash advance payable was settled through a capital contribution by the member, resulting in the reclassification of the balance to member's equity.

On November 30, 2023, the Parent Company issued a long-term secured note payable. Realty Executives Intl. Svcs., LLC has guaranteed the note payable. The term of the guarantee corresponds with the maturity date of the note payable, which matures in December 2028. As of December 31, 2025 and 2024, the amount outstanding on the note payable was $5,160,000.

NOTE 8 NOTES RECEIVABLE

During 2024 and 2023, the Company entered into promissory notes with franchisees. The notes totaled $104,343 and $143,150 as of December 31, 2025 and 2024, respectively. The notes carry interest rates between 0% to 10% per annum. The franchisees will make monthly payments on the note until maturity, which is one to five years from the date of issuance.

NOTE 9 EMPLOYEE BENEFIT PLANS

The Company has a 401(k) plan which covers all full-time employees. Employees may contribute to the plan. The Company has the discretionary rights to determine the Company's contribution to the plan on behalf of its employees. The contribution will not be more than $1,000 per employee per year and amounts contributed vest according to years of serviced as outlined in the plan. The Company did not make any contributions to the plan on behalf of its employees for each of the years ended December 31, 2025 and 2024.

NOTE 10 CONTINGENCIES

The Company is involved in legal proceedings that arise in the ordinary course of business. At December 31, 2025, the Company has accrued for contingent loss for a legal matter in the amount of $135,000. Management believes the ultimate resolution of this matter will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Other than this matter, management is not aware of any pending or threatened litigation that would have a material adverse effect on the Company's financial position, results of operations, or cash flows.

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REALTY EXECUTIVES INTL. SVCS. LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

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REALTY EXECUTIVES INTL. SVCS. LLC
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YEARS ENDED DECEMBER 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT

Member
Realty Executives Intl. Svcs. LLC
Scottsdale, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Realty Executives Intl. Svcs. LLC (a wholly owned subsidiary of New REI Holdings, LLC), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, member's equity, and cash flows for the years 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 Realty Executives Intl. Svcs. LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Realty Executives Intl. Svcs. LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Realty Executives Intl. Svcs. LLC's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Member
Realty Executives Intl. Svcs. LLC

Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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 Realty Executives Intl. Svcs. LLC'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 Realty Executives Intl. Svcs. LLC'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
April 18, 2025

REALTY EXECUTIVES INTL. SVCS. LLC
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

		2024		2023
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$	1,049,511	$	993,535
Royalty Accounts Receivable, Net		373,309		354,430
Prepaid Expenses		41,233		35,795
Total Current Assets		1,464,053		1,383,760
PROPERTY AND EQUIPMENT, Net		1,173,336		1,440,896
OPERATING RIGHT-OF-USE ASSET, Net		2,666,784		2,998,392
OTHER ASSETS				
Intangible Assets, Net		393,322		512,259
Notes Receivable		143,150		55,273
Other Assets		854		854
Total Other Assets		537,326		568,386
Total Assets	$	5,841,499	$	6,391,434
LIABILITIES AND MEMBER'S EQUITY				
CURRENT LIABILITIES				
Accounts Payable	$	560,713	$	529,588
Accrued Expenses		49,366		48,673
Due from Member		200,000		200,000
Current Lease Liability - Operating		331,683		326,324
Total Current Liabilities		1,141,762		1,104,585
NONCURRENT LIABILITIES				
Lease Liability Operating, Net of Current Portion		2,351,063		2,682,709
Total Noncurrent Liabilities		2,351,063		2,682,709
Total Liabilities		3,492,825		3,787,294
MEMBER'S EQUITY		2,348,674		2,604,140
Total Liabilities and Member's Equity	$	5,841,499	$	6,391,434

See accompanying Notes to Financial Statements.

REALTY EXECUTIVES INTL. SVCS. LLC
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUE		
Franchise Royalties, Office, Trademark, and Advertising Fees	$ 5,060,416	$ 5,332,126
Marketing Service Fees	220,301	231,384
Other Operating Revenues	37,456	53,473
Total Revenue	5,318,173	5,616,983
OPERATING EXPENSES	3,652,395	3,843,961
NET INCOME	$ 1,665,778	$ 1,773,022

See accompanying Notes to Financial Statements.

