

## FRANCHISE DISCLOSURE DOCUMENT

### MOSSY OAK PROPERTIES, INC

A Delaware Corporation  
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Post Office Box 1096  
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The franchise offered through this Disclosure Document is for the operation of a real estate brokerage office that places an emphasis on investment, recreational and rural properties.

The total investment necessary to begin operation of a Mossy Oak Properties franchise is from \$20,250 to \$72,250. This includes \$15,000.00 that must be paid to us or our affiliate.

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

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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## 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
<b>How much can I earn?</b>	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 E.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Mossy Oak Properties business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Mossy Oak Properties franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

**Business 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 D.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration, or litigation only in Mississippi. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and 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.

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## **ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

The Franchisor is Mossy Oak Properties, Inc. To simplify the language in this Disclosure Document, the Franchisor will be referred to in this Disclosure Document as “Mossy Oak Properties,” “we,” “us,” or “our.” “You” means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” includes the franchisee’s owners.

### **The Franchisor**

Mossy Oak Properties is a Delaware Corporation that was incorporated on April 25, 2001. Our principal business address is 6015 Highway 45 Alt South, West Point, Mississippi 39773. Our name used for business purposes is Mossy Oak Properties. We do not do business under any other name.

### **Parents/Predecessors**

Mossy Oak Properties has no parents or predecessors.

### **Affiliates**

Haas Outdoors, Inc., a Mississippi corporation, has been in the business of creating and managing intellectual properties for the outdoor market since 1986. Mossy Oak Land and Timber, Inc., a Mississippi corporation previously known as Mossy Oak Properties, Inc., was formed in August 1999. In 2001, it changed its name to Mossy Oak Land and Timber, Inc. We granted a franchise to Mossy Oak Land and Timber in 2002 for offices in West Point, Mississippi and Livingston, Alabama. In 2018, the West Point, Mississippi franchise location was assigned to Bottomland Real Estate Holdings, LLC, a Mississippi corporation and affiliate of Mossy Oak Properties Inc. , and changed its name to Mossy Oak Properties Bottomland Real Estate. In 2020 a Clarksdale, Mississippi office was also opened by Bottomland Real Estate Holdings, LLC. In 2022 a Carthage Mississippi office was also opened by Bottomland Real Estate Holdings, LLC. Haas Outdoors has never been involved in the sale of real estate. Neither of our Affiliates has offered franchises for sale in any lines of business. Haas Outdoors, Mossy Oak Land and Timber, and Bottomland Real Estate Holdings, LLC all have an address of 200 East Main, West Point, Mississippi 39773. Each Affiliate is under common control with Mossy Oak Properties and each may provide services to you and us.

### **Service of Process**

Mossy Oak Properties’ Agent in this State for service of process is, if applicable, disclosed in Exhibit “D”.

### **The Franchisor’s Business and Franchises Offered**

We are developing a nationwide network of real estate brokerage offices throughout most of the United States under the name “Mossy Oak Properties®”, which is called the “Mark”. We grant franchises to existing real estate brokerage businesses and to persons who want to start real estate brokerage businesses. In 2002, we sold and opened our first franchise offices in Alabama and Mississippi. Through December 31, 2023, we had 83 franchise office locations for a total of 89 outlets. Even though some offices are not yet open, we now have a presence in Alabama, Alaska, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Nebraska, New Mexico,

North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and Wyoming. The Franchise Agreement authorizes you to operate a real estate sales office or offices using our system of marketing and advertising tools, training, real estate referral and broker communications, various operational assistance and other items.

Our Franchise Agreement allows you operate a real estate office within an exclusive territory using our Mark. Generally, our network of brokers specializes in investment and recreational properties. You would be required to sign our Franchise Agreement (See Exhibit "A") and you would be able to offer only real estate services at your franchise location, unless we agree to let you conduct other activities there. The Franchise Agreement does provide you with the right to renew your franchise at the expiration of the term. You will have to follow our Manuals ("the Manuals") in the operation of your franchise.

Each Mossy Oak Properties office is an independently owned and operated business and is solely responsible for its day-to-day conduct and activities. Accordingly, no Mossy Oak Properties office is an agent (actual, implied, or ostensible) of Mossy Oak Properties. We do not own or operate Mossy Oak Properties offices.

Our Area Development Agreement allows you to establish more than 1 Mossy Oak Properties office within a defined geographic area according to a time schedule provided in the development agreement. You are required to sign a franchise agreement, using our then-current form, for each office established under the development agreement.

### **Competition**

All Mossy Oak Properties franchisees are either licensed real estate brokers or have Responsible Brokers who serve the general public, competing with other businesses offering real estate brokerage services. If you are located in a recreational property area, the market may be seasonal. The real estate brokerage industry is established and you should expect competition from other independent and chain-affiliated real estate brokerage offices and agents in your market area. Some of those offices might be other Mossy Oak Properties franchisees.

### **Laws Applicable to the Real Estate Brokerage Business**

Each of the states in which we grant franchises has laws and regulations governing the operation of a real estate brokerage office. You will be required by those laws and by your Franchise Agreement to comply with such regulatory requirements in your market area. An individual must be licensed by the state as a real estate broker before that person may provide real estate brokerage services. You should consult with the appropriate state licensing authority before entering into a Franchise Agreement. In addition, there are various Federal Laws that could affect your real estate business such as the Real Estate Settlement and Procedures Act, commonly known as RESPA, and the Fair Housing Act. There are other laws and regulations that may impact many important ways in which you do business, including how you represent your clients and customers, the provisions of the agreements you use with your clients and customers, your real estate license, your relationship with your sales associates, how you do your accounting and handle your commissions, how you advertise and how you hold yourself and your sales associates out to the public. You should investigate these laws and familiarize yourself with them in order to understand your potential legal obligations. We encourage you to consult with a legal advisor or an appropriate state agency about these laws and regulations



## **Business Experience of Franchisor**

Mossy Oak Properties has not and does not operate a business of the type being franchised. We are engaged solely in the business of offering, selling and supporting Mossy Oak Properties franchises. We have not offered franchises in other lines of business.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Chairman of the Board: Toxey D. Haas, III**

Mr. Haas has been the Chairman of the Board of Directors of Mossy Oak Properties since its formation in April 2001. Mr. Haas has also served as the Chairman of the Board and CEO of Haas Outdoors, Inc. since its formation in 1986 and as Chairman of the Board of Mossy Oak Land and Timber since its formation in August 1999.

### **Vice Chairman and Director: Bill Sugg**

Mr. Sugg has served as a Director of Mossy Oak Properties since its incorporation in April 2001 and in May 2005, was appointed Vice Chairman of its Board of Directors. Mr. Sugg has been employed by Haas Outdoors, Inc. since 1986 and in January 2002 was named its President.

### **Chief Executive Officer, President and Director: Chris Hawley**

Mr. Hawley has been the Chief Executive Officer and a Director of Mossy Oak Properties since its incorporation in April 2001 and has served as its President since June 1, 2007. In August 1999, Mr. Hawley participated in the formation of Mossy Oak Land and Timber, Inc. (formerly known as Mossy Oak Properties, Inc.), a Mississippi corporation, for which he serves as President and responsible broker.

### **Executive Vice President of Marketing and Sales; Secretary and Director: Lannie Wallace**

Mr. Wallace has served as a Director of Mossy Oak Properties since March 2006, Executive Vice President of Sales and Marketing since August 2006, and as Secretary since May 2007.

### **Vice President of Media Services/Public Relations and Director: Ronnie "Cuz" Strickland**

Mr. Strickland has been our Vice President of Media Services/Public Relations since 2001, and has served as a Director since May 2005. In April 1996, Mr. Strickland was appointed by Haas Outdoors as its Senior Vice President of TV and Media Services where he produces the "Mossy Oak" television series and video programming.

### **Marketing Manager: Resa Vickers**

Mrs. Vickers has been Marketing Manager for Mossy Oak Properties since March 2007.

### **Vice President of New Business and Development: David Hawley**

Mr. Hawley has served as Vice President of New Business and Development of Mossy Oak Properties since February 2020. He previously served as Director of New Business from

February 2018 and February 2022, Franchise Sales Manager from February 2012 to February 2018, and served as a Franchise Sales Associate from January 2008 until February 2012.

**Operations Manager: Christie Smith**

Mrs. Smith joined Mossy Oak Properties in August 2007 as Administrative Assistant, and has served as Operations Manager since 2009.

**ITEM 3. LITIGATION**

Except for the 3 actions described below, there is no litigation that must be disclosed in this disclosure document.

Concluded Actions:

Mossy Oak Properties, Inc. v. Agrirec Land Company, LLC and Thomas Rayburn, individually; In The Circuit Court of Clay County, Mississippi; Cause No. 2017-0153K.

Agrirec Land Company, LLC (“Agrirec”) was an Illinois-based real estate brokerage company which was owned by Thomas Rayburn (“Rayburn”). Beginning in 2009, Agrirec entered into four separate franchise agreements (the “Agrirec Franchise Agreements”) with Mossy Oak Properties, Inc. (“MOP”) establishing four separate Mossy Oak Properties’ franchise offices as follows: (i) May 27, 2009, Montgomery County, Illinois; (ii) August 25, 2011, Massac County, Illinois; (iii) May 28, 2014, Hancock County, Illinois; and (iv) December 22, 2014, White County, Illinois.

On August 17, 2017, MOP filed the above-captioned lawsuit (the “Lawsuit”) against Agrirec and Rayburn alleging breach of the four Agrirec Franchise Agreements and of certain personal guarantees related to the Agrirec Franchise Agreements. On October 27, 2017, the parties reached settlement as to all claims in the Lawsuit and, on November 2, 2017, MOP filed its Plaintiff’s Notice of Dismissal dismissing all of its claims in the Lawsuit against Agrirec and Rayburn.

Kerry Johnson v. Mossy Oak Properties, Inc., Toxey D. Haas, III, Haas Outdoors, Inc. and Lannie Wallace, U.S. District Court for the Northern District of Alabama, Western Division. Case 7:11-CV-4205 RDP.

Kerry Johnson (“Johnson”) was a franchisee of Mossy Oak Properties, Inc. (“MOP”). Beginning in 2006 through October of 2008, Mr. Johnson also allegedly provided certain area development services to Mossy Oak Properties, Inc. These alleged area development services are unrelated to Mr. Johnson’s status as a franchisee. Mr. Johnson filed this lawsuit against us, our Chairman of the Board, Haas Outdoors, Inc. (the owner of the Mossy Oak® trademark) and our Executive Vice President of Marketing and Sales and Secretary claiming breach of an alleged “Area Development Agreement”, violation of the Alabama Sales Representative’s Commissions Contracts Act (the “Act”), fraud/ misrepresentation/suppression, promissory fraud, negligence, conspiracy and other related allegations.

This case was originally filed in the Circuit Court of Sumter County, Alabama on November 4, 2011, Case No. CV 2011-900057, and was removed to Federal Court on December 14, 2011. Mr. Johnson sought an unspecified amount of compensatory and punitive damages. On November 27, 2012, the Court granted MOP's Motion for Summary Judgment on Johnson's claim under the Act. In August 2013, pursuant to a Confidential Settlement Agreement, Mossy Oak Property paid Johnson the sum of \$85,000. All parties released each other of all claims and all cases were dismissed with prejudice.

Richard Cross v. Toxey D. Haas, III, C. David "Chris" Hawley, Mossy Oak Properties, Inc. and HAAS Outdoors, Inc., U.S. District Court for the Northern District of Alabama, Western Division. Case 7:09-CV-00331 LSC.

Richard Cross was a minority shareholder and former employee of Mossy Oak Properties. He filed this lawsuit against us, our Chairman of the Board, and President claiming breach of an alleged employment agreement, fraudulent misrepresentation concerning Mr. Cross's compensation, fraudulent misrepresentation concerning support, breach of fiduciary duty, civil conspiracy and other related allegations.

This case was originally filed in the Circuit Court of Sumter County, Alabama on December 29, 2008, Case No. CV 2008-900067, and was removed to Federal Court on February 19, 2009. Mr. Cross sought an unspecified amount of compensatory and punitive damages. All of the parties entered into a Confidential Settlement Agreement and Mutual Release dated as of July 2, 2009 ("Agreement"). Pursuant to this Agreement, Mossy Oak Properties purchased Mr. Cross's stock and the lawsuit was dismissed with prejudice on July 2, 2009.

#### **ITEM 4. BANKRUPTCY**

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

#### **ITEM 5. INITIAL FEES**

##### Franchise Agreement

If you do not execute an Area Development Agreement, you must pay us an initial franchise fee in the amount of \$15,000.00 if this is your first Mossy Oak Properties office or \$5,000.00 if this is your second or subsequent Mossy Oak Properties office opened outside of the protected territory specified in your initial franchise agreement. If you open an additional office inside your protected territory, there is no franchise fee due payable to us.

The franchise fee is payable to us in a lump sum when you sign the Franchise Agreement. The initial franchise fee is nonrefundable unless at the end of your broker orientation and management trainee programs we do not feel that you are qualified to perform your obligations under the Franchise Agreement, then we will refund your initial franchise fee, less our ordinary and reasonable expenses, including sales expenses (not to exceed \$1,000) (Franchise Agreement Subsection 6.2). The initial franchise fee is uniform to all franchisees currently purchasing a franchise. Under our Broker Referral Program, franchisees who refer a new

franchisee to us will be paid a referral fee of 10% of the initial franchise fee.

You pay us or our Affiliates no other fees or payments before your office opens.

Area Development Agreement

The Area Development Agreement (“ADA”) requires you to pay a development fee which is determined by mutual agreement. The fee is not uniform and will vary based on the number of offices we estimate can be developed in the area. The development fee is calculated as follows:

5 – 9	offices	\$10,000 per office
10-19	offices	\$8,000 per office
20-29	offices	\$6,000 per office
30+	offices	\$5,500 per office

The development fee is payable in a lump sum when you sign the ADA and is not refundable. The development fee constitutes the entire initial franchise fee for each office opened pursuant to the ADA. You are required to sign a franchise agreement, in the then-current form, for each office established under the ADA.

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**ITEM 6. OTHER FEES**

**FRANCHISE AGREEMENT**

<b>Type of Fee (Note 1)</b>	<b>Amount (Note 2)</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty (Note 3)	6% of Gross Commissions (Note 2A.)	Payable when you receive commissions in cash or in property, or when one of your transactions closes or settles.	At our sole and absolute discretion, we may waive fees from the sale of specific properties. We reserve the right to account for, charge and collect royalty fees annually.
Minimum Royalty	\$6,000 per year, per office payable at a rate of \$500 per month	Payable in full no later than December 31 of each year of the Franchise Agreement or payable in the amount of \$500 per month within 10 days after the end of each calendar month starting 12 full months after the "Commencement Date" of your Franchise Agreement. The minimum royalty fee shall be prorated during the first and last years of the Franchise Agreement.	Minimum royalty fees are subject to annual adjustments for inflation. We may waive an annual adjustment.  Minimum royalty fees are applied to percentage royalty fees due.
Mossy Oak Properties Advertising Campaign (MOPAC) (Note 3)	2% of Gross Commissions, subject to a minimum of \$200 per month per office	Payable to the MOPAC Fund when you receive commissions in cash or in property, or when one of your transactions closes or settles. MOPAC may charge a late fee and interest. Minimum payments are due within 10 days after the end of each calendar month starting 12 full months after the "Commencement Date" of your Franchise Agreement. The minimum MOPAC fee shall	MOPAC minimums are subject to annual adjustments for inflation. We may waive an annual adjustment. We reserve the right to account for, charge and collect MOPAC contributions annually rather than monthly. Minimum MOPAC fees are applied to percentage MOPAC fees due.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks
		be prorated during the first and last years of the Franchise Agreement	
Additional Training	\$500 per person per day	Prior to attendance.	There is no charge for your Responsible Broker or a designee approved by us in writing when you acquire your first franchise directly from us and not as an assignment from another franchisee.
Relocation/Improvement costs	Variable	Payable to third parties as incurred.	If your office does not meet our current minimum standards, we may require you to upgrade or relocate your office. You should negotiate such costs and terms with your supplier or contractor.
Renewal	\$3,000	Upon signing successor franchise agreement	Payment of renewal fee and other requirements are conditions of renewal.
Insurance (Note 4)	Variable	Payable to third parties.	All insurance policies maintained by you, other than Workers' Compensation Insurance, shall contain a separate endorsement naming us as an additional insured; shall not be subject to cancellation, except on 10 days written notice to us; and shall contain an express waiver of any and all rights of subrogation whatsoever against us.
Other training fees	Vary by course.	Prior to attendance.	Most training is optional.
Audit	Cost of audit and related expenses, including reasonable attorney fees	Payable when invoiced.	Payable only if you underpay royalty fees or MOPAC payments by more than 5% in any consecutive 3-month period.
Cancellation	Up to \$500 if you cancel or reschedule an audit within 3 business days of a scheduled audit.	Payable when invoiced.	Payable only if you underpay royalty fees or MOPAC payments by more than 5% in any consecutive 3-month period.
Interest	The lesser	Payable when invoiced.	Payable on all overdue amounts.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks
	18% per annum or the highest rate allowed by law.		
Internet Access	Not more than \$100 per month	Payable when invoiced.	The system has not been fully developed at this time; however, we do expect to charge such fees at the appropriate time.
Email services	Undetermined	Payable when invoiced.	Currently, we do not charge for email accounts; however, we reserve the right to charge for such services. If we elect to charge for such services, your participation will be optional.
Assignment	\$500 per year remaining on franchise term	Prior to transfer.	Payable when the Franchise Agreement or an interest in the Franchisee is proposed to be transferred. There is no charge if your Franchise Agreement is transferred to a corporation or other business entity owned by you.
Costs and attorney fees	Variable	Payable when invoiced.	Reimbursement of our costs for enforcing the terms of the Franchise Agreement in the event of a breach of contract by you.
Indemnification	Variable	Payable when invoiced.	You have to reimburse us, our affiliated companies and the directors, officers and employees of each if we incur any costs because of your operation of the franchise.
Product/Service (Note 5)	Variable	To be determined.	We reserve the right to charge you additional fees for products or services yet to be developed or offered to you by us or our affiliates, but which you may be required to use or offer in operating your franchise.
Liquidated damages	\$700 per month from the time of termination until the Expiration Date of your	Payable when invoiced.	If your franchise is terminated by us for cause or by you without cause, you must pay us liquidated damages.

Type of Fee (Note 1)	Amount (Note 2)	Due Date	Remarks
	Franchise Agreement, not to exceed 2 years		
Local or Regional Councils	To be determined by the franchisees who organize the Council	As established by Council.	We have no right to vote in Councils. Only you and other franchisees can create fees.
Consultation	\$400 per day plus expenses	Payable when invoiced.	This is for additional or special consultation, training or assistance you need or request.
Taxes	Variable	Payable when invoiced.	Payable if we have to pay value added taxes on fees that you pay us.
Conventions	Variable	As incurred.	If a convention is scheduled, attendance is recommended. You must also pay for all related travel and lodging expenses.

1. All fees are imposed by and payable to us, unless we state otherwise in this table and all fees are uniformly imposed.
2. Except as outlined in Item 5, all fees paid to us or to MOPAC are non-refundable.
- 2A. "Gross Commissions" means total commission income that is earned or received by you through your Mossy Oak Properties office during the term of this Agreement. Gross commissions include not only cash payments, but also the value of all other forms of compensation and remuneration received. For a more complete definition of "Gross Commissions" see the Glossary section of the Franchise Agreement.
3. With prior written approval from us, you may exclude buyer-broker commissions for up to 3 clients from gross commissions provided that: (1) you identify such clients prior to executing your Franchise Agreement, (2) your commissions from these clients resulted from your representation as a buyer's broker, (3) the commissions from such representation exceeded \$250,000 during the last year and (4) you submitted a request for such exclusion prior to executing your Franchise Agreement. Commissions that you earn from such clients when they sell property are not exempt.
4. Unless you obtain our prior written consent for a lower amount, you shall, for the entire term of this Agreement, maintain at your expense, the following minimum amounts of insurance: (1) commercial general liability insurance in an amount not less than \$1,000,000.00 combined single limit coverage per occurrence or with primary limits of \$500,000.00 plus umbrella excess liability coverage equivalent to \$1,000,000.00 combined single limit coverage per occurrence or at such higher limits or broader coverage as we may require from time to time, (2) professional liability (real estate errors and omissions) insurance in the amount of at least



\$1,000,000 per occurrence or at such higher limits or broader coverages as we may require from time to time and (3) plus other insurance as required by law.

- Although we do not assess such charges at this time, we may do so in the future. If we determine that these items are essential to the operation and quality of franchises, you will be required to pay for them to comply with your Franchise Agreement. We may require you to purchase equipment, products or services that will allow your office to offer or use the required product or service. You may also incur fees and costs for products or services which we may make available, but do not require you to buy.

**AREA DEVELOPMENT AGREEMENT**

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Transfer	\$5,000 for each franchise assigned	Upon transfer	
Indemnification	Will vary	As Incurred	Payable if you fail to comply with Area Development Agreement.
Attorneys Fee	Will vary	As incurred	You must reimburse us if we are held liable for claims arising from your development obligation.

- All fees are paid to us and are non-refundable. There are no other fees or expense applicable to the Developer.

[The rest of this page intentionally left blank.]

## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT:

Type of expenditure (Note 1)	Amount (Note 2)	Method of payment	When due (Note 3)	To whom payment is to be made
Initial Franchise Fee (Note 4)	\$5,000 - \$15,000	Lump sum	Upon signing Franchise Agreement	Mossy Oak Properties
Mossy Oak Properties Advertising Campaign (MOPAC)	\$0	As agreed	Monthly beginning 12 months after the "Commencement Date" as specified in the Franchise Agreement	MOPAC
Other Advertising (Note 5)	\$0 - \$3,000	As agreed	Monthly	Suppliers
Office Set-up/ Improvements (Note 6)	\$2,500 - \$10,000	As agreed	As incurred	Third parties
Signs (Note 7)	\$1,000 - \$5,000	As agreed	As incurred	Third parties
Furniture Fixtures and Equipment (Note 8)	\$3,250 - \$11,750	As agreed	As incurred	Third parties
Inventory and Supplies (Note 9)	\$200 - \$2,000	As agreed	As incurred	Third parties
Training (Note 10)	\$500 - \$3,500	Lump sum	As incurred	Third parties
Insurance	\$300 - \$2,000	Lump sum	Before opening	Insurance carriers
Miscellaneous Opening Cost (Note 11)	\$2,500 - \$5,000	As agreed	As incurred	Third parties
Additional Funds 3 months (Note 12)	\$5,000 - \$15,000	As agreed	As incurred	Third parties
<b>Total Estimated Initial Investment (Note 13)</b>		<b>\$20,250 - \$72,250</b>		

### Explanatory Notes for Item 7

Except as outlined in Item 5, none of the fees and expenses listed are refundable.

The lower initial investment estimates represent the costs of converting an established real estate office rather than starting a new office. In general, these costs will be closer to the low end of the range if you are converting an established office and closer to the high end of the range if you are starting a new office.

We do not offer financing for any of your initial investment.

4. The initial franchise fee for a Mossy Oak Properties franchise is \$15,000. If this is your second or subsequent office opened outside of the protected territory specified in your initial franchise agreement, your franchise fee is \$5,000. See Item 5 regarding the amount of franchise fees.
5. In addition to their MOPAC fees, franchisees are expected to advertise in newspapers, magazines, yellow pages and other local promotional and marketing tools. The amount of such expenses depends upon the volume of advertising purchased and the cost of media in your area.
6. If you do not own an office, you may lease office space. The cost of establishing or maintaining an office includes expenditures for Internet connections, telephones and other miscellaneous office equipment necessary to conduct a real estate brokerage business. We must approve office facilities, which vary according to demographics. The amounts reflected are estimates only and may vary significantly in your geographical area. As a general rule, you need at least 1,000 square feet as a minimum with approximately 100-150 square feet per sales associate.
7. You must install one or more internally lighted exterior signs displaying your Mossy Oak Properties trade name at your approved office location. Each sign must conform to the standards and specifications set forth in our Manuals and must be approved by us in writing in advance as to color scheme, artwork, lettering, size, construction and overall appearance. We must first approve, in writing, any exception to office sign requirements because of local sign ordinances or other reasons. In addition, you will need tract or yard signs. Costs may vary widely depending upon the number of your listings, the suppliers you select, your office location and your preferences.
8. In addition to the items referred to in Note 5 above, you must have furniture, a fax machine and a computer system with hardware and software that are compatible with Mossy Oak Properties communication and data reporting requirements. The total costs you incur may vary significantly and will depend, in large part, on whether you are converting an existing real estate office which already has much of the furniture, fixtures and equipment you will need or you are starting a new office.
9. You will need various supplies prior to opening your real estate brokerage business, including such items as business cards, for sale signs, brochures, stationery and postage
10. Your Responsible Broker or a designee approved in writing by us shall attend and complete the mandatory one day Mossy Oak Properties broker orientation training program and the mandatory one day administrative training class in West Point, Mississippi, instructed via webinar, or some other in-person site selected by us. One person from your office may attend each session without payment of a training fee. At our option, we may assess a training fee not to exceed \$500 for each additional person who attends a program, of which you will be responsible for paying. We reserve the right, in our sole discretion, to waive training fees. In addition, you will be responsible for the travel, food and lodging expenses incurred by each person who attends the training program.
11. Miscellaneous opening costs include such expenses as broker and business licenses, local tax assessments, security deposits, membership fees for business associations, deposits for

utility companies, the installation of telephone and computer systems, legal and accounting fees, and the monthly maintenance fee for your exterior sign. The costs you incur will depend largely on whether you are converting an existing office or starting a new office.

12. This category estimates your initial start-up expenses in addition to those items identified separately in the table over a period of 3 months. These expenses include payroll costs, postage, rent or mortgage payments, automobile expenses, other overhead expenses, royalty fees and MOPAC fees. There are no minimum royalty and MOPAC fees during this initial start-up period; such expenses, if incurred, are a percentage of your commission income, if any. These figures are estimates and Mossy Oak Properties cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; the state of economic conditions in your area and the real estate industry as a whole; your management skill and experience; the results of your recruiting efforts; whether you are converting an established real estate office or starting a new office; competition; the local market for your services; and the prevailing wage range. In general, these costs will be closer to the low end of the range if you are converting an established office and closer to the high end of the range if you are starting a new office.
  
13. Initial investment costs for particular categories may vary significantly depending on a number of factors including such things as the geographic location of your office and whether you are converting an existing real estate office. If you are converting an established real estate office rather than starting a new office, your initial investment cost may be closer to the lower range indicated in the table. However, if your office is located in an area that supports a relatively high cost of living your initial investment costs could be substantially higher than the upper range indicated in the table. In any event, you should review these estimates carefully with a qualified business advisor before making your decision to purchase the franchise.

The Estimated Initial Investment of the Developer under an ADA consists solely of the development fee. As set forth in Item 5, the development fee is calculated as follows:

5 – 9 offices	\$10,000 per office
10-19 offices	\$8,000 per office
20-29 offices	\$6,000 per office
30+ offices	\$5,500 per office

We relied on our business experience and information from franchisees to compile these estimates.

#### **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Generally.** You are required to purchase signs, stationery, business cards and other trademarked items for your real estate business that meet the specifications described in the Manuals. We have the right to change the Manuals periodically. We reserve the right under the Franchise Agreement to require you to add products or services to your Mossy Oak Properties office operation, including real estate related functions such as mortgage origination, credit cards, Internet or communication services, if we deem such products or services to be essential to the operations or quality of the franchise. These additional products or services may be required on the basis of office business levels. If we require such additional services, you also might be required to buy certain equipment or services for your office, and to pay additional royalty fees on revenue derived from such products or services.

**Approved Suppliers.** We have suggested “Approved Suppliers” for some suppliers of forms, signs, cards stationery and other items necessary to operate a real estate brokerage business. You may purchase supplies from an approved supplier suggested by us or from any other supplier that can demonstrate to our satisfaction that its Products meet our specifications. Although we do not maintain written criteria for approving suppliers, Approved Suppliers are evaluated on a number of criteria including length of time in business, financial resources, business credentials and their ability to provide products or services in accordance with minimum standards for delivery, performance, appearance and quality. Any supplier applying to become an Approved Supplier will be required to submit a list of customer references and product samples and specifications for inspection and testing. You and the supplier will be notified within thirty (30) days as to whether the supplier has been added to our Approved Supplier list. We do not maintain written criteria for approving suppliers and therefore such criteria is not available to you or the proposed suppliers. We may limit the number of Approved Suppliers in order to obtain volume discounts, assure consistent quality and adequate supplies for all franchisees. We may revoke a supplier’s approved status if the supplier no longer meets our criteria, if it breaches its agreement with us, or if the products or services offered are no longer competitive in price or quality. We will notify such supplier of our revocation in writing. Though we have not yet done so, we may or may not charge application fees to secure approval to purchase from alternative suppliers. Though we have received no rebates or promotional allowances to date, we may receive rebates from Approved Suppliers in the future; however, prices for products and services from these suppliers will be generally competitive due to our buying power and negotiated discounts. Any rebates or promotional allowances received by us will be placed into MOPAC.

You do not have to purchase products or services through an Approved Supplier. However, the products that you do purchase must meet our standards and specifications described in the Manuals. We do not provide you with any special benefits, such as opportunities to acquire additional franchises, if you purchase goods or services from an Approved Supplier. Based upon the estimates and variables described in Item 7, your purchases through suggested Approved Suppliers or which are subject to our specifications should constitute from 3% to 20% of your total expenditures in connection with the establishment and operation of your franchised business.

Neither we nor our Affiliates have ever derived revenue or other material consideration from Approved Suppliers or from required purchases of products and services. Currently, there are no items that we or our Affiliates are the only approved suppliers. There are no Approved Suppliers in which any of our officers owns an interest.

**Purchasing or Distribution Cooperatives.** There are no franchisee purchasing or distribution cooperatives. To date, we have not negotiated purchase arrangements with suppliers for the benefit of our franchisees.

**Internet/Website.** In conjunction with our affiliate, Haas Outdoors, we have developed a website which: (1) provides franchisees and Mossy Oak Properties with the ability to communicate with each other, (2) enables franchisees to list property on our Internet site and (3) provides a conduit between franchisees and the public. We may charge franchisees monthly maintenance fees not more than \$100 per month. Currently, there is no such charge.

**Certified Mossy Oak Property/Mossy Oak Properties Development.** We have reserved all rights in the Mossy Oak Properties Marks not expressly granted to you, and have further reserved the right to use and to license the Mossy Oak Properties Marks to others for uses

that may not be related to the operation of a licensed real estate brokerage office, including the right to define, classify, identify, approve or designate a particular tract of land as a Certified Mossy Oak Property or as a Mossy Oak Properties Development.

**Corporate Land Holdings.** We reserve the non-exclusive right to facilitate, coordinate or participate in, either directly or indirectly, the listing or sale of property that is owned by companies that own or control more than 20,000 acres or that have land holdings in more than one state. You may facilitate, coordinate or participate in the listing or sale of such property. The commissions that you earn from such transactions are subject to our normal royalty and MOPAC fee provisions.

**Computer Hardware and Software.** You are required to purchase computer hardware and software having the minimum specifications set forth in Item 11. You can purchase these items from any vendor as long as the specifications are met.

**Advertising.** If requested by us in writing, you must submit to us for our approval samples of all advertising and promotional materials not prepared or previously approved by us, and which vary from our standard advertising and promotional materials as outlined in the Manuals. You may not use any advertising or promotional materials we have disapproved. You agree to allow us to photograph your premises, equipment and vehicles and to use such photographs in our publicity, promotions and advertising.

**Insurance.** Unless you obtain our prior written consent for a lower amount, you are required for the entire term of this Agreement, maintain at your expense, the following minimum amounts of insurance: (1) commercial general liability insurance in an amount not less than \$1,000,000.00 combined single limit coverage per occurrence or with primary limits of \$500,000.00 plus umbrella excess liability coverage equivalent to \$1,000,000.00 combined single limit coverage per occurrence or at such higher limits or broader coverage as we may require from time to time, (2) professional liability (real estate errors and omissions) insurance in the amount of at least \$1,000,000 per occurrence or at such higher limits or broader coverages as we may require from time to time and (3) plus other insurance as required by law.

