



SUBFRANCHISOR:  
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This is the Disclosure Document for the sale of an EXIT “Franchise.” The EXIT Franchise purchaser (the “Franchisee” or “You”) will operate a real estate sales office. The above trademark is the primary business trademark that an EXIT Franchisee will use in its business.

The total investment necessary to begin operation of an EXIT Franchise is between \$62,800 and \$212,000. This includes a franchise fee of \$7,500 to \$25,000, depending on the density of the Franchise Territory, that must be paid to Subfranchisor or Affiliate. The Franchisee Fee is \$7,500 for a rural density Franchise, \$15,000 for a medium density Franchise and \$25,000 for a high-density Franchise.

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 payments to, Subfranchisor or an Affiliate in connection with the proposed Franchise sale. **Note, however, that no governmental agency has verified the information contained in this Document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Cade Pankonin at [cade@exitumw.com](mailto:cade@exitumw.com). The disclosure document can be emailed to you in a pdf format.

The terms of your contract will govern your Franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read 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 (the “FTC”). 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.

Issuance Date: April 30<sup>th</sup> 2024.

## 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 Exhibits D, D-1, E, and E-1.
<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 EXIT 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 an EXIT franchisee?</b>	Item 20 or Exhibits D, D-1, E, and E-1. 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 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 B.

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.

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## **ITEM 1**

### **THE FRANCHISOR AND SUBFRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

The Franchise described in this Disclosure Document is a license, as a “Franchisee” pursuant to a Franchise Agreement, to a specific geographic territory for the purpose of owning and operating a real estate office using the EXIT System (as defined below) for a specific time period pursuant to the terms of a Franchise Agreement in the form of Exhibit A-2 attached to this Disclosure Document.

To simplify the language in this Disclosure Document, “EXIT” means EXIT Realty Corp. International, the Franchisor. “EXIT Realty Upper Midwest,” “we,” “us” and similar words mean Upper Midwest Realty, Inc, a Minnesota Corporation, doing business as EXIT Realty Upper Midwest, the Subfranchisor. “You” means the individual or entity that purchases the Franchise. If you form a corporation, partnership or other organization, the reference to “You” may include the organization’s owners.

#### **Subfranchisor**

Subfranchisor is Upper Midwest Realty, Inc, d/b/a EXIT Realty Upper Midwest, a Minnesota corporation with its principal offices located at 20765 Holyoke Ave, Lakeville, MN 55044, (“EXIT Realty Upper Midwest”). EXIT Realty Upper Midwest is a privately held entity and is not affiliated with EXIT. Exhibit B lists the state agencies also authorized to receive service of process. EXIT Realty Upper Midwest has been in the business of selling real estate franchises since August 9<sup>th</sup> 2013 EXIT Realty Upper Midwest has no predecessors. EXIT Realty Upper Midwest has never offered franchises in other lines of business.

The predecessor of Subfranchisor, EXIT Iowa, LLC located in Lakeville, Minnesota, owned the right to sell EXIT franchises in the states of Iowa, South Dakota and Minnesota from 2006 to 2011. At that time the predecessor conveyed the rights to those states to EXIT. On August 9<sup>th</sup>, 2013 Subfranchisor acquired the rights to those states from EXIT. On July 12<sup>th</sup>, 2013 Subfranchisor acquired the rights to sell franchises in the state of North Dakota from Thomas F. Martin. On April 29<sup>th</sup>, Subfranchisor acquired the right to sell franchises in the state of Wisconsin from EXIT. On January 2<sup>nd</sup>, 2018, EXIT Realty Upper Midwest Acquisition LLC an affiliate of Subfranchisor acquired the rights to sell franchises in the state of Illinois from Legacy Success Group LLC. On March 1<sup>st</sup>, 2021, Subfranchisor acquired the right to sell franchises in the state of Michigan from EXIT.

EXIT has granted the exclusive right to EXIT Realty Upper Midwest to sell and establish EXIT franchises in the State of Illinois. EXIT Realty Upper Midwest offers these franchises under its Subfranchise Agreement with EXIT. EXIT Realty Upper Midwest acts as an independent contractor and not as an agent of EXIT. The franchise described in this Disclosure Document is offered solely by EXIT Realty Upper Midwest. Purchasers of a franchise will have a contractual relationship only with EXIT Realty Upper Midwest and may look only to EXIT Realty Upper Midwest for performance under the individual Franchise Agreements.

When developing a real estate franchise sales office, you must comply with Federal, state and local laws related to real estate brokers, employment law matters, the Americans with Disabilities Act, and any other regulations specific to the real estate industry. You must also obtain and keep in force all necessary licenses and permits required by public authorities. The state where your franchise is proposed to be located regulates the real estate industry, including the licensing of real estate brokers and salespersons. You should investigate the application of these laws, regulations and licensing requirements further. EXIT Realty Upper Midwest recommends you retain an attorney to advise you on laws and regulations specific to the state where your sales territory is located.

#### **Franchisor**

EXIT was incorporated in Ontario, Canada on October 25, 1995. Its international headquarters are located at 2626 Argentia Road, Mississauga, Ontario, Canada, L5N 5N2. EXIT registered to do business in the United States on October 10, 1997. Its United States principal business address is 400 TradeCenter, Suite 5900, Woburn, Massachusetts, 01801. EXIT's corporate parent is EXITUS Holdings Inc., an Ontario corporation controlled by Steve Morris, the Founder and Chairman of EXIT. The principal business address of EXITUS is 2626 Argentia Road, Mississauga, Ontario, Canada, L5N 5N2. The principal business address of EXIT's Affiliates, EXIT Realty Corp. USA and Ah\$um America, Inc. is 400 TradeCenter, Suite 5900, Woburn, Massachusetts, 01801. EXIT Realty Corp. USA has entered into Subfranchise Agreements with EXIT to sell and establish EXIT Franchises in those Regions that had been sold to other Subfranchisors and were subsequently reacquired by EXIT. Ah\$um America, Inc. licenses EXIT's trademarks to vendors supplying trademarked products and services to EXIT Franchisees. EXIT has never offered any franchises other than real estate brokerages. John P. Yentz, Esq., c/o DeWitt LLP, 13845 Bishop's Drive, Suite 300, Brookfield, WI 53005, is authorized to receive service of process for EXIT.

In the United States, EXIT generally sells subfranchise regions to persons or entities (Subfranchisors). The Subfranchisors then sell EXIT franchises in their region.

EXIT has never owned nor operated real estate sales offices. EXIT sells subfranchises and franchises. Neither EXIT nor any of its Affiliates have offered franchises for any other types of business than those described above. As described in ITEM 8 of this Disclosure Document, EXIT licenses a proprietary software, known as MEMO, to Franchisees for \$250.00 per month. The software license is mandatory. No Affiliates of EXIT or EXIT Realty Upper Midwest provide other products or services that it sells or licenses to Franchisees.

### **The Franchise Offered**

EXIT has developed a plan designed to enable independently owned real estate brokerage offices to benefit from brand name identification and to enable these offices to compete more effectively in the real estate industry (the "EXIT System"). The EXIT System is identified by means of certain trade names, service marks, trademarks, logos, and commercial symbols (the "Marks"), including the marks "EXIT Realty" and "EXIT", which provide recognition of the EXIT System to the customers and clients of the EXIT Franchisees. The EXIT System also includes the production of advertising and commercials for use in print and electronic media, training programs for Subfranchisors and Franchisees, Manuals, a program for the referral of real estate listings and real estate buyers and other procedures and systems to assist in the operation and management of a real estate office. The EXIT System includes programs for the establishment of national advertising and promotional campaigns as well. EXIT Realty Upper Midwest will provide certain specified support and services to all Franchisees in their assigned geographical territory.

EXIT will continue to improve and further develop the EXIT System, and through EXIT Realty Upper Midwest will provide new information and techniques to you through confidential Training Manuals (the "Manuals"). Any real estate brokerage office that joins the EXIT System is referred to in this Disclosure Document as a "Franchisee." Franchisees offer real estate brokerage services to the general public as independently owned and operated entities utilizing the EXIT Trademarks together with a pre-selected "Trade Style" name in conjunction with the unique system and formula of EXIT. The Franchise Agreement is executed between EXIT Realty Upper Midwest (the Subfranchisor) and you (the Franchisee).

The real estate sales business is highly competitive with respect to price, service, location and quality of service. It is often affected by changes in consumer tastes, economic conditions and population patterns. You must anticipate competing with numerous other real estate sales offices offering a wide range of comparably priced services and a wide variety of service formats. The businesses with which you should expect to compete include, in general, national or regional real estate franchise systems and other chains, and independently owned local firms located in the

area of your office that offer similar services to the same or similar customers. Your business will also be affected by its location, the locations of competing real estate sales offices, your financial and managerial capabilities, availability of labor, interest rates, demographic or cultural conditions, and other factors. There is also active competition for management and service personnel.

You may become a Franchisee by entering into a Franchise Agreement with EXIT Realty Upper Midwest, which sets forth your obligations and the obligations of EXIT Realty Upper Midwest. The EXIT Franchise Agreement is attached to this Disclosure Document as Exhibit A-2. EXIT Realty Upper Midwest and you are the only two parties to the Franchise Agreement. The fee structure is outlined in the EXIT Formula (part of the Franchise Agreement).

Every Franchise must possess a bonafide real estate broker's license in good standing under the laws of the state where the Franchise is located. Franchisees are expected to provide first class real estate service to the buying and selling public. The Franchisee has the responsibility to hire and recruit real estate sales representatives and to compete in the real estate brokerage business. The number of sales representatives required under a Franchise Agreement is based on the active Realtor® population in the geographic territory that includes your Protected Territory (see ITEM 12 of this Disclosure Document) and based upon market conditions and competition.

EXIT's agents for service of process are disclosed in Exhibit B of this Disclosure Document.

Your activities are subject to state and federal laws and regulations, including, but not limited to, those related to real estate transfer, real estate settlement procedures and real estate brokerage laws.

If the Franchisee is operating as a corporation, partnership or limited liability company, you must comply with the requirements of entity ownership set forth in Section 14 of the Franchise Agreement. Those requirements include:

- (a) You must execute a Personal Guaranty of the Franchise Agreement.
- (b) The Franchisee entity must be legally authorized to do business in the state where your Protected Territory is located.
- (c) You must provide EXIT Realty Upper Midwest with copies of the Franchise entity's organizational documents, such as Articles of Incorporation and Bylaws, Articles of Organization and Operating Agreement or Partnership Agreement, including a breakdown of ownership.
- (d) You must provide EXIT Realty Upper Midwest with a copy of any Buy-Sell Agreement between the equity holders of the Franchisee entity.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Subfranchisor**

#### **EXIT Realty Upper Midwest**

**Willard L. Pankonin**  
**Upper Midwest Realty, Inc**  
**Director and President**



Bill Pankonin has over 40 years' experience in real estate, operating his family run independent brokerage called Pankonin Realty, in Lakeville, MN which included offering auction and appraisal services. From 2000 to 2004, he was the President of Real Estate Funding Group, a commercial and residential loan brokerage in Lakeville, MN. In 2006, Bill purchased the EXIT subfranchise rights to the state of Iowa and Nebraska under the entities of Realty Iowa, LLC and Realty Nebraska, LLC. In addition, he held a position of Regional Director for EXIT in Minnesota and North Dakota overseeing growth and development in those states. In July 2011, he transferred the EXIT subfranchise rights for Iowa and Nebraska for EXIT and became Regional President – Upper Midwest for EXIT Realty Corp. International. In July of 2013, he acquired the EXIT subfranchise rights to South Dakota and Minnesota and reacquired the rights for Iowa. On April 29<sup>th</sup>, 2016, he purchased the subfranchise rights to Wisconsin. Bill is the sole owner of Upper Midwest Realty Acquisitions, LLC and on January 2<sup>nd</sup>, 2018 he acquired the rights to sell franchises in the state of Illinois from Legacy Success Group, LLC. On December 15<sup>th</sup>, 2020, he became Regional Director for EXIT in Kansas, Missouri and Nebraska. On March 1<sup>st</sup>, 2021 he acquired the EXIT subfranchise rights to Michigan.

**Cade W. Pankonin**  
**Upper Midwest Realty, Inc**  
Director and C.F.O.

In 2005, Cade joined EXIT as the Franchise owner of EXIT Pankonin Realty located in Lakeville, Minnesota. He also held the Broker of Record role for this office as well as EXIT Now Realty located in Big Lake, Minnesota until 2011. From 2010 to 2016, he was a Customer Experience Manager with Asset Marketing. In 2013, he joined Upper Midwest Realty, Inc in Webster, Minnesota, as a Regional Director. In 2016 he took on a position as an Insurance Producer with Insurance Advisors Inc. located in Plymouth, MN. In 2017, he became the Chief Financial Officer for EXIT Realty Upper Midwest located in Lakeville, Minnesota and currently holds this position. On December 15<sup>th</sup>, 2020 he became Regional Director for EXIT in Kansas, Missouri and Nebraska

**Franchisor**  
**EXIT Realty Corp. International**

**Steve Morris**  
**Founder and Chairman**  
Mississauga, Ontario, Canada

Steve Morris is the Founder and Chairman of EXIT. He has been its Chairman since he incorporated EXIT in October 1995.

**Tami Bonnell**  
**Co-Chair**  
Woburn, Massachusetts

Tami Bonnell joined the EXIT System as the Regional Owner for New England in December 1999. She joined EXIT as the Regional Vice President – Northeastern United States in September 2000. In October of 2001, she was promoted to President of the United States Division. In September

2012, she was named Chief Executive Officer (C.E.O.). In September 2021, Tami was appointed Co Chair.

**Erika Gileo**  
**C.O.O.**

Mississauga, Ontario, Canada

In August 1999, Erika Gileo joined EXIT, as the General Manager of Administration. In March 2002, Erika was promoted to Vice President, Operations and in September 2006 to Sr. Vice President, Operations. In September 2012, she was named Chief Operating Officer (C.O.O.).

**Stephen Nanan**  
**C.F.O.**

Mississauga, Ontario, Canada

Stephen Nanan joined the EXIT system in January 2004 as the Accounting Manager. In September 2006, he became EXIT's Corporate Controller. In January 2018, he was promoted to Chief Financial Officer (C.F.O.).

**Joyce Paron**  
**C.E.O. – Canadian Division**  
Mississauga, Ontario, Canada

Joyce Paron has served as the President of the Canadian Division of EXIT since June 1999. In September 2021, Joyce was appointed C.E.O. for the Canadian Division.

**Robert McKinnon**  
**Director of Leadership**  
Dallas, Texas

Robert (Bob) McKinnon has served as a Senior Regional Consultant for EXIT since March 2006. From October 2012 through December 2016, he was the President of the South West U.S. Division of EXIT. In January 2017, he was promoted to Director of Leadership.

**Craig Witt**  
**C.E.O. – U.S. Division**  
Traverse City, Michigan

Craig Witt joined the EXIT System in August 2004 as a Franchisee. In September 2007, he acquired the Subfranchise rights for the State of Michigan. In May 2009, he became the Regional President for the State of Michigan. From October 2012 through December 2016, he was the President of the North West U.S. Division of EXIT. In January 2017, Craig was promoted to President of the U.S. Division of EXIT. In September 2021, Craig was appointed C.E.O. for the U.S. Division.

**Laura (Lori) Muller**  
**President – U.S Division**  
Appleton, Wisconsin

Lori Muller joined EXIT as a franchisee in August 2007 and opened her first EXIT office in Appleton, Wisconsin. She served as Regional Director for the region of Wisconsin from September 2010 to November 2012. In May 2016, she purchased her second franchise in the territory of Shawano, Wisconsin and then a third in Oshkosh, Wisconsin in June 2018 and then

sold them all in September 2020. In October 2020, Lori was appointed the Vice President for the U.S. Division for EXIT Realty Corp. International. In September 2021, Lori was promoted to President for the U.S. Division.

**Janice Petteway**  
**Director of Brokerage Development**  
Orlando, Florida

Janice Petteway was a Franchise Owner of two EXIT Realty offices in Central Florida. The first location in Longwood opened in June 2002. She has also been the owner of Central Florida Title Center LLC, since July 2007. From October 2012 through December 2016, she was the President for the South East U.S. Division of EXIT. In January 2017, Janice was promoted to Director of Brokerage Development.

**Susan Harrison**  
**Sr. Vice President**  
Mississauga, Ontario, Canada

Susan Harrison joined EXIT in August 2000, as Manager of Franchise Support. In August of 2005, she was promoted to Sr. V.P. Web Development. In April 2010, she was promoted to her current position.

**Maria Louisa Orzakovski**  
**Vice President Operations**  
Mississauga, Ontario, Canada

Maria Orzakovski has been with EXIT since August 1, 2000. From August 2000 through December 2004, she worked in the Accounting Department. In January 2005, she was promoted to Manager, Corporate Records. In October 2006, she was promoted to Vice-President Operations.

**Laura Roussel**  
**Vice President Regional Services**  
Searcy, Arkansas

Laura Roussel, a Certified Public Accountant, purchased the EXIT Subfranchise rights for the States of Arkansas and Oklahoma in May 2004 and operated those Regions until October 2015. In March 2013, she was hired by EXIT Realty Corp. USA to be the Central Coordinator – U.S. Divisional Presidents. In April 2015, she was promoted to Vice-President Regional Services for EXIT.

### **ITEM 3 LITIGATION**

#### **Subfranchisor**

#### **EXIT Realty Upper Midwest**

No litigation is required to be disclosed in this ITEM.

**Franchisor**  
**EXIT Realty Corp. International**

Except for the action described below, there is no litigation that must be disclosed in this ITEM.

*Bruce Evans v. Christy Dwyer*, EXIT Realty Lake Country, and EXIT Realty Corp. International, Superior Court Hart County, Georgia, Case No. 22-HV-00484. The plaintiff alleges that he is due commissions of \$88,344 from EXIT Realty Lake Country, an EXIT Franchisee. EXIT Realty Corp. International filed an answer denying the allegations and demanding that it be dismissed from the case. This case is in the discovery stage of litigation.

*71353 Newfoundland & Labrador Inc. and Baushape Design, Inc. v. EXIT Realty Corp. International*. Ontario, Canada Superior Court of Justice, Case No. CV-16-565447, filed December 6, 2016. The plaintiff claims that it has incurred damages of \$2,500,000 because EXIT breached a contract and claims EXIT owes it the sum of \$975,000 pursuant to a Guarantee that it claims was signed by EXIT. EXIT denied the claims and filed a counterclaim demanding payment of \$1,278,090.55 pursuant to a Promissory Note signed by the Plaintiff, 71353 Newfoundland & Labrador Inc., and dated November 13, 2015. The plaintiff has not pursued the case for over three (3) years.

*Kevin McFall v. Canadian Real Estate Association et. al.*, Federal Court of Canada, Court File No. T-119-24, filed January 18, 2024. The plaintiff is seeking the certification of the action as a class proceeding and is proposing to advance the claim on behalf of all persons who sold residential real estate listed on Multiple Listing Service ("MLS") owned and operated by a regional real estate board after March 11, 2010. The plaintiff alleges that real estate brokers across Canada entered into a conspiracy for the supply of residential buyer brokerage ("Buyer Brokerage") services contrary to the Competition Act (Canada) and that certain of the other defendants, including EXIT, aided and abetted this conspiracy. The plaintiff alleges that the conspiracy resulted in increased price for Buyer Brokerage services. Among other relief requested against the defendants named in the action, the plaintiff claims an unspecified amount of damages. EXIT will respond to the allegations in due course.

*Don Gibson, et al., v. National Association of Realtors, et al.*, United States District Court for the Western District of Missouri, Civil Action No. 4:23-cv-00788-SRB, filed April 25, 2024. The Plaintiffs have filed and consolidated this case with case number 4:23-cv-00945-SRB to advance a claim and proposed settlement on behalf of all persons who listed homes on multiple listing services in the United States. The Plaintiffs allege that national real estate brokerages, brokerage owners and franchisors in the United States combined and conspired to impose, implement, follow and enforce anti-competitive restraints. The Plaintiffs are requesting that the court maintain the action as a class action, that the court declare the Defendant's actions violated the law, and that the court award the Plaintiffs and other members of the class damages, interest and attorneys' fees. EXIT and EXIT USA have been named as Defendants in the action and will respond to the allegations as required by law.

**ITEM 4  
BANKRUPTCY**

**Subfranchisor**

**EXIT Realty Upper Midwest**

No Bankruptcy is required to be disclosed in this ITEM.

**Franchisor  
EXIT Realty Corp. International**

No bankruptcy is required to be disclosed in this ITEM.

**ITEM 5  
INITIAL FEES**

When you sign the Franchise Agreement, you must pay EXIT Realty Upper Midwest an Initial Fee that ranges from Seven Thousand Five Hundred Dollars (\$7,500) to Twenty Five Thousand Dollars (\$25,000), depending on the geographical size and population (including seasonal residents) of the Protected Territory provided to you with the Franchise Agreement. The Initial Fee for a Franchise Agreement is determined according to the following formula:

- (a) Population in excess of 50,000 persons – Fee of \$25,000 (high density);
- (b) Population between 15,000 and 50,000 persons if the Protected Territory is more than 2 miles from an area with a population of more than 50,000 – Fee of \$15,000 (medium density);
- (c) Population of less than 15,000 persons if the Protected Territory is more than 2 miles from an area with a population of more than 5,000 persons – Fee of \$7,500 (rural density).