REALTY EXECUTIVES INTL. SVCS. LLC
STATEMENTS OF MEMBER'S EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023

BALANCE - DECEMBER 31, 2022	$ 2,631,118
Net Income	1,773,022
Distributions to Member	(1,800,000)
BALANCE - DECEMBER 31, 2023	2,604,140
Net Income	1,665,778
Distributions to Member	(1,921,244)
BALANCE - DECEMBER 31, 2024	$ 2,348,674

See accompanying Notes to Financial Statements.

REALTY EXECUTIVES INTL. SVCS. LLC
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,665,778	$ 1,773,022
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	487,546	526,649
Noncash Lease Expense	5,321	5,320
Change in Allowance for Credit Losses	51,834	64,181
Changes in Operating Assets and Liabilities:		
Royalty Accounts Receivable	(225,606)	24,451
Prepaid Expenses	(5,438)	14,634
Accounts Payable	31,125	153,318
Accrued Expenses	693	(496)
Net Cash Provided by Operating Activities	2,011,253	2,561,079
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(101,049)	(869,663)
Issuance of Notes Receivable	-	(55,273)
Payments Received on Notes Receivable	67,016	-
Net Cash Used in Investing Activities	(34,033)	(924,936)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to Member	(1,921,244)	(1,800,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,976	(163,857)
Cash and Cash Equivalents - Beginning of Year	993,535	1,157,392
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,049,511	$ 993,535
SUPPLEMENTAL DISCLOSURE AND NONCASH TRANSACTIONS		
Conversion of Accounts Receivable to Notes Receivable	$ 154,893	$ -

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Realty Executives Intl. Svcs. LLC (the Company) was organized on April 1, 2014 as a wholly owned subsidiary of New REI Holdings, LLC (Parent) in the state of Arizona to become a franchisor of real estate sales offices under the trade name of Realty Executives.

Domestic franchise activity for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Franchised Locations:		
Beginning Store Count	287	299
Recharacterized as Franchise Locations	-	-
Store Openings	9	8
Store Closings	(38)	(20)
Ending Store Count	258	287
Corporate Owned Locations:		
Beginning Store Count	-	-
Recharacterized as Franchise Locations	-	-
Store Openings	-	-
Store Closings	-	-
Ending Store Count	-	-
Total Ending Store Count	258	287

In addition to the franchises above, there were 34 and 44 real estate office franchises operating outside of the United States as of December 31, 2024 and 2023, respectively.

On April 14, 2014, the Company purchased material assets and operations from Realty Executives International, Inc.

Franchise and/or similar license arrangements have been sold throughout the United States, Mexico, Canada, Australia, Israel, Lebanon, Egypt, Jordan, Gulf Countries, Saudi Arabia, Qatar, United Arab Emirates, Oman, Bahrain, Kuwait, and Turkey.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting.

Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Company considers highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Restricted cash, which includes funds held for benefit of the Marketing Fund, is accounted for within Cash and Cash Equivalents (see Note 2).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations and Credit Risk

The Company maintains checking and savings accounts with quality financial institutions. At times, cash balances may exceed the amount insured by the Federal Deposit Insurance Corporation.

Concentration of risk with respect to revenue exists because the Company's main source of revenue arises from franchise royalty and fees from real estate franchisees. These sources of revenue are related to sales of real property, which typically are affected by general economic conditions and mortgage interest rates. As of December 31, 2024 and 2023, there was not a specific revenue concentration with an individual franchisee.

Accounts Receivable and Allowance for Credit Losses

Royalty accounts receivable consists primarily of franchise royalty fees and receivables from franchised facilities. Accounts receivables are stated at their estimated collectible amounts and comprise amounts billed and currently due from customers. The Company extends credit to customers in the normal course of business. The Company establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information. At December 31, 2024 and 2023, the Company recorded an allowance of $505,257 and $453,423, respectively.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Computer and Equipment	3 to 5 Years
Furniture and Fixtures	7 Years
Leasehold Improvements	Lesser of Lease Term or Useful Life