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## ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in agreement	Disclosure document item
(a) Site selection and acquisition/lease	Section 5 of the Franchise Agreement	Items 1, 6, 7, 11, and 16
(b) Pre-opening purchases/leases	Section 10.1 of the Franchise Agreement	Items 6, 7 and 8
(c) Site development and other pre-opening requirements	Section 10.3.8 of the Franchise Agreement	Items 6, 7, 8 and 11
(d) Initial and ongoing training	Section 10.1.5 of the Franchise Agreement	Items 6 and 7
(e) Opening	Sections 10.1 and 14.2.7 of the Franchise Agreement	Items 7 and 11
(f) Fees	Sections 6, 7, 8, 9.7 and 13.1 of the Franchise Agreement; Section II of the Area Development Agreement.	Items 5, 6, 7 and 17
(g) Compliance with standards and policies/operating manual	Sections 1,3,4, 5, 10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.2.10, 10.3.1, 10.3.5, 10.3.6, 10.3.9, 10.3.10, 13.1, 14.2.1, 14.2.6, 14.2.7, 17.2, 18.2, 20.1 and 20.13 of the Franchise Agreement	Items 1, 7, 8, 11 and 16
(h) Trademarks and proprietary information	Purpose of Agreement section of the Franchise Agreement; Sections 4, 10.1, 10.3, 13.1, 14.2.1, 15, 17.2 and 18 of the Franchise Agreement	Items 7, 13 and 14
(i) Restrictions on products/services offered	Sections 1, 4, 5, 9.3 and 10.3 of the Franchise Agreement	Items 1, 6, 8 and 16
(j) Warranty and customer service requirements	Sections 10.3 and 14.2.4 of the Franchise Agreement	Items 16 and 17
(k) Territorial development and sales quotas	Sections 5.3 and 5.4 of the Franchise Agreement	Item 12
(l) Ongoing product/service purchases	Sections 5.2, 8.4.4, 9.2, 9.6, 10.2.2, 10.3.6 and 18.2 of the Franchise Agreement	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Section 10.3.8 and 12.3 of the Franchise Agreement; Section III of the Area Development Agreement.	Items 6 and 7
(n) Insurance	Section 10.1.6 of the Franchise Agreement	Items 6 and 7

Obligation	Section in agreement	Disclosure document item
(o) Advertising	Sections 3.1.5, 4.2, 5.3, 8, 9, 10.1.2, 10.1.6, 10.2.10, 10.3.1 and 10.3.7 of the Franchise Agreement	Items 6, 7, 8, 11 and 16
(p) Indemnification	Section 10.2.6 of the Agreement; Section IX of the Area Development Agreement	Item 6
(q) Owner's participation/management/staffing	Sections 10.2.1, 12.9, 12.10 and 14.2.9 of the Franchise Agreement	Items 11 and 15
(r) Records and reports	Sections 8.2, 10.2.3, 10.2.9, 10.2.10, 10.3.3, 15.9 and 21.1 of the Franchise Agreement	Items 6, 7, 10 and 17
(s) Inspections and audits	Sections 8.4.5, 10.2.4, 10.3.3, 14.1, 14.2.1 and 15.9 of the Franchise Agreement	Items 6, 11 and 17
(t) Transfer	Sections 7.5, 10.2.1.6, 10.3.8.4, 12.2, 13, 14.2.3, 14.2.9 and 20.14 of the Franchise Agreement; Section VII of the Area Development Agreement	Items 6 and 17
(u) Renewal	Section 3 of the Franchise Agreement; Section IV of the Area Development Agreement	Items 6 and 17
(v) Post-termination obligations	Sections 15, 16 and 19 of the Franchise Agreement	Items 6 and 17
(w) Non-competition covenants	Section 10.2.7 of the Franchise Agreement	Item 17
(x) Dispute resolution	Sections 17, 19, 20 and 21 of the Franchise Agreement; Section XV of the Area Development Agreement	Items 17
(y) Termination	Sections 10.3.8.2 and 16 of the Franchise Agreement; Section VI of the Area Development Agreement	Items 6 and 17

## ITEM 10. FINANCING

We do not offer direct or indirect financing to franchisees. We do not guarantee your notes, leases or other obligations.



## **ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

### **FRANCHISE AGREEMENT**

#### **Pre-opening Obligations**

**Except as listed below, Mossy Oak Properties is not required to provide you with any assistance.**

1. Designate your exclusive territory (Franchise Agreement, Subsection 5.3).
2. Provide you with a copy of the Manuals ("Manuals") that we furnish to franchisees for use in operating a Mossy Oak Properties real estate office (Franchise Agreement, Subsection 10.3.5). The Manuals include mandatory and suggested specifications, standards, and a wide scope of operating procedures and rules that we establish periodically and contain 55 pages. The Table of Contents of the Manuals as of the date of this Disclosure Document is attached to this Disclosure Document as Exhibit "C".
3. Provide a training program for your Responsible Broker and your office administrator (Franchise Agreement, Subsection 10.1.5). Under certain circumstances, you may attend such programs after beginning your office operations (Franchise Agreement, Subsection 10.1.5). You will need to hire and train your sales associates and other employees.
4. Provide a starter kit of personalized office supplies, including business cards, stationery and envelopes and press release services for your Approved Office Location not to exceed \$400 in value (Franchise Agreement, Subsection 10.1.4).
5. Approve your office location (Franchise Agreement Subsections 5.1 and 10.3.8). Many of our franchisees already operate a real estate brokerage business before obtaining a Mossy Oak Properties franchise. If you do not already have an office, you must select your office location, negotiate the purchase agreement or lease, obtain the necessary permits, conform the office space to local ordinances, and construct, remodel and/or decorate it. We will not handle these tasks for you. We have no established criteria for site selection, but we review each proposal on a case-by-case basis. If we withhold our approval of your office facilities, you may resubmit other sites for our approval. We have 30 days from each submission to respond to you. If you do not move into an office which we approve within 90 days of the date of the Franchise Agreement we may terminate the Franchise Agreement. We will work with you and your supplier to adapt Mossy Oak Properties signs to local ordinances if they conflict with our requirements.
6. Approve your office sign and other signs. You must purchase signs, opening inventory and supplies. We do not sell, deliver or install any of these items. We require that some items meet specifications that you can find in the Manuals (Franchise Agreement, Section 10).

#### **Time to Open**

You must open your office within 90 days after we sign your franchise agreement. Franchisees typically begin operations within 10-90 days after the agreement is signed. Factors affecting the time to open include the ability to obtain an approved office location, whether converting an existing brokerage office or starting a new business and the time needed to purchase and install equipment, signage and fixtures.

## **Continuing Assistance**

During the operation of your franchise business, we will:

1. Provide you with the real estate brokerage, selling, promotional and merchandising methods and techniques associated with the Mossy Oak Properties System, and maintain a staff to give assistance and service to you (Franchise Agreement, Subsection 9.1).
2. Notify you in writing of any changes to our Manuals so that you can adopt and comply with the changes (Franchise Agreement, Subsection 10.3.5). You will have no less than 90 days to make the change and will have to pay for cost associated with it (Franchise Agreement, Subsection 10.3.5).

## **Advertising**

You are required to participate in the Mossy Oak Properties Advertising Campaign ("MOPAC")

We contribute 100% of the MOPAC fees that we receive from you and other franchisees to MOPAC (Franchise Agreement, Subsection 9.5). In addition, we will contribute to MOPAC all rebates received by us from Approved Suppliers, if any, and the profits from the sale of Mossy Oak Properties advertising merchandise to franchisees (Franchise Agreement, Subsection 9.5).

We collect, control and administer monies paid to and from MOPAC (Franchise Agreement, Section 8). All franchisees must pay to MOPAC an advertising fee of 2% of their gross commissions, subject to a monthly minimum (Franchise Agreement, Subsection 8.3). We reserve the right to charge, account for and collect MOPAC minimums on an annual rather than a monthly basis (Franchise Agreement, Subsection 8.4.2). MOPAC contributions are limited to those made by you, other franchisees and us (Franchise Agreement, Section 9.5). MOPAC funds are to be used exclusively for advertising, marketing, promotion, public relations, website development and maintenance and other related activities in support of the Mossy Oak Properties brand (Franchise Agreement, Subsection 8.4.3). At least 75% of annual contributions to the MOPAC must be spent on either (1) national advertising, media promotions, marketing or public relations or, (2) local or regional advertising, media promotions, marketing or public relations programs or (3) other activities connected to the promotion and marketing of the Mossy Oak Properties marks or the Mossy Oak Properties organization (Franchise Agreement, Subsection 8.4.3). Up to 25% of annual contributions to MOPAC may be spent for purposes that we consider beneficial to the general recognition of the "Mossy Oak" name and the success of the franchise system, including items such as advertising production, research, test marketing, general administrative costs and various surveys (Franchise Agreement, Subsection 8.4.3).

MOPAC may compensate us for reasonable expenses incurred for accounting, collection, bookkeeping, reporting, legal, management and administrative services which we provide to the MOPAC to support marketing activities and for our out-of-pocket costs. In addition, we may provide certain products and/or services to MOPAC that would otherwise be provided by unaffiliated third parties (Franchise Agreement, Subsection 8.4.4). Any such products and/or services provided by us will be provided at a cost comparable to those costs that the MOPAC would otherwise incur if the products or services were obtained from unaffiliated third parties (Franchise Agreement, Subsection 8.4.4). We will contribute all of the profits from such sales to MOPAC (Franchise Agreement, Subsection 8.4.4). We will be using professional advertising and

public relations agencies for the creation, development and placement of the marketing collateral and promotional materials produced for MOPAC (Franchise Agreement, Subsection 8.4.4). MOPAC funds are not used to principally fund new franchise sales advertising or franchise sales marketing activities (Franchise Agreement, Subsection 8.4.4). We do not own or operate a MOP office and have no present plans to do so; however, if we do so in the future, we will contribute to MOPAC on the same basis as our franchisees.

MOPAC fees are deposited in the general checking account of Mossy Oak Properties but are accounted for separately. Upon written request, a financial report of MOPAC will be provided to you and all other franchisees each year (Franchise Agreement, Subsection 8.4.5). The MOPAC fund is not audited. Any MOPAC revenues not disbursed in the year in which received will be carried forward to fund MOPAC activities in the following year (Franchise Agreement, Subsection 8.4.5).

We will have sole discretion over aspects of programs financed through MOPAC, including media, creative concepts, materials and endorsements. Generally, MOPAC expenditures are for print advertising in magazines and inserts, television commercials, brochure designs and website development and maintenance. Although MOPAC is intended to maximize the general recognition and patronage of the Marks for the benefit of all Mossy Oak Properties offices, we cannot assure you that your office will benefit directly or pro rata from the placement of advertising (Franchise Agreement, Subsection 8.6). During fiscal 2023, our MOPAC related expenditures exceeded MOPAC receipts with the balance being paid out of our general fund. In 2023, we collected MOPAC contributions totaling \$910,491 and spent \$1,514,884 on MOPAC marketing activities. The major expenditures included advertising (54%), high tech services (41%), and web listing services (5%).

We will review and either approve or disapprove advertising or promotional material you have produced (Franchise Agreement Subsection 10.3.7). You may not use any advertising or promotional material we disapprove. You may have your own website, and must receive approval before registering domain names using the phrase "Mossy Oak Properties." Domain names using the phrase "Mossy Oak" without "Properties" added are prohibited.

We will, upon request, assist Mossy Oak Properties franchisees in establishing local or regional councils that may assist franchisees with promotions or with communications between franchisees and us (Franchise Agreement, Subsection 9.7). Membership in local or regional councils by franchisees is entirely voluntary (Franchise Agreement, Subsection 9.7). We will not be a voting member of any such council. We do not have advertising cooperatives.

We will make available sample referral forms and procedures for use with other Mossy Oak Properties brokers (Franchise Agreement, Subsection 9.3).

### **Computer Hardware and Software**

We develop technology systems, consisting of proprietary software and non-proprietary operating programs that enable you to transmit listing information and other data. You must obtain appropriate connectivity and Microsoft Internet Explorer 4.0 or greater browser software for this application as well as any platform upgrades that may be necessary. You are responsible for purchasing compatible hardware from a supplier you select (Franchise Agreement 10.2.9). We will reserve the right, but will not be obligated to develop further enhancements to the technology system, some or all of which may result in an access fee or other charges (Franchise Agreement, Subsection 10.2.2). To date we have not charged for software upgrades, but we may do so in

the future (Franchise Agreement, Subsection 9.6). In addition, such enhancements may necessitate your upgrading, adding to, or replacing your computer hardware during the term of the Franchise Agreement (Franchise Agreement, Subsection 9.6). We do not provide maintenance for your computer system. We estimate that your annual cost for upgrading, maintenance and support contracts for your computer system to be \$1,025 - \$1,775. We do not provide bookkeeping, accounting, inventory control or pricing assistance. We do not have independent access to the information that will be generated or stored on your computer.

You are required to purchase computer hardware meeting the following minimum specifications:

CPU Type	Intel Pentium IV
CPU Speed	2.3 GHz
Hard Disk	40 gigabyte with 1GB free space
Random Access Memory (RAM)	512 megabytes with 64MB video RAM
CD Rom	48x speed
Monitor/Graphics	15" SVGA (1080x800 Pixels)
Printer	a laser printer or any Hewlett-Packard compatible printer
Internet Server Provider	Cable/DSL using Internet Explorer 6.0
Operating System	Windows XP (required)
Miscellaneous	Digital camera, color scanner, sound card and speakers

The current cost of your computer package is \$2,250 per broker and agent. This cost is included in "Furniture, Fixtures and Equipment" in Item 7.

**Methods Used to Select Location of Franchise Office**

You must have your business site approved by us (Franchise Agreement, Subsection 5.1). In evaluating your request, we will use reasonable business judgment and will consider such things as the distance between offices, accessibility, traffic, size, condition and character of the building, parking and available signage. Generally, we will approve the site location prior to the execution of the Franchise Agreement by us. Some of the factors that may affect the time period for the opening of the office could be the amount of remodeling necessary to be done to the office, availability of signage, necessity to secure local governmental approvals for zoning or signage, or completion of lease or purchase agreements. The above is not an exhaustive list. The Franchise Agreement requires you to operate as a Mossy Oak Properties franchise within 90 days after signing (Franchise Agreement, Subsection 14.2.7). If we cannot agree on your site location, we may terminate the Franchise Agreement (Franchise Agreement, Subsection 14.2.7).

## Training

We operate sales training programs on an as needed basis for Mossy Oak Properties franchisees and their sales personnel at locations and formats selected by us (Franchise Agreement, Subsection 9.4). This program will include webinars, seminars and annual conferences of special interest to be held, as we deem necessary or advisable (Franchise Agreement, Subsection 9.4). Topics may include market conditions, sales motivation, sales aids, advertising and financing, and we may charge a registration fee or other fee for such programs, seminars and conferences (Franchise Agreement, Subsection 9.4).

Your responsible broker or other approved designee must attend and successfully complete our orientation and management training program. This training program will be conducted under the supervision of Christie Smith who has been with Mossy Oak Properties since 2007 and has supervised the initial training program since September 2009. Other instructors, including President, Chris Hawley, who has been with Mossy Oak Properties since its incorporation and also has operated a Mossy Oak Properties office since 1999, and our Vice President, Lannie Wallace, who has an extensive marketing background may be involved in training and they will have experience in the subject matter they teach.

One person from your office may attend each session without payment of a training fee. At our option, we may assess a training fee not to exceed \$500 for each additional person who attends a program, of which you will be responsible for paying. We reserve the right, in our sole discretion, to waive training fees. The instructional materials will include manuals and standard forms.

The following summarizes our required training (Franchise Agreement, Subsection 10.1.5):

### **TRAINING PROGRAMS**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of on-the-job Training</b>	<b>Location</b>
Broker Orientation	7 hours	0 hours	West Point, Mississippi

The Broker Orientation consists of a review of business history and service areas that are offered by various Mossy Oak Properties offices; review of Manuals; review of frequently asked questions; discussion of digital and custom mapping services; review purpose and format of forms used to report brokerage activity; discussion of website and a review of marketing tools.

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of on-the-job Training</b>	<b>Location</b>
Administrative Training	7 hours	0 hours	West Point, Mississippi
Note: Franchisees that have relatively small offices may be able to combine Broker and Administrative sessions.			

The Administrative Training consists of a review of Mossy Oak Properties; explanation of website, e-mail, mapping and listings functions; review of Manuals; detailed review of reporting forms; review of frequently asked questions; detailed review of marketing tools. Franchisees that have relatively small offices may be able to combine Broker and Administrative sessions

(Franchise Agreement, Subsection 10.1.5).

We do not require any further training for our franchisees. We may offer limited training or instruction at our annual meeting of franchisees but your attendance is not required.

## **AREA DEVELOPMENT AGREEMENT**

### **Pre-opening Obligations**

When you sign the ADA we will:

- a. grant to you the exclusive right to develop the agreed upon number of MOP offices in the agreed upon Development Area (Area Development Agreement, Section I.A.).
- b. establish the agreement upon Development Schedule (Area Development Agreement, Section III).

### **Obligations After You Begin Business**

We are not required to perform any ongoing obligations to you under the provisions of the ADA other than to monitor your compliance with the Development Schedule.

The Developer will receive no training.

The Developer is not required to participate or contribute to MOPAC.

The Developer is not required to purchase and maintain computer hardware and software.

## **ITEM 12. TERRITORY**

### **Franchise Agreement**

During the term of the Franchise Agreement, we will not grant to another franchisee a Mossy Oak Properties office at a location that is within your Protected Area. Otherwise, you will not receive an exclusive territory. You may face competition from other franchisees, from offices we own, or from other channels of distribution or competitive brands that we own. Unless your Approved Office Location is situated in a Metropolitan County, your Protected Area is the county where your Approved Office Location is situated. If your Approved Office Location is situated in a Metropolitan County, your Protected Area will be negotiated based on the demographics of the area and which has a population of not less than 150,000 nor more than 300,000. You must operate from your Approved Office Location and must receive Mossy Oak Properties' permission before relocating; subject to our then-current policies, we will not unreasonably withhold such permission. In addition to your primary Approved Office Location, you may, with our prior written consent, open additional offices that are located in your Protected Area. We will not unreasonably withhold our approval of your request to open an additional office. The office size and appearance of additional offices are subject to the same terms and conditions as your Approved Office Location. There is no additional franchise fee related to your election to open an additional office in your Protected Area but you will be subject to the same royalty and MOPAC fees as your original office. However, commencing with the first full calendar month beginning 6 months after you open an additional office, you will be subject to and responsible for minimum royalty fees for each additional office you open.

Mossy Oak Properties will not operate offices or grant franchises for a similar or competitive business within your Protected Area. ***We have not established company-owned offices, but we reserve the right to do so.***

You do not receive the right to acquire additional franchises, rights of first refusal or similar rights.

Except for restrictions related to billboard advertising, we do not restrict you from seeking business from any specific area, but applicable real estate licensing or other laws and regulations may impose some limits. You shall not solicit business by *billboard* advertising within a county in which another Mossy Oak Properties franchisee has an office. Mossy Oak Properties and its franchisees may advertise for sale and sell properties in your Protected Area without compensation to you. Other than billboard advertising, there are no restrictions on MOP or its franchisees from soliciting or accepting orders inside your Protected Area. We and our affiliates have the right to use other channels of distribution, such as the Internet, telemarketing or other direct marketing inside your Protected Territory using the mark Mossy Oak Properties or other trademarks without compensation to you.

There is no minimum sales quota but there is a minimum royalty fee of \$500 per month; other than the minimum royalty fee, continuation of your Protected Area does not depend on your achieving a certain sales volume, market penetration or other contingency. There are no other circumstances that would alter your territory. You maintain rights to your area even though the population increases.

Neither Mossy Oak Properties nor any Affiliate operates franchises or plans to operate a franchise or any business under a different trademark that would sell the same goods or services similar to those you would offer nor do we presently have plans to offer such goods or services through any other channels of distribution.

#### Area Development Agreement

The Area Development Agreement grants you the right to develop an agreed upon number of Mossy Oak Properties offices within a geographical area described in Exhibit A to the Area Development Agreement (the "Development Area"). The size of the Development Area will depend on the number of Mossy Oak Properties offices suitable for the Development Area, as determined by us and you in light of such factors as size, population density and the residential or recreational character of the area. The number of Mossy Oak Properties offices and the dates they are to be opened and operating will be set out in Exhibit A to the Area Development Agreement (the "Development Schedule").

During the term of the Area Development Agreement and provided you are in compliance with the agreement and all other agreements with Mossy Oak Properties (including any franchise agreement signed pursuant to the Area Development Agreement), we will:

- (a) grant to you in accordance with Section 3 of the Area Development Agreement, that cumulative number of franchises for the Mossy Oak Properties offices set forth in Exhibit A to the Area Development Agreement, all of which are to be located within the Development area; and
- (b) not operate (directly or through an affiliate), nor grant the right to operate any

Mossy Oak Properties offices located within the Development Area.

You are required to have open and operating in the Development Area, the cumulative number of Mossy Oak Properties offices set out in the Development Schedule. We have no obligation under any circumstances to extend the Development Schedule. Your failure to develop and operate Mossy Oak Properties offices in accordance with the Development Schedule will be a material breach of the Area Development Agreement; however, our right to terminate the Area Development Agreement will be our exclusive remedy for your failure to meet the Development Schedule. Any franchises entered into pursuant to the Area Development Agreement will remain in full force and effect provided you are not in default thereunder.

### **ITEM 13. TRADEMARKS**

The primary service mark that you are licensed to use when you obtain our franchise is the name "Mossy Oak Properties®" and our Logo which appears on the front of the Disclosure Document. Our service mark registration of Mossy Oak Properties was granted on the Principal Register of the United States Patent and Trademark Office on September 10, 2002 (Registration No. 2617679), and our design registration of our principal logo was granted on December 17, 2019 (Registration No. 5937719). However, we make no claim to the exclusive right to use the word "properties" apart from the mark as registered. All affidavits and renewals required to be filed have been filed.

The use of the name Mossy Oak®, the Mossy Oak logo, and camouflaged patterns which are trade names, trademarks, and service marks licensed from Haas Outdoors, Inc., are subject to the terms of a licensing agreement between Haas Outdoors, Inc. and Mossy Oak Properties dated December 31, 2001. The initial term of this licensing agreement is 50 years.

You cannot use Mossy Oak Properties as part of a corporate or domain name or with modifying words, designs, or symbols except for those which Mossy Oak Properties licenses to you. You may not use Mossy Oak Properties registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by Mossy Oak Properties.

You must notify us immediately when you learn about an infringement of or challenge to your use of our marks. The franchise agreement does not require us to take affirmative action when we receive such notice. We will take action we think appropriate. While we are not required to defend you against a claim against your use of our marks, we will reimburse you for your liability and reasonable costs in connection with defending our marks. To receive reimbursement you must have notified us immediately when you learned about the infringement or challenge. We will have control of any litigation involving our Marks.

You must modify or discontinue use of a mark if Mossy Oak Properties modifies or discontinues it. If this happens, Mossy Oak Properties will reimburse you for your tangible costs of compliance (for example, changing signs). You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringements, opposition or cancellation proceedings or material federal or state litigation involving the Mossy Oak Properties Mark. There are no agreements currently in effect that significantly limit our right to use or license the use of Mossy Oak Properties in a manner material to the franchise. We do not know of any superior prior rights or infringing uses that could materially affect your use of our trademark.



#### **ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents or pending applications for patents that are material to the franchise. We consider all our form Franchise Agreement, Area Development Agreement and advertising, marketing, operational and training materials, including the Manuals, to be protected under applicable copyright laws even if not registered with the United States Copyright office. Many of these resources contain proprietary information.

There are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights. There is no pending litigation involving the above copyrights. We are not aware of any infringing uses of our copyrights, nor are we a party to any agreements significantly limiting their use. You will not acquire any ownership interests in the copyrights or our proprietary information under or by reason of the Franchise Agreement.

You must promptly tell us when you learn about any unauthorized use of our proprietary information or copyrights. We have no obligation to take any action, but will respond as we believe appropriate. Yours and our obligations to protect your rights to use our copyrights are the same as the obligations for trademarks described in Item 13 of this Disclosure Document.

The Manuals are our proprietary property. You must use them only as provided in the Franchise Agreement. You may not use any confidential, proprietary or trade secret information that we provide to you other than in the manner that you are authorized to do so.

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

If you are an individual who is obtaining the franchise as a sole proprietor, then you must participate in the management of the franchise business.

If you are a partnership, then the partners owning at least a majority interest in the capital or profits of the partnership must engage or participate in the management of the franchise business. We must approve in writing your Responsible Broker, who is responsible for supervising the affairs of the franchise and for assuring compliance with the terms of the Franchise Agreement and the Manuals.

If you are a corporation, then an officer and director, as well as one or more shareholders who own at least a majority of the outstanding stock of the corporation, must engage or participate in the management of the franchised business. You also must designate a senior officer of your corporation as the Responsible Broker. We must approve your choice in writing, and that person will be responsible for supervising the affairs of the franchise and for assuring compliance with the terms of the Franchise Agreement, including the Manuals.

If you are a limited liability company ("LLC"), then one or more members who own at least a majority of the interest in the capital or profits of the LLC must engage or participate in the management of the franchised business. We must approve in writing your Responsible Broker, who is responsible for supervising the affairs of the franchise or for assuring compliance with the terms of the Franchise Agreement, including the Manuals.

You must have our written approval for any changes in the Responsible Broker.

Each partner, shareholder or member in the franchised business must sign a Guaranty and Assumption of Obligations in the form attached to the Franchise Agreement as Exhibit C, personally assuming and agreeing to discharge all obligations of the franchisee, including its payment obligations, under the Franchise Agreement.

**ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only operate a real estate brokerage business at the Approved Location, unless we allow you to conduct other activities. You may list or sell property or represent clients within any defined area even outside your Protected Area. Subject to any restrictions or limitations placed on you by state licensing laws and subject to standards and guidelines from time to time issued by Mossy Oak Properties, you are free to deal with property and/or represent clients or customers wherever they are located. Similarly, other franchisees are free to deal with property and/or represent clients or customers that are located near you or in your Protected Area. You can only operate under a business or trade name that includes the words “Mossy Oak Properties” and which complies with the Manuals. You must use your trade name exclusively and it must be used in all advertising promotions, communications and all other materials in any meeting. We reserve the right to review and require changes to any advertising or other materials including the Mossy Oak Properties name or marks.

You are required to meet certain quality service standards that we may establish periodically and your services may be monitored through a client survey developed by us. We can terminate your Franchise Agreement if you do not meet minimum quality service standards following a probationary period. We also may conduct investigations of customer complaints about your performance and require you to resolve a complaint to our satisfaction.

**ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.**

**FRANCHISE AGREEMENT**

Provision	Section in franchise agreement	Summary
a. Length of the franchise term	Section 2	Term is for 10 years
b. Renewal or extension	Section 3	Upon our consent, You may renew for the lesser of 10 years or the duration of the Franchise Agreement.
c. Requirement for franchisee to renew or extend	Section 3 and Exhibit A	You must: (1) pay a renewal fee of \$3,000, (2) notify us in writing of your request to renew no sooner than 6 months and no later than 60 days prior to the expiration of your Franchise Agreement, (3) have complied with all of the terms and conditions of your

Provision	Section in franchise agreement	Summary
		Franchise Agreement; (4) agree to execute the form of the franchise agreement, including appropriate renewal addenda, which we are customarily using to grant franchises. This agreement may be materially different terms and conditions than your original agreement. In addition, (1) the renewal agreement will supersede your initial franchise agreement and may require you to upgrade your equipment and facilities, to use new systems and procedures and to pay higher fees and advertising costs and (2) you, your Responsible Broker or your designee may, at your expense, have to complete training programs required by us; and (5) You and any guarantors of your obligations agree to execute a general release of claims in the form attached to the franchise agreement as Exhibit A.
d. Termination by franchisee	None	Not Applicable
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Section 14	We can terminate if you commit a breach, including any one of several listed violations, or if certain events occur.
g. "Cause" defined - curable defaults	Section 14	Unless state law gives you a greater cure period, we give you 30 days to cure any default not named in Item h, below.
h. "Cause" defined – non-curable defaults	Section 14.4	For the following reasons: if the real estate brokerage license of Franchisee or the Responsible Broker is suspended or revoked or otherwise is not maintained continuously and actively in full force and effect, and in good standing; if you become insolvent, or if a receiver is appointed to take possession of your business or property, or if you make a general assignment for the benefit of creditors, or if a judgment is obtained against you which remains unsatisfied for a period of more than 30 days after all rights of appeal have been exhausted; if you become bankrupt (to be the extent permitted by law); if you made any material misrepresentation or omission in your franchise application or in any other

Provision	Section in franchise agreement	Summary
		information provided by you in connection with obtaining the franchise covered by this Agreement; if you disclose the contents of the Manuals or any other trade secret and confidential and proprietary information provided to you by us to a third party; if you are convicted of a felony; the default is a default for which we have given you a prior notice of default within the previous twelve months; or the default arises under Section 10.3.10 and you have been put on probation within the previous twelve months under said Section 10.3.10 (consumer protection and goodwill).
i. Franchisee's obligations on termination/non-renewal	Section 15 and 16	Obligations include: pay outstanding amounts; complete de-identification; return or destroy all materials with the Mossy Oak Properties name or mark; discontinue advertising as a Mossy Oak Properties franchisee; discontinue any use of Mossy Oak Properties systems, identifiers, materials, manuals and proprietary materials and return the same upon request; maintain books and records for at least 6 years; cancel/ discontinue use of telephone number at Approved Location, unless we consent otherwise. If we terminate the Franchise Agreement for cause or you terminate the Franchise Agreement without good cause, then you must pay liquidated damages.
j. Assignment of contract by franchisor	Section 20.14	We can assign your Agreement but can't materially alter your rights in doing so.
k. "Transfer" by franchisee – defined	Section 13	Includes transfer of control or ownership change.
l. Franchisor approval of transfer by franchisee	Section 13	We have the right to approve all transfers of interest in the franchise or business entity, and approvals are in our sole and absolute discretion.
m. Conditions for franchisor approval of transfer	Section 13 and Exhibit B	New franchisee qualifies, all amounts due are paid in full, transferee completes training, transfer fee paid, then-current franchise agreement signed, general release of claims signed by you in the form attached to the franchise agreement as Exhibit B, all defaults cured, facility/location not changed, guarantees provided and any

<b>Provision</b>	<b>Section in franchise agreement</b>	<b>Summary</b>
		other conditions we deem appropriate.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.2	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	None	Not Applicable
p. Death or disability of franchisee	Section 14.2.3	Franchise must be transferred to an approved franchisee/Responsible Broker within 9 months of death or incapacity.
q. Non-competition covenants during the term of the franchise	Section 10.2.7	Unless you obtain our prior written consent, neither you nor your Affiliates may have an ownership interest in, or perform services for, any other real estate service business or other competitive business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	None	Not Applicable
s. Modification of the agreement	Section 20.9	Changes to be in writing signed by you and us. However, we can unilaterally modify the Manuals.
t. Integration/merger clause	Section 20.7	Only terms of Franchise Agreement and Addenda are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be applicable.
u. Dispute resolution by arbitration or mediation	Section 19	Except for certain claims, and unless the parties agree otherwise, all disputes must be arbitrated at the American Arbitration Association Regional Office nearest West Point, Mississippi (subject to state law).
v. Choice of forum	Section 20	Exclusive venue and jurisdiction in Clay County, Mississippi and U.S. District Court for the Northern District of Mississippi, Eastern Division (subject to state law)
w. Choice of law	Section 20	Mississippi law applies (subject to state law)
y. Guaranty	Section 21.2	Mississippi law applies (subject to state law)

If a state law requires any modification to these provisions of the Franchise Agreement (or other provisions described in this Item 17) or requires additional terms, those modifications will be found in the disclosure addenda and contractual amendments appended to this Disclosure Document.

If any of the provisions in the Franchise Agreement, including those summarized above, are inconsistent with, or contrary to, applicable state law, the requirements of the applicable law or laws will be substituted for the inconsistent or contrary provisions in the agreements.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Franchise Agreement Section 19. We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.

**This table lists certain important provisions of the Area Development Agreement. You should read these provisions in the Area Development Agreement attached to this Disclosure Document.**

#### **AREA DEVELOPMENT AGREEMENT**

<b>Provision</b>	<b>Section in development agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section IV.A.	180 days after the last Mossy Oak Properties office on the development schedule opens.
b. Renewal or extension	Section IV,B,	5 years
c. Requirement for you to renew or extend	Section IV.B.	Acceptable development schedule – pay development fee
d. Termination by you	None	Not Applicable
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	Section VI	We can terminate only if you default.
g. "Cause" defined – curable defaults	Section VI.C.	You have 30 days to cure defaults listed in Section VI.C.
h. "Cause" defined – non-curable defaults	Section XIII.A. and B.	Insolvency or bankruptcy, receivership or assignment for benefit of creditors.
i. Your obligations on termination/nonrenewal	Section VIII.	Comply with covenants.
j. Assignment of contract by us	Section VII.A.	No restriction on our right to assign.
k. "Transfer" by you - defined	Section VII.B.	Includes pledge, gift or assignment of the Area Development Agreement or ownership change of Developer.
l. Our approval of transfer by you	Section VII.	We have the right to approve any transfer but will not unreasonably withhold approval if you meet our conditions which are set forth in the Franchise Agreement and incorporated by reference.
m. Conditions for our approval of transfer	Section VII.	All obligations to us are satisfied; sign release; transferee must qualify and either assume the Area Development Agreement and Franchise Agreements or sign new agreements and complete training; pay transfer fee.
n. Our right of first refusal to acquire your business	None	Not Applicable
o. Our option to purchase your business	None	Not Applicable
p. Your death or disability	Section VII.	Must be transferred to a qualified person within

<b>Provision</b>	<b>Section in development agreement</b>	<b>Summary</b>
		a reasonable time.
q. Non-competition covenants during the term of the franchise	Section VIII.	No interest in a Competitive Business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section VIII.	For 24 months, no interest in a Competitive Business within the Development Area or within 10 miles of any Mossy Oak Properties franchise in operation or under construction.
s. Modification of the agreement	Section XIV.	No modification except by written agreement signed by both parties.
t. Integration/merger clause	Section XIV.	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XVI.	Except for certain claims, and unless the parties agree otherwise, all disputes must be arbitrated at the American Arbitration Association Regional Office nearest West Point, Mississippi (subject to state law).
v. Choice of forum	Section XVI.D.	Exclusive venue and jurisdiction in Clay County, Mississippi and U.S. District Court for the Northern District of Mississippi, Eastern Division (subject to state law)
w. Choice of law	Section XIV.	Mississippi law applies (subject to state law).