EXIT Realty Upper Midwest retains 75% of the Initial Fee paid for a Franchise Agreement. EXIT is paid the remaining 25% of the Initial Fee.

The Initial Fee for a Franchise Agreement will be uniformly imposed on all Franchisees subject to this Disclosure Document and is not refundable.

**ITEM 6  
OTHER FEES**

<b>OTHER FEES</b>			
<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Computer Software Fee <sup>1</sup>	\$250	Monthly	Payable by you to EXIT
Renewal Fee	10% of the then current Initial Franchise Fee for a territory of your size, not to exceed 25% of the initial franchise fee paid for a five (5) year renewal; or 15% of the then current Initial Franchise Fee for a territory of your size not to exceed 37.5% of the initial franchise fee paid for a ten (10) year renewal.	At the time the Franchise Agreement is renewed (5 years).	Payable by you to EXIT Realty Upper Midwest

Transaction Fee <sup>2</sup>	\$50 - \$400 per transaction side, not to exceed \$2,700 per year, per Sales Representative (pro-rated in the first calendar year).	At the time of closing of each sales/rental transaction.	Payable by you to EXIT Realty Upper Midwest and EXIT by electronic funds transfer or by such means as Subfranchisor and EXIT may direct.
Regional Development Fee <sup>3</sup>	\$35 per transaction side, not to exceed \$500 per year, per Sales Representative (pro-rated in the first calendar year).	At the time of closing of each sales/rental transaction.	Payable by you to EXIT by electronic funds transfer.
Annual Membership <sup>4</sup>	\$425 All equity holders of Franchisee and individuals with an interest in the Franchise must become EXIT Associates and pay Annual Membership. See Note	Annually, on July 1 <sup>st</sup>	Payable to EXIT.
Company Development Fee <sup>5</sup>	Equivalent to 10% of the gross commissions generated per year by every Sales Representative to a maximum cumulative fee of \$10,000 per calendar year for each Sales Representative (pro-rated in the first calendar year).	At the time of closing of each sales/rental transaction.	Payable by you to EXIT by electronic funds transfer.
Transfer Fee <sup>6</sup>	<p><u>Major Transfer.</u> The transfer of a 50% or more interest in the Franchise or 50% or more interest in the equity or voting rights in the entity that owns or controls the Franchise, whether in one or more transfers—transfer fee equal to 10% of the then-current Initial Fee (not to exceed 25% of the Initial Franchise Fee paid).</p> <p><u>Minor Transfer.</u> Transfer of less than a 50% interest of the Franchise, or less than 50% interest in the equity or voting rights in the entity that owns or controls the Franchise—\$500.</p> <p>See Note<sup>6</sup></p>	Upon the Transfer See Note <sup>6</sup>	Payable by you to EXIT Realty Upper Midwest at the time of the Transfer.
Convention Registration Fee <sup>7</sup>	\$925, subject to change annually. See Note <sup>7</sup>	Upon registration.	Payable by you to EXIT.

Late Fee	5% of the late payment.	If a payment is more than 30 days late.	Payable by you to EXIT and EXIT Realty Upper Midwest
Interest	Past due amounts are subject to interest at the prime interest rate plus 5%, or the highest contract annual percentage rate allowed by applicable law, whichever is less.	Commencing 30 days after payment is late.	Payable by you to EXIT Realty Upper Midwest
Audit Fee <sup>8</sup>	See Note <sup>8</sup>	See Note <sup>8</sup>	See Note <sup>8</sup>

Note <sup>1</sup> EXIT's proprietary software for reporting transactions is known as MEMO. See also ITEM 11

Note <sup>2</sup>

- Gross Commission of \$250.01-\$2,500 per side incurs a Transaction Fee of \$50
- Gross Commission of \$2,500.01-\$5,000 per side incurs a Transaction Fee of \$150
- Gross Commission of \$5,000.01-\$10,000 per side incurs a Transaction Fee of \$225
- Gross Commission of \$10,000.01-\$25,000 per side incurs a Transaction Fee of \$300
- Gross Commission over \$25,000 per side incurs a Transaction Fee of \$400

These fees are payable to EXIT Realty Upper Midwest and EXIT and are uniformly imposed. These fees are subject to change by EXIT. Every sale or leasing transaction involves two (2) "Transaction Sides" a "Selling Side" and a "Buying Side." The Transaction Fee is payable on a commission or fee payable to you on a Transaction Side. All Transaction Fees that pertain to referral commissions between EXIT offices are split in direct proportion to the percentage of commission earned. For example, an EXIT Franchise office that receives 25% of a commission side, pays 25% of the Transaction Fee. A portion of each Transaction Fee is allocated to certain funds administered by EXIT (described in ITEM 11). Currently, the allocations per Side are as follows:

Description	\$50 Fee	\$150 Fee	\$225 Fee	\$300 Fee	\$400 Fee
U.S. Advertising Fund	\$12.00	\$36.00	\$54.00	\$72.00	\$96.00
U.S. Creative Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33
U.S. Administrative Bonus Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33
U.S. Charitable Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33

Note <sup>3</sup> These fees are payable to EXIT and are uniformly imposed. These fees are subject to change by EXIT. All Regional Development Fees that pertain to referral commissions between EXIT offices are split in direct proportion to the percentage of commission earned. For example, an office that receives 25% of a commission side, pays 25% of the Regional Development Fee.

Note <sup>4</sup> Annual Membership is payable by each EXIT Sales Representative, persons under written contract with a Franchisee or Subfranchisor to recruit sales representatives, and all officers, directors and equity holders of Franchisees or Subfranchisors.

Note <sup>5</sup> From the Company Development Fees paid, EXIT pays the Sponsor responsible for the introduction and hiring of the Sales Representative, a sponsoring bonus equivalent to 10% of gross commissions generated per calendar year by such Sales Representative. Each sponsoring bonus is subject to a sponsoring bonus fee of 10% of the sponsoring bonus per transaction side in a residential transaction and per fee unit in an ICI transaction for a maximum of \$75 per transaction side (there is an additional fee of \$35 for death benefits). The sponsoring bonus is

reduced to the equivalent of 7% of the gross commissions that are generated by a Sales Representative that has been sponsored into the EXIT System by a “part-time” or “retired” Sales Representative (the other 3% being paid to the primary role Franchisee holding the license of the Sponsor) and reduced to 5% upon the death of the sponsoring Sales Representative (the other 5% being paid to the primary role Franchisee that held the license of the Sponsor at the time of his or her death), as defined in the EXIT Formula.

Note <sup>6</sup> If there is a transfer from one person to an entity that is controlled by the same person, there is no fee.

Note <sup>7</sup> You are charged for the Convention Registration Fee, whether or not you attend the Convention. One (1) exemption for non-attendance is granted in each 5-year period. You are required, at your cost, to attend the Convention. The cost to attend the Convention varies, based upon the Convention location, and typically ranges from \$2,000-\$3,000, including travel, lodging and registration fee (see Section 9.12 of the Franchise Agreement).

Note <sup>8</sup> If an audit reveals that you have underpaid amounts owing under your Franchise Agreement, and the underpayment is willful or exceeds five percent (5%) of the amount actually owing, in addition to paying the full amount owing, you must reimburse EXIT Realty Upper Midwest for the cost of the audit, including travel, lodging, meals, professional fees, salaries and other expenses of the persons conducting the audit. The expenses relating to the audit are nonrefundable.

**NOTE:** All of the fees are nonrefundable.

**NOTE:** “Sales Representative” means every person licensed or otherwise authorized to sell real estate as an agent or broker of Franchisee.

**NOTE:** All of the foregoing fees and memberships are subject to change by EXIT Realty Upper Midwest or EXIT during the term of the Agreement.

**NOTE:** Memberships and Fees may increase by up to 7% annually (see Section 16 of the EXIT Formula).

## ITEM 7 ESTIMATED INITIAL INVESTMENT

Although costs may vary among Franchises, your initial investment is presently anticipated and estimated as follows:

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee <sup>1</sup>	\$7,500 - \$25,000	Lump Sum	When you sign the Franchise Agreement	EXIT Realty Upper Midwest <sup>1</sup>
Training Expenses	\$2,500-\$5,000	As Incurred	During Training	Airlines, Hotels and Restaurants
Real Property – Leased for 12 Months <sup>2</sup>	\$12,000-\$50,000	As Billed	Prior to Opening	Landlord



Insurance <sup>3</sup>	\$2,000-\$10,000	As Billed	As Incurred	Insurance Company
Equipment, Fixtures, Other Fixed Assets, Construction, Remodeling Leasehold Improvements & Decorating Costs <sup>4</sup>	\$10,000-\$30,000	As Billed	As Incurred	Vendors, Lessor
Security Deposits, Utility Deposits, Business Licenses & Other Prepaid Expenses <sup>5</sup>	\$1,500-\$5,000 (if applicable)	As Billed	As Incurred	State Authorities
Exterior Office Sign	\$500-\$5,000	As Billed	As Incurred	Vendors
Automobile Lease <sup>6</sup>	\$4,800-\$9,000	As Billed	As Incurred	Vendors
Annual Convention Expenses <sup>7</sup>	\$2,000-\$3,000	As Billed	As Incurred	Vendors
Additional Funds (6 months) <sup>8</sup>	\$20,000-\$70,000	As Needed	As Incurred	Vendors
Total	\$62,800-\$212,000			

Note <sup>1</sup> EXIT Realty Upper Midwest retains 75% of the Initial Fee for a Franchise Agreement. EXIT is paid the remaining 25% of the Initial Fee.

Note <sup>2</sup> You must lease at least 750 square feet for a rural density territory, 1,000 square feet in a low density territory, 1,500 square feet in a medium density territory and 2,000 square feet in a high density territory, in a suitable commercial building for your office. Because real estate values vary dramatically from location to location, we cannot accurately estimate your rent, but annual rental costs typically range from approximately \$12.00 to \$20.00, or more, per square foot for an office location. This is a gross rental that includes building operating expenses, insurance and real estate taxes. The Sales Representative quota set forth in Section 9.8 of the Franchise Agreement will require the office size to increase within the first 3 years of the lease. We estimate this will increase the annual rent to \$36,000-\$60,000. Franchise offices are usually located in the commercial center within your Protected Territory.

Note <sup>3</sup> The costs of insurance will vary depending on the number of employees and Sales Representatives, the location of your office and the value of the equipment and improvements.

Note <sup>4</sup> Equipment includes 2-4 computers, the requirements of which are set forth in Section 5 of ITEM 11 of this Disclosure Document. This amount also includes yard signs, sale and sold signs, business cards and office supplies.

Note <sup>5</sup> Includes Association of Realtors®, Local Board Fees and Multiple Listing Service (MLS) Memberships.

Note <sup>6</sup> While not required under the terms of the Franchise Agreement, an individual Franchisee will need an automobile to provide real estate services. The individual may supply his or her own automobile or may cause the business to lease or purchase an automobile. The average monthly lease payment included in this table ranges from \$400-\$800.

Note <sup>7</sup> You are required to attend the Annual EXIT Convention. Costs include registration fees, travel expenses and food and lodging expenses.

Note <sup>8</sup> This estimate includes legal expenses, staff salaries, utilities and operating expenses for the first 6 months of operation. The estimate includes travel, lodging and incidental expenses for initial training. Tuition is not charged for attendance of approved attendees at initial training. EXIT charges you \$500.00, if you sign up and fail to attend the training or cancel on less than 30 days' notice. The estimate does not include an owner's salary or draw. These figures are estimates and will vary by your geographic area; how much you follow our methods and procedures; your management skill, experience and business acumen; the relative effectiveness of your staff; local economic conditions; competition; and the revenue level reached during the initial period. We cannot guarantee that you will not have additional expenses starting the business. This estimate was calculated based upon the average operating expenses of EXIT Franchisees throughout the United States.

**Note:** None of the above amounts described in this ITEM 7 are refundable from EXIT. Refundability of other amounts will vary, depending on the vendor.

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

You must purchase all stationery, merchandising material and/or anything else that is utilized by you that contains EXIT's logo and/or Marks from EXIT's Approved Suppliers or Suppliers that sign a Confidentiality and License Agreement with EXIT. EXIT, through its Affiliate, Ah\$um America, Inc., maintains a list of Approved Suppliers. If you wish to have a supplier designated as "Approved," you may submit information about the supplier and its relevant products or services to Ah\$um America, Inc. for review. Ah\$um America, Inc. will not unreasonably withhold its approval of any supplier that meets the quality standards set forth in the EXIT Training Manual and agrees to sign Ah\$um America, Inc.'s then current Terms and Conditions document for Approved Suppliers. Ah\$um America, Inc. will notify you of its decision within 60 days of your submission. Ah\$um America, Inc. reserves the right to re-inspect the products or services of any Approved Supplier and revoke its approval if the service or product fails to meet the quality standards set forth in the EXIT Training Manual. Ah\$um America, Inc. will send written notice of any revocation to the Approved Supplier. Ah\$um America does not impose a fee or cost for Supplier approval.

Ah\$um America, Inc. applies the following general criteria in approving a proposed Supplier:

- (a) Ability to make Product in conformity with EXIT's specifications;
- (b) Production, supply considerations and delivery capability;
- (c) Reputation and integrity of Supplier;
- (d) Financial condition and insurance coverage of Supplier.

Approved Suppliers are sent written notice of any modifications in EXIT quality standards.

EXIT is the only approved supplier for certain computer software for the Franchise report system known as MEMO. You must purchase a compatible computer for the Franchise MEMO system. The computer requirements are described in ITEM 11. The MEMO system has been developed and will be licensed by EXIT to you. There is no initial cost for the system. You must pay a monthly license fee of \$250.00. If you own more than 1 EXIT Franchise, and those are operated by the same legal entity and use the same trade name, the monthly license fee for the second and subsequent Franchise Agreements shall be reduced to 25% of the monthly license fee charged at the time the subsequent Franchise Agreement(s) is signed.

You must comply with quality standards and specifications described in EXIT's Training Manuals for furnishings, fixtures, equipment and operating supplies.

Approved Suppliers may pay EXIT, through Ah\$um America, Inc., a royalty for utilizing the EXIT Mark. The amount is negotiated with each approved supplier, as a percentage of revenues or a

flat fee, and varies from Supplier to Supplier. Based on the most recent audited financial statements, EXIT, through Ah\$um America, Inc., received \$453,822.85 in royalties from Approved Suppliers in 2023 and \$1,452,822.99 from its MEMO software license and access fees in 2023. The total of these amounts constitutes 9.5% of EXIT's 2023 revenues, which totaled \$20,079,793.85.

We estimate that the required purchases described above are 3% to 12% of the cost to establish and operate the EXIT Franchise (this includes the exterior sign(s), office supplies, yard signs and MEMO fees).

Except for the license of the MEMO system, neither EXIT nor its Affiliates are Approved Suppliers, and no officer of EXIT owns an interest in an Approved Supplier. There are no purchasing or distribution cooperatives in existence as of the date of this Disclosure Document. Except for Approved Suppliers, EXIT does not negotiate purchase agreements with suppliers for the benefit of Franchisees. EXIT does not provide benefits to Franchisees based on a Franchisee's purchase of a particular product or service or use of particular suppliers.

## ITEM 9 FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the Franchise Agreement 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 Franchise Agreement	ITEM in Disclosure Document
a. Site Selection and Lease	3	11
b. Pre-opening Purchases/Leases	3	5, 6, 7
c. Site Development and other Pre-opening Requirements	3	5, 6, 7
d. Initial and Ongoing Training	9	11
e. Opening	4	11
f. Fees	5, 6, 7	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	10	11
h. Trademark and Proprietary Information	8	13, 14
i. Restrictions on Products/Services Offered	9	16
j. Warranty and Customer Service Requirements	9.2	11
k. Territorial Development and Sales Quotas	9	12
l. Ongoing Product/Service Purchases	9.10	8
m. Maintenance, Appearance and Remodeling Requirements	3	7
n. Insurance	9	7
o. Advertising	7, 9	6, 11
p. Indemnification	31	Not Applicable

q. Owner's Participation/Management/Staffing	9	15
r. Records/Reports	9,11	11
s. Inspections/Audits	9,11	6,11
t. Transfer	18	6, 17
u. Renewal	5	17
v. Post-termination Obligations	17	17
w. Noncompetition Covenants	21	17
x. Dispute Resolution	25	17

## ITEM 10 FINANCING

EXIT Realty Upper Midwest does not offer financing to you. EXIT and EXIT Realty Upper Midwest do not guarantee your lease or any other financial obligation you may enter into in connection with your business.

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

Except as listed below, EXIT and EXIT Realty Upper Midwest are not required to provide you with any assistance.

### 1. **Pre-Opening Obligations.**

Before you open your Franchise, EXIT Realty Upper Midwest and EXIT will provide the following assistance to you:

- (1) Provide you with a copy of our prototypical office plans and specifications, which you may adapt for your own use. See Franchise Agreement, Sections 9.11(a) and 12.1.
- (2) Provide you with access to EXIT's computer software. See Franchise Agreement, Section 9.14.
- (3) Provide you with one (1) copy of the Training Manual Vol. 1 – Quick Start Manual that covers EXIT's operating policies, marketing and advertising policies and standards, promotional programs and other matters. The Table of Contents of the Quick Start Manual is attached to this Disclosure Document as Exhibit C. See Franchise Agreement, Section 12.1. If EXIT's next scheduled training program is offered prior to your office opening, you must attend that program. Otherwise, you must attend the next scheduled training program. EXIT's initial training program is offered twice a year. Some or all of the training may be done online.
- (4) You must select your office site, subject to EXIT Realty Upper Midwest's review and consent, and secure fee or leasehold title for the site. Generally, office sites that are leased are not owned by EXIT Realty Upper Midwest. EXIT Realty Upper Midwest may consult with you regarding site selection, but you are ultimately responsible for locating and obtaining an acceptable site. In evaluating a proposed site, EXIT Realty Upper Midwest considers such factors as competition and market

analysis, proximity to other real estate offices and other potential sources of customers, building suitability, traffic and transportation, the nature and extent of adjacent businesses, the comparative advantages of a particular market, and other factors selected by EXIT Realty Upper Midwest. Your office site must be within your Protected Territory (see Item 12 below). See Franchise Agreement, Section 3.1(A).

- (5) If you have not selected an office site, if you and EXIT Realty Upper Midwest cannot agree on a site, or if you have not opened your office within 120 days after you sign a Franchise Agreement, EXIT Realty Upper Midwest may declare the Franchise Agreement null and void, without the return of any Initial Fee or other amount paid to us. See Franchise Agreement, Section 3.1(B).

## **2. Office Opening.**

Franchisees typically open their offices approximately 2 to 3 months after they sign a Franchise Agreement. The primary factor affecting the time period is whether the office is converted from an existing facility or built by the franchisee. Other factors may include the time of year, availability of financing and construction delays. You are required to open your office within 120 days after you sign a Franchise Agreement. If you have not opened your office, within 120 days after you sign a Franchise Agreement, we may declare the Franchise Agreement null and void, without the return of any Initial Franchise Fee or other amounts paid to us. See Franchise Agreement, Section 3.1(B).

## **3. Obligations After Opening.**

During the operation of your Franchise, the following obligations will be met by EXIT Realty Upper Midwest and EXIT:

- (1) Train you as provided in Training Manual Vol. 2 – Broker Training and Training Manual Vol. 3 – Presentation Process, the Table of Contents of which are attached to this Disclosure Document as Exhibit C. See Franchise Agreement, Sections 8.8 and 9.11.
- (2) Periodically train you and your management personnel. See Franchise Agreement, Section 9.
- (3) Periodically discuss with you operating and marketing issues concerning your Franchise. See Franchise Agreement, Section 9.
- (4) Periodically inspect your office to determine whether you are operating and maintaining it as required by the Franchise Agreement and Training Manuals and provide you written quality performance reviews. See Franchise Agreement, Section 13.
- (5) At your request, consult with you on technical matters. You must pay EXIT Realty Upper Midwest's then current charges and related travel and living expenses for these services. See Franchise Agreement, Sections 9 and 13.
- (6) Periodically provide you with revised and updated versions of the MEMO computer software. See Franchise Agreement, Sections 9 and 13.

Neither us nor EXIT has any obligation to assist you in establishing prices, such as setting minimum and/or maximum prices at which Franchisees must sell services.

## **4. Advertising.**

From the fees generated from each sale or lease transaction, a portion of the fees is allocated to advertising and to other funds. See ITEM 6 of this Disclosure Document and Section 7.6 of the Franchise Agreement.

**Advertising.** The advertising fees are allocated to the following Advertising Funds (the "Funds"): United States Creative Fund, United States Promotional Fund and Regional Development Fund.

The United States Creative Fund is used to create concepts and programming used for national and local advertising of EXIT. EXIT uses the creative fund to pay its employees and subcontractors for the advertising services that it provides.

The United States Promotional Fund is used to advertise and promote in radio, television, internet, newspaper, trade magazines and other advertising and promotion mediums.

The Regional Development Fund is used to purchase advertising services within the Region within which the Regional Development Fund fees are generated.

EXIT is not required to spend any amount on advertising in any particular area or Region, except the Regional Development Fund which is used solely for regional development in the Region in which the funds are generated. These funds are intended for the benefit of the EXIT name and the EXIT system, and not necessarily for the direct benefit of any specific franchisee, although it is anticipated that all Franchisees will benefit from increased awareness and visibility of the EXIT name and the EXIT system.