Intangible Assets

The Company evaluates identifiable intangible assets not subject to amortization for impairment on an annual basis, or more frequently when events or changes in circumstances indicate that it is more likely than not that an asset is impaired. The Company evaluates intangible assets that are subject to amortization when circumstances indicate that it is more likely than not that an asset is impaired. Such circumstances could include, but are not limited to, a significant decrease in the market value of an asset or a significant adverse change in the extent or manner in which an asset is used or in its physical condition.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets (Continued)

The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds the fair value of the asset. The fair value is measured based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

At December 31, 2024 and 2023, there was no impairment of intangible assets. Intangibles that do not have indefinite lives are amortized on a straight-line basis over the estimated useful lives of the assets.

Revenue Recognition

The Company recognizes revenue from contracts with customers in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers (Topic 606)*. Under Topic 606, the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

The Company grants to the franchisee the nonexclusive right to use the trademark name of “Realty Executives” and to receive the Realty Executive system and services during the term of the franchise. The franchisee is obligated to pay the Company continuing fees, including royalties and monthly fees. Monthly fees include service fees, office fees, marketing fund fees, and technology fees. In some cases franchisees pay an initial franchise fee at the inception of the contract.

Royalties and Monthly Fees

Royalties and monthly fees can be assessed on an ala-carte basis by service or calculated on a flat fee based on a monthly minimum using one of two models. The flex model is based on gross commission income. The all-inclusive model starts at a monthly minimum and increases incrementally based on transaction fees (relative to sales price) during the month. The franchise agreement royalties are considered a single performance obligation and recognized at a point in time as the royalties are billed to franchisees on a monthly basis for which the fees are earned. The Company’s standard terms and conditions generally require payment within 30 days from the invoice date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Royalties and Monthly Fees (Continued)

The related fees are based on monthly minimums or the number of agent/offices under the franchisee. The franchise agreement inclusive of the office and advertising fees are considered separate performance obligations under the franchise agreement.

The related fees are earned over 30 days or less and the Company recognizes the revenue from these fees at a point in time. These fees are billed to franchisees on a monthly basis for the month in which the fees are earned. The Company's standard terms and conditions generally require payment within 30 days from the invoice date.

Franchise Fees and Renewal Fees

The initial franchise fee is the amount paid to create the franchise affiliation and to provide some beginning assistance. The term of the franchise agreement is for 10 years with three options to renew at five years each. Initial franchise fees are related to services that are highly interrelated with the franchise license and as such are considered to represent a single performance obligation. The Company has the ability to waive the initial franchise fee and renewal fees at their discretion. The Company has evaluated the impact of recognizing the franchise fees over the term of the agreement and has determined that it is not material. As a practical matter the Company recognizes the franchise fee at the time of execution of the contract.

The following is a summary of the Company's contracts receivable:

	December 31, 2024	December 31, 2023	January 1, 2023
Royalty Accounts Receivable, Net	$ 373,309	$ 354,430	$ 443,062

The Company did not have any contract assets or liabilities as of December 31, 2024, December 31, 2023, or January 1, 2023.

Allocations from Parent

The Company is a wholly owned subsidiary of the Parent. The Parent does not allocate expenses on a consolidated basis. Each entity contains those expenses related to its own operations.

Advertising

The Company expenses advertising costs as incurred. For the years ended December 31, 2024 and 2023, advertising expense was $288,994 and $316,152, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is treated as a disregarded entity for federal income tax purposes. Consequently, federal income taxes are not payable, or provided for, by the Company. The Company's member is taxed individually on its share of the Company's earnings. The Company's income or loss is allocated to the member in accordance with the Company's operating agreement. The Company pays income and other taxes to various states based on gross revenue.

The Company follows the income tax standard for uncertain tax positions. The Company recognized no liability for uncertain tax positions as of December 31, 2024 and 2023.

Leases

The Company leases an office space that is required to be recorded under the new standard. The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) asset, other current liabilities, and operating lease liabilities on the balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Company uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives.

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The Company has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 18, 2025, the date the financial statements were available to be issued.