If a state law requires any modification to these provisions of the Area Development Agreement (or other provisions described in this Item 17) or requires additional terms, those modifications will be found in the disclosure addenda and contractual amendments appended to this Disclosure Document.

If any of the provisions in the Area Development Agreement, including those summarized above, are inconsistent with, or contrary to, applicable state law, the requirements of the applicable law or laws will be substituted for the inconsistent or contrary provisions in the agreements.

In addition to the provisions noted in the chart above, the Area Development Agreement contains a number of provisions that may affect your legal rights, including a waiver of a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Area Development Agreement Section XVI. We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.

#### **ITEM 18. PUBLIC FIGURES**

The current Mossy Oak Properties television advertisement features comedian Jeff Foxworthy. Mr. Foxworthy was paid via a sponsorship administered by Haas Outdoors, Inc. Mossy Oak Properties, Inc. did not contribute to this sponsorship. Mr. Foxworthy does not currently appear in any other advertisements on our behalf, nor does he publically endorse our

company outside of his appearance on our advertisement.

## 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 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 any company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to franchisor’s management by contacting Rob Barefield, 6015 Highway 45 Alt South, West Point, MS 39773, (662) 494-4139, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISE INFORMATION

### System-Wide Outlet Summary

For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	95	98	+3
	2022	98	89	-9
	2023	89	83	-6
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Affiliate-Owned	2021	3	3	0
	2022	3	4	+1
	2023	4	4	0
<b>Total Outlets</b>	2021	98	101	+3
	2022	101	93	-8
	2023	93	87	-6

### Transfers of Outlets from Franchisees to New Owners (Other than the Company) for Years 2021 to 2023



<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Alabama	2021	0
	2022	0
	2023	0
Alaska	2021	0
	2022	0
	2023	0
Arkansas	2021	0
	2022	0
	2023	0
California	2021	0
	2022	0
	2023	0
Colorado	2021	0
	2022	0
	2023	1
Florida	2021	0
	2022	0
	2023	0
Georgia	2021	0
	2022	0
	2023	0
Illinois	2021	0
	2022	0
	2023	0
Indiana	2021	0
	2022	0
	2023	0
Iowa	2021	0
	2022	0
	2023	0
Kansas	2021	0
	2022	0
	2023	0
Kentucky	2021	0
	2022	0
	2023	0
Louisiana	2021	0
	2022	0
	2023	0
Michigan	2021	0
	2022	0
	2023	0
	2021	1

Mississippi	2022	0
	2023	0
Missouri	2021	0
	2022	0
	2023	0
Montana	2021	0
	2022	0
	2023	0
Nebraska	2021	0
	2022	0
	2023	0
New Mexico	2021	0
	2022	0
	2023	1
North Carolina	2021	0
	2022	0
	2023	0
Ohio	2021	0
	2022	0
	2023	0
Oklahoma	2021	0
	2022	0
	2023	0
Oregon	2021	0
	2022	0
	2023	1
Pennsylvania	2021	0
	2022	0
	2023	0
South Carolina	2021	0
	2022	0
	2023	0
Tennessee	2021	0
	2022	0
	2023	0
Texas	2021	0
	2022	0
	2023	0
West Virginia	2021	0
	2022	0
	2023	0
Virginia	2021	0
	2022	0
	2023	0

Wisconsin	2021	0
	2022	0
	2023	0
Wyoming	2021	0
	2022	0
	2023	1
<b>Total</b>	2021	1
	2022	0
	2023	4

**Status of Franchise Outlets  
For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Alaska	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Arkansas	2021	6	2	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	1	3	0	0	0	7
California	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Colorado	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Florida	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Georgia	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	1	1	0	0	2
Illinois	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations - Other Reasons	Outlets at End of Year
	2023	1	0	0	0	0	0	1
Indiana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Iowa	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kansas	2021	7	0	3	1	0	1	2
	2022	2	0	1	0	0	0	1
	2023	1	0	1	0	0	0	0
Kentucky	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Louisiana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
Michigan	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	2	6
	2023	6	0	1	0	0	0	5
Missouri	2021	11	0	0	0	0	1	10
	2022	10	0	0	0	0	4	6
	2023	6	0	0	0	0	0	6
Montana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Mexico	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
North Carolina	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	1	0	0	6
	2021	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Company	Ceased Operations - Other Reasons	Outlets at End of Year
Ohio	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Oklahoma	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	2	1
	2023	1	0	0	0	0	0	1
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	1	0	0	3
Tennessee	2021	4	0	0	0	0	1	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Texas	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Virginia	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
West Virginia	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Wisconsin	2021	1	1	0	0	0	1	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wyoming	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<b>Total</b>	2021	95	6	1	0	0	2	98
	2022	98	2	1	1	0	9	89
	2023	89	4	6	2	0	2	83

**Status of Company – [and affiliate-] Owned Outlets**

**For Years 2021-2023**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Outlets Reacquired by Franchisee</b>	<b>Outlets Closed</b>	<b>Outlets Sold to Franchisee</b>	<b>Outlets at End of The Year</b>
Alabama	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Mississippi	2021	2	0	0	0	0	2
	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3
<b>Total</b>	2021	3	0	0	0	0	3
	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4

**Projected Openings as December 31, 2023**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchise Outlet in the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlet in the Next Fiscal Year</b>
Alabama	0	0	0
Arkansas	0	1	0
Alaska	0	0	0
Colorado	0	0	0
California	0	0	0
Florida	0	1	0
Georgia	0	0	0
Iowa	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Michigan	0	1	0
Missouri	0	1	0
Montana	0	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Nebraska	0	1	0
New Mexico	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
South Dakota	0	1	0
Texas	0	1	0
Virginia	0	1	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	0	8	0

The names, addresses and telephone numbers of our franchisees and their Mossy Oak Properties offices as of the date of this Disclosure Document are listed in Exhibit E. The locations of our Affiliate owned offices are also listed in Exhibit E.

#### FORMER FRANCHISEES/OFFICES

The name, last known address and telephone number of all former Mossy Oak Properties franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement from January 1, 2023 to December 31, 2023 or who has not communicated with the Franchisor within 10 weeks of the application date.

Fred Eason, Robert LaRoche, Robert Eason, and James Johnson  
Mossy Oak Properties Delta Land Management Company  
1920 North Main Street - Suite 100  
North Little Rock, Arkansas 72114  
866.604.4707

Fred Eason, Robert LaRoche, Gene Griffith, and Jennifer Griffith  
Mossy Oak Properties Delta Land Management Company-Marshall  
3764 South Highway 65  
Leslie, AR 72645  
870.447.2135

Laddy Diebold  
Mossy Oak Properties Natural Farms and Wildlife  
112 E Sunbridge Suite 8  
Fayetteville, AR 72703  
479.443.5656

Kevin Teston and Bill Harris  
Mossy Oak Properties of Augusta

119 Davis Road, Suite 7A  
Augusta, Georgia 30907  
706.854.0056

Tim Carroll, Judd Lasseter, and Tony Lasseter  
Mossy Oak Properties Sunbelt Land Brokers, LLC  
305 Talmadge Drive  
Moultrie, GA 31768  
229.985.0014

Brian Smith and Rodney Coats  
Mossy Oak Properties of the Heartland-Fiscus Land Company  
1700 W 4th Street  
Oswego, KS 67356  
620.870.9766

JJ Keeth, and Mark Woodard  
Mossy Oak Properties of Louisiana-Lake Charles  
1702 B Ryan Street  
Lake Charles, LA 70601  
888.318.5263

Marilyn Sappington, Susan Chapman, and David Anderson  
Mossy Oak Properties Pontotoc Ridge Realty  
49 South Main Street  
Pontotoc, Mississippi 38863  
662.489.2848

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

During the last 3 fiscal years, we have not signed confidentiality agreements with any former or current franchisees restricting their ability to speak openly about their experience with Mossy Oak Properties. Notwithstanding the foregoing and during the last 3 fiscal years, we have entered into an agreement with Kerry Johnson which contains a non-disparagement provision.

As of the date of this Disclosure Document, Mossy Oak Properties does not have any trademark-specific franchisee organization or association.

## **ITEM 21. FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit "F" are Mossy Oak Properties audited financial statements for the periods ending December 31, 2023, December 31, 2022, December 31, 2021.



## **ITEM 22. CONTRACTS**

The following contracts are attached as exhibits to this Disclosure Document:

1. Franchise Agreement (Exhibit A)
  - A – Renewal and General Release of Claims
  - B – Assignment General Release of Claims
  - C – Guaranty and Assumption of Obligations
  - D – Responsible Broker Confidentiality Agreement and Acceptance of Duties and Responsibilities
2. Area Development Agreement (Exhibit B)

## **ITEM 23. RECEIPTS**

You will find copies of a detachable receipt at the very end of this Disclosure Document.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**

**(See attached)**



*MOSSY OAK PROPERTIES, INC.*

*FRANCHISE AGREEMENT*

*EDITION DATE: APRIL 15, 2024*

**MOSSY OAK PROPERTIES, INC.  
REAL ESTATE FRANCHISE AGREEMENT  
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**MOSSY OAK PROPERTIES, INC.**  
**REAL ESTATE FRANCHISE AGREEMENT**  
**(Form MOP 201-I - Effective 04/15/2022)**

This Agreement is made by and between Mossy Oak Properties, Inc., a Delaware Corporation, with principal offices in the State of Mississippi, and its Franchisee, namely:

\_\_\_\_\_  
(Insert Name of Franchisee)

In order to make this Agreement more easily readable and to ensure that each franchisee is able to become thoroughly familiar with all

of the rights and obligations which this Agreement covers before it is signed, it is written in an informal style. We refer to Mossy Oak Properties, Inc. as “we”, “us”, “our”, “**Franchisor**” or “Mossy Oak Properties.” We refer to you as “you”, “your” or “**Franchisee**”.

All capitalized terms that are shown in bold print in this Agreement are defined in the accompanying Glossary.

**PURPOSE OF AGREEMENT**

The Purpose of this **Franchise Agreement** is to establish and promote a relationship between Mossy Oak Properties and its franchisees that encourages and facilitates cooperation and mutual effort to realize opportunities for business success. Mossy Oak Properties is establishing a network of authorized franchisees operating at approved locations to effectively manage real estate businesses and to build and maintain client confidence and satisfaction in Mossy Oak Properties and its franchisees. Consequently, Mossy Oak Properties relies upon each franchisee to provide the appropriate skill, capital, professionalism, office equipment, staff and facilities to properly manage a real estate business and to protect the reputation of Mossy Oak Properties. At the same time, franchisees rely upon Mossy Oak Properties to provide support and name recognition and to continually strive to enhance the quality and competitiveness of its service. This mutual dependence requires a spirit of cooperation between Mossy Oak Properties and its franchisees. To facilitate attainment of cooperation, trust and confidence, and to provide Mossy Oak Properties with the benefit of franchisee advice regarding many decisions which affect franchisee operations and advertising, Mossy Oak Properties has established mechanisms to obtain

franchisee input in the decision making process.

This Agreement authorizes Franchisee to represent itself as a Mossy Oak Properties franchisee, states the terms under which Franchisee and Mossy Oak Properties agree to do business together, states the responsibilities of Franchisee and Mossy Oak Properties to each other, and reflects the mutual dependence of the parties in achieving their business objectives.

Our network is primarily for brokers who want to specialize in investment and recreational properties through multiple listings, centralized advertising and networking with a nationally recognized name.

Franchisor is a licensee of Haas Outdoors, Inc. which has the right to use Mossy Oak®, the Mossy Oak logo, icon and various camouflage patterns, each of which is a registered trade name, trademark or service mark. Subject to the terms of our licensing agreement with Haas Outdoors, we have an exclusive right to use and to sublicense such trade name, trademark or service mark in the real estate business in the United States and Canada. The name “Mossy Oak Properties” has been registered on the Principal Register in the United States Patent and Trademark

Office and certain other trademarks and service marks that are either not registered, pending registration or licensed from Haas Outdoors, Inc., are hereinafter collectively referred to as "Mossy Oak Properties Marks."

The Mossy Oak Properties System ("MOPS") is being developed to promote and assist independently owned and operated real estate brokerage businesses. MOPS includes the common use and promotion of

certain Mossy Oak Properties Marks, copyrights, trade secrets, centralized advertising programs, recruiting programs, referral programs, Internet web sites and sales and management training programs. We shall from time to time revise and update MOPS as required in our best judgment.

You desire to obtain a franchise to operate a real estate brokerage office under the terms and conditions hereinafter set forth.

## **TERMS OF AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the delivery, receipt and sufficiency of which are hereby acknowledged; and further, in accordance with and pursuant to all terms, conditions, covenants, agreements, representations and warranties contained herein, the parties hereby mutually agree as follows:

### **Section 1. Grant of Franchise**

We hereby grant to you, and you hereby accept, the non-exclusive right to use the Mossy Oak Properties System and certain Mossy Oak Properties Marks and icon, as they are set forth in the Mossy Oak Properties **Manuals**, as they may be revised and/or supplemented by us from time to time, for the operation of a licensed real estate brokerage office upon the terms and conditions set forth

in this Agreement (hereinafter called the "Franchise"). The grant of this Franchise shall not be construed as granting you any right to purchase any additional franchises from us, or any right or priority as to the location of any additional franchise that we may grant in the future. If we subsequently grant you any franchise, said grant shall be on terms established by us.

### **Section 2. Term of Franchise**

The term of this Franchise shall be for a period of ten (10) years. The Commencement Date of this Franchise is \_\_\_\_\_, 20\_\_, and the Expiration Date of this Franchise shall be the date ten years from the Commencement Date, unless this Agreement is terminated at

an earlier date as provided herein. Some of your duties and obligations hereunder shall survive the expiration or termination of this Agreement. This agreement shall not become effective until it is executed by one of our authorized corporate officers.

### **Section 3. Renewability of Franchise**

#### **3.1 Renewability**

You may, upon written consent and approval from us, renew the Franchise for an additional term of the lesser of: (i) ten (10) years; or (ii) the duration of this Franchise Agreement, provided:

#### **3.1.1**

You have complied with all of the terms and conditions of this Franchise Agreement.

#### **3.1.2**

You have submitted an application for

approval by us.

### 3.1.3

You pay us a renewal fee of \$3,000.

### 3.1.4

You have given us written notice of your request to renew the Franchise not less than sixty (60) days or more than six (6) months prior to the Expiration Date of this Agreement. If you fail to provide us with notice of your request to renew as outlined in Subsection 3.1.3, we will deem your failure to notify us as your decision not to renew. In such case, you understand and agree that the Franchise shall expire at the Expiration Date pursuant to Section 2.

### 3.1.5

You, your **Responsible Broker** or your designee complete, at your expense, any training programs required by us (or you may provide us with evidence that you or your Responsible Broker has satisfied requirements equivalent to such programs).

### 3.1.6

You agree to execute the form of the franchise agreement, including appropriate

renewal addenda, which we are then customarily using to grant franchises. The renewal agreement will supersede this Agreement and may, among other things, require you to upgrade your equipment and facilities, to use new systems and procedures and to pay higher fees and advertising costs.

### 3.1.7

You and any guarantors of your obligations agree to execute a general release of claims in the form attached hereto as Exhibit A.

## 3.2 Continued Compliance Required

The renewal of your Franchise will be conditioned upon your continued compliance with all of the terms and conditions of this Agreement up to the original Expiration Date.

## 3.3 Month-to-Month

If you continue to operate your Franchise after the Expiration Date without proper renewal, you will be deemed to be operating on a month-to-month basis under the terms and conditions of this Franchise Agreement, provided that your right to operate under these circumstances may be terminated at any time and without cause by us upon thirty (30) days prior written notice to you.

## Section 4. Name of Franchise

### 4.1 Franchisee's Trade Name

You shall operate under the following trade name:

"Mossy Oak Properties \_\_\_\_\_"

Hereinafter the above name shall be referred to as "Franchisee's Mossy Oak Properties Trade Name." You shall use no other name in connection with any operations conducted at or from the location specified in Section 5 hereof or on computer communication services such as the Internet without our prior

written approval. We must approve the total appearance of your Mossy Oak Properties trade name and other identifying words in advance in writing. We reserve the right to review and require corrections and modifications to any display by you of the Mossy Oak Properties name or marks. Our failure to promptly require corrections of or modifications to your improper use of the name or marks shall not be deemed a waiver of our right to do so.

### 4.2 Display of Trade Name

You shall display the aforementioned trade name for all purposes, including office signs,



tract and yard signs, stationery, business cards and advertising materials, in strict compliance with the requirements set forth in the Manuals.

#### **4.3 Use of Franchisee’s Mossy Oak Trade Name**

You shall file and keep current, in the county and/or state in which your Approved Office Location is situated and at such other places as may be required by law, a “Fictitious Name Certificate,” or comparable instrument, with respect to your Mossy Oak Properties trade name under which you have been approved to operate by us. If Franchisee is a corporation or Limited Liability Company (hereinafter referred to as “LLC”), Franchisee shall not, without our prior written consent, include the words Mossy Oak Properties as part of your corporate name. You may not use our trade name or any variation thereof in any domain or website name. Prior to opening an office under said trade name, you shall supply evidence satisfactory to us that you have complied with all relevant laws

regarding the use of fictitious or assumed names.

#### **4.4 Authorized Use Only**

You shall use your Mossy Oak Properties trade name, such other Mossy Oak Properties Marks and icon as you may be authorized to use from time to time, exclusively for the purpose of promoting and operating a licensed real estate brokerage business, and for such other lawful business activities as may have been authorized previously in writing by us; provided, however, that we have no obligation to authorize any such additional business activities.

#### **4.5 Duty to Comply**

You shall comply, at all times throughout the term of this Agreement, with all guidelines instituted by us concerning authorized use and/or presentation by you of the Mossy Oak Properties Marks including any derivative marks.

### **Section 5. Location of Franchise**

#### **5.1 Approved Office Location**

You shall operate the Franchise exclusively from the following location (hereinafter referred to as your “**Approved Office Location**”):

Street: \_\_\_\_\_  
City: \_\_\_\_\_  
County: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip Code: \_\_\_\_\_

You may not operate the franchised business from any other location or any additional locations without the prior written approval of us. In the event that you seek to change your Approved Office Location, you shall submit, no later than thirty (30) days before the date on which you desire to change location, a written request to us specifying: (1) the requested new location; (2) the reason(s) you seek a new Approved Office Location; and (3)

any other factors which you believe are relevant to our decision to approve or disapprove the new location. Subject to our then current policies and procedures, we shall not unreasonably withhold or delay our approval. Your Approved Office Location is subject to the terms and conditions set forth in Subsection 10.3.8 of this Agreement.

#### **5.2 Restriction as to Use of Location**

You shall operate your real estate brokerage business from your Approved Office Location. You shall not operate any other business and shall not engage in any activity at or from Approved Office Location, either under your Mossy Oak Properties trade name or under any other name, without our prior written consent, which consent if granted may be subject to various conditions for each respective approval, including requirements designed to inform the public that the

products or services offered are not associated with or endorsed by us, or any of our affiliates or other franchisees. Notwithstanding the foregoing, it is our policy to encourage franchisees to offer services at the Approved Office Location that complement a real estate brokerage business, such as timber management, appraisals, consulting and real estate development.

### 5.3 Exclusive Use of Protected Area

During the term of this agreement, we shall not grant to another franchisee a Mossy Oak Properties office at a location that is within your **Protected Area**. Unless your Approved Office Location is situated in a **Metropolitan County**, your Protected Area is the **county** identified in Subsection 5.1 (hereinafter referred to as your "Protected Area"). If your Approved Office Location is situated in a Metropolitan County, your Protected Area is defined as follows

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You acknowledge that the franchise granted by this agreement covers only the Protected Area and does not in any way convey or imply any market or territorial rights proprietary to you except as specifically outlined herein.

You may list, advertise for sale and sell or lease properties and improvements in any location, within or outside of your Protected Area, provided that you follow applicable laws. Likewise, other Mossy Oak Properties offices may list, advertise for sale and sell or lease properties and improvements in your Protected Area. You shall not solicit business by billboard advertising within the Protected Area of another Mossy Oak Properties franchisee. Networking with other Mossy Oak franchisees is encouraged.

### 5.4 Additional Offices

In addition to the Approved Office Location described in Subsection 5.1, you may, with our prior written consent, open additional offices that are located in your Protected Area as defined in Subsection 5.3. We will not unreasonably withhold our approval of your request to open an additional office. Additional offices, if any, are subject to the terms and conditions of Subsection 10.3.8 of this Agreement. There is no additional franchise fee related to your election to open an additional office. All transactions administered by additional offices shall be subject to the same royalty and MOPAC fees as the original office. Further, commencing with the first full calendar month beginning six (6) months after you open an additional office, you shall be subject to and responsible for minimum royalty fees pursuant to Subsection 7.3 for each additional office that you open.

## Section 6. Franchise Fees

### 6.1 Franchise Fee

You agree to pay us an initial franchise fee in the amount of \$15,000.00 if this is your first Mossy Oak Properties office and \$5,000.00 if this is your second or subsequent Mossy Oak Properties Franchise Agreement.

The initial franchise fee is non-refundable and is due and fully earned by us upon execution of this Franchise Agreement. At our sole and absolute discretion, we may refund your initial franchise fee, less ordinary and reasonable expenses, including reasonable sales expenses, at the end of your orientation and management trainee program if we do not feel that you are qualified to perform your obligations under the Franchise Agreement.

### 6.2 Due Date/Non-Refundable

## **Section 7. Franchise Royalty Fees**

### **7.1 Calculation of Royalty Fee**

*In addition to the initial franchise fee set forth in Section 6, you agree to pay us, in cash or immediately available funds at our principal office or at such other place as we may designate, a "royalty fee" equal to six percent (6%) of the **Gross Commissions** of Franchisee and its **Affiliates**.*

### **7.2 Due Date**

*The royalty fee is fully earned by and payable to us immediately upon your receipt of commissions, whether in cash or other property. Royalty fees more than 10 days late shall bear interest from the due date until paid at the lesser of 18% per annum or the highest rate allowed by law.*

### **7.3 Minimum Royalty Fees**

*Commencing with the first full calendar month beginning twelve (12) months after the Commencement Date of this Agreement, there shall be a minimum royalty fee of \$6,000 per calendar year, payable at a rate of no less than \$500 per month, payable ten (10) days after the end of each month. The minimum royalty fee shall be prorated during the first and last years of the Franchise Agreement. Any such minimum royalty fee which is required under Section 7.3 is due and payable in full no later than December 31 of each year of this Agreement.*

### **7.4 Inflationary Increases**

#### **7.4.1 Calculation**

*The minimum royalty fee may be increased annually for inflation as follows:*

*The annual adjustment of the minimum*

*royalty fee will be based upon the Consumer Price Index: All Items/U.S. City Average-All Urban Consumers ("Index" - 1967 Base Year = 100) as published by the U. S. Department of Labor's Bureau of Labor Statistics, from the reported Index level as of January 2007 to January of each year. We will publish to all franchisees the adjustment, if any, which becomes effective on June 1 of each year. Adjustment shall be with respect to the changes in the Index from January 2007 to January of the then current year. If the above-described Index ceases to be published or is published less frequently or in a different manner, we reserve the right to adopt a substitute index or procedure that reasonably reflects and monitors changes in consumer price levels.*

#### **7.4.2 Possible Waiver of Increase**

*We reserve the right, in our sole discretion, in any year, to waive any scheduled increase in your minimum royalty fee.*

### **7.5 Transfer or Assignment**

*In the case of a transfer or assignment of this Agreement, the obligation to pay royalty fees, including the monthly minimum royalty fees, shall commence on the effective date of such transfer or assignment with the transferee or assignee's minimum royalty fee being the minimum royalty fee for which you were responsible at the date of the transfer or assignment.*

### **7.6 Consolidated Minimums**

*If you have more than one Mossy Oak Properties franchise agreement, you may consolidate the minimum royalty fee requirements.*

## **Section 8. Advertising Campaign**

### **8.1 MOPAC**

*In addition to the initial franchise fee set forth in Section 6 and the royalty fees set forth in Section 7, you agree to pay us, in cash or immediately available funds at our principal office or at such other place as we may designate, a contribution to the Mossy Oak Properties Advertising Campaign Fund (hereinafter called "MOPAC") in an amount equal to two percent (2%) of the Gross Commissions of Franchisee and its Affiliates.*

## **8.2 Contributions by Franchisee**

*Your MOPAC fees are due immediately upon your receipt of commissions, whether in cash or other property. MOPAC fees more than 10 days late shall bear interest from the due date until paid at the lesser of 18% per annum or the highest rate allowed by law. We shall combine your contributions with our contributions as provided in Subsection 9.5 hereof.*

## **8.3 MOPAC Minimum**

### **8.3.1**

*Commencing with the first full calendar month beginning twelve (12) months after the Commencement Date of this Agreement, there shall be a minimum MOPAC fee of \$2,400 per calendar year, payable at a rate of no less than \$200 per month. The minimum MOPAC fee shall be prorated during the first and last years of this Agreement. These limitations shall be adjusted annually for inflation as calculated in Subsection 7.4.1. We reserve the right, in our sole discretion, in any year, to waive any scheduled increase in your minimum MOPAC fee.*

### **8.3.2**

*If you have more than one Mossy Oak Properties franchise agreement, you may consolidate the minimum MOPAC fee requirements.*

## **8.4 Franchisor's Responsibilities for MOPAC**

*During the operation of your business, we will:*

### **8.4.1**

*At the request and expense of Franchisee, provide consultation and guidance for the management and operation of your promotions and advertising.*

### **8.4.2**

*Collect, control and administer monies paid to MOPAC. We reserve the right to account for, charge and collect MOPAC contributions annually rather than monthly.*

### **8.4.3**

*Manage and administer MOPAC. MOPAC contributions are limited to those made by you, other franchisees and us, and are to be used exclusively for advertising, marketing, promotion, public relations and other related activities in support of the Mossy Oak Properties brand. At least 75% of annual contributions to the MOPAC, less overhead as set forth in Subsection 8.4.4 hereof, must be spent on either: (1) national advertising, media promotions, marketing or public relations or (2) local or regional advertising, media promotions, marketing or public relations programs or (3) other activities connected to the promotion and marketing of the Mossy Oak Properties marks or the Mossy Oak Properties organization. Up to 25% of annual contributions to the MOPAC may be spent for purposes that we consider beneficial to the general recognition of the "Mossy Oak" name and the success of the franchise system, including items such as advertising production, research, test marketing, general administrative costs and various surveys.*

### **8.4.4**

*MOPAC may compensate us for reasonable expenses incurred for accounting, collection, bookkeeping, reporting, legal, management and administrative services which it provides to MOPAC to support marketing activities and for our out-of-pocket costs. In addition, we*

may provide certain products and/or services to MOPAC, which would otherwise be provided by unaffiliated third parties. Any such products and/or services provided by us will be provided at a cost comparable to those costs that MOPAC would otherwise incur if the products or services were obtained from unaffiliated third parties. Pursuant to Subsection 9.5, we will contribute all of the profits from such sales to MOPAC. We will use professional advertising and public relations agencies for the creation, development and placement of the marketing and promotional materials produced for MOPAC. MOPAC funds are not used to principally fund new franchise sales advertising or franchise sales marketing activities.

#### **8.4.5**

Upon written request, a financial report will be provided to you and all other franchisees

each year. Any MOPAC revenues not disbursed in the year in which received will be carried forward to fund MOPAC activities in the following year.

#### **8.5 Consent by Franchisee**

You agree to permit MOPAC to photograph your premises, equipment and vehicles to use in MOPAC's publicity, promotions and advertising.

#### **8.6 No Assurance of Direct Benefit**

We will have sole discretion over aspects of programs financed through MOPAC, including media, creative concepts, materials and endorsements. Although MOPAC is intended to maximize the general recognition and patronage of the Marks for the benefit of all Mossy Oak Properties offices, we cannot assure you that your office will benefit directly or pro rata from the placement of advertising.

### **Section 9. Franchisor Obligations**

#### **9.1 Merchandising Methods and Techniques**

We will provide you with the real estate brokerage, selling, promotional and merchandising methods and techniques associated with the Mossy Oak Properties System, and shall maintain a staff to give assistance and service to you.

#### **9.2 Approved Supplier Manual**

We may publish and distribute from time to time a supply manual suggesting Approved Suppliers for forms, signs, cards, stationery and other items necessary to operate a real estate brokerage business. Approved Suppliers may consist of independent suppliers as well as Mossy Oak Properties and our affiliates. You may purchase supplies either from an Approved Supplier suggested by us or from any other supplier that can first demonstrate to our satisfaction that its products or services meet our

specifications.

#### **9.3 Referral Forms**

We will make available sample referral forms for use in referring business between Mossy Oak Properties franchisees. We also will establish procedures for referrals between you and other Mossy Oak Properties franchisees; provided, however, that all referral commissions shall be subject to negotiation directly between the franchisees participating in the referral transaction.

#### **9.4 Sales Training Program**

We will operate sales training programs on a periodic basis for Mossy Oak Properties franchisees and their sales personnel at locations and formats selected by us. This program will include seminars and conferences of special interest to be held as

we deem necessary or advisable. Topics may include market conditions, sales motivation, sales aids, advertising and financing. We may charge a registration fee or other fee for such programs, seminars and conferences.

### **9.5 Contributions to MOPAC**

We agree to contribute timely to MOPAC, as further described in Section 8, one hundred percent (100%) of the MOPAC fees that we receive from you and other franchisees. In addition, we will contribute to MOPAC all rebates received by us from Approved Suppliers, if any, and the profits from the sale of Mossy Oak Properties advertising merchandise to franchisees.

### **9.6 Other Services**

We reserve the right to introduce and make available real estate related services and products, including: (1) website pages; (2) mass marketing and advertising, which you will contribute to financially in accordance with the terms of Section 8; (3) networking with other Mossy Oak franchisees; (4) advertising merchandise (e.g., caps, shirts, logos); (5) brochures and mapping of listed properties; (6) videos of listed property; (7) streaming video; (8) listing publications; (9) software packages and (10) other services, including special consultations. We will give you written notice that such product or service is available and the cost of such product or

service. The written notice will also provide that you may utilize said service or product in the operation of your Mossy Oak Properties franchised real estate brokerage business. If we advise you that such product or service is an essential element of the franchise, as determined by us, and accordingly must be utilized, you will, at your sole expense: (1) obtain all necessary equipment, products or services which we advise you are necessary for the utilization of such product or service, including computer hardware and software; and (2) begin using such product or service within ninety (90) days after your receipt of said written notice. In the event we advise you that such product or service may in our discretion be utilized, and you elect to so utilize said product or service, you will, at your sole expense, obtain all necessary equipment, products or services that we advise you are necessary for the utilization of such product or service, including computer hardware and software. Nothing in this Section shall create any obligation on the part of us to introduce or make any such services or products available to you.

### **9.7 Local and Regional Councils**

Upon request, we shall assist Mossy Oak Properties franchisees in establishing local or regional councils that may assist franchisees with promotions or with communications between franchisees and us. Membership in local or regional councils by franchisees is entirely voluntary.

## **Section 10. Additional Obligations of Franchisee**

### **10.1 Start-Up Obligations**

Prior to opening an office under your Mossy Oak Properties trade name, as set forth in Section 4 hereof, you shall complete all of the following at your expense, which obligations shall be continuing obligations throughout the term of this Agreement:

#### **10.1.1 Office Sign**

You shall install one or more internally lighted

exterior signs displaying your Mossy Oak Properties trade name, as set forth in Section 4 hereof, at the Approved Office Location, which must conform to the standards and specifications set forth in the Manuals. We must approve in writing any exception to office sign requirements that result from local sign ordinances or other reasons.