The Advertising Funds may be used to meet all costs of administering, directing, preparing, placing and paying for national, regional or local advertising and promotion. EXIT is not required to maintain the money paid by Franchisees to the Funds and income earned by the Funds in separate accounts. No more than 10% of the advertising funds were used principally to solicit new franchise sales.

All Franchisees are required to contribute Advertising Funds at the same rate. Each of the Funds and an accounting of advertising expenditures is administered by EXIT. The Funds are not audited.

Annual financial statements and an accounting of the Funds will be sent to you via email or U.S. mail upon your written request sent to EXIT via email to [snanan@exitrealty.com](mailto:snanan@exitrealty.com), or U.S. mail to EXIT Realty Corp. International, Attention: Steve Nanan, 2626 Argentia Road, Mississauga, Ontario, Canada, L5N 5N2.

Any Fund amount remaining at the end of a calendar year is carried over to be used in the future.

In the most recently concluded calendar year, EXIT spent 12.42% of the Funds on production, 4.78% of the Funds on media placement, .23% of the Funds on administrative expenses, 60.71% of the Funds on EXIT's website and internet marketing, 25.98% of the Funds on promotions and 45.67% of the Funds for regional development.

There is no advertising council composed of Franchisees that advises EXIT on advertising policies. The Franchise Agreement does not give you the power to form, change or dissolve an advertising council.

There is no obligation for EXIT to maintain any advertising program or to spend any amount on advertising in your area or territory, except as provided for in the Regional Development Fund. EXIT currently advertises using print, radio, television and the internet, with local, regional and national coverage. EXIT currently employs both an in-house advertising department and national or regional advertising agencies.

You may develop advertising materials for your own use, at your own cost. We must approve these advertising materials in advance and in writing. In addition, we may, or EXIT may, but is not required to, provide advertising materials to you for your use.

There is no Advertising Council or local Regional Advertising Cooperative. Franchisees are not required to participate in a local or regional advertising council or cooperative. Except for the obligation to purchase advertising with the Regional Development Fund Fees, EXIT has no other obligation to conduct advertising. Regional Development Fund Fees are used solely to purchase advertising, including billboard advertising, in the Region in which the Regional Development Fund Fees are generated.

**Other Funds.** A portion of the fees is allocated to 2 other funds; the United States Charitable Fund and the Administrative Fund.

The United States Charitable Fund is used by EXIT to make donations to a United States charity or charities selected by EXIT. As of December 31, 2023, there was a balance of \$1,129,432.27 in the Charitable Fund.

The United States Administrative Fund is used to pay year-end bonuses to the support staff employed by Franchisees. As of December 31, 2023, there was a balance of \$249,561.35 in the Administrative Fund.

## 5. **Computer Requirements.**

Set forth below, is a listing of the hardware and software currently required to operate the MEMO software provided by EXIT:

### Hardware Requirements

- 8GB RAM Minimum or Higher
- High speed internet access

### Software Requirements

- Windows 10 or newer operating system
- Chrome or Microsoft Edge

The software provided by EXIT for the Franchise Report System (MEMO) is owned by EXIT and licensed by EXIT to you. EXIT maintains and updates MEMO. EXIT will have independent access to the information generated or stored on MEMO. The initial cost of the MEMO software is \$0. Currently, a licensing fee of \$250.00 per month for MEMO, payable to EXIT, is charged to you. This fee is to be paid by automatic monthly withdrawal. See Section 9.14 of the Franchise Agreement and ITEM 6 and ITEM 8 of this Disclosure Document.

EXIT may require you to upgrade the hardware and software to maintain compatibility with MEMO.

MEMO calculates and stores the Transaction Fees, Regional Development Fees and Company Development Fees for each transaction performed by your Franchise. The MEMO System tracks all information pertaining to Franchise contract details, as well as information about each of your Sales Representatives. It provides the ability to set commission plans which automatically calculate the commission of every transaction in which a salesperson is involved. It tracks when Sales Representatives cap out on EXIT Transaction Fees and reach the next commission level. It keeps track of all listings, both pending and sold. It does not track other operating expenses not directly related to real estate transactions, such as office rent, postage expenses, utility expenses, etc.

EXIT Realty Upper Midwest estimates that your cost to purchase a computer is \$500-\$1,000 per computer. There is a minimum of 1 computer required for the Franchise, although it is likely that you will need 2-4 computers during your initial 6 months in business. Your obligation to upgrade your computer or its operating system is dependent upon technology advances and EXIT's upgrades of MEMO.

**6. Operating Manual.**

The Table of Contents of the Franchisee Training Manual is attached to this Disclosure Document as Exhibit C.

**7. Training Program.**

EXIT's training program, as of December 31, 2023, is described below:

<b>TRAINING PROGRAM</b>				
	<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
1.	Welcome Commencement Deliberate Creation Affirmations The EXIT Story Power of Perspective	.25 1 3 1 .75 1	None	Mississauga, Canada or Atlanta, Georgia
2.	EXIT Formula Profitability / Formula Potential Broker Service Franchise Support Teams at EXIT Office Layouts EXIT Apprenticeship Program Ambassador Program	1.75 1 .5 .5 1 .5 .75 .5	None	Mississauga, Canada or Atlanta, Georgia
3.	Spirit of EXIT EXIT Events Recruiting & Sponsoring at EXIT Franchisee/Agent Onboarding The EXIT Presentation Marketing & Public Relations Advertising and Promotion	.5 1 1 .75 2 .5 1.25	None	Mississauga, Canada or Atlanta, Georgia
4.	DISC Personality Profiles Corporate Technology Technology Workshop	3.25 .75 2	None	Mississauga, Canada or Atlanta, Georgia
5.	Report Cards Post BOT Program Manager's Toolbox Closing/Testimonials	.5 2 .5 .75	None	Mississauga, Canada or Atlanta, Georgia

The initial training program is conducted by EXIT Executives that are listed in ITEM 2 of this Disclosure Document. The minimum experience of these instructors in the field is relevant to the subject taught and our operations is 8 years.

Currently, initial training programs are conducted a minimum of twice annually. The training program runs for 5 full days and covers each of the subjects listed in the Table of Contents of the



Training Course Manuals. Training times and instructors for each subject vary from program to program.

You must pay the travel, lodging, meals and incidental expenses of those attending the initial training program. Training is presently conducted at EXIT's Mississauga, Ontario headquarters, Atlanta, Georgia and/or online. It may also be conducted at a location selected by EXIT Realty Upper Midwest. See Franchise Agreement, Article 9. EXIT charges you \$500, if you sign up and fail to attend the training or if you cancel on less than 30 days' notice. If you cancel in less than 10 days EXIT charges you \$1,000. At the option of EXIT, some or all of the training may be online.

You and any individual who will serve as the administrator of your Franchise office must attend and complete the initial training program to EXIT Realty Upper Midwest and EXIT's satisfaction. Attendance must be at the next scheduled training following your execution of the Franchise Agreement. In addition, within 60 days after completion of the initial training, you must complete and attend the 1-day training course conducted by EXIT Realty Upper Midwest (if offered) at a location within the State of Minnesota. There are no charges for the Minnesota course or the materials. However, you are responsible for your own lodging, meals and incidental expenses. At the option of EXIT, some or all of the training may be online.

EXIT currently offers an Advanced Broker Course known as the Master Broker Summit. The prerequisite to attending this course is that the Franchisee must have first attended the Franchise Management Training Course. It is recommended that this Advanced Broker Course be attended at least once during the five-year term of the Franchise Agreement.

If you renew your Franchise Agreement, additional training is required at the time of the renewal.

## **ITEM 12 TERRITORY**

The Franchise Agreement grants you the right to establish a real estate sales office in a specified geographic territory ("Protected Territory") that is described by boundary streets, highways, cities, counties, or other recognizable demarcations and can be further delineated by a map attached as a part of the Franchise Agreement. You are granted the exclusive right to establish an EXIT realty office within the Protected Territory. You are not restricted from selling real estate services outside your Protected Territory. There is no minimum Protected Territory granted, although the Protected Territory is generally as follows: High density – over 50,000 population; Medium density – 20,000-50,000 population; Low density – 5,000-20,000 population and Rural density – less than 5,000 population. **You receive exclusivity for the location of your office. You will not receive an exclusive Territory for EXIT listings and/or sales. You may face competition from other EXIT Franchisees, from outlets we own, or from other channels of distribution or competitive brands.**

Other EXIT franchises may provide real estate services within your Protected Territory. No compensation is paid to you by us or EXIT for real estate sales by other EXIT franchises within your Protected Territory. Similarly, you may sell real estate services outside of your Protected Territory. There are no restrictions on either you or any other EXIT Franchisee from providing real estate services outside a Protected Territory, including no restrictions on your right to use other channels of distribution, such as the internet, telemarketing or direct marketing, to make sales outside the Protected Territory. EXIT, EXIT Realty Upper Midwest and other EXIT Realty Franchisees reserve the right to use other channels of distribution, including the internet, within the Protected Territory, using EXIT's principal trademarks or using different trademarks. Your exclusivity within the Protected Territory relates only to your operation of an EXIT office within the Protected Territory. The Franchise Agreement provides that EXIT Realty Upper Midwest may not establish either a company-owned or franchised outlet, in the Protected Territory, selling the same goods or similar goods or services under the same or similar trademarks or service marks during the term of the Franchise Agreement, unless you are in default under the terms of the Franchise Agreement. Your exclusive rights to a Protected Territory may be terminated or modified by EXIT

Realty Upper Midwest if you fail to comply with the terms and conditions of the Franchise Agreement. In addition, the exclusive area rights will terminate, and you will be in default under your Franchise Agreement and your Franchise Agreement may be terminated, if you fail to attain and retain the prescribed number of Sales Representatives within the designated period of time. There are no other circumstances that permit EXIT Realty Upper Midwest to modify your territorial rights. The number of Sales Representatives to be maintained is based on the active Realtor® population in the geographic territory that includes the Protected Territory and based upon market conditions and area competition. There is no formula to determine the minimum number of Sales Representatives to be maintained in a Protected Territory. Once the location of the Protected Territory is determined and EXIT Realty Upper Midwest analyzes the active Realtor® population, market conditions and area competition in and around the Protected Territory, the minimum number of Sales Representatives is determined by EXIT Realty Upper Midwest and provided to you not less than 7 calendar days prior to your execution of the Franchise Agreement. See Section 9.8 of the Franchise Agreement. Subject to the foregoing Requirements for minimum number of Sales Representatives are as follows:

<b>Territory Size</b>	<b>Minimum # of Sales Representatives After 1st Year</b>	<b>Minimum # of Sales Representatives After 2nd Year</b>	<b>Minimum # of Sales Representatives After 3rd Year and Thereafter</b>
Rural Density Territory	3	5	7
Medium Density Territory	6	12	20
High Density Territory	10	20	30

You may not relocate the franchise sales office, without the prior written consent of EXIT Realty Upper Midwest. Consent by EXIT Realty Upper Midwest for relocation of the franchise sales office is dependent upon the same factors as the location of the initial office, including competition and market analysis, proximity to other real estate offices and other potential sources of customers, building suitability, traffic and transportation, the nature and extent of adjacent businesses and the competitive advantages of a particular market. With EXIT Realty Upper Midwest's prior consent, you may establish another office within the Protected Territory. You are not charged another franchise fee for multiple offices within the Protected Territory. You do not receive the right to acquire additional franchises outside of your Protected Territory, unless you sign another Franchise Agreement with EXIT Realty Upper Midwest. Neither EXIT Realty Upper Midwest, nor EXIT, nor any of their Affiliates operate or plan to operate or franchise businesses under a different trademark that will sell goods or services that are the same or similar to those that you, as an EXIT Franchisee, will sell.

### **ITEM 13 TRADEMARKS**

EXIT Realty Upper Midwest grants you the right to operate a real estate sales office under the "EXIT" or "EXIT Realty" trademarks, only in the manner authorized and permitted in the Franchise Agreement. By "trademark," EXIT Realty Upper Midwest means trade names, trademarks, service marks, logos, and commercial symbols owned by EXIT and used to identify the franchised real estate sales offices. EXIT reserves the right to change or modify or discontinue any of the

trademarks. The trademarks, registered on the Principal Register of the United States Patent and Trademark Office, are as follows:

<u>TRADEMARK</u>	<u>REGISTRATION DATE</u>	<u>REGISTRATION OR SERIAL NUMBER</u>
"EXIT"	06/16/1998 (Renewed 6/24/08)	2,165,469
"EXIT and Design"	07/20/2004	2,864,355
"EXIT and Design with Color"	07/06/2004	2,859,563
"EXIT e-listings"	12/26/2017	5,362,252
"I'M SOLD" (Principal Register)	02/16/2010	3,748,045
"Your Home, Next EXIT"	03/26/2013	4,309,485
"LOVEXIT"	04/01/2014	4,503,914
"Heart and Home with EXIT Realty"	09/08/2020	6,148,575
"Prompter"	01/23/2018	5,383,884
"Think Smart. Think EXIT"	04/03/2018	5,436,237
"Expert Marketing Suite"	07/17/2018	5,517,682

There is no currently effective material determination of the United States Patent and Trademark Office or the Trademark Trial and Appeal board, or the trademark administrator of any state or court, any pending infringement, opposition, or cancellation proceeding, and no pending material litigation involving EXIT's principal trademarks. EXIT has filed all required affidavits for maintenance of the trademark registrations. There are no agreements that limit EXIT's right to use or license others to use EXIT's trademarks. If EXIT Realty Upper Midwest's subfranchise rights are terminated, your right to use EXIT's trademarks shall continue.

You must use EXIT's trademarks only in the manner set forth in the Franchise Agreement and Training Manual, and as specified periodically by EXIT. You may not use any of the trademarks as part of a corporate name.

You must notify EXIT Realty Upper Midwest immediately when you learn about an infringement of or challenge to your use of EXIT's trademarks. EXIT Realty Upper Midwest will take the action we think is appropriate. EXIT has the sole right to manage and resolve disputes with third parties concerning the trademarks. EXIT will defend you against any claim opposing your use of the trademarks. You may tender the defense of any trademark action to EXIT and EXIT Realty Upper Midwest, and EXIT will defend you in the action, at our cost, but only if you send the lawsuit to EXIT within seven (7) days after you receive it. You may hire your own attorney to defend you in this action, but then you must pay all your own legal expenses. You may not contest EXIT's rights to its trademarks, trade secrets, or proprietary and distinctive system.

EXIT shall have the sole authority to add to, delete or modify the trademarks from time to time. You must modify or discontinue a trademark, at your own expense, if EXIT Realty Upper Midwest notifies you to discontinue or modify your use of a trademark. You must comply within a reasonable time, if we notify you to discontinue or modify your use of any trademark. EXIT Realty

Upper Midwest will have no liability or obligation as to your modification or discontinuance of any mark.

EXIT Realty Upper Midwest knows of no infringing or prior uses that could materially affect your use of EXIT's trademarks.

#### **ITEM 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

EXIT Realty Upper Midwest does not own or grant you the right to use any item governed by a patent but does permit you to use Proprietary Information in the Training Manuals, and copyrighted material owned by EXIT while you are a Franchisee. See ITEM 11 of this Disclosure Document. Although EXIT does not own federally determined rights in copyright materials and has not filed an Application for Copyright Registration for the Training Manuals, the information in the Training Manuals is proprietary, and EXIT claims a copyright to the entire Training Manuals and in various advertising and sales promotion materials used in connection with the EXIT System. You may not copy any of EXIT's confidential information or give it to a third party, except as EXIT authorizes. You must also promptly tell us when you learn about unauthorized use of this Proprietary Information. EXIT Realty Upper Midwest is not obligated to take any action but will respond to this information as we think appropriate. EXIT has the right to control any litigation involving Proprietary Information. EXIT or EXIT Realty Upper Midwest will defend you for claims by a third party concerning your use of this Proprietary Information.

#### **ITEM 15**

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

As a Franchisee, you, or if you are an entity, an officer, member, director, partner or other person named as the real estate broker of record, must devote full time and best efforts to the Franchise business. If the Franchisee is operating as a corporation, partnership or limited liability company, you and all other equity holders in the company must execute a Personal Guaranty of the Franchise Agreement. In addition, in community or marital property states, your spouse may be required to sign the Personal Guaranty. Your business must be directly supervised "on premises" by a manager who has successfully completed EXIT's training programs. The on-premises manager cannot have an interest or business relationship with any of EXIT's competitors. The manager need not have an ownership interest in your corporate or partnership Franchise. The manager must sign a written agreement to maintain confidentiality of the proprietary information described in ITEM 14 and to conform with the covenants not to compete described in ITEM 17 of this Disclosure Document.

#### **ITEM 16**

### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Subject to your state and local laws, you, or your approved designee, must be a licensed real estate broker under the laws of the state within which your office will be located. You must use your office solely for the operation of an EXIT Franchise. You must not use or permit the use of the premises for any other purpose or activities, at any time, without first obtaining our written consent.

You have complete discretion as to the prices to be charged to customers for the offer and sale of any goods and services.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services which you may offer or sell or as to the customers to whom you may offer or sell.

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

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

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the Franchise Term	5	The initial term of a Franchise Agreement is 5 years.
b. Renewal or extension of the Term	5	A Franchise Agreement may be renewed for subsequent 5- or 10-year periods.
c. Requirements for you to renew or extend	5	You must not be in breach of the Franchise Agreement, you must give notice at least 6 months prior to the expiration date, you must pay the Renewal Fee of: 10% of the then current Initial Franchise Fee for your size Franchise territory (not to exceed 25% of the Initial Franchise fee paid) for a five (5) year renewal; or 15% of the then current Initial Franchise Fee for your size territory (not to exceed 37.5% of the Initial Franchise Fee paid) for a ten (10) year renewal. You must also execute a new Franchise Agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of the Protected Territory will remain the same.
d. Termination by you	15	You may terminate the Franchise Agreement, if EXIT Realty Midwest defaults, provided you give EXIT Realty Upper Midwest 30 days to cure the default.
e. Termination by EXIT Realty Upper Midwest without cause	Not Applicable	EXIT Realty Upper Midwest may terminate the Franchise Agreement only if you default.
f. Termination by EXIT Realty Upper Midwest with cause	16	Cause means any breach of a material provision of the Franchise Agreement. Upon the occurrence of an event of default, you will have 10 days to cure a monetary default or abandonment default and 30 days to cure a non-monetary default. If you fail to cure the default, EXIT Realty Upper Midwest may

		terminate and cancel the Agreement upon 30 days' prior written notice.
g. "Cause" defined – defaults which can be cured	16	See the applicable provisions in the Franchise Agreement, Cause, which is curable, is generally described as failure to pay any monetary obligation when due, failure to comply with any term of the Franchise Agreement, transfer of any interest in the Franchise Agreement without the prior written consent of EXIT Realty Upper Midwest, breach of any other agreement between you and EXIT Realty Upper Midwest, misuse of escrow or trust funds and loss of real estate license.
h. "Cause" defined – defaults which cannot be cured	16	Please see the applicable provisions in the Franchise Agreement. Termination after notice to you with no right to cure. (a) You do not open up an EXIT office and commence business operations within 120 days following the Effective Date; (b) You abandon your franchise office; (c) You fail to comply with the provisions of the Franchise Agreement 3 or more times, whether or not corrected after notice; (d) You or any of your equity holders, directors or officers are convicted of a felony or other crime that impairs the goodwill associated with EXIT; (e) You or any guarantor of the Franchise Agreement files bankruptcy, insolvency, receivership or dissolution; (f) You or any guarantor of the Franchise Agreement dies, becomes permanently disabled or dissolves; (g) misuse of escrow or trust funds; you or any shareholder, partner, member, director, officer or guarantor of the Franchise Agreement violates the In-Term no-compete provisions of the Franchise Agreement.
i. Your obligations on termination/non-renewal	17, 21.2	Obligations include complete de-identification, payment of amounts due and compliance with the noncompetition covenants.
j. Assignment of contract by EXIT Realty Upper Midwest	18	No restriction on EXIT Realty Upper Midwest's right to assign.
k. "Transfer" by you – definition	18	Includes transfer of contract or assets, ownership change or change of control.

l. EXIT Realty Upper Midwest's approval of transfer by Franchisee	18	EXIT Realty Upper Midwest has the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for EXIT Realty Upper Midwest approval of transfer	18	New Franchisee qualifies, transfer fee (10% of the then current initial franchise fee, not to exceed 25% of the Initial Franchise fee paid) paid, purchase agreement approved, training arranged, Assignment signed and current Franchise Agreement signed by new Franchisor or Franchisee (also see the non-competition section below).
n. EXIT Realty Upper Midwest's right of first refusal to acquire your business	Not Applicable	
o. EXIT Realty Upper Midwest's option to purchase your business	Not Applicable	
p. Your death or disability	16	Treated as a non-curable breach. See Section 18.4 for transferability provisions.
q. Non-competition covenants during the term of the Franchise	21	Subject to state law, no involvement in competing business without Subfranchisor's prior written consent.
r. Non-competition covenants after the Franchise is terminated or expires.	21	Subject to state law, no competing business similar to EXIT for 1 year within the area licensed by us from EXIT.
s. Modification of the Agreement	28	Fees are subject to change by Franchisor. The Manuals are subject to change.
t. Integration/merger clause	28	Only the terms of the Agreement are binding (subject to state law). Any other promises may not be enforceable. Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	25	Subject to state law, all disputes must be litigated in Lakeville, MN
v. Choice of forum	25	Subject to state law, all disputes must be litigated Lakeville, MN
w. Choice of law	25	Subject to state law, Minnesota

The following states have statutes which may supersede the Agreements in your relationship with EXIT including the areas of termination and renewal of your Franchise and venue for disputes

and governing law: ARKANSAS [Ark. Code § 4-72-204], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit. 6, Ch.25, Sections 2551, et seq.], HAWAII [Rev. Stat. Section 482], ILLINOIS [Rev. Stat. Chapter 815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1 - 523H.17], MICHIGAN [Stat. Section 445.1527(c)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-53], MISSOURI [Stat. Section 407.405], NEBRASKA [Rev. Stat. Section 87-404], NEW JERSEY [Stat. Section 56:10-1], RHODE ISLAND [Gen. Laws § 6-50-4], TENNESSEE [Code Ann. § 47-25-1503], VIRGINIA [Code 13.1-557-574 - 13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the Agreements in your relationship with EXIT including the areas of termination and renewal of your Franchise, venue for disputes and governing laws.