NOTE 2 RESTRICTED CASH

The Company is responsible for the direction and administration of the Marketing Fund program on behalf of the Franchisees, as provided for in its franchise agreements. Accordingly, each franchisee is required to contribute to this program. The Company assesses Marketing Fund contributions due from franchisees at a flat rate based on franchise type, as defined in its franchise disclosure document. The amounts received in the Marketing Fund are restricted for designated use. Amounts not used for current year expenditures are retained for future programs. The Marketing Fund account had a balance of $13,470 and $6,792 at December 31, 2024 and 2023, respectively.

NOTE 3 PROPERTY AND EQUIPMENT

A summary of the property and equipment at December 31, 2024 and 2023 is as follows:

	2024	2023
Computers and Equipment	$ 104,958	$ 87,530
Furniture and Fixtures	58,184	58,184
Leasehold Improvements	1,852,386	1,768,765
Total	2,015,528	1,914,479
Less: Accumulated Depreciation	(842,192)	(473,583)
Property and Equipment, Net	$ 1,173,336	$ 1,440,896

Depreciation expense was $368,609and $276,187 for the years ended December 31, 2024 and 2023, respectively.

NOTE 4 INTANGIBLE ASSETS

Intangible assets include franchise contracts and trademarks. Franchise contracts have estimated useful life of ten years, and trademarks have indefinite life. Intangible assets at December 31, 2024 and 2023 are as follows:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
December 31, 2024			
Franchise Contracts	$ 2,973,124	$ (2,843,802)	$ 129,322
Trademarks	264,000	-	264,000
Total	$ 3,237,124	$ (2,843,802)	$ 393,322
December 31, 2023			
Franchise Contracts	$ 2,973,124	$ (2,724,865)	$ 248,259
Trademarks	264,000	-	264,000
Total	$ 3,237,124	$ (2,724,865)	$ 512,259

Amortization expense for the years ended December 31, 2024 and 2023 was $118,937 and $250,461, respectively.

NOTE 4 INTANGIBLE ASSETS (CONTINUED)

Future amortization expense as of December 31, 2024 is as follows:

Year Ended December 31,	Amount
2025	$ 60,675
2026	44,458
2027	24,189
Total	$ 129,322

NOTE 5 MEMBER'S EQUITY

The Company has one class of membership interest and is 100% owned by a single member.

NOTE 6 LEASES

The Company leases an office facility under a long-term, noncancelable lease agreement that expires June 2027 with a five-year renewal option. In the normal course of business, it is expected that the lease will be renewed. The facility lease has fixed increases in future minimum monthly rental payments based on the agreement.

The following table provides quantitative information concerning the Company's leases.

	2024	2023
Operating Lease Cost	$ 377,755	$ 377,755
Other Information		
Cash Paid for Amounts Included in the Measurement of Lease Liability:		
Operating Cash Flows from Operating Lease	$ 372,434	$ 372,434
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability:	-	-
Weighted-Average Remaining Lease Term - Operating Lease	7.4 Years	8.4 Years
Weighted-Average Discount Rate - Operating Lease	1.63%	1.63%

NOTE 6 LEASES (CONTINUED)

The Company classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024, is as follows:

Year Ending December 31,	Amount
2025	$ 372,435
2026	372,435
2027	378,021
2028	383,608
2029	383,608
Thereafter	959,019
Total Lease Payments	2,849,126
Less: Interest	(166,380)
Present Value of Lease Liability	$ 2,682,746

NOTE 7 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the Company paid management, consulting, rent, technology, and marketing fees to various related parties with the Company's member totaling $1,730,232 and $1,402,188, respectively. At December 31, 2024 and 2023, amounts due to these companies totaled $542,156 and $508,623, respectively, and are included in accounts payable on the accompanying balance sheets.

During the years ended December 31, 2024 and 2023, the Company recorded revenue from a related party totaling $220,561 and $347,310, respectively. At December 31, 2024 and 2023, the Company had a receivable balance of $21,380 and $20,006 from a related party, respectively.

At December 31, 2024 and 2023, the Company had an amount due of $200,000 to the Company's member for management fees.

On November 30, 2023, the Parent Company issued a long-term secured note payable. Realty Executives Intl. Svcs., LLC has guaranteed the note payable. The term of the guarantee corresponds with the maturity date of the note payable, which matures in December 2028. As of December 31, 2024 and 2023, the amount outstanding on the note payable was $5,160,000.