WE MUST APPROVE ALL SIGNS IN WRITING IN ADVANCE AS TO COLOR SCHEME, ARTWORK, LETTERING, SIZE,

## CONSTRUCTION AND OVERALL APPEARANCE.

### **10.1.2 Disclaimer**

*You shall place a conspicuous placard or decal on or near the door to the front entrance of your office, which complies with the standards and specifications set forth in the Manuals, which has been approved in writing by us, and which clearly states: "Each Mossy Oak Properties Office is Independently Owned and Operated."*

*You further agree to include a statement on all business cards, stationery, promotional and advertising materials, real estate documents, and all other materials used by you, unless specifically provided otherwise in the Manuals or waived in writing by us, that each Mossy Oak Properties office is independently owned and operated.*

### **10.1.3 Tract/Yard Signs**

*You shall purchase or lease an adequate quantity of Mossy Oak signs displaying your Mossy Oak Properties trade name and such other information as may be required by law and is in compliance with the standards and specifications in the Manuals.*

### **10.1.4 Stationery Goods**

*You shall purchase adequate supplies of business cards, stationery and promotional materials that display your Mossy Oak Properties trade name and other information, all of which comply with the standards and specifications of the Manuals. We will provide you with a limited initial supply, of stationery and other promotional items including press release services not to exceed \$400 in value.*

### **10.1.5 Orientation and Management Trainee Program**

*We shall establish broker orientation and management trainee programs to be offered by us at a location and time designated by us. Your Responsible Broker or a designee*

*approved in writing by us shall attend and complete the orientation and management training programs. If your Responsible Broker is operating an existing real estate business when this Agreement is executed, we may at our sole and absolute discretion, upon written request from you, allow his or her attendance of said program after your office is opened, but not later than three (3) months after the Commencement Date. All expenses incurred in training shall be borne by you and we shall provide and pay only for training instructors and materials. This program is in addition to those programs provided for in Subsection 9.4.*

### **10.1.6 Insurance**

*Unless you obtain our prior written consent for a lower amount, you shall, for the entire term of this Agreement, maintain at your expense, the following minimum amounts of insurance: (1) commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit coverage per occurrence or with primary limits of \$500,000.00 plus umbrella excess liability coverage equivalent to \$1,000,000.00 combined single limit coverage per occurrence or at such higher limits or broader coverage as we may require from time to time and (2) professional liability (real estate errors and omissions) insurance in the amount of at least One Million Dollars (\$1,000,000) per occurrence or at such higher limits or broader coverage as we may require from time to time. We reserve the right to establish minimum standards with which underwriters providing the aforementioned insurance coverage must comply. Said policies of insurance shall insure you against any liability which may arise in connection with the operation of your real estate brokerage business and such collateral businesses as may be approved in writing by us and shall be in such form as we approve. If required by law, Workers' Compensation Insurance shall be carried on all employees and sales associates. All insurance policies maintained by you, other than Workers' Compensation Insurance, shall contain a separate*

endorsement naming us as an additional insured; shall not be subject to cancellation, except on ten (10) days written notice to us; and shall contain an express waiver of any and all rights of subrogation whatsoever against us. You shall cause certificates of insurance of all such policies and endorsements, showing compliance with the above requirements, to be deposited with us within thirty (30) days of the execution of this Agreement and annually thereafter.

## **10.2 Ongoing Obligations of Franchisee**

In addition to the above-referenced Start-Up Obligations and concurrent with the opening of the franchise office and continuing throughout the term of this Agreement, you agree to undertake and carry out diligently all of the following obligations:

### **10.2.1 Management**

You acknowledge that it is a material consideration to us in granting this Franchise, and it is the stated intent of you, that this Franchise is granted to a sole proprietor, a partnership, an LLC or a corporation, as the case may be, on the basis that you and your Affiliates whose names are designated in Subsection 21.2 of this Agreement shall actively participate in the management and/or supervision of the Franchise operations, as follows:

**10.2.1.1** If you operate as a sole proprietorship, you agree to engage in the management and/or supervision of the franchise operations; or

**10.2.1.2** If you operate as a partnership (general or limited), you agree that at all times during the term of this Agreement that partners owning at least a majority interest in the capital and/or profits of the partnership shall engage in the management and/or supervision of the Franchise operations. Additionally, you shall designate one of the partners or another party as the Responsible Broker, who shall be approved in writing by us and who shall be

responsible for supervising the affairs of the Franchise operations and for assuring compliance by you and your Affiliates with terms of this Agreement; or

**10.2.1.3** If you operate as a corporation, you agree that at all times during the term of this Agreement that each officer and director of the corporation and one or more shareholders who own in the aggregate at least a majority of the outstanding stock in the corporation shall engage in the management and/or supervision of the Franchise operation. Additionally, you shall designate a senior officer of the corporation as the Responsible Broker, who shall be approved in writing by us and who shall be responsible for supervising the affairs of the Franchise operations and for assuring compliance by you and your Affiliates with all terms of this Agreement; or

**10.2.1.4** If you operate as an LLC, you agree that at all times during this agreement that each Managing Member and Member who own in the aggregate at least a majority of the outstanding interest in the LLC shall engage in the management and/or supervision of the Franchise Operation. Additionally, you shall designate a Senior Managing Member of the LLC or another party as the Responsible Broker, who shall be approved in writing by us and who shall be responsible for supervising the affairs of the franchise operations and for assuring compliance by you and your Affiliates with all terms of this agreement; and

**10.2.1.5** You shall obtain written approval by us of any changes in the Responsible Broker; we shall not unreasonably withhold our approval of a change in the Responsible Broker; and

**10.2.1.6** In Subsection 21.2, you have designated the names and positions with respect to Franchisee and percent of ownership in the Franchise of the partners of Franchisee or as the case may be the members of the LLC and the officers, directors and shareholders if the Franchisee is a corporation. Any change in the



*relationship of such designated persons as to the management of Franchisee or any change in the ownership of Franchisee resulting directly or indirectly in the transfer of fifty (50%) or more of the ownership rights in capital and/or profits of a partnership franchise or in any class of stock of a corporate franchise shall be first approved in writing by us, provided such change or transfer of ownership is in compliance with the provisions of Section 13 of this Agreement. Furthermore, you agree that you will incorporate in your organizational documents (Partnership Agreement, Articles of Incorporation or Articles of Organization, as the case may be) provisions that are expressly designed to carry out the provisions of this Subsection, and upon request, shall provide us with evidence of compliance with this provision.*

**10.2.1.7** *You agree to effectively, ethically and lawfully operate your real estate business. To achieve this objective, you agree to maintain an adequate staff of trained personnel; explain the items which make up the costs of each transaction; not charge clients for services for which you are reimbursed by us, if any; and ensure that each client's experience is satisfactory.*

#### **10.2.2 Payment for Goods and Services**

*You shall pay promptly to us all fees and contributions due hereunder, including reasonable monthly Internet access fees, as well as any additional fees or charges incurred for any products, supplies, or services rendered or to be furnished by us at your request, which fees or charges shall be payable immediately by you. Any payments that are past due shall bear interest at the lesser of 18% per annum or the highest rate allowed by law.*

#### **10.2.3 Records**

*You agree to maintain and keep such records and reports as are prescribed by us and shall mail copies of such reports and records to the*

*address designated by us in accordance with schedules required by us. A report of each brokerage transaction in which a royalty fee will be payable shall be filed with our office within seven (7) days of the execution of closing documents. You shall report such transaction information through our electronic transmission reporting system and/or through such other means as we may require.*

#### **10.2.4 Financial Statements**

*At our request, you shall provide us with a copy of your complete financial statement prepared in accordance with generally accepted accounting principles, on an annual basis within ninety (90) days of your fiscal year end. You, your principal shareholder(s), general partner(s) or the managing member must certify any financial statements that you provide to us. We reserve the right to require audited financial statements.*

#### **10.2.5 Taxes**

*You shall pay promptly when due all taxes, accounts, liabilities and indebtedness of any kind incurred by you in the conduct of your business. In the event any fees (including, without limitation, royalty fees and the initial franchise fee) payable by you to us are subject to Value Added Taxes, Gross Receipts Taxes, or similar taxes imposed by taxing authorities within the jurisdiction in which you operate, then you shall, in addition to the fees due us, pay to us an additional sum which is equal to and shall represent the amount of such tax imposed on fees due us.*

#### **10.2.6 Indemnification**

*You shall indemnify and hold harmless Franchisor, its subsidiaries, parent, and affiliates, if any, and the directors, officers and employees of each, and all other Mossy Oak Properties franchisees from all expenses, fines, suits, proceedings, claims, losses, damages, liabilities or actions of any kind or nature (including costs and attorneys' fees) arising out of or in any way connected with your operations. You further agree that if we*

are made a party to a lawsuit or other legal action in connection with your activities or any of your Affiliates, then we may tender the defense and/or prosecution of the case to you who shall be responsible for diligently pursuing the case or action at your expense, or may hire counsel directly to protect our interests and bill you for all costs and attorneys' fees incurred in connection therewith, in which case you shall promptly reimburse us all costs and expenses which we incurred. This indemnity shall apply to claims that we were negligent or failed to train, supervise or discipline you, your directors, officers, agents, servants or employees and to claims that you or your agents, servants or employees are our agent or part of a common enterprise with us. Your obligations pursuant to this Subsection shall survive the expiration or termination of this Agreement.

#### **10.2.7 Conflicts of Interest**

Without our prior written consent, neither you nor your Affiliates shall, during the term of this Agreement, directly or indirectly (individually, or as an officer, director, shareholder, partner, Responsible Broker or otherwise) operate, manage, own or have an interest in (1) any real estate business other than the business to be operated under this Agreement or under another agreement with us or (2) any other business that may be in competition with us.

#### **10.2.8 Net Worth**

You acknowledge that a material consideration of us in granting this Franchise is your representation in Subsection 12.11 that you are financially responsible and have a net worth in tangible assets in excess of Twenty-Five Thousand Dollars (\$25,000.00) not including the value of your interest in this Agreement or, if Franchisee is an individual, your principal residence. You agree and warrant that at all times throughout the term of this Agreement you shall maintain a minimum net worth as represented herein. If your net worth falls below the specified amount, you shall be required to procure a

guarantor acceptable to us to the extent of the deficiency, which guarantor shall not only guarantee your performance under this Agreement, but also your duties to your clients and to the public.

#### **10.2.9 Transaction Information/ Technology Requirements**

You will obtain and use equipment, software, communications capabilities and reporting formats that are compatible with computer systems that we may employ from time to time, and otherwise ensure that your information technology systems are compatible with our system for the purpose of transmitting listing information and digital images electronically to our information matrix and our web site. You will promptly transmit all of your listings and closed transaction information to us on an ongoing basis and will edit and delete all obsolete listings in order to ensure the accuracy of such data on our website and such other Internet or other sites as we have arranged for promotion of Mossy Oak Properties listings.

#### **10.2.10 Access to Information**

You acknowledge that during the term of this Agreement and after its termination, we shall have the right to access and use (1) all information provided by you to us pursuant to the Mossy Oak Properties Manuals, as well as any other information which may hereinafter be adopted in the Manuals; (2) all information provided by you to us regarding the sale of real estate, and in such other operational reports as we may from time to time request from you; and (3) all other information provided by you to us regarding your customers or clients. We may use such information during the term of this Agreement for public relations, advertising, statistical compilations, quality surveys, investigations and resolutions of customer or client complaints. In addition, we shall have the right, upon termination, to continue to use such information and to make such information available to other Mossy Oak

Properties franchisees for such purposes as we, in our sole and absolute discretion, deem appropriate.

### **10.2.11 Approval for Billboard Advertising**

You agree to abide by Subsection 5.3 that prevents billboard advertising in the Protected Area of another Mossy Oak Properties franchisee. To assist us with monitoring violations of this policy and to provide us the opportunity to advise you of potential conflicts, you agree to obtain our prior written consent for any billboard advertising that you locate outside of your Protected Area.

### **10.3 Obligations Related to Quality of Service and Goodwill**

In addition to the above-referenced "Start-Up Obligations" and "On Going Obligations" you acknowledge that it is of utmost importance that the services provided by you to the consuming public adhere to the minimum standards associated with the Mossy Oak Properties System and serve to enhance the reputation and goodwill associated with the service mark "Mossy Oak Properties." You acknowledge that the requirements set forth in this Section are necessary to assure continuing public acceptance and patronage of the "Mossy Oak Properties" franchise system and to avoid deterioration or obsolescence in the operation of your Mossy Oak Properties office. You, therefore, agree to undertake and carry out diligently all of the following obligations:

#### **10.3.1 Use of Service Mark**

You agree that throughout the term of this Agreement you will operate exclusively under your Mossy Oak Properties trade name with respect to all advertising, promotion and communications, including, telephone answering, office sign(s), tract and yard signs, business cards, bank accounts, stationery, promotional and advertising materials, real estate documents, and all other materials used in any medium by you. You agree to

supervise all persons working with or under you in the franchised operation to assure compliance by such persons with all the terms of this Agreement and the Manuals.

### **10.3.2 Regular Business Hours**

During the term of this Agreement, you shall diligently, faithfully and continuously conduct a Mossy Oak Properties franchise at the Approved Office Location, which shall be open during regular business hours that are customary in your area.

### **10.3.3 Audit Rights and IRS Disclosure**

**10.3.3.1** At our option, You shall either: (i) allow us to make inspections of your business and Approved Office Location at any reasonable time, and you will make your books, bank statements, tax returns and any records deemed relevant by us available for inspection and audit by us during normal working hours; or (ii) upon written request from us, mail copies of your books, bank statements, tax returns and any records deemed relevant by us to us within thirty (30) days of such written request from us.

**10.3.3.2** Our right, but not obligation, to audit shall include the right to examine books, bank statements, tax returns, records of other real estate related businesses owned, in whole or in part, or operated by you or your Affiliates, and/or any other records deemed relevant by us to determine whether all commissions received by you have been properly reported to us, that appropriate fees and contributions have been paid, and that your obligations under this Agreement have been fulfilled.

**10.3.3.3** Whenever we exercise our right to audit, you shall, upon reasonable notice from us either: (i) provide a comfortable working space for our representative(s) and ensure that all relevant books, bank statements, tax returns and any records deemed relevant by us are available at your Approved Office Location; or (ii) mail such

relevant books, bank statements, tax returns and any records deemed relevant by us to us in accordance with Section 10.3.3.1.

**10.3.3.4** We reserve the right to establish a uniform list of accounts and/or a uniform bookkeeping system for all of our franchisees, and in such event, you agree to maintain your books and records in the manner required by us.

**10.3.3.5** In the event an audit of your books discloses that royalty fees or MOPAC contributions have been underpaid by more than five percent (5%) in any consecutive three (3) month period, we may, in addition to any other remedy available under this Agreement or by law, require you to pay the audit fees and any expenses, including reasonable attorneys' fees, incurred by us in collecting past due royalty fees or MOPAC contributions. In the event of such underpayment, we may require you to pay the audit fees and related expenses for us to audit your books for any other period, which has not been audited by us but is covered by this Agreement. The audit costs and related charges shall be in addition to the interest and/or late charges that would be owed for delinquent royalty fees, MOPAC contributions and related charges, which are accrued from the date they should have been paid had you properly and timely reported the relevant transactions and otherwise complied with this Agreement to the date said amounts are paid, at the rates specified in this Agreement.

**10.3.3.6** You authorize us to provide information to the Department of Revenue for the state in which your office is located or the Internal Revenue Service ("IRS") regarding the amount of commissions that you report to us. If you receive notice of an audit by your state Department of Revenue or the IRS, you agree to notify us prior to the date of said audit.

#### **10.3.4 Ethics**

You agree to conduct your business (and likewise to supervise all of your Affiliates) in a

manner that complies with the terms and intent of this Agreement; with national, state and local laws, regulations and ordinances; and with the Mossy Oak Properties Code of Ethics (if and when adopted and published by us). You hereby authorize any federal, state or local body regulating or supervising real estate broker practices and your Board of Realtors® (if any) to release to us information related to complaints and to any disciplinary actions taken based upon your practices or the practices of your Affiliates. You agree to notify us within five (5) business days of any such complaints or disciplinary actions. You also agree to maintain all permits, certificates and licenses that are necessary for your Franchise operation in good standing and in accordance with applicable laws and regulations.

#### **10.3.5 Mossy Oak Properties Manuals**

The Mossy Oak Properties Manuals or "Manuals" refer to various printed and electronic documents that assist in the proper operation of Mossy Oak Properties franchises and the use of our graphics, Marks and tools. These include but are not limited to the Policies and Procedures Manual, Graphics Standards Manuals and Website Operation Manual.

You agree to abide by the terms of the Manuals and to supervise your Affiliates to assure their compliance with the Manuals. You acknowledge that we reserve the right to make reasonable changes in the Manuals that we determine are important for the continued success and development of the Mossy Oak Properties franchise organization and its members. Accordingly, you agree that from time to time we may reasonably change or modify the Mossy Oak Properties Marks and the Mossy Oak Properties System as well as the standards and specifications set forth in the Manuals, including the modification or adoption of new or modified trade names, trademarks, service marks, sign and logo requirements, or copyrighted materials. You also agree, at your own expense, to adopt on

a timely basis (but in no case later than ninety (90) days after notice) any such modifications as if they were a part of the Mossy Oak Properties System at the time of the execution of this Agreement. We shall notify you in writing delivered via facsimile, e-mail or regular mail as to changes in the Manuals or other changes in the operational structure of the franchise.

### **10.3.6 Mossy Oak Properties Marks**

You acknowledge that we have the exclusive right to use and sublicense the Mossy Oak Properties Marks, and that the Mossy Oak Properties System and other products and items delivered to you pursuant to this Agreement are the sole and exclusive property of us and that your right to use the same solely in connection with the operation of your franchised real estate business is contingent upon your continued full and timely performance under this Agreement. You shall be responsible for, and supervise all of your Affiliates in order to assure the proper use of the Mossy Oak Properties Marks and the Mossy Oak Properties System in compliance with this Agreement. You acquire no rights in any of said property, except for your right to use the same under this Agreement. You agree that at no time during this Agreement or at any time after the expiration or termination of this Agreement shall you contest in the United States or any other country our sole and exclusive right in said Mossy Oak Properties Marks and Mossy Oak Properties System and other products and items delivered under this Agreement, nor shall you claim any interest therein that is contrary to this Section or at any time dispute the validity of the Mossy Oak Properties Marks and/or the Mossy Oak Properties System. In addition, you acknowledge and agree that you shall be required to comply throughout the term of this Agreement with all guidelines instituted by us concerning authorized use and/or presentation by you of the Mossy Oak Properties Marks and the Mossy Oak Properties System on the Internet or other communication systems. You acknowledge that such guidelines will prohibit

use by you of "Mossy Oak Properties" or any other derivative word or mark on the Internet, on any website or other computer communications service in connection with identification of Franchisee and the operation of its business other than in compliance with its Mossy Oak Properties Tradename and in compliance with the Manuals. You agree that neither during the term of this Agreement nor at any time after its expiration or termination shall you adopt or employ, or seek to register, any names, marks, insignias, colors, trade dress, or symbols in the franchise operations or any other business that are confusingly similar to the Mossy Oak Properties Marks license under this Agreement. Furthermore, you agree to cooperate with and assist us in connection with any legal action brought by or against either of us regarding the protection and preservation of said Mossy Oak Properties Marks and Mossy Oak Properties System and other products and items delivered under this Agreement. Also, you acknowledge that all information delivered to you pursuant to this Agreement, unless the information is otherwise publicly available, constitutes our trade secrets and proprietary information. You agree to keep said information confidential and further agree to use diligent efforts to protect it from disclosure without our prior written approval, and to protect it from misappropriation by your Affiliates or by any other persons under your control.

### **10.3.7 Review of Advertising**

You acknowledge that we have the exclusive right to use and sublicense (in the real estate business) the Mossy Oak Properties Marks in the United States and throughout the world and that the Mossy Oak Properties System is the sole and exclusive property of Franchisor in the United States and throughout the world, and that any advertising or promotional materials produced by you will reflect and have an impact upon the Mossy Oak Properties System. Accordingly, if requested by us in writing, you agree to submit all advertising or promotional material produced by you to us at least five (5) business days

prior to the planned publication or airing thereof. We shall thereupon approve or disapprove the use of the Mossy Oak Properties Marks in said advertising, which approval shall not be unreasonably withheld. Further, you agree that if you choose to advertise in addition to MOPAC advertisements that you will advertise and conduct promotional activities that are lawful and enhance the reputation of you and us. You will not advertise or conduct promotional activities in a misleading or unethical manner, or in a manner that is harmful to our reputation.

### **10.3.8 Office Size and Appearance**

You acknowledge and recognize that (1) your Mossy Oak Properties real estate brokerage office(s) must meet certain minimum standards of professionalism regarding office location, office size, interior and exterior attractiveness and decor, general appearance, and cleanliness; and (2) we have the right to inspect or otherwise investigate your present or proposed office location, the size of your office, its interior and exterior appearance, and its design and décor.

#### **10.3.8.1 Ability to Resubmit**

In the event we withhold our approval or notify you in writing of our disapproval of office facilities, you may resubmit to us another proposal as often as may be required to obtain our approval. We shall have thirty (30) days from receipt of any such resubmissions to respond to you, in writing. If you do not receive written approval within thirty (30) days from the date of receipt by us of such resubmission, then we shall be deemed to have withheld our approval.

#### **10.3.8.2 Termination after Notice**

In the event you do not move into an office location approved by us, we may, at our option, terminate this Agreement at any time upon thirty (30) days written notice to you.

#### **10.3.8.3 Continuing Obligation of Franchisee**

You shall have a continuing obligation throughout the term of this Agreement to maintain both the exterior and interior of your office so that it remains the same or better in appearance and condition as when your office was originally approved by us. In the event you do not comply with the provisions of this Subsection 10.3.8.3, we may, at our option, terminate this Agreement.

#### **10.3.8.4 Modifications of Office Size and Design Requirements**

You acknowledge and agree that because of changing market conditions we reserve and shall have the right to change, increase, or eliminate office size and exterior and interior appearance and decor requirements from time to time, and that as a condition to an assignment of your Franchise, you or your assignee, may be required to make modifications to your or your assignee's office space according to our then current office size and exterior and interior appearance and decor policies.

#### **10.3.8.5 Building Code/ADA Compliance**

You acknowledge and agree to comply with local building code regulations and the accessibility standards of the Americans with Disabilities Act ("ADA"). Pursuant to Subsection 10.2.6, you shall indemnify and hold us harmless from all expenses, fines, suits, proceedings, claims, losses, damages, liabilities or actions of any kind or nature (including costs and attorneys' fees) arising out of or in any way connected to any building code or ADA violations by you.

### **10.3.9 Professionalism**

You also agree to give prompt, courteous and efficient service to the public, and generally operate the Franchise in compliance with the Manuals and professional standards so as to

preserve, maintain and enhance the value of the Mossy Oak Properties Marks and the Mossy Oak Properties System and the reputation and goodwill built up by us and by Mossy Oak Properties franchisees. Also, you agree to maintain throughout the term of this Agreement all office facilities, equipment, office signs, tract and yard signs and all other materials in first-class condition, and to keep them in strict compliance with the Manuals.

### **10.3.10 Consumer Relations and Protection of Goodwill**

The parties recognize that from time to time disputes may arise between you, your Affiliates or your agents, and a client, customer or other individual or entity involved in a business transaction, and that it is in the best interest of all parties, when possible, to quickly resolve such disputes. Accordingly, you agree to promptly respond to all complaints received from your customers or clients or other individuals, in an attempt to resolve such disputes in a reasonable manner. If we receive a complaint regarding one of your transactions, you acknowledge that we may investigate the matter and attempt to obtain versions of the relevant facts from you, the complaining party and third parties. You agree to cooperate fully with us in our investigation. We will attempt to complete our investigation within thirty (30) days. Upon completion of our investigation (and in the absence of your independent resolution of the matter), if we have obtained facts sufficient to make a determination that, in our reasonable business judgment, you have provided substandard service or acted in a materially improper fashion in said transaction, we will advise you in writing of our determination and set forth the method by which you may correct the situation (e.g., the cancellation of a listing agreement or the refund of a deposit or other funds). In the

event that: (1) we are contacted by a complaining party or become aware of a complaint regarding a particular transaction in which you were involved; and (2) we make a reasonable determination pursuant to this Section that you, or your agents or Affiliates have acted in a materially improper fashion in said transaction; and (3) we determine that the complaint has not been resolved with the complaining party to our satisfaction within thirty (30) days from our determination that you acted in a materially improper fashion, then we may, at our option, terminate this Agreement at any time upon thirty (30) days written notice to you.

### **10.3.11 Quality Review**

In the interest of allowing us to maintain and improve the quality of service provided under the service mark "Mossy Oak Properties," you authorize us, in our sole and absolute discretion, to request the parties to your closings (or a sampling of the parties to such closings) to complete a questionnaire which we may use to evaluate the service and performance of you and your sales associates. This evaluation system, referred to as the Mossy Oak Properties Transactions Index, may be revised or supplemented from time to time by us. We shall exercise reasonable business judgment in a good faith attempt to compare you with other franchisees within a similar market and/or region. If your rating is less than adequate when compared to other franchisees in your market or region for three (3) consecutive rating periods, you agree at your expense to implement corrective action within a period to be established by us. If the deficiencies identified by us are not corrected, then we may, at our option, terminate this Agreement at any time upon thirty (30) days written notice to you.

## **Section 11. Representations by Franchisor**

We represent that the following statements are true and accurate:

### **11.1**

We represent that we have the exclusive right to use and sublicense, in the real estate

business, those Mossy Oak Properties Marks and the Mossy Oak Properties System licensed to you pursuant to this Agreement, subject to certain rights and claims as may be stated otherwise within this Agreement or explained in the Franchise Disclosure Documents which you received prior to the execution of this Agreement.

#### **11.2**

We are authorized to offer this Franchise on the terms stated herein at the Approved Office Location specified in Subsection 5.1.

#### **11.3**

We are a corporation duly incorporated in the State of Delaware.

#### **11.4**

The execution of this Agreement by us will not violate or constitute a breach of any other agreement or commitment to which we are a

party.

#### **11.5**

The Corporate Officer of Mossy Oak Properties executing this Agreement is authorized to enter into this Agreement on our behalf. This Agreement upon its execution shall represent a valid and binding obligation of us to the extent performance by us is specifically required hereunder.

#### **11.6**

NO FIELD REPRESENTATIVE IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF MOSSY OAK PROPERTIES; THEREFORE, YOU ARE ADVISED NOT TO INCUR ANY EXPENSES WITH RESPECT TO OPENING THE FRANCHISED OFFICE UNTIL YOU HAVE RECEIVED A FINAL, EXECUTED COPY OF THIS AGREEMENT FROM US EXECUTED BY AN AUTHORIZED CORPORATE OFFICER OF MOSSY OAK PROPERTIES.

### **Section 12. Representations by Franchisee**

You represent that the following statements are true and accurate:

#### **12.1**

Franchisee is a licensed real estate broker under the laws of the state in which your Approved Office Location is to be situated. If Franchisee is a partnership, LLC, or a corporation, the Responsible Broker designated at Section 21 hereof is a licensed real estate broker under the laws of the state in which your Approved Office Location is to be situated.

#### **12.2**

You are not obtaining this Franchise for speculative purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchise in whole or in part.

#### **12.3**

You understand and acknowledge the importance of the high and uniform standards of quality, appearance and service imposed by us in order to maintain the value of the Mossy Oak Properties name and the necessity of operating the Franchised office in compliance with Mossy Oak Properties standards. You represent that you have the present capability and intention to meet those standards.

#### **12.4**

If Franchisee is a corporation, Franchisee is duly incorporated, licensed and currently qualified to do business in the state in which your Approved Office Location is to be situated and in any other states in which Franchisee proposes to do business.

#### **12.5**

If Franchisee is an LLC, Franchisee is duly



organized, licensed and currently qualified to do business in the state in which your Approved Office Location is to be situated and in any other states in which Franchisee proposes to do business.

#### **12.6**

Franchisee has procured such certificates, licenses and permits, in addition to appropriate real estate licenses, necessary for Franchisee to carry on the business contemplated by this Agreement.

#### **12.7**

The execution of this Agreement by you will not violate or constitute a breach of the terms of any other agreement or commitment to which you are a party.

#### **12.8**

The individual executing this Agreement on behalf of Franchisee is duly authorized to do so; upon its execution, the Agreement shall constitute a valid and binding obligation of Franchisee, and all of its partners, if Franchisee is a partnership.

#### **12.9**

You acknowledge that no representations, promises, guarantees or warranties of any kind are made or have been made by us or by any person representing himself or herself as our authorized agent or representative to induce you to execute this Agreement, except as specifically set forth in the Franchise Disclosure Documents delivered to you. You acknowledge that the success of the Franchise is dependent upon the efforts of you; or your partners, if you are a partnership; or the officers, directors and major shareholders of Franchisee, if Franchisee is a corporation; or the members of Franchisee, if Franchisee is an LLC. You and the parties

listed in Subsection 21.2 of this Agreement represent your intent to engage in the management or supervision of the Mossy Oak Properties Franchise. You acknowledge that neither Franchisor, nor any other person has guaranteed or warranted that you will succeed in the operation of the Franchise, or has provided any sales or income projections of any kind to you.

#### **12.10**

Franchisee, each of the partners of Franchisee (if Franchisee is a partnership), each managing member and Significant Member of Franchisee if Franchisee is an LLC, and each of the officers, directors and Significant Shareholders of Franchisee (if Franchisee is a corporation) who will be involved in the management and/or supervision of the Franchise (and whose names are set forth in Subsection 21.2 hereof), have read fully this Agreement, the Manuals and the Mossy Oak Properties Franchise Disclosure Documents, and fully understand the terms and the significance of same, and represent that each is capable of complying and will comply therewith.

#### **12.11**

You have a net worth in tangible assets in excess of Twenty-five Thousand Dollars (\$25,000.00), not including the value of your interest in this Agreement or your principal residence, as of said Commencement Date of this Agreement, as represented by your financial statement, which has been prepared in accordance with generally accepted accounting principles. This representation shall not be construed in any manner that would in any way restrict or limit the responsibility or degree of obligation of Franchisee and its partners, or its officers, directors and shareholders, as the case may be, as may otherwise be set forth herein, or otherwise be required by law.

### **Section 13. Assignment of Franchise**

#### **13.1 Prior Written Consent and**

#### **Conditions**

*This Agreement is personal. It is entered into by us in reliance upon and in consideration of the skill, qualifications and representations of, and trust and confidence placed in, Franchisee, the Responsible Broker, Franchisee's present partners, if Franchisee is a partnership; and Franchisee's present officers, directors and Significant Shareholders, if Franchisee is a corporation; and Franchisee's managing member and Significant Members if Franchisee is an LLC, who have represented that they will participate in the operation of the Franchise. Therefore, neither this Agreement nor any of its rights or privileges shall be assigned, transferred, shared or divided, by operation of law or otherwise, in any manner, without our prior written consent; any such purported transfer, assignment, sharing or division without the prior written approval of us shall be void. In our sole and absolute discretion, we may withhold such consent. Any consent given by us may be subject to certain conditions, including:*

#### **13.1.1**

*The qualification of any proposed transferee or assignee in accordance with the standards we then apply in evaluating prospective purchasers of new franchises. Specifically, the proposed transferee shall demonstrate to our satisfaction that it meets our managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate a real estate brokerage office (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate a real estate brokerage office;*

#### **13.1.2**

*Payment of all outstanding debts by you and/or your Affiliates, including all payments owed to us for royalty fees, MOPAC contributions, interest and late charges, audit fees and other properly chargeable amounts incurred pursuant to the operation of the*

*Mossy Oak Properties Franchise;*

#### **13.1.3**

*The curing of all defaults and noncompliance under the Franchise Agreement and the then current Mossy Oak Properties Manuals; and the curing of all defaults under any other agreement you may have with us, such as other Mossy Oak Properties Franchise Agreements, including all obligations to pay royalty fees, MOPAC contributions, interest and late charges, audit fees and other properly chargeable amounts; responsibilities to comply with the Manuals then in effect, including trade name and logo guidelines; and obligations to comply with minimum performance standards as provided for in Subsection 10.3;*

#### **13.1.4**

*Execution of a general release of claims by you, and any guarantors of your obligations, in the form attached hereto as Exhibit B;*

#### **13.1.5**

*Execution of the then current form of franchise agreement by the proposed assignee(s) and by any continuing co-owners in the Franchise (including the Responsible Broker, all partners, if Franchisee is a partnership; and all officers, directors and Significant Shareholders, if Franchisee is a corporation and managing member and Significant Member if Franchisee is an LLC), which form of agreement may contain materially different terms than those contained in this Agreement; and if requested by us, execution by any guarantors of this Agreement of a reaffirmation of their guarantee of your obligations;*

#### **13.1.6**

*Payment by transferee(s) or assignee(s) of a transfer fee to us of \$500 per year remaining on term;*

#### **13.1.7**

*Attendance by the proposed transferee or assignee at the next available "new franchisee training program" at the proposed transferee's or assignee's expense (if two or more transferees or assignees, attendance by only one is required);*

#### **13.1.8**

*Execution of an Acknowledgment of Receipt by proposed assignee(s) as to receipt by transferee(s) of a current copy of Franchise Disclosure Documents at least fourteen (14) calendar days prior to any such proposed assignment or the payment of any consideration therefor; and*

#### **13.1.9**

*If your proposed assignee intends to conduct business at a location other than the Approved Office Location specified herein, qualification of the proposed new location (which shall be located in your Protected Area) and qualification of the proposed new office in accordance with the standards we then apply in evaluating new franchisees.*

#### **13.1.10**

*All such conditions also apply to any consent given pursuant to Sections 13.2 and 13.3 hereof.*

### **13.2 Written Notice**

*If you or any other party whose interest is subject to this Section shall desire to transfer or assign rights in the Franchise (whether directly or indirectly), you shall serve upon us a written notice setting forth all of the terms and conditions of the proposed transfer or assignment, a current financial statement regarding the proposed transferee or assignee and all other information requested by us concerning the proposed transferee or assignee. Written or verbal notice from your proposed transferee or assignee will not replace and cannot serve as written notice from you. Your notice shall provide us with*

*sufficient time to comply with all Franchise Disclosure and Registration requirements with respect to any intended transferee or assignee. Within thirty (30) days after receipt of such notice (or, if we request additional information, within fifteen (15) days after receipt of such additional information), we may either consent or refuse to consent to the transfer or assignment or, at our option, accept the transfer or assignment to us upon the same terms and conditions specified in the notice. If we fail to exercise any of our rights or options or otherwise to respond, then consent to the proposed transfer or assignment shall be deemed withheld. Consent to a transfer or assignment upon the specified terms and conditions shall not be deemed to be a consent to a transfer or assignment upon any other terms or conditions, or to any other person, or to any other or subsequent transfer or assignment.*

### **13.3 Restrictions**

*If Franchisee is a sole proprietorship or partnership, we expressly consent to the transfer or assignment of this Agreement, without payment of a transfer fee, to a corporation or LLC formed, owned and controlled solely by Franchisee to operate the Franchise business, provided that such transfer or assignment shall not relieve the original Franchisee of the obligations of this Agreement nor shall it affect in any manner any obligations to guarantee this Agreement; and further provided that, except for Section 13.1.6, the corporation or LLC comply with the conditions imposed by this section; and further provided that there is no change in the Responsible Broker for the office, unless approved in writing by us, which approval shall not be unreasonably withheld. You agree to notify us in writing of such transfer or assignment of assets to a corporation or LLC at least thirty (30) days prior to such a transfer and shall supply us with such documents as we may request including transfer or assignment forms, Articles of Incorporation and Bylaws of a corporation or Articles of Organization and Operating Agreement of an LLC. If Franchisee is a corporation, any*

merger or reorganization thereof, or any sale or transfer of any class of stock, in such corporate Franchisee or the corporate parent of such Franchisee, whether by operation of law or otherwise, shall be deemed an attempted transfer or assignment of this Agreement, requiring our prior written consent and compliance with the conditions imposed by this section. If Franchisee is a partnership, the sale or transfer or assignment of any general partner's interest, or the sale or transfer or assignment of any limited partnership interests, whether by operation of law or otherwise, shall be deemed an attempted transfer or assignment of this Agreement, requiring our prior written consent and compliance with the conditions imposed by this section. If Franchisee is an LLC, the sale, transfer or assignment of any interest in the company shall be deemed an attempted transfer or assignment of this agreement requiring our prior written consent and compliance with the conditions imposed by this section. Furthermore, if the Franchise is owned by a partnership, LLC or a corporation, which in turn is owned in whole or part by another limited partnership, LLC or corporation, this Section shall be construed to apply to these entities as well. It is the intention of the parties that any transfers of ownership in any entity ultimately owning part or all of the Franchise (directly or indirectly) shall be subject to the restrictions imposed by this Section.