The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under Federal Bankruptcy Law (11 USC Section 101 et seq.).

See the state modification provisions in the Franchise Agreement and Disclosure Document for special state disclosures.

## **ITEM 18 PUBLIC FIGURES**

EXIT does not use any public figure to promote it.

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a Franchisor to provide information about actual or potential financial performance of its franchised and/or Franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in ITEM 19 may be given only if: (1) a Franchisor provides the actual records of an existing outlet you are considering buying; or (2) a Franchisor supplements the information provided in this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to EXIT Realty Upper Midwest's management by contacting Cade Pankonin, 20765 Holyoke Ave, Lakeville, MN 55044, (651) 560-3234, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1  
OUTLET SUMMARY – FRANCHISES  
FOR YEARS 2021 TO 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Upper Midwest (IL,IA,MI,MN,ND,SD,WI)	2021	83	85	+2
	2022	85	89	+4



Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2023	89	88	-1
Company Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets – Franchises	2021	83	85	+2
	2022	85	89	+4
	2023	89	88	-1

**TABLE 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO**  
**NEW OWNERS (OTHER THAN THE SUBFRANCHISOR) IN AREA**  
**ENCOMPASSING SUBFRANCHISOR'S REGION**  
**FOR YEARS 2021 TO 2023**

	Year	Number of Transfers
Upper Midwest (IL,IA,MI,MN,ND,SD,WI)	2021-2023	21

**TABLE 3**  
**STATUS OF FRANCHISE OUTLETS**  
**FOR YEARS 2021 TO 2023**

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Subfranchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Upper Midwest (IL,IA,MI,MN,ND,SD,WI)	2021	83	4	0	0	1	1	85
	2022	85	5	0	0	0	0	89
	2023	89	5	0	4	0	2	88

**TABLE 4**  
**STATUS OF COMPANY OWNED OUTLETS – FRANCHISES**  
**FOR YEARS 2021 TO 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets sold to Franchisees	Outlets at End of Year
Upper Midwest (IL,IA,MI,MN,ND,SD,WI)	2021-2023	0	0	0	0	0	0

**TABLE 5**  
**PROJECTED OPENINGS OF FRANCHISES**  
**AS OF DECEMBER 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company Owned Outlets in Next Fiscal Year
Upper Midwest (IL,IA,MI,MN,ND,SD,WI)	2	12	0

**OUTLETS AND FRANCHISEE INFORMATION**  
**SYSTEMWIDE**

**TABLE 1**  
**OUTLET SUMMARY – FRANCHISES**  
**FOR YEARS 2021 TO 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchises	2021	550	585	+35
	2022	585	592	+7
	2023	592	568	-24
Total Outlets – Franchises	2021	550	585	+35
	2022	585	592	+7
	2023	592	568	-24

**TABLE 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO**  
**NEW OWNERS (OTHER THAN THE FRANCHISOR)**  
**FOR YEARS 2021 TO 2023**

State	Year	Number of Transfers
Alabama	2021	1
	2022	2
	2023	4
District of Columbia	2021	0
	2022	1
	2023	0
Florida	2021	0
	2022	0
	2023	1
Georgia	2021	1
	2022	0
	2023	0
Indiana	2021	0
	2022	0

State	Year	Number of Transfers
	2023	1
Iowa	2021	0
	2022	2
	2023	3
Kentucky	2021	2
	2022	0
	2023	6
Louisiana	2021	2
	2022	0
	2023	0
Maryland	2021	1
	2022	0
	2023	3
Michigan	2021	0
	2022	3
	2023	0
Minnesota	2021	0
	2022	1
	2023	0
Mississippi	2021	1
	2022	1
	2023	0
New York	2021	2
	2022	2
	2023	1
North Carolina	2021	1
	2022	1
	2023	0
Ohio	2021	0
	2022	1
	2023	0
Oregon	2021	1
	2022	0
	2023	0
South Dakota	2021	0
	2022	0
	2023	1
Tennessee	2021	1
	2022	3

State	Year	Number of Transfers
	2023	2
Texas	2021	1
	2022	1
	2023	0
Utah	2021	1
	2022	0
	2023	0
Wisconsin	2021	3
	2022	3
	2023	5
TOTALS	2021	18
	2022	21
	2023	27

**TABLE 3**  
**STATUS OF FRANCHISE OUTLETS**  
**FOR YEARS 2021 TO 2023**

UNITED STATES								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Subfranchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Alabama	2021	21	11	0	0	0	0	32
	2022	32	3	0	0	0	0	35
	2023	35	5	0	1	0	0	39
Arizona	2021	5	0	0	0	0	0	5
	2022	5	0	0	1	0	0	4
	2023	4	1	0	0	0	0	5
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
California	2021	14	0	0	0	0	0	14
	2022	14	1	0	0	0	0	15
	2023	15	1	0	0	0	0	16
Colorado	2021	6	2	0	0	0	0	8
	2022	8	2	0	0	1	0	9
	2023	9	0	0	0	1	0	8
Connecticut	2021	2	2	1	0	0	0	3
	2022	3	0	0	1	0	0	2
	2023	2	1	0	1	0	0	2
Delaware	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

UNITED STATES								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Subfranchisor	Ceased Operations – Other Reasons	Outlets at End of Year
	2023	2	0	0	1	0	0	1
District of Columbia	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	1	0	0	2
Florida	2021	59	5	1	4	0	0	59
	2022	59	6	2	7	1	0	55
	2023	55	4	7	2	1	0	49
Georgia	2021	14	5	1	0	0	0	18
	2022	18	5	4	0	0	0	19
	2023	19	5	9	0	2	0	13
Illinois	2021	10	3	0	0	0	0	13
	2022	13	1	0	0	0	0	14
	2023	14	1	0	0	0	0	15
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Iowa	2021	16	0	0	0	0	1	15
	2022	15	0	0	0	0	0	15
	2023	15	2	0	0	0	0	17
Kentucky	2021	12	2	0	0	1	0	13
	2022	13	3	0	0	0	0	16
	2023	16	4	1	0	0	0	19
Louisiana	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Maine	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	1	0	0	2
Maryland	2021	30	5	0	0	0	0	35
	2022	35	0	0	1	0	0	34
	2023	34	0	1	1	0	1	31
Massachusetts	2021	17	0	0	0	1	0	16
	2022	16	0	0	0	1	0	15
	2023	15	1	1	5	1	0	9
Michigan	2021	20	0	0	0	1	0	19
	2022	19	0	0	0	0	0	19
	2023	19	0	0	2	0	0	17
Minnesota	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	0	14
	2023	14	1	0	2	0	0	13

UNITED STATES								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Subfranchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Mississippi	2021	12	3	0	0	0	0	15
	2022	15	1	1	0	0	0	15
	2023	15	0	1	2	0	0	12
Missouri	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Montana	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
New Hampshire	2021	6	0	0	0	2	0	4
	2022	4	0	0	1	0	0	3
	2023	3	0	0	0	2	0	1
New Jersey	2021	32	0	1	0	0	1	30
	2022	30	0	1	1	0	0	28
	2023	28	1	1	0	0	0	28
New Mexico	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021	42	0	0	3	0	0	39
	2022	39	1	0	2	0	0	38
	2023	38	4	0	1	0	1	40
North Carolina	2021	7	7	1	1	0	0	12
	2022	12	1	0	1	0	0	12
	2023	12	2	0	0	3	0	11
North Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Ohio	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	1	0	0	4
Oklahoma	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	2	0	2
Oregon	2021	1	0	0	0	0	0	1

UNITED STATES								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Subfranchisor	Ceased Operations – Other Reasons	Outlets at End of Year
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Rhode Island	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	9	0	0	1	1	0	7
	2022	7	0	0	0	0	0	7
	2023	7	3	0	0	0	0	10
South Dakota	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Tennessee	2021	52	6	1	0	5	0	52
	2022	52	3	4	1	0	0	50
	2023	50	5	6	0	7	0	42
Texas	2021	22	1	0	0	0	0	23
	2022	23	2	1	0	0	0	24
	2023	24	1	0	0	1	0	24
Utah	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	6
Virginia	2021	15	3	0	1	1	0	16
	2022	16	2	0	1	0	0	17
	2023	17	0	0	0	0	0	17
Washington	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
West Virginia	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Wisconsin	2021	13	1	0	0	0	0	14
	2022	14	3	0	0	0	0	17
	2023	17	0	0	0	0	2	15
UNITED STATES TOTAL	2021	515	61	6	10	12	2	544
	2022	546	38	13	16	5	0	550
	2023	550	8	27	22	21	5	516

CANADA								
Province	Year	Outlets at Start of Year	Outlets Opened	Terminations	Nonrenewals	Reacquired by Subfranchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Alberta	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Brunswick	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Newfoundland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Nova Scotia	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	2	0	0	0	0	8
Ontario	2021	20	3	0	0	1	0	22
	2022	22	3	0	0	0	0	25
	2023	25	5	1	0	3	0	26
Prince Edward Island	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
CANADA TOTAL	2021	35	5	0	0	1	0	41
	2022	39	3	0	0	0	0	42
	2023	42	8	1	0	3	0	52

TOTALS	2021	550	66	6	10	13	2	585
	2022	585	41	13	16	5	0	592
	2023	592	55	28	22	24	5	568

**TABLE 4**  
**STATUS OF COMPANY OWNED OUTLETS – FRANCHISES**  
**FOR YEARS 2021 TO 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets sold to Franchisees	Outlets at End of Year
None	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0



**TABLE 5**  
**PROJECTED OPENINGS OF FRANCHISES**  
**AS OF DECEMBER 31, 2023**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlet in Next Fiscal Year</b>	<b>Projected New Company Owned Outlets in Next Fiscal Year</b>
Alabama	6	7	0
Alaska	0	0	0
Arkansas	0	2	0
Arizona	0	2	0
California	0	3	0
Colorado	0	2	0
Connecticut	0	3	0
District of Columbia	0	0	0
Delaware	0	0	0
Florida	7	5	0
Georgia	2	3	0
Hawaii	0	0	0
Idaho	0	5	0
Illinois	1	4	0
Indiana	0	1	0
Iowa	1	1	0
Kansas	0	1	0
Kentucky	2	2	0
Louisiana	0	2	0
Maine	0	1	0
Maryland	0	3	0
Massachusetts	2	4	0
Michigan	0	2	0
Minnesota	0	2	0
Mississippi	0	3	0
Missouri	0	1	0
Montana	0	5	0
Nebraska	0	1	0
Nevada	0	0	0
New Hampshire	0	1	0
New Jersey	0	7	0
New Mexico	0	3	0
New York	1	9	0
North Carolina	0	3	0
North Dakota	0	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company Owned Outlets in Next Fiscal Year
Ohio	0	1	0
Oklahoma	0	2	0
Oregon	0	1	0
Pennsylvania	0	2	0
Rhode Island	0	1	0
South Carolina	0	3	0
South Dakota	0	1	0
Tennessee	4	5	0
Texas	1	5	0
Utah	0	2	0
Virginia	3	6	0
Vermont	0	1	0
Washington	0	1	0
West Virginia	0	0	0
Wisconsin	1	2	0
Wyoming	0	1	0
<b>TOTALS</b>	<b>31</b>	<b>123</b>	<b>0</b>

Exhibit D lists the names of all current U.S. and Canadian Franchise Offices, and the addresses and telephone numbers of their outlets as of December 31, 2023. Exhibit D – 1 lists the names of all Franchisees who have signed a Franchise Agreement but did not have an open outlet as of December 31, 2023.

Exhibit E lists the closed U.S. and Canadian Franchise Offices, who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Subfranchise Agreement or Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. Exhibit E – 1 lists the names of all Franchisees who transferred their franchise to a new owner during the calendar year 2023.

If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the EXIT System. During the last three (3) fiscal years, no current or former Franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a Franchisee in the EXIT System.

There are no Franchisee associations within the EXIT System, and none has been requested to be included in this Disclosure Document.

## ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit F are EXIT Realty Upper Midwest's audited financial statements for the years ending December 31, 2021, December 31, 2022, and

December 31, 2023. Also attached as part of Exhibit F are EXIT's audited financial statements for the fiscal years ending December 31, 2021, December 31, 2022, and December 31, 2023.

## **ITEM 22 CONTRACTS**

Attached to this Disclosure Document is a copy of the Agreements related to this Franchise Offering, including the form Request for Consideration (Exhibit A-1) and Franchise Agreement (Exhibit A-2), Sales Representative Agreement (Exhibit A-3) and Guaranty (Schedule 4 of the Franchise Agreement).

## **ITEM 23 RECEIPT**

THE RECEIPT IS A SEPARATE DOCUMENT ATTACHED AS EXHIBIT G (2 COPIES) OF THIS DISCLOSURE DOCUMENT ACKNOWLEDGING RECEIPT OF THE DISCLOSURE DOCUMENT BY YOU.

**EXHIBIT A-1**  
**REQUEST FOR CONSIDERATION**



**EXIT REALTY UPPER MIDWEST**

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# **REQUEST FOR CONSIDERATION**

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**EXIT REALTY UPPER MIDWEST**

**20765 Holylake Ave, Lakeville, MN 55044**



To determine mutual compatibility and financial responsibility, we ask you to fill out this form for careful evaluation by our management team. **We require a copy of a government issued photo ID such as your driver's license.** The information supplied by you will be held in the strictest confidence. The submission of this form does not constitute an agreement by either party and is purely for informational purposes.

**Personal Information** (Please Print Clearly)

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

Name: \_\_\_\_\_

Home Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Primary Phone: \_\_\_\_\_

Alternate Phone 1: \_\_\_\_\_

Alternate Phone 2: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Marital Status: \_\_\_\_\_

Number of Dependents: \_\_\_\_\_

Do you own your home? I own ☐ I Rent ☐

Years at present address: \_\_\_\_\_

Education (Highest Level Achieved): \_\_\_\_\_

**Spousal Information**

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

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

**List Three Professional References**

Name	Address	Occupation	Telephone Number
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

**Employment During the last 10 years (List present job first)**

Employer	Location (City, State.)	Job Title	Employment Dates
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____

[Type here]

\_\_\_\_\_  
Initials

## **Financial Information of Applicant**

I make the following statement of all my assets and liabilities as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

<b>ASSETS</b>		<b>LIABILITIES &amp; NET WORTH</b>	
Cash	\$	Personal Loans (including credit card balance)	\$
Investments	\$	Mortgages Payable on Real Estate	\$
Real Estate (Itemized Below)	\$	Outstanding automobile loan(s)	\$
Automobile(s) Registered in Own Name	\$	Accounts Payable	\$
Other Assets (Itemized)	\$	Other Liabilities (Itemized)	\$
	\$		\$
	\$		\$
<b>Total Assets</b>	<b>\$</b>	<b>Total Liabilities</b>	<b>\$</b>
		<b>NET WORTH (Assets Less Liabilities)</b>	<b>\$</b>

<b>SOURCE OF INCOME - ANNUAL</b>	
Real Estate Income	\$
Non-Real Estate Salary	\$
Bonus & Commissions	\$
Investment Income	\$
Other Income (Itemized)	\$
	\$
	\$
	\$
<b>Total</b>	<b>\$</b>

Type (Home, Multi-Family Dwelling, Commercial, Land)	Address	Mortgages or Liens (Amount Owing)	Loan / Mortgage (Monthly payments)	Rent Received (Monthly)	Present Market Value

**Have you ever filed for Bankruptcy or Assignment for benefit of creditors? If so explain.**

\_\_\_\_\_

[Type here]

\_\_\_\_\_  
Initials

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## **General Information**

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If you were to obtain an EXIT Franchise, the source of the capital invested will be:

---

Savings: \$

If Borrowed, Funds will come from:

---

Equity in Homes: \$

Personal Source ☐

---

Borrowed: \$

Lending Institution ☐

---

Do you currently have a source of financing?

---

Will you have an equity partner? If Yes, Provide Name

Will He / She be active?

---

Will your spouse be active in the business?

If so, in what capacity in the business?

---

Do you presently have a Real Estate Broker's License?

For What Duration of Time?

---

Have you owned or managed a Real Estate Brokerage or any other business previously?

---

If so, Where & When?

If no longer, why not?

---

Describe any skills or specific training you possess that would apply to managing your own EXIT Franchise.

---

When would you like to open your EXIT Franchise?

---

Additional Information that you feel may be pertinent

---

Community Involvement

---

I authorize EXIT Realty [Insert Region Name] or its designee to utilize the information provided herein to procure a credit check, investigative consumer report, general background search, criminal background check, and/or an investigation in accordance with anti-terrorism laws. I understand that these investigations may reveal information about my background, character, general reputation, lifestyle, mode of living, finances, association with other persons or entities, creditworthiness, litigation history, criminal history, driving record, educational history, job history, and job performance. I understand that, upon written request and within a reasonable period of time, I am entitled to information concerning the nature and scope of these investigations and what they reveal. I agree that a copy of this authorization is as valid as, and shall be treated as, an original. I acknowledge that EXIT Realty [Insert Region Name] has made no assurance nor representation that I will be granted a franchise opportunity, and I waive, release, and discharge EXIT Realty [Insert Region Name] from any claims or actions, known or unknown, whatsoever existing prior to the date of this application, except those arising from representations in EXIT Realty [Insert Region Name] franchise disclosure document and exhibits and amendments thereto. I declare that the

[Type here]

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Initials



information I have provided herein is true, accurate, and complete, and I understand that EXIT Realty [Insert Region Name] will rely on the information provided by me.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Print Name

\_\_\_\_\_  
Date

**EXHIBIT A-2**  
**FRANCHISE AGREEMENT**



## FRANCHISE AGREEMENT

between

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**(SUBFRANCHISOR)**

and

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**(FRANCHISEE)**

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SCHEDULE 5 ASSOCIATE PROFILE

## FRANCHISE AGREEMENT

**THIS AGREEMENT** is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **[insert legal Subfranchise entity name]**, doing business as **[insert Subfranchise trade name]** (“Subfranchisor”) and [insert name of entity or individual purchasing the franchise – same name as the cover page], (“Franchisee”) whose address is **[insert address of individual or entity named above as Franchisee]**.

### RECITALS

EXIT Realty Corp. International (“Franchisor” or “EXIT”) owns the rights to a business format franchise system (“System”) for providing high quality real estate service to the general public, has devised policies and techniques for the operation of the System, and has promoted the System and the name “EXIT” for the advantage of EXIT, its Subfranchisors, and Franchisees (collectively “Affiliates”). The distinguishing characteristics of the System and of the real estate service provided, some of which constitute trade secrets, include, but are not limited to the following:

1. Common use and promotion of the EXIT service marks and a color scheme associated with the real estate service; and
2. Distinctive sales materials associated with the real estate service; and
3. Distinctive promotional materials used by EXIT and/or its Affiliates as part of the System; and
4. Supplies and other materials used in the offices of EXIT and/or its Affiliates as part of the System; and
5. Centralized advertising and referral services; and
6. Procedures for operations of offices under the System, publicity and record keeping; and
7. A standardized uniform system for operation of a real estate service office in accordance with EXIT’s standards for quality, value, efficiency, and courtesy; and
8. Distinctive remuneration plan for the sales representatives as more fully described in the “EXIT Formula” attached to this Agreement as Schedule 2.

EXIT has granted Subfranchisor the exclusive right to license the System and to enter into Franchise Agreements for specific geographic areas.

Franchisee is or will become a licensed real estate broker with EXIT and has been furnished all desired information regarding EXIT and its System.

Franchisee desires to be franchised to use the System in its real estate brokerage business and to become an Affiliate of EXIT in an international network of such businesses under the terms and conditions contained in this Agreement.

All parties acknowledge the importance of continuing goodwill toward the System, maintaining distinctive and high quality real estate services, and performing this Agreement according to its terms.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth in this Agreement and for other good and valuable consideration, Subfranchisor and Franchisee agree as follows:

## **1. FRANCHISEE INFORMATION**

Franchisee certifies the accuracy of the information contained in Schedule 1 as of the date of this Agreement and agrees to immediately notify Subfranchisor of any changes in the information through the term of this Agreement.