NOTE 8 NOTES RECEIVABLE

During 2024 and 2023, the Company entered into promissory notes with franchisees. The notes totaled $143,150 and $55,273 as of December 31, 2024 and 2023, respectively. The notes carry interest rates between 0% to 10% per annum. The franchisees will make monthly payments on the note until maturity, which is one to five years from the date of issuance.

NOTE 9 EMPLOYEE BENEFIT PLANS

The Company has a 401(k) plan which covers all full-time employees. Employees may contribute to the plan. The Company has the discretionary rights to determine the Company's contribution to the plan on behalf of its employees. The contribution will not be more than $1,000 per employee per year and amounts contributed vest according to years of serviced as outlined in the plan. The Company did not make any contributions to the plan on behalf of its employees for each of the years ended December 31, 2024 and 2023.

Global

INDEPENDENT
NETWORK MEMBER

CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

EXHIBIT “H”

TO

DISCLOSURE DOCUMENT

State Addenda and Agreement Riders

[*See Attached*]

STATE ADDENDA AND AGREEMENT RIDERS
ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR REALTY EXECUTIVES INTL. SVCS. LLC

BACKGROUND AND PURPOSE

The following modifications are made to the REALTY EXECUTIVES Franchise Disclosure Document ("FDD") issued by REALTY EXECUTIVES INTL. SVCS. LLC, an Arizona limited liability company ("we" or "us" or "Franchisor") to Franchisee ("you" or "Franchisee") and may supersede, to the extent required by applicable state law, certain portions of the Franchise Agreement between you and us dated [MONTH/DAY], 2026 (the "Franchise Agreement"). When the term "Supplemental Agreements" is used, it means any other agreement entered into between us and you, if applicable.

Certain states have laws governing franchise relationships and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the applicable state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

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

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

1. The California Franchise Investment Law requires 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 California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

3. Neither the franchisor nor any person in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

4. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement or Supplemental Agreement restricting venue to a forum outside the State of California.

5. The Franchise Agreement and Supplemental Agreements require application of the laws of Arizona. This provision may not be enforceable under California law.

6. The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

7. The Franchise Agreement and Supplemental Agreements may contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

8. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

9. All fees referenced in Item 5 of this Disclosure Document are subject to deferral pursuant to order of the State of California. Accordingly, you will pay no fees to us until we have completed all of our material pre-opening responsibilities to you and you commence operating the franchised business.

10. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

11. You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

12. According to California Usury Law, the highest interest rate allowed is 10% annually.

13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT FINANCIAL PROTECTION & INNOVATION AT https://dfpi.ca.gov/.

14. Any provision of a franchise agreement, franchise 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.

(d) Violations of any provision of this division.

15. No statement, questionnaire or acknowledgement 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 behalf of the 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.

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.

2. In accordance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement and Supplemental Agreements that designated jurisdiction and venue in a forum outside of the State of Illinoi is void.

3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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.

5. The following risk factor is added to the Special Risks to Consider About This Franchise page of the Disclosure Document:

> "**2. Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if 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."

6. No statement, questionnaire or acknowledgement 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 behalf of the 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.

See the last page of this Exhibit I for your required signature.

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement and Supplemental Agreements are amended as follows:

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.

2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.

3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.

4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.

5. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

> Notwithstanding any such termination, and in addition to the obligations of the franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the franchisee nevertheless shall be, continue and remain liable to franchisor for any and all damages which franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the franchisee for the unexpired Term of the Franchise Agreement.
>
> At the time of such termination of the Franchise Agreement, the franchisee covenants to pay to franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the franchisee's right to a trial on any of the above matters.

6. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

7. No statement, questionnaire or acknowledgement 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 behalf

of the 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.

MICHIGAN

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.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

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

2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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:

8. The failure of the proposed transferee to meet the franchisor’s then current reasonable qualifications or standards.

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

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

(c) 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.

(d) 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).

(e) 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.

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:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street Lansing, Michigan 48913
Telephone Number: (517) 373-7111

MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release.