## **Section 14. Termination**

This Agreement may not be terminated except as provided in this Agreement. Termination of this Agreement shall not relieve you of any unfulfilled obligations created hereunder unless agreed to in writing by us. In addition to and without limiting any other provisions herein relating to termination, this Agreement may be terminated as follows:

### **14.1 Mutual Consent**

Upon mutual written consent of the parties hereto.

### **13.4 Office to Conform**

Any assignment of this Franchise made pursuant to the terms of this Agreement is expressly conditioned upon you, or your proposed transferee or assignee agreeing with us, prior to said transfer or assignment, to make, at your sole expense, or at your proposed transferee or assignee's sole expense, such reasonable expenditures as are necessary to conform the proposed transferee or assignee's office with our then current standards for interior and exterior office size, decor, overall attractiveness, and cleanliness.

### **13.5 Assignee to Comply**

In no event shall this Agreement be assumed by, or transferred to, any individual who or entity that does not comply with all requirements for transfer or assignment specified in this Agreement.

### **13.6 Change in Responsible Broker**

Any change in the Responsible Broker for the franchised office shall require our prior written consent. The Responsible Broker shall be the individual holding a real estate broker's license whose license is to be used for the franchise granted hereby and who is named as the Responsible Broker in Subsection 21.4 hereof.

### **14.2 For Cause**

We may terminate for cause as follows:

#### **14.2.1**

At our option, if you breach any of your representations or warranties or fail to perform any of your obligations under this Agreement or under any other agreement or indebtedness you may have with us (such as, by way of example but not by way of

limitation, other Mossy Oak Properties franchise agreements), including obligations to pay royalty fees, MOPAC contributions, interest and late charges, audit fees and other properly chargeable amounts; responsibilities to comply with the Manuals, including Licensing Agreement trade name and logo guidelines; obligations to comply with office size and decor requirements; obligations to comply with the resolution of disputes requirements and obligations to comply with minimum performance standards provided for in Subsection 10.3.10 of this Agreement.

#### **14.2.2**

At our option, if the real estate brokerage license of Franchisee or the Responsible Broker is suspended or revoked or otherwise is not maintained continuously and actively in full force and effect, and in good standing.

#### **14.2.3**

At our option, at any time more than: (a) nine (9) months after the death or incapacity of Franchisee, or the appointment of a conservator or guardian for the person or estate of Franchisee, if Franchisee is an individual; (b) nine (9) months after the death or incapacity of any of the general partners, or the appointment of a conservator or guardian for the person or estate of any of the general partners, if Franchisee is a partnership; or (c) nine (9) months after the death or incapacity of the Responsible Broker, or the appointment of a conservator or guardian for the person or estate of the Responsible Broker, if Franchisee is a corporation or LLC. However, this Agreement shall not terminate if within said nine month period (1) this Agreement or the general partner's interest herein is assigned in accordance with the provisions of Section 13 of this Agreement to a licensed real estate broker pre-approved by us in writing, or (2) if Franchisee is a partnership, corporation or LLC, a licensed real estate broker pre-approved by us in writing shall become the partner or the Responsible Broker holding a real estate broker's license.

#### **14.2.4**

At our option, if you fail to conduct and govern the franchised business according to the Mossy Oak Properties Code of Ethics, or any applicable laws, ordinances or regulations of the federal, state, provincial, district, county, parish or city government.

#### **14.2.5**

At our option: (1) if you become insolvent; or (2) if a receiver is appointed to take possession of your business or property or any part thereof; or (3) if you shall make a general assignment for the benefit of creditors; or (4) if a judgment is obtained against you which remains unsatisfied for a period of more than thirty (30) days after all rights of appeal have been exhausted.

#### **14.2.6**

At our option, if your office has been moved without our prior written consent or has become vacant, abandoned or deserted, or fails to remain open for business as required hereby or by the Manuals.

#### **14.2.7**

At our option, if you, within ninety (90) days of the signing of this Agreement have not opened a conforming Mossy Oak Properties franchised office or have not completed converting an existing office to a conforming Mossy Oak Properties franchised office, which in either case includes compliance with all of our standards regarding office size, decor and quality; compliance with all sign and logo requirements; and such other requirements as are specified in this Agreement and the Manuals.

#### **14.2.8**

At our option, if you fail at any time to meet the minimum continuing net worth requirements set forth in this Agreement.

#### **14.2.9**

*At our option, if any of the parties who have given personal guarantees of your performance under this Agreement cancel, renounce or alter such guarantee, or attempt to do any of the foregoing without our prior written consent, unless you procure a replacement personal guarantor satisfactory to us in our sole discretion.*

#### **14.2.10**

*At our option, if you become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you: (1) timely undertake to reaffirm the obligations under this Franchise Agreement; (2) timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Franchise Agreement; and (3) timely comply with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code; provided, however, that the parties acknowledge that this Franchise Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of Franchisee, and/or its directors, officers, shareholders or partners, as the case may be, to participate on a full-time basis in the management and/or operations of the Franchise, and, consequently, the parties agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Franchise Agreement shall, to the extent permitted by law, be void.*

#### **14.2.11**

*At our option, if you made any material misrepresentation or omission in your franchise application or in any other information provided by you in connection with obtaining the franchise covered by this Agreement.*

#### **14.2.12**

*At our option, if you fail to allow us to inspect your business and related records pursuant to Subsection 10.3.3.*

#### **14.2.13**

*At our option, if you disclose or divulge the contents of the Manuals or any other trade secret and confidential and proprietary information provided to you by us, or any of our affiliates, to any third party.*

#### **14.2.14**

*At our option, if you, or a Member or Shareholder is convicted of a misdemeanor, felony (or pleads nolo contendere to a felony), or engages in any act(s) which, in the discretion of Mossy Oak Properties, Inc., constitutes an act which is injurious or prejudicial to the goodwill associated with the Mossy Oak Properties Marks or the Mossy Oak Properties System.*

#### **14.2.15**

*At our option, if the Responsible Broker is not you, a Member or Shareholder, and is convicted of a misdemeanor, felony (or pleads nolo contendere to a felony), or engages in any act(s) which, in the discretion of Mossy Oak Properties, Inc., constitutes an act which is injurious or prejudicial to the goodwill associated with the Mossy Oak Properties Marks or the Mossy Oak Properties System.*

### **14.3 Notice with Right to Cure**

*In the event we elect to terminate this Agreement pursuant to any provision of this Agreement, we shall give you thirty (30) days' notice, or such notice as may be required by the laws of the state in which your office is located, setting forth the reason or reasons for termination. You may cure the default within the thirty (30) day notice period and thereby avoid termination.*

#### **14.4 Notice without Right to Cure**

Notwithstanding the aforesaid, we shall have the right to terminate this Agreement upon thirty (30) days' notice to you, if the right to terminate arises from any of the following reasons, in which case you shall not have the opportunity to cure the default and this Agreement shall automatically be terminated: (1) the default arises under Subsection 14.2.2, 14.2.5, 14.2.11, 14.2.13 or 14.2.14; or (2) the default arises under 14.2.10 (the extent permitted by law); or (3) the default is

a default for which we have given you a prior notice of default within the previous twelve months; or (4) the default arises under Subsection 10.3.10 and you have been put on probation within the previous twelve months for said Subsection.

#### **14.5 Compliance Required for Transfer**

In no event shall this Agreement be assumed by or transferred to any individual who or entity which does not comply with all requirements for transfer or assignment specified in this Agreement.

### **Section 15. Procedures after Termination**

Upon termination (including expiration, assignment, or transfer) of this Agreement for any reason, you shall cease to be an authorized Mossy Oak Properties franchisee and shall do all of the following acts and things, each of which shall survive the termination of this Agreement and shall remain an ongoing obligation of Franchisee:

#### **15.1**

Promptly pay us all sums then owing from you to us, to MOPAC and to your Broker Council, if any.

#### **15.2**

Pay to us the royalty fee, plus the MOPAC contribution, based upon the gross commissions ultimately received from any transaction in process as of the date of termination and the royalty fee, said sum to be paid promptly upon receipt of such commissions by you. Additionally, you shall pay us the royalty fee, plus the MOPAC contribution, based upon the gross commissions ultimately received from the closing of any transaction occurring after termination hereof, but the listing for which was initially procured by you during the time you were operating the Franchise under this Agreement.

#### **15.3**

Immediately and permanently discontinue the use of all Mossy Oak Properties Marks, including the proprietary mark "Mossy Oak Properties," all similar names and marks and any name or mark containing the designation "Mossy Oak Properties," or any other name, designation or mark, or similar colors or lettering indicating or tending to indicate that you are or ever were an authorized Mossy Oak Properties franchisee. If Franchisee is a corporation or partnership or LLC and "Mossy Oak Properties" is a part of your corporate, LLC or partnership name, or if Franchisee adopted an assumed or fictitious name (or its equivalent) containing "Mossy Oak Properties" you agree to immediately cause its governing documents, and/or its assumed or fictitious name documents, and/or registration to be amended to delete the phrase "Mossy Oak Properties" and to provide us with documentation that such changes have been made. Furthermore, you shall not promote or advertise the fact that the firm was formerly a franchisee or affiliate of the Mossy Oak Properties organization.

#### **15.4**

Promptly destroy, or surrender to us, all stationery, letterheads, forms, manuals, printed matter, films, books, cassettes, videotapes, licensed software and advertising materials containing Mossy Oak Properties

Marks, including the proprietary mark "Mossy Oak Properties," or any similar names or marks or designation or mark indicating or tending to indicate that you are or were an authorized Mossy Oak Properties franchisee and promptly return to us any equipment leased or loaned to you.

#### **15.5**

Immediately and permanently discontinue all advertising as a Mossy Oak Properties franchisee, including the immediate removal of all signs from your office which contain the Mossy Oak Properties Marks or other Mossy Oak identifying marks, and the immediate removal from any property then listed for sale or lease of all signs or sign posts using Mossy Oak Properties Marks or other identifying marks or colors, including any tract or yard sign or other sign using colors and/or a configuration similar to any Mossy Oak Properties sign, all of which you acknowledge constitute our proprietary items and which you have not used at any time in the past in business prior to your affiliation with the Mossy Oak Properties organization. If you fail to remove the office signs within ten (10) days after the effective date of the termination of this Agreement, you hereby grant us the right to enter upon your Approved Office Location and remove all "Mossy Oak Properties" signs and all other indicia of your former affiliation with the Mossy Oak Properties organization. You shall be obligated to reimburse us for the cost of removal, storage and disposition of said signs and other materials. If you fail to claim said signs and related materials removed by us within thirty (30) business days after their removal, we shall have the right to sell or otherwise dispose of said signs and related materials, in our sole discretion, and we may retain the proceeds, if any, from any sale or other disposal, to the extent necessary to offset the costs of removal, storage and disposition of said signs and related materials and to offset any other amounts or obligations that you may then owe us, or any of our subsidiaries or affiliates.

#### **15.6**

Immediately and forever cease and desist from using the Mossy Oak Properties System, including operating, sales and training manuals and aids; listing films and books; advertising and promotional materials; website, email, networking, video, mapping, video streaming and software; and all trade secret and confidential and proprietary material delivered to you pursuant to this Agreement.

#### **15.7**

Return the Manuals, operating manuals, training manuals, listing books, listing films, sales training cassettes, forms or brochures on hand which contain Mossy Oak Properties Marks or which are part of the Mossy Oak Properties System. Unless your Agreement is terminated for cause, we will reimburse you the full amount for such materials that you paid for within twelve months of the date of termination.

#### **15.8**

Refrain from doing anything that would indicate that Franchisee is or ever was an authorized Mossy Oak Properties franchisee.

#### **15.9**

Maintain all books, records and reports required by us pursuant to Subsection 10.2.3 for a period of not less than six (6) years after the termination of this Agreement and allow us to make final inspection and audit of your books and records during normal business hours within said six (6) year period for the purpose of verifying that all royalty fees, MOPAC contributions and other appropriate amounts have been paid as required herein.

#### **15.10**

Unless you obtain our prior written consent, promptly cancel and discontinue use of the telephone number(s) which served your Approved Office Location at the time of termination and delete your Mossy Oak



Properties listing in the Yellow Pages® and any other directory. You shall be deemed to have granted to us, pursuant to the terms of this Agreement, a power of attorney with full authority for us to cancel, terminate, assign, discontinue or take any and all lawful action with respect to the telephone number(s) which serves your Approved Office Location, including, without limitation, the power to take such steps which in our opinion may be necessary to delete your Mossy Oak Properties listing or advertising in the Yellow Pages® and any other directories and to terminate any other listing which indicates that you are or were affiliated with the Mossy Oak Properties organization. You shall indemnify and hold harmless each such telephone company, directory publisher and other person or entity against all costs, damages, attorneys' fees, expenses and liabilities which may be incurred or sustained in connection with or as a result of any action taken in reliance on the foregoing power of attorney. Notwithstanding the foregoing, you shall be free to continue use of the telephone number(s) which served your Approved

Office Location at the time of termination, provided that such termination occurs by reason of the expiration of this Agreement on the Expiration Date or upon early termination of this Agreement, other than by reason of a breach of this Agreement by you. In such events, within fourteen (14) days of the termination date, you shall be required to clearly indicate in all respects, including all telephone directories, databases and directory assistance, as well as stationery and signs, that you are no longer a Mossy Oak Properties franchisee or part of the Mossy Oak Properties System upon termination of this Agreement.

#### **15.11**

Immediately and permanently cause all officers, employees, and other Affiliates, as defined in the Glossary, to discontinue wearing any apparel indicating or tending to indicate that you are or were an authorized Mossy Oak Properties franchisee, and promptly to destroy or surrender to us all such apparel.

### **Section 16. Additional Remedies for Breach**

#### **16.1**

In the event that prior to the Expiration Date set forth in Section 2 hereof there is an early termination of this Agreement (which for purposes of this Section shall mean any termination of this Agreement by us "for cause", or any termination of this Agreement made by you prior to the Expiration Date for any reason), you acknowledge that damages to us would be impracticable or extremely difficult to calculate and that you shall pay to us an amount defined as "liquidated damages" (as hereinafter defined). For purposes of this Agreement, liquidated damages shall equal \$700 per month from the time of termination until the Expiration Date of your Franchise Agreement, not to exceed 2 years. You shall be entitled to a credit toward the total amount of liquidated damages only for those amounts that are paid by you to us pursuant to the provisions of Subsection 15.2

of this Agreement.

#### **16.2**

You acknowledge that in addition to the provisions of Sections 15.1 and 15.2, and 15.1 hereof, which provide that upon termination of this Agreement you will be responsible to us for the payment of specified amounts, you will, upon a termination of this Agreement prior to its Expiration Date, also be responsible to us for such additional common law damages as may be payable by you to us as a result of said termination.

#### **16.3**

You acknowledge that if you breach this Agreement and/or continue to utilize the Mossy Oak Properties, Inc. System or Mossy Oak Properties Marks at such times when you are not legally entitled to use them, we shall have no adequate remedy at law. Therefore,

*you expressly consent and agree that we may, in addition to any other available remedies, obtain an injunction and/or temporary restraining order to terminate or*

*prevent the continuation of any existing default or violation, and to prevent the occurrence of any threatened default or violation by you of this Agreement*

## **Section 17. Relationship of Parties**

### **17.1 Independent Contractor**

*You are and shall be an independent contractor and nothing herein contained shall be construed so as to create an agency relationship, a partnership or joint venture, between Franchisor and Franchisee. Neither Franchisor nor Franchisee shall act as agent or representative of the other. Neither Franchisor nor Franchisee shall guarantee the obligations of the other or in any way become obligated for the debts or expenses of the other unless specifically agreed upon in writing. We shall not be entitled to share in any of your profits or be required to share in your losses; furthermore, we shall not have any ownership or equity interest in Franchisee. All employees or sales associates, as the case may be, hired or engaged by or working for you shall be your employees or sales associates and shall not by virtue of this Agreement be deemed employees, sales associates, agents or representatives of Franchisor.*

### **17.2 No Control over Franchisee**

*We shall not regulate the hiring or firing of your salespeople, the parties from whom you may accept listings or to whom you may sell property, the commission rates charged by you, the commission splits between you and your salespeople, commission sharing between you and other real estate brokers, the details of the work performed by you or your sales associates, the manner in which you obtain listings or sell property, the working conditions of your salespeople, or your contracts with clients or customers, except to the extent necessary to protect the Mossy Oak Properties Marks, trade names and goodwill associated therewith. Your own judgment and discretion, subject only to the provisions of this Franchise Agreement and the Manuals, as it shall be adopted or revised from time to time, shall determine the conduct of your business.*

## **Section 18. Rights Reserved by Franchisor**

### **18.1**

*You expressly understand and agree that we, in regards to our relationship with you, retain all rights, title and interest in and to the Mossy Oak Properties Marks and the Mossy Oak Properties System, goodwill, trade secrets and proprietary information licensed to you pursuant to this Agreement.*

*products and items delivered pursuant to this Agreement and to modify the standards, specifications and other requirements set forth in the Manuals. You are required to comply with any such changes at your expense, as provided in this Agreement.*

### **18.2**

*You further understand and agree that we retain the right to modify the Mossy Oak Properties Marks, logos, color scheme and/or other trade dress of the system, as well as the Mossy Oak Properties System and other*

### **18.3**

*We have reserved all rights in the Mossy Oak Properties Marks not expressly granted to you, and have further reserved the right to use and to license the Mossy Oak Properties Marks to others for uses that may not be related to the operation of a licensed real estate brokerage office, including the right to define, classify, identify, approve or designate*

a particular tract of land as a Certified Mossy Oak Property or as a Mossy Oak Properties Development.

#### **18.4**

You further understand and agree that we reserve the non-exclusive right to facilitate, coordinate or participate in, either directly or indirectly, the listing or sale of property that is owned by companies that own or control more than 20,000 acres or that have land holdings in more than one state. You may facilitate, coordinate or participate in the listing or sell of such property. The commissions that you earn from such transactions are subject to our normal royalty

### **Section 19. Arbitration**

#### **19.1**

You acknowledge and agree that this Franchise Agreement involves, affects, or has a direct impact upon interstate commerce. You and your guarantor(s), if any, agree that all claims, demands, disputes or controversies of every kind or nature between you and Mossy Oak Properties arising from, concerning or relating to any of the terms and provisions of this Franchise Agreement shall be settled by binding arbitration conducted pursuant to the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq. and according to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Without limiting the generality of the foregoing, it is the intention of the parties to this Agreement to resolve by binding arbitration all unresolvable disputes between them. Either party may demand arbitration by filing with AAA a written demand for arbitration along with a statement of the matter in controversy. A copy of the demand for arbitration shall simultaneously be served upon the other party. Unless contrary to the laws of the state in which your office is located, the parties agree that the arbitration proceedings to resolve all such disputes shall take place at such location as the parties may mutually agree to in writing, and if the parties cannot agree, then at the AAA Regional

and MOPAC fee provisions.

#### **18.5**

We expressly reserve and retain the right to grant others the right to operate real estate offices identified by our Marks, at any location outside your Protected Area.

#### **18.6**

We shall not be liable to you for any damages or loss of sales, if any, from either actual or anticipated adverse consequences to you that may result from our rights reserved under this Agreement or from our continuing efforts to develop our system.

Office nearest West Point, Mississippi. The parties further agree that the Arbitrator shall decide any question regarding whether a particular controversy is subject to arbitration. This agreement to arbitrate is binding upon, and inures to the benefit of, Franchisee and Franchisor and the officers, employees, agents and affiliated entities of each of them. Further, this Agreement to arbitrate will survive payment of obligations and any termination, cancellation or performance of transactions between Franchisee and Franchisor. If a dispute or claim is not subject to arbitration for any reason, then, unless contrary to the laws of the state in which your office is located, the dispute or claim shall be decided in the state courts of the State of Mississippi situated in Clay County or the United States District Court for the Northern District of Mississippi, Eastern Division, without a jury. Each party irrevocably waives all rights to trial by jury. In such case, you consent to the personal jurisdiction of said courts and waive objection to venue in such Courts.

#### **19.2**

In the event of the arbitration or litigation of a dispute, the arbitrator may award costs and expenses of the arbitration proceeding (including, without limitation, reasonable

attorney's fees) to the prevailing party.

**19.3**

*It is the express intent of the parties that any arbitration or litigation between Franchisor and Franchisee shall be of Franchisee's individual claim and that the claim subject to arbitration or litigation not be conducted on a class-wide basis.*

**19.4**

*Notwithstanding the obligation to arbitrate as set forth in this Section, we shall not be required to arbitrate claims relating to our Mossy Oak Properties Marks or our trade names, copyrights, trade secrets or Confidential Information belonging to us or claims relating to the post-termination obligations set forth in Section 19 of this Agreement; nor shall such obligation to arbitrate preclude either party from seeking temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary to preserve the status quo or prevent irreparable harm or*

*injury pending resolution by arbitration of the actual dispute between the parties.*

**19.5**

*You should read this arbitration clause carefully because it limits legal rights, including the right to sue and appear in court. You are cautioned to sign it only if you understand it. By agreeing to this arbitration clause, you are giving up rights to seek damages in court, including the right to a jury trial. Further, your ability to compel other parties to produce documents or be examined is more limited in arbitration than in a lawsuit and your rights to appeal or change any arbitration award in any court are strictly limited.*

**Acceptance of Terms of Arbitration  
Initials of Franchisee or your Owners or  
Representatives:**

_____	_____	_____
initials	initials	MOP initials
_____	_____	
initials	initials	

**Section 20. Other Provisions**

**20.1 Construction and Venue**

*This Agreement shall be construed according to the laws of the State of Mississippi. Captions or Section headings included herein are for reference purposes only and shall not in any way modify or limit the statements contained in any Section or provision of this Agreement. All words in this Agreement shall be deemed to include any number or gender as the context or sense of this Agreement requires. In the event of any conflict between this Agreement and the Manuals or any other document, this Agreement shall control. Subject to the effects of Arbitration as outlined in Section 19, Franchisee consents to the personal jurisdiction of the state courts of the State of Mississippi situated in Clay County and the United States District Court for the Northern District of Mississippi, Eastern*

*Division; Franchisee waives objection to venue in such courts.*

**20.2 No Liability to Third Parties**

*This Agreement is exclusively for the benefit of the parties hereto and may not give rise to liability to any third party unless this Agreement specifically provides for such liability.*

**20.3 Good Faith**

*Our exercise of any right or discretion provided to us under the provisions of this Agreement shall not constitute the absence of good faith.*

**20.4 Waiver of Punitive Damages**

The parties fully waive any right to or claim for any punitive or exemplary damages against the other and agree if any dispute arises between them, each will be limited to recovery of actual damages sustained which, in the case of Mossy Oak Properties, includes lost future profits as set forth in Subsection 16.1.

## **20.5 Time of the Essence**

Time is of the essence of this Agreement.

## **20.6 No Fiduciary Relationship**

No fiduciary relationship is intended or created by the terms of this Agreement.

## **20.7 Integration**

### **20.7.1**

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

### **20.7.2**

Notwithstanding the provisions of Subsection 20.7.1, this Agreement shall not supersede or

cancel the following: (1) information and representations submitted by you to us in your application for the grant of this Franchise, including financial statements and references which accompanied your application; and (2) information and representations in the Franchise Disclosure Documents which you have received in connection with the Franchise which is the subject of this Agreement.

## **20.8 Attorneys' Fees**

Should either party incur attorneys' fees in order to enforce the terms and conditions of this Agreement, including post-term covenants, whether or not a legal action is instituted, the party not in default shall be entitled to reimbursement of such reasonable attorneys' fees and costs, in addition to any other remedies either party may have at law or in equity. If any legal action is instituted in connection with this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees.

## **20.9 Amendment**

Any modification or change in this Agreement must be in writing, executed by an authorized corporate officer of Franchisor and by Franchisee.

NONE OF OUR FIELD REPRESENTATIVES HAVE THE RIGHT OR AUTHORITY TO MAKE ORAL OR WRITTEN MODIFICATIONS OF THIS AGREEMENT, AND ANY SUCH ATTEMPTED MODIFICATIONS SHALL NOT BE BINDING UPON EITHER PARTY HERETO.

## **20.10 Waiver**

No waiver of any breach of any condition, covenant or agreement herein shall constitute a continuing waiver or a waiver of any subsequent breach of the same or any other condition, covenant or agreement. Any waiver of any provision of this Agreement to be enforceable must be in writing and signed

by the waiving party.

### **20.11 Approvals**

*Except as otherwise provided, we may withhold any consent or approval provided for herein at our discretion. Furthermore, except as specifically noted otherwise, any consent or approval Franchisee is required to obtain from us shall be deemed withheld unless given in writing.*

### **20.12 Severability**

*In case any one or more of the provisions of this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby. If there is a conflict between any of the provisions of this Agreement and the laws or statutes of the state of your Approved Office Location, and/or any other law or statute, the provisions of said law(s) or statute(s) shall prevail.*

### **20.13 Exclusive Property**

*The form and content of this Agreement and the Manuals are the exclusive property of Mossy Oak Properties and may not be reproduced in whole or in part by you or others, without our prior written consent.*

### **20.14 Binding on Successors**

*This Agreement is binding upon and shall inure to the benefit of the parties hereto, their heirs, successors and permitted assigns, except as may be otherwise restricted pursuant to other Sections contained herein. We reserve the right to assign, pledge, hypothecate or transfer this Agreement, provided that such assignment, pledge, hypothecation or transfer shall not affect materially the rights and privileges granted to*

*you herein.*

### **20.15 Notices**

*Any notices to be given hereunder shall be in writing and may be delivered personally, by facsimile or by certified or registered mail, with postage fully prepaid. Any notice that is delivered by facsimile must include written confirmation of delivery. Any notice to be delivered to us shall be addressed to Mossy Oak Properties, Post Office Box 1096, West Point, Mississippi, 39773, Attention: Legal Department. Any notice to you shall be delivered to the address set forth in Subsection 21.3 hereof. The addresses specified herein for service of notices may be changed at any time by the party making the change giving written notice to the other party. Any notice delivered by mail in the manner herein specified shall be deemed delivered five (5) days after mailing if sent Certified, Return Receipt Requested or, if received earlier, upon actual receipt.*

### **20.16 Franchisee as Plaintiff**

*You shall not institute any action related in any way to us without prior notice to and consent from us, unless our interests are adverse.*

### **20.17 Force Majeure Clause**

*The parties understand that performance by either party may be interrupted or delayed by an occurrence outside of its control, including: acts of God, such as tornados, earthquakes, lightning, floods, fires and unusually severe weather conditions; or human-created problems such as wars, terrorism, riots, strikes, lockouts, explosions and government acts. If such an occurrence should occur, the party that suffers such misfortune shall be excused from performance for as long as it is reasonably necessary to complete performance. In case of any dispute as to the reasonableness of a resulting delay in performance, the parties shall submit to arbitration.*

**20.18 No Deduction, Set-off or Abatement**

You agree to pay all amounts due under this Agreement without deduction, set-off or

abatement. You further agree that you will not, on alleged grounds of non-performance by us of any of our obligations under this Agreement, withhold payment of any fees or others amounts due to us.

**Section 21. Additional Franchisee Representations**

You make the following additional warranties and representations:

**21.1 Your Form of Business**

Your Mossy Oak Properties franchise office shall be operated as a \_\_\_\_\_ (partnership, corporation, LLC or sole proprietorship).

**21.2 Ownership Interest in Franchisee**

If your Mossy Oak Properties franchise office will be operated as a partnership, corporation or limited liability company, list below and identify the names, titles, residence addresses and respective percentage of ownership interests of each general partner, limited partner, shareholder, officer, director or member, as appropriate. Each person listed below must sign the Guaranty and Assumption of Obligations hereto attached as Exhibit C. If more space is required, attach additional sheets.

a.	_____	b.	_____
	_____		_____
	_____		_____
	_____ %		_____ %
c.	_____	d.	_____
	_____		_____
	_____		_____
	_____ %		_____ %

**21.3 Franchisee's Address**

The address where your records are to be maintained:

\_\_\_\_\_  
\_\_\_\_\_

The mailing address of Franchise Office:

\_\_\_\_\_  
\_\_\_\_\_

**21.4 Responsible Broker**

The full name, business address and real estate broker license number(s) of your Responsible Broker:

\_\_\_\_\_ License number: \_\_\_\_\_ State: \_\_\_\_\_

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**We must approve your Responsible Broker in writing. If not a signatory to this Franchise Agreement, your Responsible Broker must sign a Confidentiality Agreement in the form attached hereto as Exhibit D, and agree to accept the duties and responsibilities as described herein. You shall not substitute a new Responsible Broker without our prior written consent.**

**21.5 Receipt of Franchise Disclosure Document**

Franchisee acknowledges receipt of a Franchise Disclosure Document dated \_\_\_\_\_ from Franchisor on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, which describes the Franchise to be operated pursuant to the terms of this Agreement. Franchisee acknowledges receipt of a complete copy of this Agreement at least seven (7) calendar days prior to its execution.

**21.6 Acknowledgments**

You further acknowledge that there have been no representations, promises, guarantees or warranties of any kind made by us to induce you to execute this Agreement, except as specifically set forth in the Franchise Disclosure Document that has been delivered to you. You acknowledge that you have reviewed the Franchise Disclosure Document and have received all information that you have requested concerning our business operation, and any other information that, in your opinion, is necessary for you to decide whether to enter into this Agreement. Further, you acknowledge that you have made an independent investigation before executing this Agreement and have obtained legal counsel regarding your decision to execute this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Franchisee:**

By: \_\_\_\_\_  
By: \_\_\_\_\_  
  
By: \_\_\_\_\_  
By: \_\_\_\_\_

NOTE: If Franchisee will be operated as a partnership, each partner must sign this Agreement. If Franchisee will be operated as a corporation, each person owning shares of any class of stock must sign this Agreement. If Franchisee will be operated as an LLC, each person who has an ownership interest must sign this Agreement.

ACCEPTED ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

**NOTICE: ONLY AN AUTHORIZED CORPORATE OFFICER CAN ACCEPT FOR FRANCHISOR.**



**Mossy Oak Properties, Inc.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**MOSSY OAK PROPERTIES, INC.**  
**GLOSSARY FOR**  
**REAL ESTATE FRANCHISE AGREEMENT**  
**(Form MOP 202-I – Effective 11/01/2012)**

**Affiliates of Franchisee:** includes each of the following: (1) each partner, Responsible Broker, officer or director of Franchisee and any person who in fact controls the management and/or supervises the business of Franchisee; (2) if Franchisee is a corporation, any shareholder who owns any class of your stock, including corporations or other entities which control, are controlled by, or are under common control with Franchisee or its other Affiliates; (3) if Franchisee is a partnership, each of the partners thereof and each officer, director and shareholder/member of any corporate or LLC partner; and (4) if Franchisee is an LLC, each member. For purposes of this definition, ownership shall mean direct or indirect ownership by a spouse of a party or by any dependent of a party who resides in the same household as that party.