## **2. GRANT OF FRANCHISE**

### **2.1. Grant of Franchise.**

Subfranchisor grants to Franchisee, and Franchisee accepts, the right to use the federally registered service mark “EXIT” and such other Proprietary Marks (as defined in Section 43 of this Agreement) as Subfranchisor may designate from time to time for the purpose of operating a real estate brokerage/real estate service office within the specific geographic area (the “Protected Territory”) outlined in the Description of Protected Territory (Schedule 3 of this Agreement) during the term of this Agreement, upon the terms and conditions of this Agreement and in accordance with guidelines established by Subfranchisor and EXIT (the “Franchise”). This grant is conditioned upon (i) Franchisee obtaining and maintaining a valid real estate broker’s license in the state containing the Protected Territory to enable Franchisee to perform the full range of real estate services to be provided under the System, (ii) Franchisee not defaulting under this Agreement, and (iii) this Agreement not being terminated, canceled or abandoned.

### **2.2. Exclusivity**

- (A) So long as Franchisee is not in breach of this Agreement, neither Subfranchisor nor EXIT shall establish another real estate service Franchise or EXIT owned real estate service office within the Protected Territory using the Proprietary Marks.
- (B) In the Event of Default (which is not timely cured), then this Agreement shall automatically become non-exclusive and Subfranchisor, in addition to all of its other rights and remedies set forth in this Agreement, will have the right to own, operate, or sell franchises within the Protected Territory.

### **2.3. Conditions to Exclusivity**

- (A) Franchisee is not prohibited from listing and selling property or representing clients outside the Protected Territory. Subject to any restrictions or limitations placed upon it by State licensing authorities, Franchisee is free to deal with property and/or representation of clients at any location within the state. Likewise, other EXIT franchisees may list and sell property or represent clients domiciled in the Protected Territory.
- (B) In order to maintain the protected status of the Protected Territory, Franchisee must comply with all of the terms of this Agreement and, in particular, must comply with the provisions of this Agreement regarding maintenance of a specified minimum number of affiliated associate brokers and sales representatives, all of whom must at all times possess either a valid real estate broker’s or sales representative’s license for the state where the Protected Territory is located (collectively “Sales Representatives” or “Associate Brokers”).

### **2.4. Single Franchise**

Franchisee has no option, right of first refusal, or similar right to acquire an EXIT franchise for any other location absent a written agreement with Subfranchisor.

### **2.5. Franchisee Business**

Franchisee shall not directly or indirectly engage in any business or otherwise use the Proprietary Marks or any part of the System for any purpose or in any manner not contemplated in this Agreement, without the prior written consent of Subfranchisor and Franchisor. If Franchisee desires to offer any services other than those services that

are part of the System (e.g., property management services), such services may be offered through a separate legal entity but shall not be offered through Franchisee.

### 3. INITIAL OFFICE; RELOCATION

#### 3.1. Initial Office

- (A) Franchisee shall cause a Franchise office to be opened and operating within the Protected Territory within a period not to exceed one hundred and twenty (120) calendar days from the date of this Agreement. Franchisee shall select a desired location for its Franchise office or any branch office within its Protected Territory and shall submit the location to Subfranchisor for approval, which approval shall not be unreasonably withheld. Subfranchisor will notify Franchisee of its approval or disapproval within thirty (30) days of its receipt of the request for approval. Franchisee may not proceed to open and operate a Franchise office, unless Subfranchisor has consented to the site. Franchisee is responsible for complying with all local ordinances and is responsible for obtaining all building permits and any other required permits. Franchisee must obtain and install all required equipment, signs, fixtures and supplies to furnish its office. The Franchise granted to you under this Agreement may not be used, directly or indirectly, at any location other than the location approved pursuant to this Section.
- (B) The Franchise office shall contain a minimum of between seven hundred and fifty (750) square feet to two thousand square feet (2,000) (leased or purchased), determined based on the size of the Protected Territory and shall be equipped with furniture, administrator, phones, and office equipment including computer, specific software and fax machine necessary to conduct the Franchise in accordance with the System. If Franchisee has not selected an office site, if Franchisee and Subfranchisor cannot agree on a site, or if Franchisee has not opened its office within one hundred twenty (120) days after it signed a Franchise Agreement, Subfranchisor may declare this Franchise Agreement null and void, without the return of any Initial Franchise Fee or other amounts paid to Subfranchisor or Franchisor.
- (C) All costs associated with the acquisition, leasing and operation of the Franchise office shall be the sole responsibility of Franchisee.

#### 3.2. Approval Needed for Relocation

- (A) Franchisee may, at its sole cost and expense and upon written approval of Subfranchisor, which approval shall not be unreasonably withheld, relocate its Franchise office, provided the new office is located within the Protected Territory and meets the minimum square footage and other requirements set forth in Section 3.1 above.
- (B) Franchisee may not open a second location or branch office within the Protected Territory without prior written approval of Subfranchisor. A second location or branch office will be subject to all of the terms, fees, and royalties set forth in this Franchise Agreement.

### 4. COMPLIANCE DATE

The operation of the Franchise by Franchisee shall begin and Franchisee's office shall open no later than the "Compliance Date" of this Agreement. The Compliance Date of this Agreement is the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. **[INSERT DATE]** The Compliance Date must be within, and cannot exceed one hundred and twenty (120) days of the date of this Agreement. **[It is customary to allow all franchisees the full 120 days even if they plan to open their office prior to the Compliance Date. The agreement is still in effect if they open prior to the Compliance Date. The Compliance Date is important because it is the date from when the clock starts to tick with regard to performance standards and the term of the contract.]**



## 5. TERM; RENEWAL

### 5.1. Initial Term

The term of this Agreement shall commence on the Compliance Date and, unless sooner terminated as provided in this Agreement, shall expire five (5) years after the Compliance Date (the “Expiration Date”).

### 5.2. Renewal Terms

Franchisee shall have the option to renew this Agreement for subsequent five (5) year or ten (10) year terms (each referred to as a “Renewal Term”), provided that Franchisee has complied with the following conditions:

- (A) During the term of this Agreement, Franchisee has complied with all of the material terms and conditions of this Agreement and has complied with EXIT’s operating and performance standards and procedures; and
- (B) Franchisee has given Subfranchisor written notice at least six (6) months prior to the end of the term of this Agreement of its intention to renew this Agreement for either five (5) or ten (10) years; and
- (C) Franchisee, on or before the first (1<sup>st</sup>) day of the Renewal Term, executes the then-current standard Franchise Agreement being offered to new Franchisees by the Subfranchisor for either five (5) or ten (10) year renewal, as requested by Franchisee; and
- (D) All monetary obligations owed by Franchisee to EXIT and Subfranchisor have been timely paid or satisfied prior to the end of the term of this Agreement, and have been timely paid throughout the term of this Agreement; and
- (E) Franchisee shall pay to Subfranchisor, on or before the first (1<sup>st</sup>) day of the Renewal Term, a Renewal Fee of ten percent (10%) of the then current Initial Franchise Fee for your size franchise territory (not to exceed 25% of the Initial Franchise fee paid) for a five (5) year term renewal or a Renewal Fee of fifteen percent (15%) of the then current Initial Fee for your size franchise territory (not to exceed 37.5% of the Initial Fee paid) for a ten (10) year term renewal; and
- (F) On or before the first (1<sup>st</sup>) day of the Renewal Term, Franchisee attends the training programs provided by Subfranchisor and EXIT for renewing franchisees.

## 6. INITIAL FEE

Upon the execution of this Agreement, Franchisee shall pay Subfranchisor, by cashier’s check or wire transfer, an initial fee in the amount of **[insert franchise price]** (hereinafter “Initial Fee”). The Initial Fee shall be fully earned by Subfranchisor upon the execution of this Agreement, and no portion of the Initial Fee shall be refundable. The grant of this franchise and the payment of the Initial Fee provide Franchisee no rights regarding such other licenses, franchises or additions to the Protected Territory. No rights or privileges under this Agreement shall exist until the Initial Fee is paid.

## 7. CONTINUING FEES

### 7.1. EXIT Formula.

In addition to the Initial Fee, Franchisee, during the term of this Agreement and any extensions or renewal terms, shall pay Continuing Fees in accordance with the EXIT Formula (as incorporated in Section 19), which amounts shall be collected and paid to Subfranchisor or EXIT according to the EXIT Formula and as directed by Subfranchisor or EXIT, according to the Subfranchise Agreement between them. Continuing Fees shall be paid by electronic bank transfer or by such means as Subfranchisor and EXIT may direct.

## **7.2. Interest, Late Charges and Overdue Amounts**

Franchisee shall pay Subfranchisor and EXIT, as applicable, interest at the annual rate equal to the Prime Rate published from time to time in the Money Rates section of the Wall Street Journal plus five percent (5%), on all amounts due under this Agreement that are more than thirty (30) days late. Franchisee shall also pay Subfranchisor and EXIT, as applicable, a late fee of five percent (5%) of the amount of the late payment, if a payment is late. In addition to the foregoing, Franchisee shall pay to EXIT Twenty-Five Dollars (\$25.00) for each of Franchisee's checks which, for any reason, is returned or not honored by Franchisee's bank, for direct and indirect costs incurred by EXIT in connection with such returned checks. For any electronic ACH failures, a \$25 fee will apply.

## **7.3. When Fees Earned.**

All revenues received by Franchisee shall not be deemed earned by Franchisee or treated as Franchisee's property until Franchisee shall have paid to Subfranchisor all monies owing to Subfranchisor. Franchisee is and shall be liable to Subfranchisor for all monies received by Franchisee for the benefit of Subfranchisor.

## **7.4. Set-Off**

Subfranchisor and Franchisor shall have a right to set off all sums due from Franchisee against all amounts due to Franchisee.

## **7.5. Documentation**

All payments to Subfranchisor shall be accompanied by documentation demonstrating how the amount of payment was determined.

## **7.6. Advertising and Other Funds**

From the fees generated from each sale or lease transaction, a portion of the fee is paid to EXIT to be deposited in various separate funds administered by EXIT or its affiliate. Currently deposits are made into the following funds: United States Charitable Fund, United States Creative Fund, United States Advertising Fund, Regional Development Fund and Administrative Fund. None of the funds are audited. The Charitable Fund is administered by EXIT and is used by EXIT to make donations to a United States charity or charities selected by EXIT. The United States Creative Fund is administered by EXIT and used to create concepts and programming used for national and local advertising of EXIT. EXIT uses the Fund to pay its employees and subcontractors for the advertising services that it provides. The United States Advertising Fund is administered by EXIT and used for advertising and promotion within the EXIT System. All deposits to and expenditures from the foregoing described funds are within the sole discretion of EXIT. EXIT is not required to spend any amount on advertising or promotion in any particular area or region. The Regional Development Fund is administered by EXIT and used to purchase advertising services within the region in which the Regional Development Fees are generated. The Administrative Fund is administered by EXIT. EXIT distributes the Administrative Fund proceeds to Franchise's Administrators for the sole and exclusive purpose of paying an annual bonus to the support staff employed by the Franchise. Franchisees and Brokers of Record are not eligible to receive the support staff bonus from the Administrative Fund. If an office does not have administrative staff, or if the office does not complete and submit the Administrative Bonus information to EXIT by April 30<sup>th</sup> each year, the Administrative Fund proceeds allocated for the office will be applied to the United States Charitable Fund. The amount paid to the Franchise Administrators employed by the Franchisee is based upon the discretion of the Franchise and is uniform across the EXIT System. Neither EXIT nor its affiliates shall be considered a trustee or fiduciary with respect to any of the Funds, and no such fiduciary or trust relationship is created hereby.

# **8. PROPRIETARY MARKS**

## **8.1. Grant of Non-Exclusive License of Proprietary Marks to Franchisee**

- (A) Subfranchisor, having been granted the right to do so by EXIT, grants to Franchisee, and Franchisee accepts, a non-exclusive license to use the Proprietary Marks (as defined in Section 43), for the purpose of operating

a Franchise pursuant to the terms and conditions of this Agreement, and for no other purpose. Subfranchisor and Franchisee expressly agree that ownership, right and title to the Proprietary Marks, regardless of source, are automatically vested in and shall remain solely and exclusively the property of EXIT, and are provided to Franchisee by Subfranchisor in confidence. Franchisee agrees to keep all of the Proprietary Marks in confidence, not infringe on EXIT's rights in the Proprietary Marks, not use them in any manner unless expressly authorized by EXIT, and not disclose them without the prior written consent of Subfranchisor, except as provided in this Agreement. This license is contemporaneous and coterminous with this Agreement and is granted solely in the context of this Agreement. Franchisee shall only use the Proprietary Marks with the SM, TM or ® symbols and designations, as applicable.

- (B) Franchisee understands and agrees that its license to use the Proprietary Marks is non-exclusive. EXIT in its sole discretion has the right to grant franchises or licenses to others and to license to others the right to use the Proprietary Marks in addition to those franchises and licenses already granted to other franchisees and subfranchisors. EXIT may develop and license other marks in conjunction with systems other than the EXIT System, on any terms and conditions EXIT deems advisable.

## **8.2. Substitution; Modification**

EXIT reserves the right to modify the System or any part of the System at any time, if EXIT, in its sole discretion, determines that the modification will be beneficial to the System, and as changed, it shall remain the System referred to in this Agreement. Any improvements in the System that may be developed or proposed by Franchisee, its employees or agents ("Improvements") shall become the sole and exclusive property of EXIT, who shall have the right to adopt and perfect them without compensation to Franchisee. At EXIT's request, Franchisee, or its employees or agents shall assign any and all rights in Improvements to EXIT.

## **8.3. Tender of Defense**

If Franchisee is named as a defendant or party in any action involving the Proprietary Marks or System and if Franchisee is named as a defendant or party solely because the plaintiff or claimant is alleging that Franchisee does not have the right to use the Proprietary Marks or System, then Franchisee shall tender the defense of the action to Subfranchisor and Subfranchisor or EXIT will defend Franchisee in the action provided Franchisee has tendered the action to Subfranchisor within seven (7) days after receiving service of the pleadings or the Summons and Complaint involving the action.

## **8.4. Adverse Claims to Proprietary Marks; Infringements**

- (A) Franchisee shall promptly notify Subfranchisor of any claim, demand, or suit based upon or arising out of any attempt by any other person, firm, or corporation to use the Proprietary Marks, or any colorable variation of the Proprietary Marks. Franchisee agrees also to promptly notify Subfranchisor of any litigation instituted by any person, firm corporation, or governmental agency against EXIT, Subfranchisor, or any franchisee, involving the Proprietary Marks.
- (B) Franchisee shall promptly report all likely infringements of the Proprietary Marks to Subfranchisor and shall assist Subfranchisor or EXIT in resolving conflicts, without reimbursement or remuneration. Subfranchisor will investigate likely infringements and will undertake such efforts to protect the Proprietary Marks as it deems reasonable and appropriate. Subfranchisor, at its sole option, may undertake the prosecution of any such infringements and shall bear all costs of any such prosecution, except as otherwise provided in this Agreement.
- (C) If Subfranchisor or EXIT undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees, without reimbursement or remuneration, to execute any and all documents and to do such acts and things as, in the opinion of legal counsel for Subfranchisor or EXIT, may be reasonably necessary for Franchisee to assist in such defense or prosecution.

- (D) Franchisee shall make every effort to protect, maintain and advance the trade name, service mark, and the System, and shall report imitations and infringements upon them.

#### **8.5. Goodwill**

- (A) Franchisee acknowledges EXIT's claim to the exclusive right, title and interest to the Proprietary Marks and acknowledges that any and all goodwill associated with and identified with the Proprietary Marks, including any goodwill which may result from Franchisee's use of the Proprietary Marks, shall inure directly and exclusively to the benefit of EXIT. On the expiration or termination of this Agreement, no monetary value shall be assigned as attributable to or associated with Franchisee's activities as a Franchisee under the Proprietary Marks.
- (B) Franchisee agrees not to make any disparaging remarks, comments or communications, whether oral or written, regarding Subfranchisor or EXIT, or any of their respective officers or directors.

#### **8.6. Incontestability**

Franchisee shall not directly or indirectly contest or aid in the contesting of the validity or ownership of any of the Proprietary Marks, or take any action which might affect or prejudice Subfranchisor's or EXIT's rights in or to the Proprietary Marks. The foregoing agreement shall survive the termination of this Agreement.

#### **8.7. Uniform Policies**

In order to develop and maintain high and uniform standards of quality and service, and thus protect the reputation and goodwill of EXIT and all those involved in the EXIT System, Franchisee covenants (i) to adopt and use for the purposes expressed in this Agreement, at its own cost and expense, any changes in the Proprietary Marks or Training Manuals as if they were part of the EXIT System at the time this Agreement was executed; and (ii) to obtain advance written approval from Subfranchisor for the total appearance of the trade name and logo incorporating Franchisee's name or other identifying words.

#### **8.8. Training Manuals and EXIT System**

- (A) In order to protect the reputation, goodwill and uniform standards of operation of the EXIT System, Franchisee shall conduct its operations and business in accordance with the Training Manuals as may from time to time be updated or amended by EXIT. The then current Training Manuals will be provided to Franchisee as provided at Section 12.1 of this Agreement. The Training Manuals are on loan to Franchisee and shall remain the property of EXIT or Subfranchisor, as the case may be. The Table of Contents to the current Training Manuals was provided to Franchisee prior to the execution of this Agreement.
- (B) All information in the Training Manuals shall be deemed confidential and is disclosed to Franchisee only in the context of this Agreement, including the confidentiality requirements set forth in Section 20 of this Agreement. Franchisee shall at all times treat the Training Manuals and any other manuals created or approved for or used in the operation of Franchisee's business, and the information contained therein as confidential, and shall use all reasonable efforts to maintain the manuals and information as secret and confidential. Franchisee shall not at any time copy, duplicate, record or otherwise reproduce any of these materials, in whole or in part, except as may be otherwise provided in the Training Manuals, and shall not make these materials available to any unauthorized person. Franchisee shall take all reasonable steps necessary to prevent the unauthorized disclosure of the confidential information, including requiring the execution of confidentiality statements by its Sales Representatives, employees, officers, directors, members and partners in such form as may be provided by EXIT or Subfranchisor.
- (C) EXIT shall have the sole authority to change, add to, delete or modify the Proprietary Marks, Training Manuals or other parts of the EXIT System, and to do so from time to time. Franchisee

shall, at its own expenses and within a reasonable time not to exceed sixty (60) days after receipt of written notice, adopt and use any such changes, additions, deletions or modifications to the Proprietary Marks, Training Manuals or other parts of the EXIT System. Franchisee shall at all times ensure that its copy of the Training and Operating Manuals are kept current and up to date. In the event of any dispute as to the content of any Manual, the master copy of the Manual maintained by EXIT shall control.

### **8.9. Approved Suppliers**

The Training Manual establishes the standards by which EXIT or its affiliate has established Approved Suppliers, the types of products and services for which Approved Suppliers must be utilized, and the procedure by which Approved Suppliers may be added to the list of Approved Suppliers. Franchisee shall at all times comply with the procedures and requirements regarding Approved Suppliers.

## **9. OBLIGATIONS OF FRANCHISEE; QUALITY CONTROL**

### **9.1. Licensing Requirements**

Franchisee shall at all times hold a valid real estate broker's license and shall maintain good standing and comply with the codes of the local regulatory body that serves its Protected Territory. Further, Franchisee shall comply with all local, state, and federal laws, ordinances, rules and regulations, relating to Franchisee's business, and shall not engage in any activity or practice which results or could reasonably be anticipated to result in litigation or public criticism of Franchisee, EXIT, Subfranchisor, or their respective businesses.

### **9.2. Conduct of Business**

- (A) At all times, Franchisee shall maintain high ethical standards in the conduct of its real estate service, shall maintain its office in a clean and orderly manner, and shall provide efficient, courteous and high-quality real estate service to the public, of the same high quality and distinguishing characteristics as provided at Affiliates' offices, so that the real estate service operated under this Agreement will help to create and maintain goodwill among the public for the System on an international basis.
- (B) Franchisee, or if Franchisee is an entity, an officer, member, director, partner or other person named as the real estate broker of record, shall devote substantially full time efforts to Franchisee's business to be pursued under this Agreement.
- (C) Franchisee shall join and maintain active, full membership in the applicable Multiple Listing Services, associations of real estate brokers as is normal and customary for real estate brokers in the Protected Territory.
- (D) Franchisee, or if Franchisee is an entity, all equity holders of the entity, shall become EXIT Associates and complete the EXIT Associate Profile, attached as Schedule 5 to this agreement. If Franchisee or any of its equity holders were "sponsored" into the EXIT System, prior to buying this Franchise, that Sponsorship will not change. If Franchisee or any of its equity holders were not sponsored into the EXIT System prior to purchasing this Franchise, those persons will be named as their own Sponsor. If a "self-sponsored" equity holder of the Franchisee terminates its equity holder relationship with the Franchisee, but stays in the EXIT System, the Sponsorship of that equity holder shall be transferred to the Subfranchisor.
- (E) Franchisee and the guarantors of this Agreement may not acquire another EXIT franchise unless Franchisee shall have fully complied with the provisions of this Agreement, curing all defaults and non-compliance under this Agreement and any other franchise agreements or other agreements it may have with Subfranchisor and/or EXIT.