2. We will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Supplemental Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statues, chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, we will comply with the provisions of Minnesota Rule 2860.4400(J), which state that you cannot waive any rights, you cannot consent to our obtaining injunctive relief, we may seek injunctive relief, and a court will determine if a bond if required.

4. We will comply with Minnesota Statute Section 80C.12, Subd. 1(g), which requires that we protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. No statement, questionnaire or acknowledgement 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 behalf of the 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.

We will comply with Minnesota Statute Section 80C.17, Subd. 5 regarding limitation of claims.

NEW YORK

In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§680 through 695, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. The following information is added to the cover page of the 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, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR 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 risk factors are added to the Special Risks to Consider About This Franchise page of the Disclosure Document:

> "**2. Minimum Payments**. You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment."

> "**3. Minimum Sales Performance Levels**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment."

3. The following is added at the end of Item 3 of the Disclosure Document:

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's 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 pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

> C. 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.

D. 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.

4. The following is added to the end of the "Summary" sections of Item 17(c) of the Disclosure Document, titled "**Requirements for franchisee to renew or extend**," and Item 17(m) of the Disclosure Document, 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 the State of New York 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 language replaces the "Summary" section of Item 17(d) of the Disclosure Document, titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

6. The following is added to the end of the "Summary" section of Item 17(v) of the Disclosure Document, titled "Choice of forum", and Item 17(w) of the Disclosure Document, titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

7. 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.

8. 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 earlier 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. No statement, questionnaire, or acknowledgement 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. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

3. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. n addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. f the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

WISCONSIN

1. The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement and Supplement Agreements (if applicable) if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("Addenda") is checked as an "Applicable Addenda" below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

____ California	____ Michigan	____ Rhode Island	_____ Wisconsin
____ Illinois	____ Minnesota	____ Virgina	
____ Indiana	____ New York	____ Washington	

Dated: ____________________, 2026

FRANCHISOR:
REALTY EXECUTIVES INTL. SVCS. LLC
an Arizona limited liability company

By: ____
Title: ____

FRANCHISEE
[INSERT ENTITY]

By: ____
Title: ____

EXHIBIT “I”

TO

DISCLOSURE DOCUMENT

<u>Franchisee Organizations</u>

A. Franchisee Organizations We Have Created, Sponsored or Endorsed: None

B. Independent Franchisee Associations: None

EXHIBIT “J”

TO

DISCLOSURE DOCUMENT

Financing Documents

[*See Attached*]

PROMISSORY NOTE

Amount: $___________ Phoenix, Arizona
_____________, 2026

FOR VALUE RECEIVED, [BORROWER'S NAME] (the "Maker"), with an address of [MAILING ADDRESS] hereby promises to pay back, in full, to Realty Executives Intl. Svcs., LLC ("REI"), the principal amount of $____________(the "Principal"), along with interest accruing thereon at the rate of ten percent (10%) per annum (the "Interest") on the terms set forth in this Note (in total, the Principal and Interest are the "Amount"). Maker agrees and acknowledges that this Note is made contingent upon Maker's satisfactory performance, and the satisfactory performance of __________________ (the "Franchisee") under the Franchise Agreement dated ___________________________________(the "Agreement"), as more fully set forth below.

Beginning on ____________, 2026, Maker shall repay the Amount to REI through ____ monthly installment payments of $_________, due on or before the first day of every month (each of the payments, an "Installment Payment") until the Amount is paid in full. In the event of Maker's failure to timely make any Installment payment, interest shall accrue on any unpaid portion of the Amount at the compounded interest rate of two percent (2%) per month. Maker shall owe to REI a late payment charge in the amount of $100 in the event that any Installment Payment is not received by REI within ten days of the due date. The unpaid balance of the Amount due under the Note may be prepaid at any time without penalty.

Maker agrees that REI may charge the Installment Payments on the first day of each month, in the amounts identified above, to the following credit card. Maker acknowledges and agrees that they have the authority to charge the Installment Payments on the card noted below.