**Approved Office Location:** your office location that must be approved by us and must be within your Protected Area.

**County:** also refers to a parish.

**Franchise Agreement:** the Franchise Agreement, including this Real Estate Franchise Agreement properly executed and all of the related Addenda.

**Franchisee:** the proprietorship, partnership, limited partnership, corporation or limited liability company that signs the Franchise Agreement with Mossy Oak Properties, Inc. At times referred to as “you”, “your” or “Franchisee” in this Agreement.

**Franchisor:** Mossy Oak Properties, Inc., its successors and assigns. Referred to as “we”, “us”, “our” or “Franchisor” in this Agreement.

**Gross Commissions:** unless otherwise waived in writing by us, means total commission income as that term is commonly understood and defined in the real estate brokerage business that is earned or received by you and your Affiliates (as herein defined) during the term of this Agreement. Gross commissions include not only cash payments, but also the value of all other forms of compensation and remuneration received. Unless otherwise waived in writing by us, all gross commissions (as defined above) received in the operation of your business by your affiliates, agents, employees, or corporations or other entities which control, are controlled by, or are under common control with you or your Affiliates, shall, to the extent not otherwise included in your gross commissions, be included as part of your gross commissions for the purpose of calculating royalty fees payable under the Franchise Agreement. With prior written approval from us, you may exclude buyer-broker commissions for up to three clients from gross commissions provided that: (1) you identify such clients prior to executing your Franchise Agreement, (2) your commissions from these clients resulted from your representation as a buyer’s broker, (3) the commissions from such representation exceeded \$250,000 during the last year and (4) you submitted a request for such exclusion prior to executing your Franchise Agreement. Commissions that you earn from such clients when they sell property are not exempt. In addition to the foregoing and unless waived in writing by Franchisor as to any specific transaction, Gross Commissions shall include all transactions in which you or your Affiliates are involved on your or their own behalf or account (i.e., on transactions for properties owned by you or your Affiliates), and for which the services or facilities of your office are used, or in which the Mossy Oak

*Properties name or mark is used in any manner. Your regularly charged brokerage commission or fee, but not less than five (5%), shall be imputed with respect to sales transactions involving any Franchisee or Affiliate acting as a principal for purposes of computing the amount of Gross Commissions in connection with such transactions.*

**Metropolitan County:** *a county that has a population of 150,000 or more as reflected in the most recent published Census or Census Estimate of the United States Census Bureau.*

**MOPAC:** *Mossy Oak Properties Advertising Campaign Fund.*

**MOPS:** *Mossy Oak Properties System.*

**Parish:** *referred to as a county.*

**Manuals:** *the Mossy Oak Properties Manuals or "Manuals" refer to various printed and electronic documents that assist in the proper operation of Mossy Oak Properties franchises and the use of our graphics, Marks and tools. These include but are not limited to the Policies and Procedures Manual, Graphics Standards Manuals and Website Operation Manual.*

**Protected Area:** *the county or a portion of a Metropolitan County identified in Subsection 5.1 or 5.3, respectively.*

**Responsible Broker:** *the real estate broker designated by Franchisee and approved in writing by Franchisor who shall be responsible for supervising the affairs of the Franchise operations and for assuring compliance by Franchisee and its Affiliates with terms of this Agreement.*

**EXHIBIT A**

**RENEWAL AND GENERAL RELEASE OF CLAIMS**

In accordance with Section 3 of the Franchise Agreement between Mossy Oak Properties, Inc., a Delaware corporation ("Franchisor"), and \_\_\_\_\_ ("Franchisee"), the franchise agreement is hereby renewed for a ten (10) year term effective \_\_\_\_\_, 20\_\_.

In consideration of the renewal of the Franchise Agreement by Franchisor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned does hereby release, remise and forever discharge Franchisor, its agents, officers, directors, shareholders and assigns, from and jointly and severally agree to indemnify and hold Franchisor harmless from and against any and all liability including reasonable attorneys' fees, with respect to, any and all claims, demands, causes of action, actions, liens and suits of every kind and nature which Franchisee may have against the Franchisor or which Franchisee may now have or may have had at the time heretofore, or may have at any time hereafter, arising or resulting from, or in any manner pertaining or incidental to, any and every matter, thing or event, known or unknown, occurring or failing to occur, at any time in the past up to and including the date hereof; and, more particularly, but without in any way limiting the generality of the foregoing, Franchisee does hereby release, remise and forever discharge, and will so indemnify and hold harmless, Franchisor from and against any and all claims, demands, causes of action, actions, liens and suits of every kind and nature which Franchisee may now have or may have had at any time heretofore, or may have at any time hereafter, arising or resulting from, or in any manner pertaining to the Franchisee Agreement with Franchisor and Franchisor's performance of its duties during the initial term thereof.

This release expressly excludes claims arising from representations in Franchisor's FDD or its exhibits or its amendments thereto.

This Renewal and Release shall be binding upon and shall inure to the benefit of Franchisor, its successor and assigns.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Renewal and General Release of Claims as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:

MOSSY OAK PROPERTIES, INC.

By: \_\_\_\_\_  
As its: President

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_  
As Its: \_\_\_\_\_

**EXHIBIT B**

STATE OF \_\_\_\_\_  
\_\_\_\_\_ COUNTY

**ASSIGNMENT  
GENERAL RELEASE OF CLAIMS**

In consideration of the sum of One Dollar (\$1.00), the consent of Franchisor to the assignment of the Franchise Agreement, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, \_\_\_\_\_, Franchisee, and \_\_\_\_\_, Guarantor(s) do hereby release, remise and forever discharge Mossy Oak Properties, Inc., a Delaware corporation, and its officers, directors, shareholders, employees, representatives, predecessors, affiliated companies, heirs, beneficiaries, successors and assigns (collectively "Released Parties") of and from any and all claims, demands, causes of action and suits of every kind and nature, at law or in equity, which the undersigned may have had at any time heretofore, or may at any time hereafter arising from or resulting from or in any manner incidental to (either directly, indirectly or consequentially) any and every matter, thing, or event, no matter what, occurring or failing to occur at any time in the past up to and including the date hereof and more particularly, but without in any way limiting the generality of the foregoing, the undersigned does hereby release, remise and forever discharge Released Parties from any all, claims, demands, causes of actions, suits, claims of every kind or nature which the undersigned may now have or may have had at any time heretofore or may have at any time hereafter pertaining to or relating to the undersigned's Franchise Agreement, dated \_\_\_\_\_, 20\_\_\_\_, with Mossy Oak Properties, Inc., its predecessors and affiliates.

This release expressly excludes claims arising from representations in Franchisor's FDD or its exhibits or its amendments thereto.

IN WITNESS WHEREOF, the undersigned hereto set their hands and seals on this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISEE:

By: \_\_\_\_\_

Its: \_\_\_\_\_

GUARANTORS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## EXHIBIT C

### **MOSSY OAK PROPERTIES, INC. GUARANTY AND ASSUMPTION OF OBLIGATIONS** (Form MOP 203-B - Effective 04/15/2013)

This Guaranty and Assumption of Obligations is given by the undersigned, (individually as a "Guarantor" or collectively as "Guarantors"), this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ to Mossy Oak Properties, Inc. ("MOP"), in order to induce said MOP to accept \_\_\_\_\_ ("Franchisee") as a franchisee of MOP.

Each Guarantor below does hereby, jointly and severally, to the extent herein provided, guaranty to MOP the prompt payment and performance, when due, of all obligations of Franchisee under that certain Franchise Agreement bearing even date hereof, including any renewal exercised by Franchisee pursuant to said Franchise Agreement.

This Guaranty shall be deemed continuing in nature. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, the suffering of any indulgence to any debt or extension of time of payment thereof. Presentment, demand, protest, notice of protest and dishonor, and diligence in collecting any obligation under said Franchise Agreement are each and all waived by Guarantors and/or acknowledged as inapplicable. MOP shall not be required to pursue any remedy as to said obligations against Franchisee as a condition of the Guarantors' obligation.

It shall be a condition to the enforcement of this Guaranty that Guarantors shall be given thirty (30) days prior written notice, either hand-delivered or sent by mail to Guarantors at Franchisee's address or such other place designated in writing by Guarantors to MOP. Said notice shall state that non-payment or non-performance has occurred, that each Guarantor is liable for all obligations owed to MOP on account of the referenced Franchise Agreement, and that demand is made upon said Guarantor for payment of said obligations. Failure to give such notice shall not discharge Guarantor but merely prevent enforcement until so given.

The obligation of each Guarantor hereunder is an absolute and unconditional obligation, and constitutes a guaranty of payment and assumption of obligations.

Each Guarantor hereby expressly waives notice of the acceptance of this Guaranty and agrees that no action or failure to act by MOP, including, but not limited to, MOP granting additional time to pay, shall in any way limit or discharge Guarantor's liability hereunder.

Notwithstanding anything herein to the contrary, this Guaranty shall not be applicable to and each Guarantor shall not be liable or responsible for amounts which might otherwise be payable to MOP as a result of termination of the Franchise Agreement prior to its expiration date if all of the following conditions are satisfied:

The Franchise Agreement is terminated pursuant to a mutual termination agreement arising out of either the illness or retirement of the Franchisee's majority owner(s);

The majority owner(s) does not act as a real estate broker or associate broker, either directly or indirectly, within twenty-five (25) miles of Franchisee's Approved Location (as defined in the Franchise Agreement) during the time period which is equal to the remaining term of the Franchise Agreement at the time of the mutual termination ("Remaining Time Period"); and

The Franchisee has paid all royalty or service fees, MOPAC contributions, Broker Council fees, and any other charges and fees that were due and payable as of the effective date of termination.

In the event of a mutual termination as above provided, Guarantors will not be responsible to MOP for any liquidated damages. All other amounts payable by Guarantors under this Guaranty shall remain due and payable.

Notwithstanding the provisions above, if after the execution of a mutual termination agreement based on the illness or retirement of Franchisee's majority owner(s), said majority owner(s) nonetheless acts, directly or indirectly, as a real estate broker or associate broker, within twenty-five (25) miles of Franchise's Approved Location (as defined in the Franchise Agreement) at any time during the Remaining Time Period, Guarantors shall remain responsible to MOP for all losses suffered by MOP during the Remaining Time Period, including those otherwise excluded above.

In the event of a dispute between Guarantor(s) and MOP, Guarantor(s) hereby agrees to arbitrate said dispute pursuant to the provisions of Section 20 of the Franchise Agreement. In addition, Guarantor(s) hereby fully waives any right to or claim for any punitive or exemplary damages against MOP. If any legal action is instituted in connection with this Agreement, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees.

GUARANTOR(S):

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Individually and Personally

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Individually and Personally

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Individually and Personally

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Individually and Personally

**EXHIBIT D**  
**MOSSY OAK PROPERTIES, INC.**  
**RESPONSIBLE BROKER CONFIDENTIALITY AGREEMENT**  
**AND ACCEPTANCE OF DUTIES AND RESPONSIBILITIES**  
(Form MOP 205-B – Effective 11/17/05)

In consideration of Mossy Oak Properties, Inc. (hereinafter "Franchisor") approving the Undersigned (sometimes referred to as "I", "my" or "me") as the Responsible Broker for Mossy Oak Properties \_\_\_\_\_ (hereinafter "Company"); and, further, in consideration of Franchisor and Company allowing me access to confidential information, investing in my training, and providing other valuable consideration, receipt of which is hereby acknowledged, I agree that:

1. I have been advised that Company is a franchisee of Franchisor, and, as such, is in possession of certain proprietary information, some of which may be revealed to or learned by me during my training, association or employment with Company. I specifically acknowledge that, pursuant to this Agreement, I may receive valuable specialized training and/or confidential information, including, but not limited to, proprietary information concerning Company and Franchisor, such as sales, promotional and marketing methods, plans and techniques or other trade secrets of Company (hereinafter collectively referred to as "Confidential Information").

2. During the term of my association with Company as an independent contractor or as an employee, or at any time thereafter, I will not, directly or indirectly, use or disclose to anyone, or authorize disclosure of, any of the Confidential Information that may be revealed to me or learned by me during the course of my training, association or employment with Company.

3. I acknowledge that the Confidential Information with which I may become familiar is essential to Company's and Franchisor's business and is owned and shall continue to be owned solely by Company and/or Franchisor. I will use all reasonable precautions to assure that all such confidential information is properly protected from unauthorized use and disclosure. Under no circumstances shall I remove from Company's place of business any of Company's Confidential Information or books, records, training or operation materials, or any copies of such documents, without the written permission of Company or Franchisor. Under no circumstance will I make copies of such Confidential Information, books, records, documents, training or operational materials except as specifically authorized in writing by Company or Franchisor. I agree that at the termination of my association or employment, whether or not that termination is voluntary, I will return to Company immediately any and all Confidential Information or other items or materials in my possession or control that was issued to me by Company or Franchisor during my training, association or employment. Upon Company's or Franchisor's request, I will provide to Franchisor a written instrument signed by me certifying that I have returned or previously destroyed all such confidential information.

4. I acknowledge that I have read the Franchise Agreement executed by Company and Franchisor. I am familiar with and understand the terms and conditions of said Franchise Agreement, including the duties and responsibilities of the Responsible Broker as described therein. I agree to serve as Responsible Broker. I acknowledge that as Responsible Broker I have certain duties and responsibilities, including, but not limited to, the following: (a) I shall be responsible for supervising the affairs of the franchise brokerage operations and for assuring compliance by Company and its Affiliates with terms of the Franchise Agreement; (b) I will attend training classes at the request of Franchisor; (c) unless approved by Company and Franchisor in writing, I will not operate, manage, own or have an interest in any business that competes with Company or Franchisor, including any real estate business (other than the business that is operated under the Franchise Agreement that is the subject of this Agreement or under another Mossy Oak Properties Franchise Agreement); (d) I understand that it is my duty to have personal knowledge and responsibility for all real estate brokerage transactions of Company; (e) I will during the term of my appointment as Responsible Broker fairly and accurately report on a timely basis all real estate transactions of Company on forms supplied by Franchisor; (f) I will confirm the proper calculation of royalty and MOPAC fees due to Franchisor; and (g) I am currently and will continue to be a licensed real estate broker in good standing under the laws of the state in which Company's Approved Office Location is situated throughout my appointment as Responsible Broker. I will notify Company and Franchisor in writing as soon as practicable, but no later than three (3) business days, after (a) my real estate brokerage license is suspended or revoked or otherwise is not maintained continuously and actively in full force and effect or (b) I am convicted of a felony or plead *nolo contendere* to a felony. I will in good faith execute the duties and responsibilities of Responsible Broker to the best of my ability.

5. I acknowledge that any unauthorized disclosure of any Confidential Information revealed to me or learned by me during the course of my association or employment with Company or engaging in any other activities forbidden by this Agreement would result in irreparable harm to both Company and Franchisor, and I agree that such unauthorized disclosure or activity would warrant Company or Franchisor obtaining, among other relief, an immediate injunction restraining further unauthorized disclosure or activity. I also agree to pay Company and Franchisor any



costs for bringing an action to enforce this Agreement, including court costs and reasonable attorney's fees. I agree that a remedy at law for the breach of the provisions of the preceding paragraphs hereof will be inadequate. Therefore, in addition to any and all other legal and equitable remedies available to Company and Franchisor, I acknowledge and agree that Company and Franchisor will have the remedies of injunction, restraining order or other equitable relief to enforce the provisions of this Agreement.

6. Franchisor is a third-party beneficiary of this Agreement, and I agree that Franchisor, at its sole option, may enforce this Agreement independently of Company.

7. Each provision of this Agreement shall be construed as independent of every other provision of this Agreement, and each section, term or provision of this Agreement shall be considered severable. If, for any reason, a portion, term or provision of this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, terms or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties; and the invalid portions, terms or provisions shall be deemed not be a part of this Agreement.

8. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. No delay or failure at any time on the part of any party in exercising any right, power or privilege under this Agreement, or in enforcing any provision of the Agreement, shall impair any such right, power or privilege, be construed as a waiver of such provision, be construed as a waiver of any default or as any acquiescence therein, or shall affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. This Agreement or any interest herein may be assigned by Franchisor in whole or in part without the prior written approval of the Responsible Broker. This Agreement will be binding upon, will inure to the benefit of, and will be enforceable by Franchisor and its successors and assigns. Termination of my association or employment with Company will not relieve me of any obligations hereunder, which will continue in full force and effect after termination. This agreement shall be governed by and interpreted in accordance with the laws of the State of Mississippi.

**IN WITNESS WHEREOF**, I, intending to be legally bound, have executed this Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

By:

\_\_\_\_\_  
Responsible Broker

\_\_\_\_\_  
License Number(s)

\_\_\_\_\_  
License(s) issued by (insert name of state(s))

Requested by:

\_\_\_\_\_  
Signature of Franchisee or its Authorized Representative

\_\_\_\_\_  
Date

**ADDENDUM TO**  
**MOSSY OAK PROPERTIES FRANCHISE AGREEMENT**  
**FOR THE STATE OF CALIFORNIA**

THIS ADDENDUM TO FRANCHISE AGREEMENT is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Mossy Oak Properties, Inc., a Delaware corporation ("Franchisor"), and \_\_\_\_\_ ("Franchisee").

Franchisor and Franchisee agree as follows:

California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

During the term of the franchise agreement, you will not make or provide loans and shall only provide real estate brokerage services.

Section 6.2 is hereby amended to provide that in California the initial franchise fee will be deferred until we have performed all of our initial obligations to you and your office is open.

Pursuant to California law, we will provide you at least 180 days prior written notice of our intent not to renew the franchise agreement and we will otherwise comply with Section 20025 of the California Business and Professions Code.

Section 14.2.10 of the franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.).

Section 16.1 of the franchise agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

Section 19 of the franchise agreement requires binding arbitration. The arbitration shall take place at such location as the parties may mutually agree to in writing, and if the parties cannot agree, then at the AAA Regional Office nearest West Point, Mississippi. This provision may not be enforceable under California law.

The first sentence of Paragraph 20.1 of the Franchise Agreement is hereby amended to read as follows:

**"20.1**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 15 U.S.C. §1051 et seq.), this Agreement and the contractual relationship of the parties shall be interpreted, construed and governed according to the laws of the State of Indiana without regard to conflict of laws."

Section 20.1 of the franchise agreement requires application of the laws of the State of Mississippi. This provision may not be enforceable under California law.

Except as modified by this Addendum, the Franchise Agreement remains in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**ATTEST:**

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ATTEST:**

**FRANCHISEE**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ADDENDUM TO FRANCHISE AGREEMENT**  
**(ILLINOIS)**

THIS ADDENDUM TO FRANCHISE AGREEMENT is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Mossy Oak Properties, Inc., a Delaware corporation ("Franchisor"), and \_\_\_\_\_ ("Franchisee").

Franchisor and Franchisee agree as follows:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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.

In conformance with the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements, adopted September 18, 2022 and effective January 1, 2023, 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. This provision supersedes any other term of any document executed in connection with the franchise.

Except as modified by this Addendum, the Franchise Agreement remains in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**ATTEST:**

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ATTEST:**

**FRANCHISEE**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ADDENDUM TO**  
**MOSSY OAK PROPERTIES FRANCHISE AGREEMENT**  
**FOR THE STATE OF INDIANA**

This Addendum is to the Mossy Oak Properties Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ between Mossy Oak Properties, Inc., a Delaware corporation (“Franchisor”), and \_\_\_\_\_ (“Franchisee”).

In consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the mutual covenants contained herein and in the Franchise Agreement to which this Addendum is attached, and made a part hereof, it is hereby agreed by and between Franchisor and Franchisee:

1. Paragraph 10.2.6 of the Franchise Agreement is hereby amended to exclude any indemnification by Franchisee caused by Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or which may be caused by Franchisor’s negligence.

2. Paragraph 13.1.4 of the Franchise Agreement is hereby amended to add the following:

“. . . provided, however, that any such release executed by you shall not relieve us from any liability imposed by Indiana franchise law.”

3. Section 14 of the Franchise Agreement is hereby amended to add the following at the beginning thereof:

“Franchisor shall not unilaterally terminate this Agreement in bad faith or without good cause.”

4. The last three (3) sentences of Paragraph 19.1 of the Franchise Agreement are hereby deleted.

5. The first sentence of Paragraph 20.1 of the Franchise Agreement is hereby amended to read as follows:

**“20.1**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act 15 U.S.C. §1051 et seq.), this Agreement and the contractual relationship of the parties shall be interpreted, construed and governed according to the laws of the State of Indiana without regard to conflict of laws.”

6. The last sentence of Paragraph 20.1 of the Franchise Agreement is hereby amended to read as follows:

“. . .Franchisee is entitled to jurisdiction and venue of the courts of Indiana. In the event Franchisee does not invoke jurisdiction and venue in the courts of Indiana, the parties agree that Franchisor may institute any action against Franchisee and any of its Owners in any state or federal court of general jurisdiction in the judicial district in which the Franchisor has its principal place of

business at the time of commencement of such proceedings.”

7. Section 20.1 of the Franchise Agreement is hereby amended to add that arbitration hearings will be conducted in Indianapolis, Indiana or at a mutually agreed upon location.

8. Notwithstanding any provision to this Agreement to the contrary, Franchisee shall have up to two (2) years to bring an action against Franchisor for a violation of the Indiana Deceptive Trade Practices Act and up to three (3) years from the date of discovery of the facts constituting the violation to bring an action for violation of the Indiana Disclosure Law.

9. If any provision of this Franchise Agreement conflicts with Indiana Code 23-2-2.5 and 2.7, Indiana Code 23-2-2.5 and 2.7 shall govern.

Except as modified by this Addendum, the Franchise Agreement remains in full force and effect.

IN WITNESS WHEREOF, the undersigned have hereto set their hands and seals as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR:

MOSSY OAK PROPERTIES, INC.

ATTEST:

By: \_\_\_\_\_  
As Its: \_\_\_\_\_

By: \_\_\_\_\_  
As Its: \_\_\_\_\_

FRANCHISEE(S):

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**ADDENDUM TO  
MOSSY OAK PROPERTIES FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchise Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930 (together, the parties to the attached Mossy Oak Properties, Inc. Franchise Agreement (the "Agreement") agree as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Sections 3.1.6 and 13.14 are deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

"You (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents, excluding only such claims as you may have that have arisen under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce;"

Section 6.2 is hereby amended to provide that in Minnesota the initial franchise fee will be deferred until we have performed all of our initial obligations to you and your office is open.

Each provision of this Agreement shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this addendum to the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, and delivered this Minnesota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**FRANCHISEE**

**(IF YOU ARE TAKING THE FRANCHISEE AS  
A CORPORATION, LIMITED LIABILITY  
COMPANY, OR PARTNERSHIP):**

\_\_\_\_\_  
[ Name ]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**(IF YOU ARE TAKING THE FRANCHISE  
INDIVIDUALLY AND NOT AS A LEGAL ENTITY):**

\_\_\_\_\_  
[ Signature ]

\_\_\_\_\_  
[ Print Name ]

\_\_\_\_\_  
[ Signature ]

\_\_\_\_\_  
[ Print Name ]



**ADDENDUM TO MOSSY OAK PROPERTIES, INC.  
FRANCHISE AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

This Addendum pertains to franchises sold in the state of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

1. Section 6.2 is hereby amended to provide that in North Dakota the initial franchise fee will be deferred until we have performed all of our initial obligations to you and your office is open.

2. The covenant not to compete during the term of this Agreement contained in Section 6.2.7 may be unenforceable; except in certain circumstances provided by North Dakota law.

3. In regard to Section 10.4 of this Agreement, the statute of limitations under North Dakota law will apply.

4. Section 13.1.1 is amended to add "We will make a good faith effort to ascertain that any successor or assign possesses the economic resources to fulfill our obligations to our franchisees.

5. The provisions of Article 19 requiring arbitration hearings to take place at the American Arbitration Association nearest West Point, Mississippi, will be inapplicable and in the event of arbitration between Mossy Oak Properties, Inc. and the parties, such arbitration will be conducted in North Dakota or at a mutually agreed upon location.

6. Notwithstanding the provisions contained in Section 19.1 which may be inapplicable, jurisdiction and venue shall be in North Dakota.

7. The first sentence of Section 20.1 of this Agreement is hereby amended to read as follows:

"Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement and the relationship between Mossy Oak Properties, Inc. and the parties will be governed by the laws of the State of North Dakota."

8. The parties' waiver of their right to claim punitive damages, as set forth in Section 20.4 may not be enforceable under North Dakota law.

9. Section 16.1 requiring franchisees to consent to liquidated damages or termination penalties may not be enforceable under North Dakota law.

10. Section 19.1 requiring the franchisee's consent to waiver of a jury trial may not be enforceable under North Dakota law.

11. Section 3.1.6 requiring the franchisee to sign a general release of claims upon renewal may not be enforceable under North Dakota law.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**ATTEST:**

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ATTEST:**

**FRANCHISEE**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ADDENDUM TO MOSSY OAK PROPERTIES, INC.  
FRANCHISE AGREEMENT  
FOR THE STATE OF SOUTH DAKOTA**

This Addendum pertains to franchises sold in the state of South Dakota and is for the purpose of complying with South Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

Whenever the provisions of this Addendum conflict with provisions contained elsewhere in the Franchise Agreement, the provisions of this Addendum shall prevail to the extent of such conflict.

1. Section 6.2 is hereby amended to provide that in South Dakota the initial franchise fee will be deferred until we have performed all of our initial obligations to you and your office is open.

2. Paragraph 10.2.7 of the Franchise Agreement is amended by the addition of the following language.

“Notwithstanding the foregoing, to the extent the provisions of Paragraph 10.2.7 concerning restrictive covenants conflict with South Dakota law, South Dakota law shall prevail.”

3. Paragraph 20.1 of the Franchise Agreement is amended by the addition of the following language at the end of it:

“Notwithstanding the foregoing, (i) the law regarding license registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Mississippi; and (ii) any provision which designates jurisdiction or venue requires the franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.”

4. Every contract in which the amount of damage or compensation for breach of an obligation is determined in anticipation thereof is void to that extent except the parties may agree therein upon an amount presumed to be the damage for breach in cases where it would be impractical or extremely difficult to fix actual damage, SDCL 53-9-5.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**ATTEST:**

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ATTEST:**

**FRANCHISEE**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ADDENDUM TO THE MOSSY OAK PROPERTIES, INC.  
FRANCHISE AGREEMENT  
FOR THE STATE OF VIRGINIA**

This Addendum pertains to franchises sold in the state of Virginia and is for the purpose of complying with Virginia statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

**MOSSY OAK PROPERTIES, INC.,  
franchise as a corporation,**

**FRANCHISEE: (If you are taking the  
limited  
liability company, or partnership):**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**(If you are taking the franchise  
individually and not as a legal entity):**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

**EXHIBIT B**  
**AREA DEVELOPMENT AGREEMENT**

**(See attached)**



**MOSSY OAK<sup>®</sup>**  
**PROPERTIES<sub>INC.</sub>**  
*America's Land Specialist*

**MOSSY OAK PROPERTIES, INC.**

**AREA DEVELOPMENT AGREEMENT**



**MOSSY OAK PROPERTIES, INC.  
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement (Agreement) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by and between Mossy Oak Properties, Inc., a Delaware corporation, with its principal place of business in West Point, Mississippi (hereinafter referred to as "Franchisor"), and \_\_\_\_\_ (hereinafter collectively referred to as "Developer").

W I T N E S S E T H:

Franchisor has as the result of the expenditure of time, skill, effort and money, developed and owns a unique system (hereinafter "System") relating to development of a network of real estate brokerage offices under the name Mossy Oak Properties. The System includes the common use and promotion of certain Mossy Oak Properties Marks, copyrights, trade secrets, centralized advertising programs, internet websites and sales and management training programs;

Franchisor has the right to license certain trade names, service marks and trademarks including, but not limited, to "Mossy Oak Properties" and such other names, service marks, product designations and trademarks as part of the System ("Marks"). Franchisor continues to develop, use and control such Marks for the benefit and exclusive use of Franchisor's developers and franchisees in order to identify for the public the source of services marketed thereunder and to represent the System's high standards of quality, and service; and

Developer understands and acknowledges the importance of Franchisor's System and its high and uniform standards of quality and service and the necessity of operating the Mossy Oak Properties offices in conformity with Franchisor's standards and specifications and Developer acknowledges that it/its members have experience and skills necessary to perform their obligations hereunder as well as under any resultant franchise agreement.

NOW, THEREFORE, the parties, in consideration of the premises and the covenants, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

I. GRANT

A. Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Agreement, the exclusive right to establish, open and operate pursuant to separate franchise agreements ("Develop" or "Development") \_\_\_\_\_ Mossy Oak Properties offices ("Offices") within the State of \_\_\_\_\_ (the "Development Area") in accordance with the Development Schedule (See **Schedule A**) and subject to Developer's execution of separate, then-current franchise agreements and any/all ancillary documents.

B. Except as otherwise provided in this Agreement, Franchisor shall not Develop, or license anyone other than Developer to Develop, an Office in the Development Area prior to the expiration or earlier termination of this Agreement.

C. This Agreement is not a franchise agreement, and Developer shall have no right to use in any manner Franchisor's Marks by virtue hereof.

D. Developer shall have no right under this Agreement to license or sub-franchise any rights granted hereunder to others.

## II. DEVELOPMENT FEE

Upon execution of this Agreement by both parties, Developer shall pay to Franchisor a development fee of \_\_\_\_\_ and no/100 Dollars (\$00,000.00) (Development Fee") which fee shall be non-refundable and fully earned by Franchisor, for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the exclusivity granted herein. The Development Fee represents the initial franchise fees for the \_\_\_\_\_ Offices in the Development Area.

## III. DEVELOPMENT SCHEDULE

Developer shall Develop in the Development Area, in accordance with and pursuant to separate franchise agreements and any/all ancillary documents thereto, that cumulative number of Offices set forth in **Schedule A** on or before the corresponding dates set forth therein ("Development Schedule"). Time is of the essence in this Agreement and Franchisor has no obligation under any circumstances to extend the dates in the Development Schedule. Developer hereby acknowledges that its timely Development of the Offices in the Development Area in accordance with Development Schedule is of material importance to Franchisor and Developer agrees, as a condition to the continuance of the rights granted hereunder, to Develop the Offices within the Development Area in accordance with the Development Schedule, to operate such Offices pursuant to the terms of separate franchise agreements and any/all ancillary documents thereto and to maintain all such Offices in operation pursuant to the terms of separate franchise agreements and any/all ancillary documents thereto. Developer's failure to Develop Offices in accordance with the terms of this Agreement and the Development Schedule is a material breach of this Agreement.

## IV. TERM

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted to Developer hereunder shall expire on \_\_\_\_\_, 20\_\_\_\_.

## V. DUTIES OF DEVELOPER

Developer shall comply with all terms and conditions set forth in this Agreement. Developer accepts the following obligations:

A. Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and shall disclose such information or materials only to such of its employees or agents who must have access to it in connection with their employment. Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

B. Developer shall comply with all requirements of federal, state and local laws, rules and regulations.

C. Developer shall comply with the Development Schedule.

## VI. DEFAULT

A. The territorial exclusivity granted to Developer in this Agreement has been granted in reliance on Developer's representations and assurances, among others, that the conditions set forth in this Agreement and **Schedule A** will be met by Developer in a timely manner.

B. Developer shall be deemed in default under this Agreement, and all rights granted herein shall automatically terminate without notice if Developer is adjudicated a bankrupt, becomes insolvent, suffers permanent or temporary court appointed receivership of substantially all of its property, makes a general assignment for the benefit of creditors or suffers the filing of a voluntary or involuntary bankruptcy petition which is not dismissed within thirty (30) days after filing.

C. If Developer fails to meet the Development Schedule, fails to comply with any other terms and conditions of this Agreement and does not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to Developer, makes or attempts to make a transfer or assignment in violation of Section VII hereof, makes or has made any misrepresentation to Franchisor in connection with obtaining this Agreement (including, without limitation, any information or documentation provided to Franchisor prior to the execution of this Agreement), if Developer shall use the System or Franchisor's Marks except pursuant to and in accordance with a valid and in effect franchise agreement, or if Developer is convicted of a felony or any crime involving moral turpitude, such action shall constitute a default under this Agreement.

D. Developer's breach of any franchise or other agreement between Developer and Franchisor shall constitute a default under this Agreement.

Upon any such default, Franchisor, in its discretion, may do any one or more of the following:

1. Terminate this Agreement and all rights granted hereunder without affording Developer any further opportunity to cure the default, effective immediately upon receipt of written notice by Developer;
2. Terminate the territorial exclusivity granted Developer hereunder or reduce the Development Area granted Developer hereunder;
3. Develop the Development Area itself or license others to establish Offices in the Development Area.

E. Upon termination of this Agreement, Developer shall have no right to establish, open or operate any Offices for which a franchise agreement has not been executed by Franchisor and Franchisor shall be entitled to establish and to license others to establish Offices in the Development Area.

F. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

VII. TRANSFERABILITY

A. Franchisor shall have the right to transfer all or any part of its rights or obligations herein to any person or legal entity.

B. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer and are granted in reliance upon the personal qualifications, including financial condition, of Developer. Developer has represented to Franchisor that Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental rights hereunder. Developer shall not sell, pledge, assign or transfer any interest in this Agreement or in Developer without the prior written approval of Franchisor, in its sole discretion. Developer agrees that any attempt to assign or transfer any interest in Developer or in this Agreement without Franchisor's prior written approval shall be deemed an event of default.

VIII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be mailed, postage prepaid, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to FRANCHISOR:

MOSSY OAK PROPERTIES, INC.  
P. O. Box 1096  
West Point, Mississippi 39773

Notices to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IX. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

B. Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Developer agrees to take such actions as shall be necessary to that end.

C. The parties understand and agree that nothing in this Agreement authorizes any party to make any contract, agreement, warranty or representation on the other party's behalf or to incur any debt or other obligation in the other party's name.

D. Developer agrees to and shall defend, indemnify, and hold Franchisor, its subsidiaries, affiliates and assigns, and all of the aforementioned entities' respective shareholders, members, managers, officers, directors, employees, agents, attorneys and representatives ("Indemnitees") harmless, from and against any and all claims, demands, damages, losses, liabilities, expenses, causes of action, and any and/or all other liability of any kind or nature whatsoever, resulting from, arising out of or in any way connected with: (i) Developer's exercise of the rights granted by this Agreement; (ii) the performance by Developer of any of its obligations under this Agreement; or (iii) any other act, omission or negligence of Developer.

#### X. APPROVALS

A. Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

B. Franchisor makes no warranties or guaranties upon which Developer may rely, and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Agreement.

#### XI. NON-WAIVER

No failure of Franchisor to exercise any power reserved to it in this Agreement or to insist upon compliance by Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right in respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions, or covenants of this Agreement, affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

#### XII. SEVERABILITY AND CONSTRUCTION

A. This Agreement shall be deemed severable.

B. Nothing in this Agreement shall confer upon any person or legal entity other than Franchisor or Developer and such of their respective successors and assigns as may be contemplated by Section VII hereof, any rights or remedies under or by reason of this Agreement.

C. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

D. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements and obligations herein made or undertaken by Developer shall be deemed jointly and severally undertaken by all the parties hereto on behalf of Developer.

E. Notwithstanding anything to the contrary in this Agreement, in the event that any

term or provision of this Agreement conflicts with any term or provision of any franchise agreement between the parties hereto, the term(s) and/or provision(s) of such franchise agreement shall control.

### XIII. ENTIRE AGREEMENT-APPLICABLE LAW

This Agreement, the documents referred to herein, and the attachments attached hereto constitute the entire, full, and complete agreement between Franchisor and Developer concerning the subject matter hereof and supersede any and all prior agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document prospectus, or other similar document required or permitted to be given to you pursuant to applicant law.

No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing. This Agreement shall be governed by the laws of the State of Mississippi. Developer hereby irrevocably consents to the jurisdiction of the state courts of the State of Mississippi and/or the U.S. District Court for the Southern District of Mississippi, Jackson Division. Any litigation arising out of this Agreement shall be brought solely within the state courts of the State of Mississippi situated in Clay County, Mississippi or the U.S. District Court for the Southern District of Mississippi, Jackson Division.

### XIV. DISCLAIMER

A. Developer acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of the Developer as an independent businessman.

FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

**B. Neither party will be liable to the other for indirect, punitive, exemplary, incidental, consequential, or special damages, including, but not limited to, lost profits, lost income, lost revenues, business interruption or lost business arising out of this Agreement or the transactions or relationship between the parties contemplated under this Agreement, even if a party has been advised of the possibility of the damages and regardless of any prior course of dealing between the parties. The immediately preceding sentence shall not apply to limit a party's respective rights or obligations under this Agreement for indemnity.**

C. Developer acknowledges that it has received, read and understood this Agreement and the schedules/attachments hereto, and that Franchisor has accorded Developer ample time and opportunity to consult with advisors of Developer's own choosing about the potential benefits and risks of entering into this Agreement.

### XV. OFFERING OF SECURITIES BY DEVELOPER

In the event the Developer shall attempt to raise or secure funds through the sale of securities, including, without limitation, limited partnership or joint venture offerings (which sale shall be subject to the provisions of Section VII of this Agreement), Developer recognizing that the documents with respect thereto may reflect upon Franchisor, agrees to obtain the prior written consent of Franchisor with respect to any mention of Franchisor or description of Franchisor's System or Developer's relationship with Franchisor made in any documents to be utilized in connection with such offering. Developer agrees and recognizes that any offer of sale of its securities in violation of any applicable federal or state securities law or regulation, or Developer's failure to obtain Franchisor's written consent (which will not be unreasonably withheld) provided above shall constitute a material default under this Agreement subject to the provisions of Section VI hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

**MOSSY OAK PROPERTIES, INC. (FRANCHISOR)**

By: \_\_\_\_\_

As Its: \_\_\_\_\_

**DEVELOPER**

By: \_\_\_\_\_

As Its: \_\_\_\_\_

**SCHEDULE A  
TO THE AREA DEVELOPMENT AGREEMENT  
BETWEEN MOSSY OAK PROPERTIES, INC. AND  
DEVELOPER**

**DATED \_\_\_\_\_, 20\_\_**

1. Developer must Develop in the Development Area, pursuant to separate franchise agreements and any/all ancillary documents thereto, that cumulative number of Offices set forth below as of each of the following dates (the "Development Schedule"):

**Cumulative Number of Developed Offices\***

**Date**

For purposes hereof, an Office that is permanently closed after having been opened, other than as a result of noncompliance by Developer with the terms of the applicable franchise agreement, shall be deemed open for a period of 6 months after the last day it was open for business, provided that: (i) during such period of time, Developer continuously and diligently takes such actions as may be required to develop and open a substitute Office within the Development Area pursuant to a new franchise agreement therefore; and (ii) by the end of such 6 month period Developer has the substitute Office open and operating in compliance with such new franchise agreement therefore. Notwithstanding anything in this Agreement to the contrary, if Developer has developed at least \_\_\_\_ (\_\_\_\_) of the \_\_\_\_ (\_\_\_\_) Offices on or before \_\_\_\_/20\_\_\_\_, then the Development Schedule will be extended until \_\_\_\_\_ in order for Developer to develop its remaining offices.

**MOSSY OAK PROPERTIES, INC. (FRANCHISOR)**

By: \_\_\_\_\_

As Its: \_\_\_\_\_

**DEVELOPER**

By: \_\_\_\_\_

As Its: \_\_\_\_\_



**ADDENDUM TO AREA DEVELOPMENT AGREEMENT**  
**(ILLINOIS)**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Mossy Oak Properties, Inc., a Delaware corporation ("Franchisor"), and \_\_\_\_\_ ("Developer").

Franchisor and Developer agree as follows:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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.

In conformance with the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements, adopted September 18, 2022 and effective January 1, 2023, 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. This provision supersedes any other term of any document executed in connection with the franchise.

Except as modified by this Addendum, the Area Development Agreement remains in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**ATTEST:**

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ATTEST:**

**DEVELOPER**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ADDENDUM TO MOSSY OAK PROPERTIES AREA DEVELOPMENT AGREEMENT  
FOR THE STATE OF INDIANA**

This Addendum is to the Mossy Oak Properties Area Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ between Mossy Oak Properties, Inc., a Delaware corporation (“Franchisor”), and \_\_\_\_\_ (“Developer”).

In consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, the mutual covenants contained herein and in the Area Development Agreement to which this Addendum is attached, and made a part hereof, it is hereby agreed by and between Franchisor and Developer:

1. Paragraph IX.B of the Area Development Agreement is hereby amended to exclude any indemnification by Developer caused by Developer’s proper reliance on or use of procedures or materials provided by Franchisor or which may be caused by Franchisor’s negligence.

2. Paragraph VI.A. of the Area Development Agreement is hereby amended to add the following at the end thereof:

“Franchisor shall not unilaterally terminate this Agreement in bad faith or without good cause.”

4. The last sentence of Paragraph XIII of the Area Development Agreement is hereby amended to read as follows:

“This Agreement and the contractual relationship of the parties shall be interpreted, construed and governed according to the laws of the State of Indiana without regard to conflict of laws.”

5. Paragraph XIII of the Area Development Agreement is hereby amended to add the following:

“. . .Developer is entitled to jurisdiction and venue of the courts of Indiana. In the event Developer does not invoke jurisdiction and venue in the courts of Indiana, the parties agree that Franchisor may institute any action against Developer and any of its Owners in any state or federal court of general jurisdiction in the judicial district in which the Franchisor has its principal place of business at the time of commencement of such proceedings.”

6. Paragraph XV of the Area Development Agreement is hereby amended to add that arbitration hearings will be conducted in Indianapolis, Indiana or at a mutually agreed upon location.

7. Notwithstanding any provision to this Agreement to the contrary, Developer shall have up to two (2) years to bring an action against Franchisor for a violation of the Indiana Deceptive Trade Practices Act and up to three (3) years from the date of discovery of the facts constituting the violation to bring an action for violation of the Indiana Disclosure Law.

8. If any provision of this Area Development Agreement conflicts with Indiana Code

23-2-2.5 and 2.7, Indiana Code 23-2-2.5 and 2.7 shall govern.

Except as modified by this Addendum, the Area Development Agreement remains in full force and effect.

IN WITNESS WHEREOF, the undersigned have hereto set their hands and seals as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:

MOSSY OAK PROPERTIES, INC.

ATTEST:

By: \_\_\_\_\_  
As Its: \_\_\_\_\_

By: \_\_\_\_\_  
As Its: \_\_\_\_\_

DEVELOPER(S):

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

**ADDENDUM TO MOSSY OAK PROPERTIES, INC.  
AREA DEVELOPMENT AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

THIS ADDENDUM TO AREA DEVELOPMENT AGREEMENT is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Mossy Oak Properties, Inc., a Delaware corporation ("Franchisor"), and \_\_\_\_\_ ("Developer").

Franchisor and Developer agree as follows:

If any of the provisions of this contract governing applicable law termination or non-renewal or jurisdiction and venue are inconsistent with North Dakota law, then North Dakota law shall apply.

North Dakota law provides that any condition or stipulation purporting to bind any person acquiring any franchise to waive compliance with any provisions of North Dakota law is void.

Any litigation or arbitration between Franchisor and Developer may be instituted in any court of competent jurisdiction in North Dakota.

Section XIII is hereby amended to add:

"The representations made in Franchisor's Disclosure Document shall be unaffected by any statements in this Section XIII. This integration clause shall not be read to waive any rights you may have under the North Dakota Franchise Investment Law."

The disclaimer set forth in the second paragraph of Section XIV.A. is hereby amended to read as follows:

"Franchisor expressly disclaims the making of any warranty, guaranty, express or implied, as to the potential volume, profit, income or success of the Business."

Section XIV.B. of the Development Agreement is hereby deleted in its entirety.

Except as modified by this Addendum, the Area Development Agreement remains in full force and effect.

**[Signatures on following page.]**

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**ATTEST:**

**MOSSY OAK PROPERTIES, INC.**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

**ATTEST:**

**DEVELOPER:**

By: \_\_\_\_\_  
As Its \_\_\_\_\_

By: \_\_\_\_\_  
As Its \_\_\_\_\_

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- Use Case: Search Agents
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- Use Case: Look up a Property
- Use Case: Sort Property Search Results
- Use Case: Save this search
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- Use Case: Add an Office
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- Use Case: Delete an Office
- Use Case: Assign Super Users
- Use Case: Assign Users as Agents or Brokers
- Use Case: Click the Image
- Use Case: View Reports
- Use Case: Email This Listing
- Use Case: Edit a Closing
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### **Login Console**

### **Registration**

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- Edit Office
- Add New Property Listing

Edit Property Listing  
Delete a Property  
Edit an Account/Edit a Profile  
Edit a Closing  
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View Closings  
View Closings  
Assign Super Users  
Assign Users as Agents or Brokers  
Save This Search  
Email This Listing  
Summary of Listings by Agent Report

## **EXHIBIT D**

### **STATE AGENCIES**

STATE OF CALIFORNIA, Department of Business Oversight, 320 West Fourth Street, Suite 750, Los Angeles, California 90013-2344; Telephone:(213)576-7500.

STATE OF CONNECTICUT, Banking Commissioner, 44 Capitol Avenue, Hartford, Connecticut 06106; Telephone: (203) 566-4560.

STATE OF DELAWARE, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

STATE OF ILLINOIS, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706; Telephone: (217)782-4465.

STATE OF INDIANA, Secretary of State, 302 West Washington Street, Room E-111, Indianapolis, Indiana 46204; Telephone:(317)232-6681.

STATE OF MARYLAND, Office of Attorney General, Securities Commissioner, 200 St. Paul Place, 20th Floor, Baltimore, Maryland 21202; Telephone:(410)576-6360.

STATE OF MICHIGAN, Attorney General's Office, Consumer Protection Division, Franchise Section, 525 West Ottawa Street, G. Mennen Williams Building, 1<sup>st</sup> Floor,, Lansing, Michigan 48913; Telephone: (517)373-7177.

STATE OF MINNESOTA, Deputy Commissioner, Department of Commerce, 85 Seventh Place East, Suite 500, St. Paul, Minnesota 55101; Telephone:(612)296-4026.

STATE OF NORTH DAKOTA, North Dakota Securities Department, 600 Boulevard Avenue, State Capitol, 5<sup>th</sup> Floor, Dept. 414, Bismarck, North Dakota 58505-0510; Telephone (701)328-4712.

STATE OF SOUTH DAKOTA, Department of Labor and Regulation, Division of Securities, 124 South Euclid, Suite 104, Pierre, South Dakota 57501; Telephone (605) 773-4823.

STATE OF NEW YORK, New York State Department of Law, Principal Attorney, 120 Broadway, 23rd Floor, New York, New York 10271; Telephone:(212)416-8211.

STATE OF TEXAS, Secretary of State, 1019 Brazos, Austin, Texas 78701; Telephone: (512)475-1769.

STATE OF VIRGINIA, State Corporation Commission, Division of Securities and Retail Franchising, 1300 East Main Street, 9<sup>th</sup> Floor, Richmond, Virginia 23219; Telephone: (804) 371-9051.

STATE OF WASHINGTON, Director of Financial Institutions, Securities Division, 150 Israel Road, S.W., 3<sup>rd</sup> Floor, Tumwater, Washington 98501; Telephone: (360) 902-8760.

STATE OF WISCONSIN, Office of the Commissioner of Securities, 201 W. Washington Avenue, Suite 300, Madison, Wisconsin 53703; Telephone: (608) 266-8559.

## **REGISTERED AGENTS FOR SERVICE OF PROCESS**

STATE OF ALABAMA: Chris Hawley, 2583 AL Highway 28 West, Sumter County, Livingston, Alabama 35470

STATE OF CALIFORNIA: Department of Business Oversight, 320 West Fourth Street, Suite 750, Los Angeles, California 90013-2344

STATE OF DELAWARE: The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801

STATE OF ILLINOIS: CT Corporation System, 208 South LaSalle Street, Cook County, Chicago, Illinois 60604

STATE OF ILLINOIS, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706.

STATE OF INDIANA: Indiana Secretary of State, 201 State House, Indianapolis, Indiana 46204

STATE OF MISSISSIPPI: Bill Sugg, 200 East Main St., Clay County, West Point, Mississippi 39773

STATE OF MINNESOTA: Commissioner of Commerce, 85 Seventh Place East, Suite 500, St. Paul, Minnesota 55101

STATE OF NORTH DAKOTA: North Dakota Securities Commissioner, 600 Boulevard Avenue, State Capitol, 5<sup>th</sup> Floor, Dept. 414, Bismarck, North Dakota 58505-0510

STATE OF SOUTH DAKOTA: Department of Labor and Regulation, Division of Securities, 124 South Euclid, Suite 104, Pierre, South Dakota 57501

STATE OF VIRGINIA: Clerk of the State Corporation Commission, 1300 East Main Street, 1<sup>st</sup> Floor, Richmond, Virginia 23219

STATE OF WASHINGTON: Director of Department of Financial Institutions, Securities Division, 3<sup>rd</sup> Floor, 150 Israel Road, SW, Tumwater, Washington 98501.

STATE OF WISCONSIN: CT Corporation System, 8040 Excelsior Dr, Ste 200, Dane County, Madison, Wisconsin 53717

## EXHIBIT E

### LIST OF CURRENT FRANCHISEES

The names, addresses and telephone numbers of all Mossy Oak Properties franchisees as of December 31, 2023 are as follows:

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Mossy Oak Properties Alabama Land Crafters  
4373 Marler Road  
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Tom Jones  
Mossy Oak Properties of Eufaula  
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Jim Logan and Tony Logan  
Mossy Oak Properties Logan Land Co.  
581 Finches Ferry Road  
Eutaw, Alabama 35462  
205.372.9800

Chris Hawley  
Mossy Oak Properties MO Land & Timber, Inc.  
Post Office Box 759  
Livingston, Alabama 35470  
205.652.2397

an affiliate of  
Mossy Oak Properties, Inc.

Cameron Isbell, Elton Coley, and Nathan McCollum  
Mossy Oak Properties Southeast Land and Wildlife, LLC  
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Tuscumbia, AL 35674  
(256) 383-8901

#### Alaska

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Mossy Oak Properties of Alaska  
511 Main Street  
Kenai, AK 99611  
907.283.3883

Danielle Chihuly  
Mossy Oak Properties of Alaska

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Soldotna, AK 99669  
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Danielle Chihuly  
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Tom Lucas  
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Wasilla, AK 99687  
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Pam Welch  
Mossy Oak Properties Selling Arkansas  
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Horseshoe Bend, AR 72512  
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Pam Welch  
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1187 Batesville Blvd.  
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Stuttgart, Arkansas 72160  
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Mossy Oak Properties Land and Home  
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Michael Gray  
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3400 Unicorn Road Suite 109  
Bakersfield, CA 93308  
661.234.9555

### **Colorado**

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710.686.0244

Jon Adams  
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Salida, CO 81201  
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Camela Balleck  
Mossy Oak Properties Ranch Realty  
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Hayden, CO 81639  
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### **Florida**

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Madison, FL 32340

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Ben Jones  
Mossy Oak Properties Southern Land and Homes  
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Perry, FL 32348  
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Chad Renbarger, Jeff Michalic, and Kelly Hendricks  
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Mailing: 921 N US 41  
Rockville, IN 47872  
765.505.4155



## **Iowa**

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Mossy Oak Properties Boley Real Estate  
707 1<sup>st</sup> Street  
Keosauqua, IA 52565  
888.293.2575

Barbara Boley, James Boley, Nicholas Boley, Tyler Boley  
Mossy Oak Properties-Albia  
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Albia, IA 52531  
641.932.1234

## **Kentucky**

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Munfordville, KY 42765  
270.524.1980

## **Louisiana**

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1. Mossy Oak Properties of Louisiana  
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704 NW Mock Avenue  
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816.224.6868

Brad Morrison  
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3131 A North Belt Hwy  
St Joseph, MO 64506  
816.259.5104

Dewayne Sprenger  
Central Missouri Land & Homes, LLC  
1803 Sun Valley Dr.  
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## **Mississippi**

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## **Montana**

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406.580.4842

### **Nebraska**

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### **New Mexico**

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Billy McOwen  
Mossy Oak Properties Land and Farms Realty, Inc.  
626 Lewis Road

Fountain, NC 27829  
844.480.5263

Billy McOwen  
Mossy Oak Properties Land and Farms Realty, Inc.  
842 Fuqua Road  
Leasburg, NC 27291  
844.480.5263

Jeff Norwood and Thomas Peacock  
Mossy Oak Properties Carolina Timber and Realty  
560 W Main Street  
Sylva, NC 28779  
828.477.4248

## **Ohio**

Brian Bauer and Jennifer Bauer  
Mossy Oak Properties Bauer Real Estate Company, LLC  
9745 Raiders Road  
Fazeysburg, OH 43822  
740.722.0074

## **Oklahoma**

Michael Daniels  
Mossy Oak Properties -Oklahoma AgRec Land, LLC.  
3001 E Jackson  
Hugo, OK 74743  
580.326.8867

## **Oregon**

Brad Smith and Julie Mansfield-Smith  
Mossy Oak Properties Cupper Creek Land Company  
41909 Cupper Creek Road  
Kimberly, OR 97848  
541.934.2946

Cliff Farley  
Mossy Oak Properties Oregon Field and Stream  
150 Glide Street #331  
Glide, OR 97443  
541.670.7723

## **Pennsylvania**

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Mossy Oak Properties Pennsylvania Land Professionals

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**South Carolina**

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Mossy Oak Properties Land & Luxury  
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Columbia, SC 29210

**Tennessee**

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Mossy Oak Properties Tennessee Land and Farm  
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(615) 879-8282

James Spencer  
Mossy Oak Properties Tennessee Land and Farm-Clarksville  
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Woodlawn, TN 37191  
615.879.8282

Clint Carroll  
Mossy Oak Properties Land Sales, LLC  
793 Main Street  
Kimball, TN 37347

**Texas**

Area Developer:

Waylon Grubbs and Jonathan Grubbs  
Mossy Oak Properties of Texas  
4000 W University Drive  
Denton, TX 76207  
(940) 549-7500

1. Mossy Oak Properties of Texas-McLemore Realty Group  
107 E Main  
Archer City, TX 76351  
940.781.8475
2. Mossy Oak Properties of Texas- Trinity Star Division  
331 CR 2097  
Commerce, TX 75428                      833.466.7389
3. Mossy Oak Properties of Texas-Lampasas Division  
108 E 5<sup>th</sup> Street  
Lampasas, TX 76550  
512.734.1204
4. Mossy Oak Properties of Texas- Picoso Creek Realty  
1612 Railroad Street  
Floresville, TX 78114  
830.393.0571
5. Mossy Oak Properties of Texas-Northeast Texas Division  
925 N Goliad Street  
Rockwall, TX 75087  
972.816.4738
6. Mossy Oak Properties of Texas-DFW Hunt Lands Group  
4000 W University Drive  
Denton, TX 76207  
833.466.7389
7. Mossy Oak Properties of Texas-Cross Timbers Land & Home  
2112 E Hwy 82  
Gainesville, TX 76240  
940.390.0081
8. Mossy Oak Properties of Texas-Woodland Pines Realty Group  
800 S John Reddit Drive #1801  
Lufkin, TX 75902  
936.205.1831
9. Mossy Oak Properties of Texas-East Texas Group  
518 Tyler Street  
Jacksonville, TX 75766  
877.777.2062

10. Mossy Oak Properties of Texas-River Valley Group  
4000 W University Drive  
Denton, TX 76207  
833.466.7389
11. Mossy Oak Properties of Texas-Permian Group  
4000 W University Drive  
Denton, TX 76207  
833.466.7389
12. Mossy Oak Properties of Texas-Headquarters Division  
4000 W University Drive  
Denton, TX 76207  
833.466.7389
  
13. Mossy Oak Properties of Texas-North Texas Hill Country Group  
4000 W University Drive  
Denton, TX 76207  
833.466.7389

### **Virginia**

Billy McOwen  
Mossy Oak Properties Land and Farms Realty  
601 Mechanic Street, Suite 103  
Franklin, VA 23851  
844.480.5263

### **West Virginia**

Brian Bauer and Jennifer Bauer  
1900 Garfield Avenue  
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304.986.4700

### **Wisconsin**

Jason Bast  
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### **Wyoming**

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**EXHIBIT F**  
**FINANCIALS**

**See attached**



MOSSY OAK PROPERTIES, INC.

FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

MOSSY OAK PROPERTIES, INC.  
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**TAYLOR, POWELL, WILSON & HARTFORD, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**POST OFFICE BOX 9369**  
**GREENWOOD, MISSISSIPPI 38930-9369**  
**662-453-6432**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders  
Mossy Oak Properties, Inc.  
West Point, Mississippi

**Opinion**

We have audited the accompanying financial statements of Mossy Oak Properties, Inc. (a Delaware corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, stockholders' 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 Mossy Oak Properties, Inc. as of December 31, 2023 and 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mossy Oak Properties, Inc. 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 Mossy Oak Properties, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mossy Oak Properties, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mossy Oak Properties, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Greenwood, Mississippi  
March 18, 2024

MOSSY OAK PROPERTIES, INC.  
BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022

ASSETS	December 31,	
	2023	2022
<b>CURRENT ASSETS:</b>		
Cash	\$ 3,296,861	\$ 4,221,149
Accounts receivable, less allowance for doubtful accounts of \$6,196 and \$6,196, respectively	69,091	41,286
Interest receivable	9,108	3,575
Loan receivable-related parties	313,694	114,462
Prepaid expenses	23,400	23,400
Total current assets	<u>3,712,154</u>	<u>4,403,872</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Equipment and software	633,250	633,250
Less accumulated depreciation	539,557	510,214
Right of Use Assets	7,487	-
Less accumulated amortization	2,353	-
Net property and equipment	<u>98,827</u>	<u>123,036</u>
<b>OTHER ASSETS:</b>		
Deposits	300	300
Total other assets	<u>300</u>	<u>300</u>
Total assets	<u>\$ 3,811,281</u>	<u>\$ 4,527,208</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 159,912	\$ 221,453
Short-term lease liability	2,328	-
Total current liabilities	<u>162,240</u>	<u>221,453</u>
<b>NONCURRENT LIABILITIES:</b>		
Long-term lease liability	2,868	-
Total noncurrent liabilities	<u>2,868</u>	<u>-</u>
Total liabilities	<u>165,108</u>	<u>221,453</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, authorized 20,000 shares, 14,500 issued and outstanding, \$10.00 par	260,000	260,000
Retained earnings	3,476,823	4,136,405
Treasury stock - 1,500 shares, at cost	(90,650)	(90,650)
Total stockholders' equity	<u>3,646,173</u>	<u>4,305,755</u>
Total liabilities and stockholders' equity	<u>\$ 3,811,281</u>	<u>\$ 4,527,208</u>

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
<b>REVENUES:</b>		
Franchise and expanded area fees	\$ 27,500	\$ 49,000
Royalty and MOPAC fees	3,641,967	4,546,696
Other fees	5,870	66,763
Total revenues	<u>3,675,337</u>	<u>4,662,459</u>
<b>EXPENSES:</b>		
Salaries	647,125	616,208
License fees	274,048	347,313
Bad debts	24,769	-
Sales and franchise expenses	14,177	86,258
Advertising	821,196	747,418
Travel and entertainment	11,781	15,196
Taxes	115,598	139,256
Rent	66,592	66,585
Utilities and telephone	84,234	61,380
Office expense and supplies	10,095	15,110
Professional fees	66,029	71,415
Management services	8,400	8,400
Employee benefits	20,090	23,379
Retirement plan expense	32,487	56,213
Technology services	619,588	560,263
Other expenses	7,202	5,461
Web listing services	74,100	54,000
Depreciation	31,696	31,186
Total expenses	<u>2,929,207</u>	<u>2,905,041</u>
<b>OTHER INCOME, (EXPENSE):</b>		
Interest income	94,436	25,675
Interest	(148)	-
Total other income, (expense)	<u>94,288</u>	<u>25,675</u>
Net income	<u>\$ 840,418</u>	<u>\$ 1,783,093</u>

The Accompanying Notes are an Integral Part of this Statement.



MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock	Treasury Stock	Retained Earnings, (Deficit)
Beginning balance, January 1, 2022	\$ 260,000	\$ (90,650)	\$ 3,853,312
Net profit for 2022			1,783,093
Distributions			(1,500,000)
Payments			
Ending balance, December 31, 2022	260,000	(90,650)	4,136,405
Net profit for 2023			840,418
Distributions			(1,500,000)
Payments			
Ending balance, December 31, 2023	<u>\$ 260,000</u>	<u>\$ (90,650)</u>	<u>\$ 3,476,823</u>

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 840,418	\$ 1,783,093
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation expense	29,343	31,186
Amortization expense	2,353	
(Increase), decrease in accounts receivable	(27,805)	(13,455)
(Increase), decrease in accounts receivable-related	(199,230)	(480)
(Increase), decrease in prepaid expenses	-	-
(Increase), decrease in interest receivable	(5,533)	-
Increase, (decreases) in accounts payable and accrued expenses	(61,543)	27,050
Net cash provided, (used) in operating activities	578,003	1,827,394
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment purchases	-	(15,378)
Net cash provided, (used) in investing activities	-	(15,378)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Right of Use Asset Additions	(7,487)	
Lease Liability net proceeds(reductions)	5,196	
Distributions to stockholders	(1,500,000)	(1,500,000)
Net cash provided, (used) in financing activities	(1,502,291)	(1,500,000)
Net increase in cash	(924,288)	312,016
<b>CASH AND EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>4,221,149</u>	<u>3,909,133</u>
<b>CASH AND EQUIVALENTS AT END OF YEAR</b>	<u>\$ 3,296,861</u>	<u>\$ 4,221,149</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest expense	148 \$	0
Income taxes	0 \$	0

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

NOTE A – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES:

A summary of the Company’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of Operations

Mossy Oak Properties, Inc. is a Delaware Corporation that is developing a network of affiliated real estate brokerage offices throughout most of the United States under the name “Mossy Oak Properties®”. The corporation, since it began operations on April 25, 2001, has been in the process of developing and licensing its franchise programs. It began sales of franchises in July 2002.

Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company utilizes a cash sweep account. Funds not needed for immediate cash flow are transferred from the main checking to the sweep account in order to earn interest.

Capitalization and Depreciation

Land, buildings and improvements, and website developments are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of income. Estimated useful lives are as follows:

Software and computers	3-5 years
Furniture & Fixtures	5 years
Equipment	7 years
Buildings	39 years

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the shareholders individually.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable and allowance for doubtful accounts

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on current economic conditions. Receivables are charged against operations when management deems them uncollectible.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

NOTE A – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES: (Continued)

Compensated Absences

The company does not accrue for compensated absences, because the amount of the obligation cannot be reasonably estimated.

Revenue Recognition

The Company recognizes franchise fee revenue only when all material services or conditions relating to a sale of a franchise have been substantially performed or satisfied by the Company. The total number of franchises sold during 2023 and 2022, amounted to two and two, respectively.

Royalty and MOPAC fees are primarily recognized when the franchise makes a sale. If minimums are not met for a franchise, then a receivable is recorded to meet the minimums.

NOTE B – RELATED PARTY TRANSACTIONS:

Common Ownership:

Toxey D. Haas, III owns a majority interest of Mossy Oak Properties, Inc.; Haas Outdoors, Inc.; Mossy Oak Land and Timber, Inc. and Mossy Oak Land Enhancement Services, LLC.

Accounts receivable:

At December 31, 2023 and 2022, Mossy Oak Land and Timber, Inc. owed the Company \$23,000 and \$23,302, respectively.

At December 31, 2023 and 2022, Mossy Oak Land Enhancement Services, LLC owed the Company \$0 and \$279, respectively.

At December 31, 2023 and 2022, Chris Hawley (a stockholder) owed the Company \$25,880 and \$25,880, respectively. This amount does not bear interest and is due on demand.

Accounts payable to related parties:

The Company owes Haas Outdoors, Inc. \$1,800 at December 31, 2023, and \$1,800 at December 31, 2022.

The Company owes Mossy Oak Land Enhancement Service, LLC \$187 at December 31, 2023, and \$0 at December 31, 2022.

Rent expense to related parties:

The Company leases an office located in West Point, MS, at \$1,950 per month from Mossy Oak Land Enhancement Services, LLC on a month-to-month basis. The Company paid \$23,400 for office rent for December 31, 2023 and \$23,400 for office rent for December 31, 2022.

The Company leases an office in Livingston, Alabama from Chris Hawley, an officer and a stockholder. The lease term is a month-to-month basis. The rate is \$1,250 per month. The expense paid to this stockholder amounted to \$15,000 at December 31, 2023, and \$15,000 at December 31, 2022.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

NOTE B – RELATED PARTY TRANSACTIONS: (Continued)

Management services from related parties:

Management services paid to Mossy Oak Land and Timber, Inc., a franchisee, amounted to \$8,400 in 2023 and \$8,400 in 2022.

License fees and commitments to related companies:

The Company has entered into licensing agreements with Mossy Oak Land Enhancement Services, LLC and Haas Outdoors, Inc. for a fee of 10% of all franchise and royalty fees. The Company paid license fees of \$270,816 in 2023, and \$345,290 in 2022.

Mossy Oak Land and Timber, Inc., a franchisee, paid Mossy Oak Properties, Inc. fees of \$8,400 in 2023, and \$8,400 in 2022.

Loan receivable

Mossy Oak Land Enhancement Services, LLC owed the Company \$265,000 and \$65,000 at December 31, 2023, and 2022, respectively. Note is due January 1, 2024, interest is New York Prime plus 1%. Interest accrued on the loan to Mossy Oak Land Enhancement Services, LLC amounted to \$9,108 and \$3,575 for December 31, 2023, and 2022, respectively.

NOTE C – COMMITMENTS AND CONTINGENCIES:

The Company is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past years.

NOTE D – CONCENTRATIONS:

The Company maintains cash deposits at two banks, which throughout the year periodically may exceed federally insured limits of \$250,000. The Company maintains a sweep account, which is 100% federally insured.

The Company extends credit to its franchises. The Company does not believe that it is exposed to any significant credit risk in connection with extension of credit to its franchises. Historically, the Company's bad debt expense has been extremely low.