### **9.3. Franchisee's Trade Name; Legal Name**

- (A) Franchisee shall conduct its business under the trade name that includes the word "EXIT" and either the words "Realty" or "Real Estate" (hereinafter "Trade Style name"). Franchisee shall obtain Subfranchisor's written approval of its Trade Style name, prior to making any commitments or records of such name. The word EXIT must be positioned at the beginning of the name and EXIT must always be in CAPS. In no event shall such name contain any arbitrary, whimsical, invented or suggestive words or acronyms. Franchisee will file for a certificate of fictitious or assumed name in the manner required by applicable state law so as to notify the public that Franchisee is operating its Franchise as an independent business pursuant to this Agreement. Franchisee shall have no right to use or register the Trade Style name apart from the right granted under this Agreement, and all such rights shall cease upon the termination or expiration of this Agreement.
- (B) The Trade Style name is the name under which the Franchisee shall conduct business, and shall be different than Franchisee's legal entity name. Franchisee's legal name shall **not** include the name "EXIT."
- (C) Franchisee may not change the Trade Style name or the legal name without prior written consent of Subfranchisor, which shall not be unreasonably withheld.
- (D) If Franchisee decides to advertise, promote, or otherwise conduct business by means of the Internet or World Wide Web, Franchisee shall also utilize a domain name which includes the word "EXIT" and the EXIT Logo. Any such domain name must be approved by Subfranchisor in writing prior to Franchisee's use of it. All marketing shall be in accordance with the standards and guidelines provided in the Training Manuals.
- (E) Neither the Trade Style name nor any domain name, application name or social media profile name may include the words "National, International, Canada, U.S., or North America," nor provide any indication that the Franchisee has the exclusive rights under this Agreement to more than the Protected Territory.

### **9.4. Written Materials; Advertising; Signs**

- (A) Franchisee shall feature in the operation of its real estate service and in all materials and advertising, the distinguishing characteristics of the System in accordance with the Training Manual (as defined in Section 43) or as contained in specific directives from Subfranchisor or EXIT as may be issued from time to time.
- (B) Franchisee shall include the following statement on Franchisee's web page, telephone book advertisements, exterior sign, lawn signs, letterhead, deposit receipt forms, listing agreements and other printed materials: "each office independently owned and operated" or "Independent Member Broker." Franchisee shall conspicuously display the statement on its web page (if any) and at a prominent location at the main entrance of its office.
- (C) Franchisee shall erect and maintain at its office premises an exterior sign in conformance with the local municipality's sign codes and EXIT's operating procedures and quality control directives. Design specifications for Franchisee's sign must be approved by Subfranchisor prior to Franchisee making any commitment to any contractor to construct the sign and prior to display at the Franchise office.
- (D) EXIT reserves the right to approve all of Franchisee's use of linking and framing between Franchisee's websites pages and other websites, and Franchisee shall, within five (5) days of receipt of notice from EXIT, dismantle any such frames and links if and as required by EXIT.

### **9.5. Goodwill and Referrals**

- (A) Franchisee shall use every reasonable means available to promote the use of the System on an international basis by the general public, and shall not permit the advertising of any other competing real estate services within its office except that of other EXIT Affiliates in good standing.

- (B) Franchisee acknowledges the importance of the referral process to the System and shall endeavor to refer requests for real estate services in a location in which Franchisee does not operate to an EXIT Franchisee in that location.

#### **9.6. Defense of Actions**

Except as provided in Section 8.3, Franchisee shall assume sole and entire responsibility for fines, suits, proceedings, claims, or damages relating to its business whether asserted by a governmental authority or any other party, or any costs, expenses or liability by reason of any loss of life, or injuries and claimed injuries, sustained in connection with the operation of its real estate service, and shall defend, indemnify and hold EXIT and Subfranchisor harmless from any and all claims, liability or expenses, including attorneys' fees, which EXIT or Subfranchisor may incur as a result of the conduct of Franchisee's business.

#### **9.7. Insurance**

- (A) Franchisee shall maintain and keep in force, at its expense, such forms of insurance, including, but not limited to, general public liability insurance against claims for personal injury, death, or property damage with a general aggregate limit of not less than \$1,000,000, errors and omissions insurance with a general aggregate limit of not less than \$1,000,000 with such approved insurance companies as Subfranchisor and EXIT reasonably shall require. Franchisee shall carry such additional amounts and forms of insurance which Subfranchisor shall reasonably deem prudent for a Franchisee to carry, should the circumstances or conditions so merit Franchisee carrying such amount and type of insurance, and provided such insurance is then customarily required and maintained by similar businesses. Franchisee shall cause its insurance agency to send directly to EXIT and Subfranchisor, copies of all such policies which shall include EXIT and Subfranchisor and all of their officers and directors as named insureds and such policies shall not be canceled except on ten (10) days written notice to EXIT and Subfranchisor. Franchisee shall, prior to conducting business under this Agreement, cause its insurance agency to deliver directly to EXIT and Subfranchisor, certificates of insurance evidencing that such insurance is in full force and effect. The insurance shall name Subfranchisor and EXIT as additional insureds.
- (B) Franchisee, Subfranchisor and EXIT (by Subfranchisor) waive all rights against each other for damages, to the extent covered by insurance.

#### **9.8. Performance Standards**

Franchisee shall have, during a part of each calendar month, the following minimum of Sales Representatives (as defined in Section 43) in Franchisee's office(s) within its Protected Territory:

- (A) A minimum of **[insert number in words] ([insert #])** Sales Representatives, whose primary role is with your franchise by the last day of the twelfth (12<sup>th</sup>) month after the Compliance Date of this Agreement;
- (B) A minimum of **[insert number in words] ([insert #])** Sales Representatives, whose primary role is with your Franchise, by the last day of the twenty fourth (24<sup>th</sup>) month after the Compliance Date of this Agreement; and
- (C) A minimum of **[insert number in words] ([insert #])** Sales Representatives, whose primary role is with your franchise by the last day of the thirty sixth (36<sup>th</sup>) month after the Compliance Date of this Agreement and in each month thereafter during the remainder of this Agreement.

#### **9.9. Brokers' Council**

Franchisee shall join, maintain membership at its own expense, and actively participate in a Brokers' Council, as established by Subfranchisor. This Broker's Council will meet on a regular basis, as determined by Subfranchisor. The geographical area and meeting location of each Broker's Council may change, from time to time, based on the establishment of franchises throughout the State. Notifications of these meetings will be sent, in advance, to each Franchisee. Franchisee shall abide by all rules and regulations as may be established by the Broker's Council,

including any decision reached in accordance with the rules and regulations of the Broker's Council directed to EXIT franchisees. The Broker's Council may establish membership fees and other charges in order to be an active participant in the Broker's Council. The establishment of rules, procedures and membership fees and charges shall be determined by at least 2/3 of the Franchisee members and shall not be calculated on a per transaction basis. Representation in the Broker's Council will be limited to two (2) participants at regular meetings. Each Franchisee, in good standing, shall have one (1) vote with respect to decisions considered by the Broker's Council.

#### **9.10. Supplies**

Franchisee shall purchase all supplies bearing the EXIT trade name, trademark, service mark, color scheme, or related identifying materials, either from a source of supply suggested by EXIT or from any Approved Supplier (as defined in Section 43).

#### **9.11. Attendance of Initial Training Program**

- (A) Franchisee and an individual who will serve as the broker of record, or administrator of the Franchise Office shall, at Franchisee's own expense, prior to opening its office, attend and complete to Subfranchisor's and EXIT's satisfaction the next scheduled five (5) day franchisee management training course conducted for franchisees at a predetermined location by Subfranchisor or EXIT. There are no charges for the training course or manuals for approved attendees from each Franchisee. However, Franchisee is responsible for its travel, lodging, meals, and related expenses. Franchisee agrees to pay EXIT \$500.00, if Franchisee signs up and fails to attend the training offered by EXIT, or if Franchisee cancels attendance at the EXIT training course on less than thirty (30) days' prior notice to EXIT. If Franchisee cancels within 10 days or less then the cancellation fee is \$1,000. At the option of EXIT, some or all of the training may be online.
- (B) Franchisee shall, at its own expense, within sixty (60) days of attending the five (5) day management training course conducted by Subfranchisor or EXIT as described in Section 9.11(A) of this Agreement, attend and complete the one (1) day training course (if offered) conducted for Franchisees by Subfranchisor or EXIT at a predetermined location. At EXIT's option, some or all of the courses may be done online. Franchisee is responsible for its own travel, lodging, meals, and related expenses. EXIT currently offers an Advanced Broker Course. The prerequisite to attending this course is that the Franchisee must have first attended the Franchise Management Training Course. It is recommended that this Advanced Broker Course be attended at least once during the five year term of the Franchise Agreement.

#### **9.12. Convention Attendance**

- (A) The EXIT Convention is an integral part of the EXIT System and Franchisee is required to attend the convention and encourage maximum attendance of all Sales Representatives. EXIT will grant a one-time exemption within each 5-year term and twice withing each 10 year term, in the event the Franchisee or Broker of Record cannot attend. Failure to register for the convention will result in Franchisee being billed an amount equal to the Early Bird rate offered for that convention.
- (B) The cost of all transportation, lodging, personal and other expenses for Franchisee at the annual EXIT Convention shall be born solely by Franchisee.

#### **9.13. Sales Representative Agreements**

Franchisee shall at all times maintain a written Sales Representative Agreement between Franchisee and each of its Sales Representatives; which Agreement shall be in a form approved by Subfranchisor or EXIT. Franchisee shall provide the Subfranchisor and Franchisor with the version of the Sales Representative Agreement that they are using within their office.

#### **9.14. Computer Information Systems**

Franchisee shall utilize computer hardware and software as required by EXIT, including such proprietary computer software as EXIT may develop for use in connection with the EXIT System. Franchisee shall submit to EXIT and



Subfranchisor such forms, reports, and records as specified and at the times indicated in this Agreement, in the Training Manuals and in other written communications from EXIT and Subfranchisor. EXIT has developed and implemented a computer based information system for purposes of maintaining a uniform electronic database of franchisee profiles, books and records. Franchisee agrees to co-operate in the ongoing development of this system, to pay a license fee not to exceed two hundred and fifty dollars (\$250.00) per month related to computer software, to maintain records through this system, and to file and receive reports electronically to and from EXIT and Subfranchisor as may be required by the System. This monthly fee is to be paid through automatic monthly withdrawal. If Franchisee owns more than one (1) EXIT Franchise Agreement, and those Agreements are operated by the same legal entity and use the same trade name, the monthly computer software license fee for the second and subsequent Franchise Agreements shall be reduced to twenty-five percent (25%) of the monthly license fee charged as of the date that the subsequent Franchise Agreement(s) is signed.

Franchisee acknowledges that Subfranchisor has not developed the software to be provided by EXIT to Franchisee. Subfranchisor does not provide upgrades, new versions, fixes or patches of the software provided by EXIT. Subfranchisor makes no representations or warranties concerning the structure, performance of the software provided by EXIT or the suitability of the software provided by EXIT for use in Franchisee's business.

Information made available to Subfranchisor and EXIT as a result of the utilization of the software by Franchisee will not be published without written authorization by Franchisee and Sales Representatives where applicable.

#### **9.15. Representations and Warranties**

Franchisee represents and warrants that Franchisee and its officers, directors and shareholders have been duly authorized to enter into this Agreement and that the execution and performance of this Agreement is not in violation or breach, or cause the violation or breach, of any agreement or covenant between them and any of them and any third party or the violation or breach of any order, decree or judgment of any court or administrative agency.

#### **9.16. Accurately Report Associates**

Franchisee shall promptly and accurately report and enter all EXIT Associates of Franchisee (as defined in the EXIT Formula) into EXIT's proprietary software program, MEMO, and ensure the EXIT Associate roster is up to date regularly. Reporting shall occur when Sales Representatives are registered in the Multiple Listing Service ("MLS") system and when non licensed persons meet the qualification requirements outlined in the EXIT Formula.

#### **9.17. Accurately Report Transactions**

Franchisee shall accurately report to Subfranchisor and EXIT, all transactions upon which Franchisee or its agents or sales representatives receive commission, including, by way of example and not limitation, rentals, leases and sales of land, commercial buildings, residential units, condominiums and mobile homes, and shall timely remit and pay transaction fees and other continuing fees due with respect to each transaction. Franchisee shall ensure that all sales representatives accurately report all such transactions to Franchisee and that all sales representatives who perform services with or through joint sales and marketing groups, or "teams," accurately report such activity, participation and their transactions in MEMO. Franchisee, or if Franchisee is an entity, all equity holders of Franchisee, must also ensure that all their transactions are accurately reported in MEMO and that all applicable fees, including but not limited to Company Development Fees, are paid. These payments are due immediately upon the finalization of each transaction.

### **10. TRAINING MANUAL**

#### **10.1. Compliance with Manual**

Franchisee shall strictly observe the most current rules of operation established by EXIT and Subfranchisor as well as specific System standards and quality control directives issued from time to time by EXIT or Subfranchisor. It is understood and agreed that such rules are an integral part of the System and that adherence to such rules by Franchisee is a material consideration for execution of this Agreement. Franchisee acknowledges and understands

the importance of the EXIT quality control program and shall adhere strictly to the quality control standards contained in the Training Manuals with operating procedures and quality control directives.

## **11. MAINTENANCE OF BOOKS; INSPECTION**

### **11.1. Financial Statements**

Within ninety (90) days after the close of Franchisee's fiscal year, as used for federal income tax purposes, Franchisee shall file with EXIT and Subfranchisor a statement, showing the year-end balance sheet and the results of operations for the year including gross sales and revenues for the year, with a comparison to the prior year's balance sheet and results from operations. Franchisee shall also file with EXIT and Subfranchisor any other reports as EXIT or Subfranchisor may, from time to time, request. All statements shall be certified by Franchisee (or the chief financial officer if Franchisee is not an individual).

### **11.2. Audit Rights**

EXIT and Subfranchisor shall have the right to inspect and audit all of Franchisee's books, records, and procedures. Franchisee shall permit, and understands that it should expect, regular and frequent inspection at reasonable times, by agents or representatives of EXIT and/or Subfranchisor of all books, records, MLS agent rosters and MLS transaction reports, procedures, and services of Franchisee in order to determine compliance with this Agreement. All discrepancies shall be paid within ten (10) days after the date Franchisee receives notice of such discrepancy. If any underpayment exceeds five percent (5%) of the amount due, then Franchisee shall pay all costs and expenses relating to the audit, including, but not limited to, travel, lodging, meals, attorneys', accountants' and other professional fees. All payments due pursuant to this section shall be subject to the interest charges provided in Section 7.2 above.

On the 15<sup>th</sup> day following each calendar quarter Franchisee shall provide Subfranchisor with MLS reports from each MLS of which the Franchisee is a member, showing current agent roster and all transactions closed within the previous calendar quarter.

### **11.3. Right of Entry and Inspection**

Subfranchisor and EXIT shall have the right at any reasonable time to enter Franchisee's places of business and to inspect, review and verify Franchisee's corporate (or partnership or limited liability entity), business and banking records in order to determine Franchisee's compliance with this Agreement, the truthfulness of all statements and disclosures to EXIT or Subfranchisor, and for conformity with all standards, specifications, procedures and techniques of the EXIT System. Franchisee shall cooperate with the inspections, will render such assistance as may be requested, and will promptly remedy all deficiencies identified by EXIT or Subfranchisor, whether or not they are identified in a formal notice of default or notice to cure.

## **12. OBLIGATIONS OF SUBFRANCHISOR**

### **12.1. Initial Obligations**

Prior to the opening of the franchise business, Subfranchisor will make available to Franchisee, one (1) copy of Training Manual, together with any amendments to the manual. The manual will include standard operating procedures and quality control directives designed to familiarize Franchisee with the System and better enable it to run an efficient office. The manual will also include requirements governing the use and specification of all logos, trademarks and other sales promotional materials.

### **12.2. Continuing Obligations**

- (A) During the operation of the franchise business, Subfranchisor shall make available to Franchisee, upon request, consulting services relating to the operation of its real estate services business as Subfranchisor deems appropriate and necessary, upon such terms and conditions as the parties may agree.

- (B) Subfranchisor shall encourage the use of the EXIT real estate services on an international basis by members of the public.
- (C) Subfranchisor shall maintain reasonable supervision over Franchisee as often as Subfranchisor shall deem necessary, to assure compliance with the System and any supplemental quality control standards as established by EXIT and Subfranchisor from time to time, and to provide guidance in the management and operations of Franchisee's office.
- (D) Subfranchisor shall make available to Franchisee, the System's operating procedures, directives, and standards relating to signs, letterheads, sales promotions, office designs and other similar materials to the extent and in the manner that such materials are made available to it by EXIT or as are approved by EXIT.
- (E) Subfranchisor shall limit the offering of EXIT Realty Corp. franchises to persons or entities who possess a valid real estate broker's license.
- (F) In the event Subfranchisor's interest in this Agreement expires or is terminated by EXIT, for whatever reason, Subfranchisor's interest in this Agreement shall transfer to EXIT. Thereafter, EXIT or its Assignee, shall assume Subfranchisor's obligations under this Agreement.

### **13. RELATIONSHIP OF PARTIES**

#### **13.1. Independent Contractor**

Franchisee is and shall be an independent contractor, and nothing contained in this Agreement shall be construed to create a partnership, joint venture, employment or other relationship between parties. Neither Subfranchisor nor Franchisee shall act as an agent for the other or as guarantor or surety for the obligations of the other. Neither party shall be obligated for the debts or expenses of the other. Franchisee does not have the authority to bind or obligate EXIT or Subfranchisor in any way by any promise or representation.

#### **13.2. Subfranchisor**

It is understood that Subfranchisor has been granted a license by EXIT to grant franchises and enforce EXIT's rights in the Proprietary Marks in a specified territory which includes the Protected Territory.

### **14. FORM OF OWNERSHIP**

#### **14.1. In General**

Individuals desiring to do business as a corporation, partnership, or limited liability company shall submit to Subfranchisor in writing a statement including appropriate evidence of compliance with all of the requirements of this Section 14 as may be reasonably requested by Subfranchisor. Subfranchisor's written consent to operate as a business entity shall be promptly given in the event of compliance with the requirements below. Nothing in this Agreement shall be construed as permitting Franchisee to license the rights, duties and obligations contained in this Agreement to a corporation, partnership or limited liability company without assignment made in accordance with Section 18 of this Agreement. If this Agreement is owned equally by spouses or partners, the spouses or partners shall provide Subfranchisor a written statement at the time this Agreement is signed, signed by both parties stating the name of the final decision maker.

#### **14.2. Conditions of Entity Ownership**

This Agreement is personal to the individual(s) signing as Franchisee. If Franchisee desires to do business as a corporation, partnership or limited liability company, EXIT or Subfranchisor will give its written consent to the assignment of this Agreement to such entity only under the following terms and conditions:

- (A) If Franchisee is a corporation, partnership, or limited liability company, it must possess a valid real estate broker's License in the state or states where the Protected Territory is located.

- (B) All individuals executing this Agreement shall remain personally liable for the performance of all obligations under this Agreement, irrespective of the formation of the entity and all equity holders of the assignee entity who have not signed this Agreement shall execute the Personal Guaranty in the form attached as Schedule 4.
- (C) The assignee entity must be legally authorized to do business in the state(s) where the Protected Territory is located and shall at all times maintain itself in good standing in the state(s).
- (D) The assignee entity shall not be engaged in any business endeavor whatsoever other than that which is primarily concerned with ownership and operation of the EXIT real estate service business as described in this Agreement.
- (E) One of the individuals executing this Agreement must own or control at least fifty-one percent (51%) of the voting equity and, in the aggregate, at least fifty-one percent (51%) of all equity of the assignee entity, and retain ownership or control during the term of this Agreement.
- (F) The following restrictions shall be conspicuously endorsed as a legend on each equity certificate, shall be indicated in the Bylaws, partnership agreement operating agreement, or other applicable governing document and shall be a part of any and all other agreements necessary in order to make the restrictions effective:

“The interest represented by this certificate is held subject to the terms and conditions of the EXIT Franchise Agreement with EXIT **[trade name]**, Subfranchisor. Any encumbrance, assignment or transfer of the interest is subject to all restrictions imposed by the Franchise Agreement.”
- (G) The capitalization of the assignee shall be approved in writing by Subfranchisor. Subfranchisor shall be provided with copies of the assignee’s charter documents, organizational documents, organizational meeting minutes, “buy-sell” agreements, and any other relevant documents as may be requested by Subfranchisor.
- (H) The assignee entity’s legal name shall not contain any word, phrase or clause which is the same as, derivative of, or deceptively or confusingly similar to the trademarks, service marks, slogans, or trade names of EXIT Realty Corp., including but not limited to “EXIT Realty Corp.” Furthermore, the assignee entity’s legal name shall not contain any whimsical, suggestive, coined or arbitrarily spelled words or acronyms that might conceivably become known as service marks or trademarks or that might conceivably detract from or consequently denigrate the distinctiveness of the EXIT marks.

## **15. TERMINATION BY FRANCHISEE**

Franchisee shall have the right to terminate this Agreement by not less than thirty (30) days written notice to Subfranchisor, if Subfranchisor is in default in the performance or observance of any agreement, covenant, provision or term contained in this Agreement and the default, which remains uncured for more than thirty (30) days after written notice of the default is given to Subfranchisor. Franchisee waives all claims to all damages except direct damages necessarily arising from the alleged default against which notice is given and which remains uncured.