Name on Card:	
Type of Card:	
Card Number:	
Expiration Date:	
CCV:	
Mailing Address of Card:	

The occurrence of any one or more of the following shall be deemed an "Event of Default" under this Note:

A. Failure to fully and timely pay any Installment Payment, including any rejected or declined payment through a credit card or other means;

B. Maker's material breach of any other term of this Note;

C. Failure of the Franchisee to fully pay any franchise dues, brokerage website dues, or other amounts due under the Agreement within thirty (30) days after such payments are due in accordance with the terms of the Agreement;

D. Maker or Franchisee's material breach of any term of the Agreement; or

E. Insolvency of Maker or Franchisee; inability of Maker or Franchisee to pay debts as they mature; or appointment of a receiver or trustee for the affairs of Maker or Franchisee; assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law by or against Maker or Franchisee; or dissolution, cessation or suspension of business, or business failure or termination of the Maker's business or Franchisee's business.

Upon the occurrence of any Event of Default the entire unpaid balance of the Amount, plus any other amounts due hereunder (including all accrued interest), shall become immediately due and payable, and interest shall begin to accrue on any unpaid balance of the Amount as of the date of the Event of Default at the compounded interest rate of two percent (2%) per month until the entire Amount, along with all interest accrued thereon, is paid in full.

Maker hereby acknowledges and consents to REI assigning or otherwise transferring its rights to repayment under this Note to any other person or entity, and Maker acknowledges that even though the balance due may be payable to a different party, all terms of this Note remain effective and enforceable.

Maker further acknowledges that if REI or any subsequent assignee incurs any costs, fees, or other legal expenses, including collection costs and attorneys' fees, to enforce this Note, then Maker shall pay, in addition to any amounts due under the Note, any and all such costs, fees, and expenses, including but not limited to all reasonable attorneys' fees, regardless of whether suit is brought. Maker consents that any action to enforce any rights under this Note must be brought in the Superior Court for the State of Arizona, Maricopa County. Maker consents to the personal jurisdiction of those courts over it, and venue in those courts. This Note shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to conflicts of law principles.

REI shall not be deemed to have waived any of its rights or remedies accruing under this Note unless such waiver is in writing and signed by a duly authorized representative of REI. Any waiver by REI of a breach or violation of any provision of this Note shall not operate or be construed as a waiver of any subsequent breach of such provision or any other provision of this Note.

Maker waives demand, notice, presentment for payment, and protest, whereby this Note may be declared immediately due and payable upon an Event of Default, and further waives any release or discharge by reason of any extension of time for payment or any other change in the terms of payment of this Note or by reason of any release, substitution, or any other change in the security given for this Note, or from any other cause.

MAKER

[NAME]

Signature: ______________________________________

Date: ____

EXHIBIT "K"

TO

DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

This 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	
Illinois	
Indiana	
Minnesota	
New York	
Rhode Island	
Virginia	
Washington	
Wisconsin	

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 "L"

TO

DISCLOSURE DOCUMENT

Receipts

[*See Attached*]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If REALTY EXECUTIVES INTL. SVCS. LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale or granting of franchise. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 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.

If REALTY EXECUTIVES INTL. SVCS. LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit "A" to this Disclosure Document.

The franchise sellers involved with the sale of this franchise are (**to be completed by franchise seller involved in sales process**):

Name: Patrick van den Bossche

Address: 4343 E. Outlier Blvd., Suite 123, Phoenix, Arizona 85008

Phone: 480-646-9012

Name: ____________________

Address: 4343 E. Outlier Blvd., Suite 123, Phoenix, Arizona 85008

Phone: ____________________

Our agent to receive service of process is listed in Exhibit "B" to this Disclosure Document.

Issuance Date: April 15, 2026

I have received the REALTY EXECUTIVES Franchise Disclosure Document that included the following Exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Franchisor's Agent for Service of Process
Exhibit C	Franchise Agreement
Exhibit D	General Release
Exhibit E	Table of Contents to Manual
Exhibit F	List of Franchisees
Exhibit G	Financial Statements
Exhibit H	State Addenda and Agreement Riders
Exhibit I	Franchisee Organizations
Exhibit J	Financing Documents
Exhibit K	State Effective Dates
Exhibit L	Receipts

Date: ___________________________ Signature: ______________________________

State: ___________________________ Print Name: ____________________________

RECEIPT

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Exhibit L	Receipts

Date: ____________________________ Signature: ________________________________

State: ____________________________ Print Name: ______________________________