The Company considers sales concentrations as aggregate sales to an office that amount to 5% or more of their total revenues. There were no concentrations for the year ended December 31, 2023 or December 31, 2022.

NOTE E – ADVERTISING:

The Company expenses advertising costs as incurred. Total advertising cost expensed in 2023 was \$821,196 and was \$747,418 for 2022.

NOTE F – PENSION PLAN:

The Company adopted a defined contribution plan in 2004. All employees who have reached the age of 21 and have completed one year of service are eligible for enrollment. Participating employees may contribute up to the maximum amounts allowable by law for that year. The company offers a matching contribution of up to 3% of eligible compensation and 50% of the next 2% contributed. The total company contributions for the plan year ended December 31, 2023, and 2022 were \$32,487 and \$56,213, respectively.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

NOTE G – DATE OF MANAGEMENT REVIEW:

Management has evaluated subsequent events through March 18, 2024, the date which the financial statements were available for issue, and has determined that no events, other than the issue discussed in the following paragraph, have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

NOTE H – RIGHT OF USE ASSETS

During the current year, Mossy Oak Properties, Inc. LLC implemented a new standard: ASC 842 Leases. If certain terms and conditions are present in lease contracts, the Company is required to record a right-of-use asset, a corresponding lease liability and amortize the asset over the term of the lease.

The Company leased a copier and a postage machine.

As allowed by applicable FASB ASC 842 guidance, the Company’s management chose to use the practical expedient and not to restate the prior period financial statements ending December 31, 2022.

The company chose to use the risk-free rate as the discount rate when the explicit rate was not stated in the contract.

The following are the required disclosure for ASC 842:

**Lease expense:**

	Year Ending December 31, 2023
Finance lease expense:	
Amortization of ROU assets	\$ 2,353
Interest on lease liabilities	148
Operating lease expense	0
<b>Total</b>	<b>\$ 2,501</b>

**Maturity Analysis**

	Finance	Operating
December 31, 2024	\$ 2,438	\$ 0
December 31, 2025	1,331	0
December 31, 2026	776	0
December 31, 2027	776	0
December 31, 2022	129	0
Thereafter	0	0
Total undiscounted cash flows	5,450	0
Less: present value discount	(254)	0
<b>Total lease liabilities</b>	<b>\$ 5,196</b>	<b>\$ 0</b>

MOSSY OAK PROPERTIES, INC.

FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

MOSSY OAK PROPERTIES, INC.  
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Statements of Cash Flows	4
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**TAYLOR, POWELL, WILSON & HARTFORD, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**POST OFFICE BOX 9369**  
**GREENWOOD, MISSISSIPPI 38930-9369**  
**662-453-6432**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders  
Mossy Oak Properties, Inc.  
West Point, Mississippi

**Opinion**

We have audited the accompanying financial statements of Mossy Oak Properties, Inc. (a Delaware corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, stockholders' 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 Mossy Oak Properties, Inc. as of December 31, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mossy Oak Properties, Inc. 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 Mossy Oak Properties, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mossy Oak Properties, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mossy Oak Properties, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Greenwood, Mississippi  
March 17, 2023

MOSSY OAK PROPERTIES, INC.  
BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021

ASSETS	December 31,	
	2022	2021
<b>CURRENT ASSETS:</b>		
Cash	\$ 4,221,149	\$ 3,909,133
Accounts receivable, less allowance for doubtful accounts of \$6,196 and \$6,196, respectively	41,286	27,831
Interest receivable	3,575	3,575
Loan receivable-related parties	114,462	113,980
Prepaid expenses	<u>23,400</u>	<u>23,400</u>
Total current assets	<u>4,403,872</u>	<u>4,077,919</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Equipment and software	633,250	617,872
Less accumulated depreciation	<u>510,214</u>	<u>479,028</u>
Net property and equipment	<u>123,036</u>	<u>138,844</u>
<b>OTHER ASSETS:</b>		
Deposits	<u>300</u>	<u>300</u>
Total other assets	<u>300</u>	<u>300</u>
Total assets	<u>\$ 4,527,208</u>	<u>\$ 4,217,063</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	<u>\$ 221,453</u>	<u>\$ 194,401</u>
Total current liabilities	<u>221,453</u>	<u>194,401</u>
Total liabilities	<u>221,453</u>	<u>194,401</u>

STOCKHOLDERS' EQUITY:

Common stock, authorized 20,000 shares, 14,500

issued and outstanding, \$10.00 par	260,000	260,000
Retained earnings	4,136,405	3,853,312
Treasury stock - 1,500 shares, at cost	<u>(90,650)</u>	<u>(90,650)</u>
Total stockholders' equity	<u>4,305,755</u>	<u>4,022,662</u>
Total liabilities and stockholders' equity	<u>\$ 4,527,208</u>	<u>\$ 4,217,063</u>

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31,	
	2022	2021
<b>REVENUES:</b>		
	\$	\$
Franchise and expanded area fees	49,000	51,000
Royalty and MOPAC fees	4,546,696	4,560,067
Other fees	<u>66,763</u>	<u>38,605</u>
Total revenues	<u>4,662,459</u>	<u>4,649,672</u>
<b>EXPENSES:</b>		
Salaries	616,208	556,208
License fees	347,313	349,511
Bad debts	-	14,343
Sales and franchise expenses	86,258	115,881
Advertising	747,418	577,578
Travel and entertainment	15,196	3,392
Taxes	139,256	81,693
Rent	66,585	65,797
Utilities and telephone	61,380	44,983
Office expense and supplies	15,110	9,700
Professional fees	71,415	32,719
Management services	8,400	8,400
Employee benefits	23,379	23,025
Retirement plan expense	56,213	52,398
Technology services	560,263	532,629
Other expenses	5,461	5,034
Web listing services	54,000	64,000
Depreciation	<u>31,186</u>	<u>9,391</u>
Total expenses	<u>2,905,041</u>	<u>2,546,682</u>
<b>OTHER INCOME, (EXPENSE):</b>		
Interest income	<u>25,675</u>	<u>14,061</u>
Total other income, (expense)	<u>25,675</u>	<u>14,061</u>
Net income	<u>\$ 1,783,093</u>	<u>\$ 2,117,051</u>

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Common Stock</u>	<u>Treasury Stock</u>	<u>Retained Earnings, (Deficit)</u>
Beginning balance, January 1, 2021	\$ 260,000	\$ (90,650)	\$ 2,636,261
Net profit for 2021			2,117,051
Distributions			(900,000)
Payments	_____	_____	_____
Ending balance, December 31, 2021	260,000	(90,650)	3,853,312
Net profit for 2022			1,783,093
Distributions			(1,500,000)
Payments	_____	_____	_____
Ending balance, December 31, 2022	<u>\$ 260,000</u>	<u>\$ (90,650)</u>	<u>\$ 4,136,405</u>

The Accompanying Notes are an Integral Part of this Statement.





MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 1,783,093	\$ 2,117,051
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation expense	31,186	9,391
(Increase), decrease in accounts receivable	(13,455)	14,428
(Increase), decrease in accounts receivable-related	(480)	(3,557)
(Increase), decrease in prepaid expenses	-	-
(Increase), decrease in interest receivable	-	3,022
Increase, (decreases) in accounts payable and accrued expenses	27,050	70,720
Net cash provided, (used) in operating activities	1,827,394	2,211,055
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment purchases	(15,378)	(106,943)
Net cash provided, (used) in investing activities	(15,378)	(106,943)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Distributions to stockholders	(1,500,000)	(900,000)
Net cash provided, (used) in financing activities	(1,500,000)	(900,000)
Net increase in cash	312,016	1,204,112
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	3,909,133	2,705,021
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 4,221,149</u>	<u>\$ 3,909,133</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest expense	<u>\$ 0</u>	<u>\$ 0</u>

Income taxes

\$  
0

\$  
0

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE A – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES:

A summary of the Company’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of Operations

Mossy Oak Properties, Inc. is a Delaware Corporation that is developing a network of affiliated real estate brokerage offices throughout most of the United States under the name “Mossy Oak Properties®”. The corporation, since it began operations on April 25, 2001, has been in the process of developing and licensing its franchise programs. It began sales of franchises in July 2002.

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For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company utilizes a cash sweep account. Funds not needed for immediate cash flow are transferred from the main checking to the sweep account in order to earn interest.

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Land, buildings and improvements, and website developments are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of income. Estimated useful lives are as follows:

Software and computers	3-5 years
Furniture & Fixtures	5 years
Equipment	7 years
Buildings	39 years

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the shareholders individually.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable and allowance for doubtful accounts

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on current economic conditions. Receivables are charged against operations when management deems them uncollectible.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE A – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES: (Continued)

Compensated Absences

The company does not accrue for compensated absences, because the amount of the obligation cannot be reasonably estimated.

Revenue Recognition

The Company recognizes franchise fee revenue only when all material services or conditions relating to a sale of a franchise have been substantially performed or satisfied by the Company. The total number of franchises sold during 2022 and 2021, amounted to two and five, respectively.

Royalty and MOPAC fees are primarily recognized when the franchise makes a sale. If minimums are not met for a franchise, then a receivable is recorded to meet the minimums.

NOTE B – RELATED PARTY TRANSACTIONS:

Common Ownership:

Toxey D. Haas, III owns a majority interest of Mossy Oak Properties, Inc.; Haas Outdoors, Inc.; Mossy Oak Land and Timber, Inc. and Mossy Oak Land Enhancement Services, LLC.

Accounts receivable:

At December 31, 2022 and 2021, Mossy Oak Land and Timber, Inc. owed the Company \$23,302 and \$23,000, respectively.

At December 31, 2022 and 2021, Mossy Oak Land Enhancement Services, LLC owed the Company \$279 and \$99, respectively.

At December 31, 2022 and 2021, Chris Hawley (a stockholder) owed the Company \$25,880 and \$25,880, respectively. This amount does not bear interest and is due on demand.

Accounts payable to related parties:

The Company owes Haas Outdoors, Inc. \$102,355 at December 31, 2022, and \$108,128 at December 31, 2021.

The Company owes Mossy Oak Land Enhancement Service, LLC \$0 at December 31, 2022, and \$0 at December 31, 2021.

Rent expense to related parties:

The Company leases an office located in West Point, MS, at \$1,950 per month from Mossy Oak Land Enhancement Services, LLC on a month-to-month basis. The Company paid \$23,400 for office rent for December 31, 2022 and \$23,400 for office rent for December 31, 2021.

The Company leases an office in Livingston, Alabama from Chris Hawley, an officer and a stockholder. The lease term is a month-to-month basis. The rate is \$1,250 per month. The expense paid to this stockholder amounted to \$15,000 at December 31, 2022, and \$15,000 at December 31, 2021.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE B – RELATED PARTY TRANSACTIONS: (Continued)

Management services from related parties:

Management services paid to Mossy Oak Land and Timber, Inc., a franchisee, amounted to \$8,400 in 2022 and \$8,400 in 2021.

License fees and commitments to related companies:

The Company has entered into licensing agreements with Mossy Oak Land Enhancement Services, LLC and Haas Outdoors, Inc. for a fee of 10% of all franchise and royalty fees. The Company paid license fees of \$345,290 in 2022, and \$346,112 in 2021.

Mossy Oak Land and Timber, Inc., a franchisee, paid Mossy Oak Properties, Inc. fees of \$8,400 in 2022, and \$8,400 in 2021.

Loan receivable

Mossy Oak Land Enhancement Services, LLC owed the Company \$65,000 at December 31, 2022, and 2021, respectively. Note is due January 1, 2023, interest is New York Prime plus 1%. Interest accrued on the loan to Mossy Oak Land Enhancement Services, LLC amounted to \$6,597 and \$6,597 for December 31, 2022, and 2021, respectively.

NOTE C – COMMITMENTS AND CONTINGENCIES:

The Company is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past years.

The Company entered into a lease for a copier. The lease requires minimum monthly payments of \$139 for the term of 60 months. Total lease expense under this agreement for years then ended December 31, 2022, and 2021 was \$1,662 and \$1,662, respectively.

The Company entered into a lease for a postage machine. The lease requires minimum monthly payments of \$65 for the term of 63 months. Total lease expense under this agreement for the years then ended December 31, 2022, and 2021, was \$1,016 and \$0, respectively.

Minimum future lease payments required under the copier lease agreement in effect at December 31, 2022 were as follows:

<u>Year Ending</u> <u>December 31,</u>	
2023	\$ 1,921
2024	1,921
2025	951
2026	259
2027	<u>259</u>
Total	<u>\$ 5,311</u>

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE D – CONCENTRATIONS:

The Company maintains cash deposits at two banks, which throughout the year periodically may exceed federally insured limits of \$250,000. The Company maintains a sweep account, which is 100% federally insured.

The Company extends credit to its franchises. The Company does not believe that it is exposed to any significant credit risk in connection with extension of credit to its franchises. Historically, the Company's bad debt expense has been extremely low.

The Company considers sales concentrations as aggregate sales to an office that amount to 5% or more of their total revenues. There were no concentrations for the year ended December 31, 2022 or December 31, 2021.

NOTE E – ADVERTISING:

The Company expenses advertising costs as incurred. Total advertising cost expensed in 2022 was \$747,418 and was \$577,578 for 2021.

NOTE F – PENSION PLAN:

The Company adopted a defined contribution plan in 2004. All employees who have reached the age of 21 and have completed one year of service are eligible for enrollment. Participating employees may contribute up to the maximum amounts allowable by law for that year. The company offers a matching contribution of up to 3% of eligible compensation and 50% of the next 2% contributed. The total company contributions for the plan year ended December 31, 2022, and 2021 were \$56,213 and \$52,398, respectively.

NOTE G – DATE OF MANAGEMENT REVIEW:

Management has evaluated subsequent events through March 17, 2023, the date which the financial statements were available for issue, and has determined that no events, other than the issue discussed in the following paragraph, have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

DECEMBER 31, 2021 AND 2020

MOSSY OAK PROPERTIES, INC.  
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**TAYLOR, POWELL, WILSON & HARTFORD, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**POST OFFICE BOX 9369**  
**GREENWOOD, MISSISSIPPI 38930-9369**  
**662-453-6432**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders  
Mossy Oak Properties, Inc.  
West Point, Mississippi

**Opinion**

We have audited the accompanying financial statements of Mossy Oak Properties, Inc. (a Delaware corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, stockholders' 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 Mossy Oak Properties, Inc. as of December 31, 2021 and 2020, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mossy Oak Properties, Inc. 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 Mossy Oak Properties, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mossy Oak Properties, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mossy Oak Properties, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

March 24, 2022

MOSSY OAK PROPERTIES, INC.  
BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020

ASSETS	December 31,	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash	\$ 3,909,133	\$ 2,705,021
Accounts receivable, less allowance for doubtful accounts of \$6,196 and \$6,196, respectively	27,831	42,259
Interest receivable	3,575	6,597
Loan receivable-related parties	113,980	110,421
Prepaid expenses	<u>23,400</u>	<u>23,400</u>
Total current assets	<u>4,077,919</u>	<u>2,887,698</u>
PROPERTY AND EQUIPMENT:		
Equipment and software	617,872	510,929
Less accumulated depreciation	<u>479,028</u>	<u>469,637</u>
Net property and equipment	<u>138,844</u>	<u>41,292</u>
OTHER ASSETS:		
Deposits	<u>300</u>	<u>300</u>
Total other assets	<u>300</u>	<u>300</u>

Total assets	<u>\$</u> <u>4,217,063</u>	<u>\$</u> <u>2,929,290</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
 CURRENT LIABILITIES:		
Accounts payable and accrued expenses	<u>\$</u> <u>194,401</u>	<u>\$</u> <u>123,679</u>
Total current liabilities	<u>194,401</u>	<u>123,679</u>
 Total liabilities	 <u>194,401</u>	 <u>123,679</u>
 STOCKHOLDERS' EQUITY:		
Common stock, authorized 20,000 shares, 14,500		
issued and outstanding, \$10.00 par	260,000	260,000
Retained earnings	3,853,312	2,636,261
Treasury stock - 1,500 shares, at cost	<u>(90,650)</u>	<u>(90,650)</u>
Total stockholders' equity	<u>4,022,662</u>	<u>2,805,611</u>
 Total liabilities and stockholders' equity	 <u>\$</u> <u>4,217,063</u>	 <u>\$</u> <u>2,929,290</u>

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
REVENUES:		
	\$	\$
Franchise and expanded area fees	51,000	25,625
Royalty and MOPAC fees	4,560,067	2,925,067
Other fees	<u>38,605</u>	<u>73,765</u>
Total revenues	<u>4,649,672</u>	<u>3,024,457</u>
EXPENSES:		
Salaries	556,208	517,042
License fees	349,511	224,867
Bad debts	14,343	10,924
Sales and franchise expenses	115,881	132,973
Advertising	577,578	432,197
Travel and entertainment	3,392	11,072
Taxes	81,693	69,440
Rent	65,797	65,009
Utilities and telephone	44,983	35,533

Office expense and supplies	9,700		11,984
Professional fees	32,719		48,791
Management services	8,400		8,400
Employee benefits	23,025		21,213
Retirement plan expense	52,398		23,920
Technology services	532,629		292,665
Other expenses	5,034		4,477
Web listing services	64,000		180,700
Depreciation	<u>9,391</u>	-	<u>9,628</u>
Total expenses	<u>2,546,682</u>	-	<u>2,100,835</u>
OTHER INCOME, (EXPENSE):			
Payroll Protection Program loan forgiveness		-	111,000
Interest income	<u>14,061</u>	-	<u>15,351</u>
Total other income, (expense)	<u>14,061</u>	-	<u>126,351</u>
Net income	<u>\$</u> <u>2,117,051</u>		<u>\$</u> <u>1,049,973</u>

The Accompanying Notes are an Integral Part of this Statement.

MOSSY OAK PROPERTIES, INC.  
 STATEMENTS OF STOCKHOLDERS' EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Common Stock	Treasury Stock	Retained Earnings, (Deficit)
Beginning balance, January 1, 2020	\$ 260,000	\$ (90,650)	\$ 2,186,288
Net profit for 2020			1,049,973
Distributions			(600,000)
Payments	_____	_____	_____



Ending balance, December 31, 2020	260,000	(90,650)	2,636,261
Net profit for 2021			2,117,051
Distributions			(900,000)
Payments	_____	_____	_____
Ending balance, December 31, 2021	<u>\$ 260,000</u>	<u>\$ (90,650)</u>	<u>\$ 3,853,312</u>

MOSSY OAK PROPERTIES, INC.  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 2,117,051	\$ 1,049,973
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation expense	9,391	9,628
(Increase), decrease in accounts receivable	14,428	28,235

(Increase), decrease in accounts receivable-related	(3,557)	(12,985)
(Increase), decrease in prepaid expenses	-	-
(Increase), decrease in interest receivable	3,022	(3,022)
Increase, (decreases) in accounts payable and accrued expenses	<u>70,720</u>	<u>21,303</u>
Net cash provided, (used) in operating activities	2,211,055	1,093,132
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment purchases	<u>(106,943)</u>	<u>(2,029)</u>
Net cash provided, (used) in investing activities	(106,943)	(2,029)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Distributions to stockholders	<u>(900,000)</u>	<u>(600,000)</u>
Net cash provided, (used) in financing activities	(900,000)	(600,000)
Net increase in cash	1,204,112	491,103
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>2,705,021</u>	<u>2,213,918</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 3,909,133</u>	<u>\$ 2,705,021</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for:		
Interest expense	<u>\$ 0</u>	<u>\$ 0</u>
Income taxes	<u>\$ 0</u>	<u>\$ 0</u>

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE A – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES:

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

#### Nature of Operations

Mossy Oak Properties, Inc. is a Delaware Corporation that is developing a network of affiliated real estate brokerage offices throughout most of the United States under the name "Mossy Oak Properties®". The corporation, since it began operations on April 25, 2001, has been in the process of developing and licensing its franchise programs. It began sales of franchises in July 2002.

#### Cash Flows

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company utilizes a cash sweep account. Funds not needed for immediate cash flow are transferred from the main checking to the sweep account in order to earn interest.

#### Capitalization and Depreciation

Land, buildings and improvements, and website developments are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of income. Estimated useful lives are as follows:

Software and computers	3-5 years
Furniture & Fixtures	5 years
Equipment	7 years
Buildings	39 years

#### Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the shareholders individually.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Accounts Receivable and allowance for doubtful accounts

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on current economic conditions. Receivables are charged against operations when management deems them uncollectible.

DECEMBER 31, 2021 AND 2020

NOTE A – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES: (Continued)

Compensated Absences

The company does not accrue for compensated absences, because the amount of the obligation cannot be reasonably estimated.

Revenue Recognition

The Company recognizes franchise fee revenue only when all material services or conditions relating to a sale of a franchise have been substantially performed or satisfied by the Company. The total number of franchises and sold during 2021 and 2020, amounted to five and three, respectively.

Royalty and MOPAC fees are primarily recognized when the franchise makes a sale. If minimums are not met for a franchise, then a receivable is recorded to meet the minimums.

NOTE B – RELATED PARTY TRANSACTIONS:

Common Ownership:

Toxey D. Haas, III owns a majority interest of Mossy Oak Properties, Inc.; Haas Outdoors, Inc.; Mossy Oak Land and Timber, Inc. and Mossy Oak Land Enhancement Services, LLC.

Accounts receivable:

At December 31, 2021 and 2020, Mossy Oak Land and Timber, Inc. owed the Company \$23,000 and \$19,540, respectively.

At December 31, 2021 and 2020, Mossy Oak Land Enhancement Services, LLC owed the Company \$99 and \$0, respectively.

At December 31, 2021 and 2020, Chris Hawley (a stockholder) owed the Company \$25,880 and \$25,880, respectively. This amount does not bear interest and is due on demand.

Accounts payable to related parties:

The Company owes Haas Outdoors, Inc. \$108,128 at December 31, 2021, and \$78,077 at December 31, 2020.

The Company owes Mossy Oak Land Enhancement Service, LLC \$0 at December 31, 2021, and \$0 at December 31, 2020.

Rent expense to related parties:

The Company leases an office located in West Point, MS, at \$1,950 per month from Mossy Oak Land Enhancement Services, LLC on a month-to-month basis. The Company paid \$23,400 for office rent for December 31, 2021 and \$23,400 for office rent for December 31, 2020.

The Company leases an office in Livingston, Alabama from Chris Hawley, an officer and a stockholder. The lease term is a month-to-month basis. The rate is \$1,250 per month. The expense paid to this stockholder amounted to \$15,000 at December 31, 2021, and \$15,000 at December 31, 2020.

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE B – RELATED PARTY TRANSACTIONS: (Continued)

Management services from related parties:

Management services paid to Mossy Oak Land and Timber, Inc., a franchisee, amounted to \$8,400 in 2021 and \$8,400 in 2020.

License fees and commitments to related companies:

The Company has entered into licensing agreements with Mossy Oak Land Enhancement Services, LLC and Haas Outdoors, Inc. for a fee of 10% of all franchise and royalty fees. The Company paid license fees of \$346,112 in 2021, and \$221,410 in 2020.

Mossy Oak Land and Timber, Inc., a franchisee, paid Mossy Oak Properties, Inc. fees of \$8,400 in 2021, and \$8,400 in 2020.

Loan receivable

Mossy Oak Land Enhancement Services, LLC owed the Company \$65,000 at December 31, 2021, and 2020, respectively. Note is due January 1, 2022, interest is New York Prime plus 1%. Interest accrued on the loan to Mossy Oak Land Enhancement Services, LLC amounted to \$6,597 and \$6,597 for December 31, 2021, and 2020, respectively.

NOTE C – COMMITMENTS AND CONTINGENCIES:

The Company is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past years.

The Company entered into a lease for a copier. The lease requires minimum monthly payments are \$174 for the terms of 39 months. Total lease expense under this agreement for years then ended December 31, 2021, and 2020 was \$0 and \$696, respectively. This lease expired in 2020, and the Company entered into a new copier lease.

The Company entered into a lease for a copier. The lease requires minimum monthly payments are \$139 for the terms of 60 months. Total lease expense under this agreement for years then ended December 31, 2021, and 2020 was \$1,668 and \$970, respectively

Minimum future lease payments required under the copier lease agreement in effect at December 31, 2021 were as follows:

Year Ending December 31,		
2022	\$	1,668
2023		1,668
2024		1,668

2025	695
2026	<u>0</u>
Total	<u>\$ 5,699</u>

MOSSY OAK PROPERTIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

NOTE D – CONCENTRATIONS:

The Company maintains cash deposits at two banks, which throughout the year periodically may exceed federally insured limits of \$250,000. The Company maintains a sweep account, which is 100% federally insured.

The Company extends credit to its franchises. The Company does not believe that it is exposed to any significant credit risk in connection with extension of credit to its franchises. Historically, the Company's bad debt expense has been extremely low.

The Company considers sales concentrations as aggregate sales to an office that amount to 5% or more of their total revenues. There were no concentrations for the year ended December 31, 2021 or December 31, 2020.

NOTE E – ADVERTISING:

The Company expenses advertising costs as incurred. Total advertising cost expensed in 2021 was \$577,578 and was \$432,197 for 2020.

NOTE F – PENSION PLAN:

The Company adopted a defined contribution plan in 2004. All employees who have reached the age of 21 and have completed one year of service are eligible for enrollment. Participating employees may contribute up to the maximum amounts allowable by law for that year. The company offers a matching contribution of up to 3% of eligible compensation and 50% of the next 2% contributed. The total company contributions for the plan year ended December 31, 2021, and 2020 were \$25,783 and \$23,920, respectively.

NOTE G – DATE OF MANAGEMENT REVIEW:

Management has evaluated subsequent events through March 24, 2022, the date which the financial statements were available for issue, and has determined that no events, other than the issue discussed in the following paragraph, have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process.

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. Our revenue stream was temporarily interrupted during the initial stages of government shutdowns and implementation of social distancing guidance, but our revenues recuperated and increased significantly once our franchises figured out how to use technology to their advantage for sales. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

#### **NOTE H – PAYROLL PROTECTION PROGRAM LOANS**

During the 2020 year, the Company applied for and received a Payroll Protection Program loan from the Small Business Administration for \$111,000. Management applied for and received forgiveness during the 2020 year. The forgiveness amount of \$111,000 is recorded in the income statement under Other Income for the year ended December 31, 2020.



**EXHIBIT G**

**STATE ADDENDA TO DISCLOSURE DOCUMENT**

**ADDENDUM TO THE MOSSY OAK PROPERTIES, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Disclosure Document for Mossy Oak Properties, Inc. in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. Our website, [www.mossoakproperties.com](http://www.mossoakproperties.com), has not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of this website may be directed to the California Department of Corporations at [www.corp.ca.gov](http://www.corp.ca.gov).

2. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

3. 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.

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

5. In Item 3, "Litigation," shall be amended by the addition of the following paragraphs:

Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.

Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

6. In Item 4, "Bankruptcy," shall be amended by the addition of the following paragraph:

Neither we nor any affiliates, parents, predecessors, officers, or any other individual who will have management responsibility relating to the sale or operation of the franchises being offered in this franchise disclosure document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or any foreign bankruptcy laws required to be disclosed in this Item.

7. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraph(s) at the conclusion of the Item:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Pursuant to California law, we may not fail to renew a franchise unless we provide you at least 180 days prior written notice of our intent not to renew and we must otherwise comply with Section 20025 of the Business and Professions Code.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.).

The franchise agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration shall take place at such location as the parties may mutually agree to in writing, and if the parties cannot agree, then at the AAA Regional Office nearest West Point, Mississippi with the arbitrator awarding costs and expenses of the arbitration proceeding (including, without limitation, reasonable attorney's fees) to the prevailing party. 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 restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of the State of Mississippi. This provision may not be enforceable under California law.

8. No franchise office in California shall be authorized to make or provide loans and shall only provide real estate brokerage services.

**ADDENDUM TO MOSSY OAK PROPERTIES, INC.,**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**FOR THE STATE OF ILLINOIS**

**FOR RESIDENTS OF THE STATE OF ILLINOIS:**

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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.

In conformance with the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements, adopted September 18, 2022 and effective January 1, 2023, 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. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
MOSSY OAK PROPERTIES, INC.,  
FOR THE STATE OF INDIANA**

**FOR RESIDENTS OF THE STATE OF INDIANA:**

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise, unless there is a material violation of the Franchise Agreement and termination is not in bad faith. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Trade Practices Law, I.C. 23-2-2.5. Indiana Code Section 23-2-2.7(10) requires that any litigation between an Indiana franchisee be conducted in Indiana or at a site mutually agree upon between the parties.

The post-term covenants against competition in the Franchise Agreement may not be enforceable under Indiana law and will be limited to within your Protected Area.

Item 12 is amended to provide that Mossy Oak Properties will not establish a company-owned Mossy Oak Properties office that unfairly competes with you within a reasonable area.

To the extent responses to Items 17(u), (v) and (w) conflict with I.C. 23-2-2.7(10), such Indiana statute governs.

To the extent any Item of this Disclosure Document conflicts with I.C. 23-2-2.5 and 2.7, such Indiana statutes govern.

If your Mossy Oak Properties franchise is located in Indiana, the scope of any joint and mutual release executed by you as a condition of transfer of the franchised business will be limited by state law.

If your franchise is located in Indiana, then under Indiana law, you do not waive any right afforded by Indiana statutes with regard to prior representations by Mossy Oak Properties.

Indiana Law [Stat. Section 23-2-2.27] may supersede the Franchise Agreement and Area Development Agreement in your relationship with us in the areas of termination and renewal.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**MOSSY OAK PROPERTIES, INC.,**  
**FOR THE STATE OF 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:

- (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 provisions 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 franchised 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 franchisee 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.

\* \* \* \*

\* \* \* \*

The name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, Michigan 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office  
Consumer Protection Division  
Attn: Franchise  
670 G. Mennen Williams Building  
Lansing, Michigan 48913

Note: notwithstanding paragraph (f) above, we intend to, and you agree that we and you will, enforce fully the provisions of the arbitration section of our agreements. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing the arbitration provisions.

**ADDENDUM TO THE MOSSY OAK PROPERTIES, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Disclosure Document for Mossy Oak Properties, Inc. for use in the State of Minnesota shall be amended to include the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee 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 (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.



**ADDENDUM TO THE MOSSY OAK PROPERTIES, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA**

In recognition of the North Dakota Investment Law and the rules and regulations promulgated thereunder by the North Dakota Securities Department, the Disclosure Document for Mossy Oak Properties, Inc. for use in North Dakota is amended to include the following:

1. Item 17 is amended to add that covenants restricting competition contrary to NDCC §9-08-06 may not be enforceable by us and shall be subject to the statute.
2. Item 17(v) is amended to add that arbitration hearings shall be conducted in North Dakota.
3. Any provision for liquidated damages or termination penalties is not enforceable in North Dakota.
4. Item 17(w) is amended to add that that the franchise agreement be governed by the laws of the State of North Dakota.
5. Any provision in the franchise agreement requiring North Dakota franchisee's to consent to a waiver of a trial by jury or to consent to a waiver of exemplary or punitive damages are no enforceable under North Dakota law.
6. Under North Dakota law, a franchisee will not be required to sign a general release upon renewal of the franchise agreement.
7. The statute of limitations of North Dakota applies.
8. The prevailing party in any action or arbitration between the parties shall be entitled to recover all costs and expenses including attorneys' fees.

**ADDENDUM TO THE MOSSY OAK PROPERTIES, INC.  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF VIRGINIA**

**FOR RESIDENTS OF THE STATE OF VIRGINIA:**

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**ADDENDUM TO THE  
MOSSY OAK PROPERTIES, INC.,  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF WISCONSIN**

**FOR RESIDENTS OF THE STATE OF WISCONSIN:**

The Wisconsin Fair Dealership Law, Chapter 135, Wisconsin statutes supersedes any provision of this disclosure document that is inconsistent with that law.

Wisconsin Law [Stat. Section 135.04] may supersede the Franchise Agreement and Area Development Agreement in your relationship with us in the areas of termination and renewal.

## STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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:

California:	Voluntarily expired registration
Illinois:	Pending 2024 registration
Indiana:	Pending 2024 registration
Minnesota:	Pending 2024 registration
North Dakota:	Pending 2024 registration
South Dakota:	Pending 2024 registration
Virginia:	Pending 2024 registration
Wisconsin:	Pending 2024 registration

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**MOSSY OAK PROPERTIES, INC.  
RECEIPT  
(FRANCHISEE'S COPY)**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Mossy Oak Properties offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Mossy Oak Properties does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit D.

Date of Issuance: April 15, 2024

See Exhibit D for our registered agents authorized to receive service of process.

The name, principal business address and telephone number of Mossy Oak Properties franchise seller offering the franchise is \_\_\_\_\_.

I received a Disclosure Document dated \_\_\_\_\_ that included the following Exhibits:

- A. Franchise Agreement
- B. Area Development Agreement
- C. Manuals Table of Contents
- D. List of State Agencies/Agents for Service of Process
- E. List of Current Franchisees
- F. Financial Statements
- G. State Addenda to Disclosure Document

Date: \_\_\_\_\_

Prospective Franchisee:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Individually and on behalf of the following entity:

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MOSSY OAK PROPERTIES, INC.  
RECEIPT  
(FRANCHISOR'S COPY)**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Date: \_\_\_\_\_

Prospective Franchisee:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Individually and on behalf of the following entity:

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