## 16. TERMINATION BY SUBFRANCHISOR

### 16.1. Events of Default

- (A) Right to Cure. Set forth below are events of default which, upon their occurrence, shall give Subfranchisor the right to terminate this Agreement after notice to Franchisee and a right to cure as described in Section 16.2:
- (i) Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, fails to pay, when due, any of its financial obligations to EXIT, Subfranchisor, other EXIT subfranchisor, or the Brokers' Council, including payments due under any promissory note executed by Franchisee pursuant to the terms of this Agreement.
  - (ii) Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, breaches any term of this Agreement, any other agreement granting an EXIT franchise, or any rule, procedure, amendment, or supplement to this Agreement established by EXIT or Subfranchisor, including but not limited to, the Performance Standards provisions of Section 9.8 of this Agreement.
  - (iii) Franchisee, directly or indirectly, sells, leases, assigns, transfers, conveys, gives away, pledges, mortgages or encumbers any interest in this Agreement, or in any way removes the franchise granted by this Agreement from the actual or legal supervision or control of Franchisee, or attempts to do any of same without the prior written consent of Subfranchisor; or if Franchisee is a corporation a partnership or other legal entity, if any interest in the entity is assigned or transferred without the prior written consent of the Subfranchisor.
  - (iv) Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, breaches any requirement, obligation, term, or condition of any other EXIT franchise agreement between Franchisee, or any entity controlled by Franchisee or by one or more of the equity holders of Franchisee, and Franchisor or any EXIT subfranchisor.
  - (v) Franchisee breaches any requirement, obligation, term or condition of any other agreement between Franchisee and Franchisor or Subfranchisor.
  - (vi) Franchisee misuses escrow or trust funds.
  - (vii) Franchisee loses any license necessary to conduct the real estate business pursuant to the Franchise being licensed under this Agreement.
- (B) No Right to Cure. Set forth below are events of default which, upon their occurrence, shall give Subfranchisor the right to terminate this Agreement after notice to Franchisee and with no right to cure, as described in Section 16.2:
- (i) Franchisee fails to open its EXIT office and commence business operations within one hundred and twenty (120) days of the date of this Agreement.
  - (ii) Franchisee voluntarily abandons the franchise by failing to operate the franchise in accordance with the terms of this Agreement, within the Protected Territory for a period of ten (10) consecutive days, or for twenty (20) days in any period of thirty (30) consecutive days, unless such failure is due to fire, flood, earthquake or similar cause beyond Franchisee's control.
  - (iii) Franchisee fails to comply with the provisions of this Agreement three (3) or more times, whether or not corrected after notice.

- (iv) Franchisee or any of its equity holders, directors or officers are convicted of a felony or other crime that, in the reasonable judgment of Subfranchisor, impairs the goodwill associated with the Proprietary Marks.
- (v) The filing of a voluntary or involuntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver, or an assignment for the benefit of creditors, if Franchisee or a guarantor of this Agreement is subject to the action.
- (vi) Franchisee or a guarantor of this Agreement dies or becomes Permanently Disabled, or if Franchisee or a guarantor is a corporation, limited liability company or other entity other than an individual, such Franchisee or guarantor dissolves.
- (vii) Misuse of escrow or trust funds by Franchisee.
- (viii) Violation of the In-Term Covenant Not To Compete provisions described in Section 21.1 of this Agreement.

## 16.2. Remedies

- (A)
  - (i) Upon the occurrence of any of the Events of Default described in Section 16.1(A) (except Section 16.1(A)(i)), Subfranchisor may terminate and cancel this Agreement upon thirty (30) days' prior written notice to Franchisee. The notice shall demand immediate cure of the Event(s) of Default and shall advise Franchisee that if the Event of Default specified in the notice is not cured within thirty (30) days after the date of the notice, all rights of Franchisee under this Agreement shall be cancelled and terminated without further notice.
  - (ii) Upon the occurrence of an Event of Default described in Section 16.1(A)(i), Subfranchisor may terminate and cancel this Agreement upon thirty (30) days' prior written notice to Franchisee. The notice shall demand immediate cure of the Event of Default and advise Franchisee that if the Event of Default specified in the notice is not cured within ten (10) days, all rights of Franchisee under this Agreement shall be cancelled and terminated without further notice 30 days from the date of the default notice.
  - (iii) Upon the occurrence of any of the Events of Default described in Section 16.1(B), or upon the occurrence of any default that cannot be cured, Subfranchisor may terminate and cancel this Agreement, without providing Franchisee any opportunity to cure, effective immediately upon notice to Franchisee.
  - (iv) If termination of this Agreement due to Franchisee's breach thereof or due to the commencement with respect to one or more of Franchisee's bankruptcy or similar proceedings, or expiration of this Agreement is precluded by operation of the bankruptcy laws, then Subfranchisor may terminate this Agreement unless Franchisee immediately and fully compensates Subfranchisor for any such breach or provides Subfranchisor with adequate assurance of future performance of this agreement. For purposes of this paragraph, full compensation shall include full payment of any losses suffered by Subfranchisor due to Franchisee's actions or inaction, and adequate assurances or prompt and full compensation shall include, at a minimum, immediate presentation to Subfranchisor by Franchisee of an irrevocable letter of credit in an amount sufficient for full compensation of Subfranchisor (as defined above), issued to the account of Franchisee by a commercial bank, payable to Subfranchisor, at sight, within thirty (30) days from the date thereof, upon presentation of any affidavit signed by Subfranchisor stating that Subfranchisor is entitled to payment pursuant to this Agreement.
- (B) Termination of this Agreement by Subfranchisor shall not terminate any monetary obligations owed by Franchisee to EXIT, Subfranchisor or the Brokers' Council. Termination of this Agreement by Subfranchisor shall not be an exclusive remedy and shall not in any way affect the rights of EXIT or Subfranchisor to receive, or collect fees or other amounts payable by Franchisee under this Agreement, to enforce the provisions of this Agreement against Franchisee, to sue for damages, seek and obtain *ex parte*

injunctive relief, to pursue any other equitable remedy for breach of this Agreement by Franchisee or otherwise constitute a waiver of any of Subfranchisor's other rights upon the occurrence of an Event of Default. Subfranchisor shall not be obligated following any such termination or cancellation, to refund any amount previously paid by Franchisee under the terms of this Agreement.

- (C) Notwithstanding the above, if Franchisee fails to correct an alleged breach of this Agreement within the applicable time period after receipt of written notice from Subfranchisor, Subfranchisor will also have the right, upon written notice to Franchisee, to: (1) terminate the territorial exclusivity of the Protected Territory; or (2) reduce the size of the Protected Territory.
- (D) Nothing in this Section 16 will preclude Subfranchisor from seeking other remedies against Franchisee under state or federal laws or under this Agreement, including, but not limited to, recovery of attorneys' fees, punitive damages and injunctive relief.
- (E) Notwithstanding the above, the state law governing this Agreement may require a longer notice and right to cure period.

### **16.3. Damages**

If this Agreement is terminated by Subfranchisor pursuant to this Section 16, or if Franchisee breaches this Agreement by a wrongful termination of this Agreement, then Subfranchisor will be entitled to seek recovery from Franchisee for all of the damages that Subfranchisor sustained prior to the termination, or will sustain in the future as a result of Franchisee's breach of this Agreement. The actual damages that Subfranchisor would suffer for the loss of prospective fees and other amounts due under this Agreement would be difficult, if not impossible, to ascertain. Therefore, Franchisee agrees, in addition to all damages that Subfranchisor sustained prior to the date of termination, Subfranchisor shall be entitled to recover, for Subfranchisor and for EXIT, as liquidated damages and not as a penalty, an amount equal to the average monthly Continuing Fees paid to Subfranchisor and EXIT in accordance with the EXIT Formula for the twelve (12) month period immediately preceding the termination multiplied by the number of months remaining until the Expiration Date.

## **17. POST TERMINATION - RIGHTS AND OBLIGATIONS**

### **17.1. Obligations upon Termination or Non-renewal**

If this Agreement is terminated or not renewed:

- (A) All provisions in this Agreement concerning obligations of Franchisee to EXIT, Subfranchisor and the Broker's Council shall be deemed to survive the termination of this Agreement.
- (B) All rights of Franchisee under this Agreement shall terminate and Franchisee shall immediately discontinue all use, imitation or duplication of all distinguishing characteristics of the System, including but not limited to, trade names, trademarks, service marks, membership marks, certification marks, copyrights, designs, slogans, logos, names, advertising copy or other printed or physical materials now or hereafter displayed, used or becoming a part of the System.
- (C) Franchisee shall immediately cease and refrain from using the System, or any parts thereof, and Franchisee shall immediately cease and refrain from holding itself out to the public in any way as a member of or as a former member of the System or as a Franchisee, Affiliate or operator of the System.
- (D) Franchisee shall immediately distinguish its operations from that of EXIT, Subfranchisor, and of EXIT Affiliates so as to avoid every possibility of any confusion to the public.

- (E) Franchisee, at its expense, shall make or cause to be made such changes in signs, telephone numbers, buildings or structures as EXIT or Subfranchisor may direct in order to distinguish Franchisee effectively from its former appearance and from other EXIT Affiliates. The changes shall include a complete change in the trade name from that under which Franchisee conducted its business while affiliated with the System. If Franchisee shall, upon request, fail or omit to make or cause to be made the changes within ten (10) days, then Subfranchisor shall have the right to enter upon the premises, without liability, and make, or cause to be made, the changes at the expense of Franchisee, which expenses shall be paid by Franchisee upon demand.
- (F) Franchisee shall, at Subfranchisor's direction, file the appropriate forms to abandon and/or withdraw any assumed name certificate, to cease all activities with and claims to ownership of any trade or assumed name containing any Proprietary mark or to transfer the same to Subfranchisor, and/or to change the name of its corporation, partnership, or affiliate to eliminate any reference to the System.
- (G) Franchisee shall immediately return to Subfranchisor all manuals, bulletins, instruction sheets, forms, marks, designs, signs, printed matter, and other material obtained by Franchisee under and pursuant to this Agreement, together with copies of the same that may have been made by Franchisee, or that are in its possession, custody or control.
- (H) Franchisee shall immediately cause the local telephone company to change all of its telephone numbers and assign the numbers listed for the franchised real estate office to Subfranchisor. If at the expiration of this Agreement, Franchisee has complied with all of its financial obligations to EXIT and Subfranchisor and it is not otherwise in default, Franchisee shall not be obligated to comply with the provisions of this Subsection 17(H).
- (I) Franchisee shall immediately execute all documents necessary to assign all of its EXIT related domain names, internet web sites, web pages, and e-mail addresses to Subfranchisor or its designee.
- (J) Franchisee shall, for three (3) years following any termination or non-renewal of this Agreement, keep Subfranchisor advised of its current business and residence address and telephone numbers, as well as the business address and phone number of its employer, if any.
- (K) Franchisee shall allow other EXIT Affiliates to solicit Franchisee's Sales Representative for transfer to other operating EXIT offices. During the ten (10)-day period prior to termination or non-renewal of this Agreement, immediately upon the termination or non-renewal becoming effective and continuing thereafter, Franchisee shall allow other EXIT affiliates to solicit Franchisee's Sales Representatives for transfer to other operating EXIT offices. Franchisee shall assist in effectuating such transfers and shall permit and facilitate the assignment of the Sales Representatives' listings and pending transactions to the EXIT Affiliate as the Sales Representative's new broker.
- (L) Franchisee shall refrain from adopting or using in connection with, or in the name of, any subsequent business the term EXIT or any term confusingly similar to such term or any other term which may have the effect of creating confusion or question regarding his/her affiliation with the System, including without limitation, any name or term with the prefix and/or suffix "EX" or "IT."
- (M) Franchisee shall close all transactions under contract at time of termination through EXIT's proprietary system "MEMO" at the time the transaction closes and pay all company development fees, transaction fees and regional development fees that are due. If termination is for non-renewal of this Franchise Agreement and all other obligations under this Agreement have been met, EXIT will continue to pay out any applicable sponsoring bonuses on the final transactions to Franchisee and its associates as long as they were with EXIT at the time of termination. If termination is because of a default or other agreed upon terms, sponsoring bonuses to associates who are no longer with EXIT will be paid to the Subfranchisor as provided in the EXIT Formula or if the Subfranchisor does not exist, to EXIT.



## **18. TRANSFER**

### **18.1. Transfer by Subfranchisor**

This Agreement may be unilaterally transferred by Subfranchisor without the approval or consent of Franchisee with the consent of Franchisor. Any such transfer shall inure to the benefit of the transferee and Subfranchisor's interest in this Agreement shall automatically terminate on the date of the transfer.

### **18.2. Personal Nature of Agreement**

The rights and duties set forth in this Franchise Agreement are personal to Franchisee, if an individual, and to the guarantors of this Agreement, and Subfranchisor has granted this franchise in reliance of Franchisee's and guarantor's representations as to its business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this franchise, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in this franchise shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in the Franchisee or this Agreement, or all or a substantial portion of the assets of the franchise business ("Transfer") without prior written consent of Subfranchisor, as provided in Section 18.3 below. Any unauthorized Transfer, whether voluntary, involuntary, by operation of law or otherwise, or any attempt to do so, shall be deemed void and be grounds for termination of this Agreement by Subfranchisor.

### **18.3. Consent to Transfer Conditions**

Subfranchisor will not unreasonably withhold its consent, which consent must be in writing, to any proposed Transfer, provided Franchisee and/or the transferee comply with the following, non-exclusive, conditions:

- (A) Franchisee shall have fully complied with the provisions of this Agreement, curing all defaults and non-compliance under this Agreement and any other franchise agreements it may have with Subfranchisor and EXIT; and
- (B) Franchisee shall have paid fully all monies due EXIT, Subfranchisor, and Brokers' Council; and
- (C) Franchisee shall submit to Subfranchisor current, accurate financial statements and other documents sufficient to enable Subfranchisor to determine and approve (in its discretion) the character, integrity, creditworthiness, business experience, reasonable net worth, professional credentials and ethical background of the proposed transferee; and
- (D) Franchisee shall furnish Subfranchisor with copies of the transfer documents, in a form acceptable to Subfranchisor; and
- (E) Franchisee shall provide both the proposed transferee and Subfranchisor complete financial information on the subject franchise required by the transferee; and
- (F) Franchisee shall provide Subfranchisor, on the then current form prescribed by Subfranchisor or EXIT, a full general release and waiver in favor of Subfranchisor, EXIT and their affiliates; and
- (G) Franchisee shall pay the transfer fee required under Section 18.5;
- (H) The proposed transferee shall sign Subfranchisor's then current form of Guaranty of this Agreement; and
- (I) The proposed transferee shall complete, or agree to complete, the training required under Section 9.11.

### **18.4. Death or Permanent Disability**

Upon the death or permanent disability of Franchisee, if an individual, or of a guarantor of this Agreement, this Agreement, or guarantor's interest in the entity that owns or controls this Agreement, may be transferred or

bequeathed by Franchisee or guarantor or his or her estate to any designated person or beneficiary approved by Subfranchisor. However, the transfer to the designee or beneficiary will be subject to the applicable provisions of Section 18.3 of this Agreement. The disposition shall be completed within a reasonable time, not to exceed nine (9) months from the date of the death or permanent disability. Failure to so transfer the interest within the nine (9) month period shall constitute a breach of this Agreement.

#### **18.5. Transfer Fee**

Franchisee must pay Subfranchisor a transfer fee, which will vary depending on whether the Transfer is a Major Transfer or a Minor Transfer. If the Transfer is a Major Transfer, the transfer fee is an amount equal to 10% of the then current Initial Fee (not to exceed 25% of the Initial Franchise fee paid) on the date of the Transfer. If the Transfer is a Minor Transfer, the transfer fee is an amount equal to \$500.00. The transfer fee is nonrefundable even if, for any reason, the proposed Transfer does not occur. For purposes of this section, the following definitions apply:

- (A) Major Transfer. The Transfer of a 50% or more interest in this Agreement or 50% or more interest in the equity or voting rights in the entity that owns or controls this Agreement, whether in one or more transfers.
- (B) Minor Transfer. Transfer of less than a 50% interest in this Agreement, or less than 50% interest in the equity or voting rights in the entity that owns or controls this Agreement or if the transfer is to an entity that has the same equity ownership as the transferor.

No transfer fee shall be payable by Franchisee to Subfranchisor, if an individual Franchisee assigns its interest to a legal entity in accordance with Section 14.2 of this Agreement.

#### **18.6. Effect of Transfer**

In the event of any Transfer, the entire unpaid principal balance of all amounts due EXIT, Subfranchisor, or the Brokers' Council, together with all accrued and unpaid interest thereon at the time of Transfer, or other conveyance, shall become immediately due and payable in full without further notice or demand by EXIT, Subfranchisor, or the Brokers' Council.

### **19. THE EXIT FORMULA**

See Schedule 2 attached to and incorporated in this Agreement.

### **20. CONFIDENTIAL INFORMATION**

Franchisee acknowledges that it has or will acquire knowledge of confidential matters, Trade Secrets (as defined by applicable state law, as the same may be subsequently amended), recruiting techniques, operational, accounting and quality control procedures, and other methods developed by EXIT through and in its System and that the unique and novel combination of "know how" and methods developed by EXIT and licensed to Franchisee by Subfranchisor, for the real estate service operation, are peculiar to EXIT ("Confidential Information"), which, for purposes of this Agreement, are owned by EXIT, and which are necessary and essential to the operation of the Franchise. Confidential Information shall not apply to information that Franchisee can document (a) is or becomes generally available to the public (through no improper action or inaction by Franchisee); (b) was in Franchisee's possession or known by Franchisee without any limitation on user or disclosure prior to receipt from Franchisor or Subfranchisor; (c) was rightfully disclosed to Franchisee by a third party without restrictions; or (d) as required by court order.

Franchisee agrees that Franchisee shall hold all Trade Secrets in strictest confidence, shall not use or disclose Trade Secrets at any time (except in the performance of this Agreement) until such time as the information ceases to be a Trade Secret through no fault of Franchisee, shall diligently protect any and all Trade Secrets against loss by inadvertent or unauthorized disclosure, and shall comply with guidelines established by Company for the purpose of protecting such information.

Franchisee agrees that, during the term of this Agreement and all renewals and extensions of this Agreement, and after termination, expiration, or non-renewal of this Agreement, Franchisee shall hold all Confidential Information that is not a Trade Secret in strictest confidence, shall not use or disclose such Confidential Information (except in the performance of this Agreement), shall diligently protect any and all Confidential Information against loss by inadvertent or unauthorized disclosure, and shall comply with guidelines established by EXIT and Subfranchisor for the purpose of protecting the information.

## **21. FRANCHISEE'S COVENANTS NOT TO COMPETE**

### **21.1. In-Term Covenant Not to Compete**

Franchisee and Franchisee's shareholders, partners, members, directors, officers and guarantors of this Agreement will not, during the term of this Agreement and all renewals and extensions of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any real estate business, or other related business that is in any way competitive with or similar to the business conducted by EXIT or EXIT subfranchises or franchises, nor offer products or services that are offered by EXIT.

### **21.2. Post-Term Covenants**

Franchisee and Franchisee's shareholders, partners, members, directors, officers and guarantors of this Agreement will not, for a period of one (1) year following the termination, assignment or expiration of this Agreement on their own account or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, limited liability company, partnership or corporation, directly or indirectly,

- (a) within a ten (10) mile radius of Franchisee's office, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any real estate brokerage business, which business utilizes at any location a reward system for "sponsoring" sales representatives at any of its locations, or in any other way operates substantially similar manner to the EXIT System; or
- (b) within a ten (10) mile radius of Franchisee's office own, operate, lease, franchise, conduct or engage in, be connected with, have any interest in or assist any person or entity engaged in any real estate brokerage business, provided the foregoing shall not apply if this Agreement expired at the end of its term.
- (c) solicit or induce any person who is, at the time of termination or expiration of this Agreement, retained as a sales representative (as the phrase "sales representative is defined in the EXIT Formula attached to this Agreement, which may from time to time be amended at the discretion of EXIT) of any EXIT franchisee to stop serving as an agent for that party; or
- (d) within the state(s) in which the Protected Territory is located, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in the business of selling, managing or servicing real estate franchise organizations, irrespective of whether services are provided directly to the franchising operations or the System's franchisee's; or
- (e) solicit or induce any person who is, at the time of termination or expiration of this Agreement an EXIT franchisee or an equity-holder in any entity which is, at the time of termination or expiration of this Agreement an EXIT franchisee, to terminate or not renew his relationship with EXIT or Subfranchisor; or
- (f) divert, or attempt to divert, any business or customer of an EXIT Franchisee, to any competitor; or
- (g) do or perform any other act injurious or prejudicial to the goodwill associated with the EXIT System.

The parties expressly agree that the covenants contained in this section are each independent and are reasonable and necessary to protect Subfranchisor and other EXIT franchises if this Agreement expires or is terminated for any reason.

### **21.3. Reasonableness**

The parties expressly agree that the limitations contained in this Section 21 are reasonable and necessary to protect Subfranchisor and other EXIT franchises if this Agreement expires or is terminated for any reason.

### **21.4. Injunctive Relief**

Franchisee and Franchisee's shareholders, partners or members, agree that the provisions of this section are necessary to protect the legitimate business interests of EXIT and Subfranchisor and other EXIT franchisees including, without limitation, prevention of damage to or loss of goodwill associated with the Proprietary Marks, prevention of the unauthorized dissemination of marketing, promotional and other confidential information to competitors of EXIT and other franchisees, protection of EXIT's trade secrets, and the integrity of the EXIT System, and the prevention of duplication of the System. Franchisee and Franchisee's shareholders, partners and members, as the case may be, also agree that damages alone cannot adequately compensate EXIT and Subfranchisor if there is a violation of this section by Franchisee or Franchisee's shareholders, partners or members, and that injunctive relief against Franchisee, Franchisee's shareholders, partners or members is essential for the protection of EXIT, Subfranchisor and other franchisees. Franchisee and Franchisee's shareholders, partners or members, agree therefore, that if EXIT or Subfranchisor alleges that Franchisee or Franchisee's shareholders, partners or members have breached or violated this section, then EXIT or Subfranchisor will have the right to obtain injunctive relief against Franchisee and/or Franchisee's shareholders, or the partners or members, in addition to all other remedies that may be available to EXIT and Subfranchisor without the need to present evidence of irreparable injury. EXIT or Subfranchisor will not be required to post a bond or other security in any action where EXIT or Subfranchisor is seeking to enjoin Franchisee and/or Franchisee's shareholders, partners or members, from violating this section. In cases where EXIT or Subfranchisor is granted *ex parte* injunctive relief against Franchisee and/or Franchisee's shareholders, partners or members, Franchisee will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

### **21.5. Severability**

It is the desire and intent of the parties to this Agreement, including Franchisee's shareholders, partners or members, that the provisions of this Section 21 be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. Accordingly, if any part of this section is adjudicated to be invalid or unenforceable, then this section will be deemed amended to modify or delete that portion thus adjudicated to be invalid or unenforceable, such modification or deletion to apply only with respect to the operation of this section and the particular jurisdiction in which such adjudication is made. Further, to the extent any provision of this Section 21 is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement, including Franchisee and Franchisee's shareholders, partners or members, agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction where enforcement is sought.

## **22. NOTICES**

All notices, requests, demands and other communications required or permitted under this Agreement or applicable law shall be in writing and, unless a specific method of delivery is required by applicable law, may be delivered by in-person delivery; private courier, such as UPS or FED EX; certified or priority U.S. Mail; or e-mail transmission. Notice shall be deemed sufficiently given, if served in any manner specified in this Section 22. Any notice sent by private courier or U.S. mail shall be effective as of the time it is delivered to the private courier or deposited in the mail, postage prepaid. Notices transmitted by e-mail transmission shall be deemed delivered upon transmission. The parties' addresses noted in this Agreement or, if more recent, in the records of the party sending the notice,

shall be the recipient's address for delivery or mailing of notices. Either party may, by written notice to the other, specify a different address for notice.

## **23. WAIVER**

No terms of this Agreement shall be held to have been waived by any act or knowledge of either party to this Agreement, or its employees, except by instrument in writing duly executed by both parties hereto. If at any time either party shall waive its rights upon any breach of any of the provisions of this Agreement, then the waiver is not to be construed as a continuing waiver of other breaches of the same or other provisions of the Agreement.

## **24. TIME OF THE ESSENCE**

Time is of the essence in the performance of this Agreement and each and every provision in this Agreement.

## **25. GOVERNING LAW; STATE MODIFICATIONS**

### **25.1 Governing Law**

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 Subfranchisor and Franchisee will be governed by the laws of the state in which the Protected Territory is located. If the Protected Territory contains more than one (1) state, then this Agreement and the relationship between Subfranchisor and Franchisee will be governed by the laws of the state in which Franchisee's principal place of business is located, as indicated on the cover page of this Agreement. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by Franchisee and Subfranchisor.

### **25.2. State Modifications**

- (A) CALIFORNIA. If this Agreement is governed by the laws of the State of California, then the covenant not to compete upon termination or expiration of this Agreement contained in Section 21 may be unenforceable, except in certain circumstances provided by law.
- (B) ILLINOIS. If this Agreement is governed by the laws of the State of Illinois, then: (1) the acknowledgments made by Franchisee in Section 41 are not allowed under the Illinois Franchise Disclosure Act and (2) any provision of this Agreement which designates jurisdiction or venue outside of the State of Illinois is void
- (C) INDIANA. If this Agreement is governed by the laws of the State of Indiana, then: (1) the geographical limitation contained in Section 21 will be limited to within the Protected Territory; (2) Section 21 which states Subfranchisor is entitled to injunctive relief may be inapplicable; rather, Subfranchisor is entitled to seek injunctive relief; (3) notwithstanding any provisions of this Agreement to the contrary, a court of competent jurisdiction will determine (a) whether damages alone can adequately compensate Subfranchisor if there is a violation by Franchisee, Franchisee's shareholders or the partners or members, as the case may be, and (b) whether Subfranchisor will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Subfranchisor against Franchisee, Franchisee's shareholders or the partners or members, as the case may be.
- (D) MARYLAND. If this Agreement is governed by the laws of the State of Maryland, then: (1) the acknowledgments made by Franchisee contained in Section 41 of this Agreement will not be construed to act as a waiver of Franchisee's rights under the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq.; and (2) the releases from liability and waivers described in Md. Comar 02.02.08.16L may be prohibited in this Agreement.

- (E) MINNESOTA. If this Agreement is governed by the laws of the State of Minnesota, then: (1) Section 16 will be amended to require that in the event Subfranchisor provides the Franchisee with written notice that Franchisee has breached this Agreement, such written notice will be provided to Franchisee at least ninety (90) days prior to the date this Agreement is terminated by the Subfranchisor, and Franchisee will have sixty (60) days after receipt of such written notice within which to correct the breach specified in the written notice; (2) notwithstanding any provision of this Agreement to the contrary, a court of competent jurisdiction will determine whether Subfranchisor will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by Subfranchisor against Franchisee, Franchisee's shareholders or the partners or members, as the case may be; and (3) Subfranchisor will protect Franchisee's right to use the Proprietary Marks and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding use of the Proprietary Marks.
- (F) NORTH DAKOTA. If this Agreement is governed by the laws of the State of North Dakota, then: (1) Section 16 of this Agreement will be amended to require that, in the event the Subfranchisor provides Franchisee with written notice that Franchisee has breached this Agreement, Franchisee will have thirty (30) days after receipt of such written notice within which to correct the breach; and (2) the covenant not to compete upon termination or expiration of this Agreement contained in Section 21 may be unenforceable, except in certain circumstances provided by law.
- (G) SOUTH DAKOTA. If this Agreement is governed by the laws of the State of South Dakota, then: (1) Section 16 of this Agreement will be amended to require that, in the event Subfranchisor provides Franchisee with written notice that Franchisee has breached this Agreement, Franchisee will have thirty (30) days after receipt of such written notice within which to correct the breach; (2) the covenant not to compete upon termination or expiration of this Agreement contained in Section 21 may be unenforceable, except in certain circumstances provided by law; (3) any provision of this Agreement which designates jurisdiction or venue outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota; and (4) pursuant to SDCL § 37-5B, any acknowledgment provision, disclaimer or integration clause or other provision having a similar effect in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that violates Chapter 37-5B or a rule or order under Chapter 37-5B.
- (H) WISCONSIN. If this Agreement is governed by the laws of the State of Wisconsin, then the provision of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

### **25.3. Jurisdiction; Venue**

Any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties must be brought in the state or federal court located in the county or district encompassing the Subfranchisor's offices or headquarters. Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of these courts. The provisions of this section shall survive termination of this Agreement. Franchisee is aware of the business purposes and needs underlying the language of this section, and with a complete understanding of this section, agrees to be bound by it.

### **25.4. WAIVER OF JURY TRIAL**

**THE PARTIES AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTER-CLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES WHICH ARISES OUT OF ANY DISPUTE BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO, ANY ALLEGED BREACH OF, OR DEFAULT IN THE PERFORMANCE OF, ANY OF THE TERMS, COVENANTS OR CONDITIONS OF THIS AGREEMENT.**

### **25.5. Limitation of Liability**

Subfranchisor and its affiliates and subsidiaries EXIT and its affiliates and subsidiaries, and their respective officers, directors, employees, agents and servants shall not be liable to Franchisee, under any circumstance, or due to any event, for any consequential, punitive or indirect damages, including, without limitation, loss of profit, loss of use, or business stoppage. Subfranchisor and its affiliates and subsidiaries; EXIT and its affiliates and subsidiaries; and their respective officers, directors, employees, agents and servants shall not be liable for any actions or inactions of Franchisee.

## **26. BINDING EFFECT**

This Agreement and the franchise hereby granted shall inure to the benefit of and be binding upon Subfranchisor, its successors and assigns and upon Franchisee, its successors and assigns, and shall be enforceable at law or equity by specific performance, injunction or otherwise.

## **27. PAYMENT OF EXPENSES UPON DEFAULT**

Should Subfranchisor employ an attorney to enforce any of the provisions of this Agreement, or to protect its interests in any manner arising from any breach of this Agreement by Franchisee, or to collect damages for the breach of this Agreement, or to prosecute or defend any suit or proceeding resulting from this Agreement, Franchisee agrees to pay Subfranchisor all costs, charges, expenses and attorneys' fees expended or incurred by Subfranchisor.

## **28. ENTIRE AGREEMENT AND AMENDMENTS**

This Agreement which includes the documents referred to in it and the Schedules and Exhibits attached to it, constitutes the entire, full and complete Agreement between Subfranchisor and Franchisee concerning the subject matter contained in it. This Agreement supersedes any and all prior negotiations, understanding, representations and agreements. Nothing in this or any related agreement, however, is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee. Subsequent to the execution of this Agreement, Subfranchisor and Franchisee may not modify or supplement this Agreement except by a written document executed by both parties.

## **29. RELEASE OF PRIOR CLAIMS**

By executing this Agreement, Franchisee, individually and on behalf of Franchisee's heirs, legal representatives, successors, and assigns, and each assignee of this Agreement by accepting assignment of the same, hereby forever releases and discharges EXIT, Subfranchisor, and their respective officers, directors, employees, agents and servants, and their subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties and executed prior to the date of this Agreement including but not limited to any and all claims, whether presently known or unknown, suspected or unsuspected.

## **30. LIMITATION OF ACTIONS**

Any claim, demand, or cause of action based on any provision of this Agreement shall be barred unless raised within two (2) years of the occurrence, with the exception of those provisions pertaining to the payment of fees, the requirement to maintain insurance, and the indemnification and hold harmless provisions.

## **31. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

- (A) Subfranchisor and Franchisee intend by this Agreement to establish the relationship of Subfranchisor and Franchisee. This Agreement does not constitute either party an agent, legal representative, joint venture, partner, employee, or servant of the other party for any purpose whatsoever. Franchisee shall be an independent contractor and is no way authorized and shall not make any contract, agreement, warranty, or

representation on behalf of Subfranchisor or create any obligation, express or implied, on behalf of Subfranchisor.

- (B) Under no circumstances shall either party be liable for any act, omission, contract, debt, or other obligation of the other party. Franchisee shall indemnify defend (with legal counsel reasonably acceptable to the indemnitee) and hold Subfranchisor, EXIT and their Affiliates, officers, directors, employees, and officials harmless against any such claim and the cost (including reasonable attorneys' fees) of responding to, defending, settling or paying each such claim arising, directly or indirectly, from, as a result of, or in connection with Franchisee's operation of the Franchisee's business during and after the term of this Agreement. This indemnification shall specifically include claims from franchisees relating to all services which Franchisee has agreed or subsequently agrees or undertakes to perform on Subfranchisor's behalf. Subfranchisor shall indemnify and save Franchisee harmless against any claim arising, directly or indirectly, from or as a result of Subfranchisor's acts, omissions, contracts, debts, or obligations, and against the cost of defending against any such claim.

### **32. REASONABLE CONSENT; TIMELINESS**

Whenever this Agreement may require the consent or approval of either party, such consent or approval shall not be unreasonably withheld. Response to requests of approval shall be given within a reasonable period of time.

### **33. SUBFRANCHISOR'S RIGHT TO OPERATE**

Upon an Event of Default (unless cured in a timely manner), expiration or termination of this Agreement for whatever reason, Subfranchisor shall have the right to immediately establish, operate or franchise an EXIT franchise anywhere within the Protected Territory.

### **34. POWER OF ATTORNEY**

Upon the expiration or termination of this Agreement for any reason, Subfranchisor may, if Franchisee does not do so, execute in Franchisee's name and on its behalf all documents necessary in Subfranchisor's judgment to end and cause the discontinuance of Franchisee's use of the trade name, copyrights and other Proprietary Marks.

### **35. ASSIGNMENT OF FRANCHISE AGREEMENTS UPON EXPIRATION OR TERMINATION**

Upon expiration or termination of this Agreement for whatever reason, at Subfranchisor's request, Franchisee shall immediately assign to Subfranchisor all of its right, title, and interest in and to Franchise Agreements and Approved Supplier Agreements which have been entered into by Franchisee within the Protected Territory. In the event that Franchisee shall fail to execute individual assignments of the Franchise Agreements and Approved Supplier Agreements to Subfranchisor promptly upon expiration or termination of this Agreement, the parties agree that the provisions of this section shall in such instance be deemed to constitute an absolute assignment by Franchisee of all of its right, title, and interest in each such EXIT Realty Corp. Franchise Agreement and Approved Supplier Agreement to Subfranchisor or its designee.

### **36. INJUNCTIVE RELIEF**

Subfranchisor will be entitled to seek the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (i) the Proprietary Marks and the EXIT System; (ii) the obligations of Franchisee upon termination or expiration of this Agreement; (iii) assignment of this Agreement or ownership interests of Franchisee; (iv) the covenants not to compete; (v) confidentiality; or (vi) any act or omission by Franchisee, Franchisee's employees or Franchisee's agents that: (1) constitutes a violation of any applicable law, ordinance or regulation; (2) is dishonest or misleading; or (3) may impair the goodwill associated with the Proprietary Marks and the EXIT System. Franchisee agrees that any violations will cause serious, irreparable injury to the EXIT System that cannot be compensated for by money damages and that the provisions of this section are necessary to protect the legitimate business interests of EXIT and Subfranchisor and



other franchisees including, without limitation, prevention of damage to or loss of goodwill associated with the Proprietary Marks, prevention of the unauthorized dissemination of marketing, promotional and other confidential information to competitors of EXIT and other franchisees, protection of EXIT's trade secrets, and the integrity of the EXIT System, and the prevention of duplication of the System. Franchisee will indemnify the Subfranchisor for all costs that it incurs in any such proceedings including, without limitation, reasonable attorneys' fees, expert witness fees, costs of investigation, court costs, accounting fees, travel and living expenses, and all other related costs incurred by Subfranchisor. Subfranchisor will be entitled to obtain injunctive relief against Franchisee enforcing the foregoing provisions without the need to present evidence of irreparable injury and without the posting of any bond or security.

### **37. EXECUTORY CONTRACT**

The parties agree that this Agreement shall be construed as an executory contract.

### **38. HEADINGS**

Paragraph or subparagraph headings are for reference purposes only and shall not in any way modify or limit the statements contained in any paragraph or subparagraph. All words in this Agreement shall be deemed to include any number or gender as the context or sense of this Agreement requires.

### **39. JOINT AND SEVERAL LIABILITY**

If the Franchisee consists of more than one (1) individual, more than one (1) entity or a combination of individuals and entities, then the liability of all such individuals and entities under this Agreement will be deemed to be joint and several. If there are any guarantors to this Agreement, then the liability of each guarantor shall be joint and several with each other and with the Franchisee.

### **40. NO ORAL MODIFICATION**

No oral modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement subscribed to by authorized signatories of the Subfranchisor and Franchisee.

### **41. LEGAL REPRESENTATION**

Franchisee acknowledges that this Agreement constitutes a legal document which grants certain rights to and imposes certain obligations upon Franchisee. Franchisee was advised by Subfranchisor to consult an attorney or other advisor prior to the execution of this Agreement, to review the Subfranchisor's Disclosure Document; to review this Agreement in detail; to review all other legal documents; to review the economics, operations and other business aspects of the real estate office; to determine compliance with franchising and other applicable laws; to advise Franchisee about all federal, state and local laws, rules, ordinances, special regulations and statutes that may apply to Franchisee's real estate office; and to advise Franchisee about its economic risks, liabilities, obligations and rights under this Agreement.

Franchisee acknowledges that Subfranchisor has strongly recommended that Franchisee should retain legal counsel to review this Agreement and the Subfranchisor's Disclosure Document, including Subfranchisor's financial statements, leases, contracts, and other documents relating to the EXIT System, and to advise Franchisee as to the terms and conditions of this Agreement and the potential economic benefits and risks of loss relating to this Agreement and the real estate office.

The name of Franchisee's attorney or other advisor is: **[complete all pertinent information below]**

Name: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: (\_\_\_\_) \_\_\_\_\_

## 42. DEFINITIONS

In addition to the definitions set forth throughout this Agreement, the words and phrases set forth below shall have the following meanings:

- (A) *Affiliate*: “Affiliate” means any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.
- (B) *Agreement*: “Agreement” or “this Agreement” means this Franchise Agreement executed between Subfranchisor and Franchisee.
- (C) *Approved Supplier*: “Approved Supplier” means any supplier or vendor of various goods and/or services that are required or permitted to be utilized by Franchisee in the operation of the Franchise, which supplier or vendor has been approved by Subfranchisor and has signed EXIT’s Approved Supplier Agreement or a Limited Supplier Agreement.
- (D) *Continuing Fees*: “Continuing Fees” means the fees and dues paid by Franchisee pursuant to the EXIT Formula including the MEMO fees outlined in section 9.14 of the Franchise Agreement.
- (E) *EXIT Associate*: “EXIT Associate” means all subfranchisors, franchisees, sales representatives or non-licensed persons under written contract with a Franchise, Subfranchise or EXIT. EXIT Associates who maintain multiple roles within the EXIT System must identify which role represents their “primary” role on appropriate EXIT documentation.
- (F) *EXIT Formula*: “EXIT Formula” means the system of fees and dues described in Schedule 2 attached to this Agreement.
- (G) *EXIT System or System*: “EXIT System” or “System” means the composite of elements designed to enable all EXIT franchisees and subfranchisors within the system to benefit from brand name identification in market competition, and includes Subfranchisor, the network of all subfranchisors; the network of all franchisees and all offices of franchisees; Broker Councils (as that term is defined in the Franchise Agreement); the Training Manuals; the Proprietary Marks; national and local advertising programs promoting EXIT System and Proprietary Marks; the training and other programs and meetings, written and other materials, standards, specifications, methods, techniques and procedures utilized in operating a subfranchisor business or a franchise office; and such other elements as EXIT may, from time to time, designate as additions or modifications to the EXIT System.
- (H) *Franchise Agreement*: “Franchise Agreement” means that agreement between Subfranchisor and Franchisee, which grants to Franchisee the right to use and be a part of the EXIT System, as amended from time to time.
- (I) *Opened for Business*: Franchisee shall be deemed to be “Opened for Business” at such time as Franchisee is operating the business franchised by this Agreement by making use of any of the EXIT marks licensed

hereunder in any media, on business cards, by telephone, or by transacting any business under their EXIT trademark or by maintaining an office within the Protected Territory.

- (J) *Permanent Disability or Permanently Disabled*: “Permanent Disability” or “Permanently Disabled” means a mental or physical disability which precludes the individual from performing material and substantial duties of his or her employment, as reasonably determined by Subfranchisor. Payment of benefits for Permanent Disability under a disability insurance policy shall be conclusive as to the existence of the Permanent Disability, although such payments are not required in order to establish Permanent Disability for purposes of this Agreement.
- (K) *Proprietary Marks*: “Proprietary Marks” means the trade names, trademarks, service marks, logos, emblems, and signs, including improvements and modifications, which are adopted and used by EXIT as part of the EXIT System which are designated as confidential, and confidential programs, materials, and information which are part of the System.
- (L) *Protected Territory*: The geographical area as shown on Schedule 3 attached hereto within which Franchisee has the sole right to establish a brokerage office or offices using the EXIT name and the System in accordance with the guidelines established by the EXIT and Subfranchisor.
- (M) *Sales Representative*: “Sales Representative” means an individual that has been issued a real estate license (broker, salesperson or other similar license that enables the individual, for commission, money or other thing of value, to negotiate or offer or attempt to negotiate a sale, exchange, purchase or rental of an interest or estate in real estate) who is retained by the Franchisee to perform any act authorized by the license.
- (N) *Training Manuals*: “Training Manuals” means any and all EXIT manuals containing standards, specifications, policies, procedures, and operating requirements, and other communications concerning the operation and functioning of the EXIT System which shall be issued by EXIT from time to time. Specific Training Manuals may be added, amended, replaced, consolidated, or terminated from time to time at the exclusive option of EXIT.

#### 43. STATEMENTS, QUESTIONNAIRES AND ACKNOWLEDGMENTS

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### 44. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which together constitute one and the same instrument. This Agreement shall be combined when one or more of the counterparts hereof, individually or taken together, shall bear the signatures of the parties reflected thereon as the signatories (including witness signatures). Execution and delivery of this Agreement by exchange of electronically scanned copies bearing the manual or electronic signature of a party shall constitute a valid and binding execution by that party. Electronically scanned copies shall constitute enforceable original documents.

*(Signature page follows)*

The parties have executed this Agreement as of the day and year first above written.

**EXIT REALTY [trade name], Subfranchisor**

Signature \_\_\_\_\_

---

Print Name \_\_\_\_\_

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

**[individual or entity as page 1], Franchisee**

Signature

Print Name

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

Signature \_\_\_\_\_

---

Print Name

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

*(Signature page to Franchise Agreement)*

## FRANCHISEE ACKNOWLEDGMENTS

Franchisee acknowledges it received a copy of the Franchise Disclosure Document at least 14 days prior to today.

**[individual or entity as page 1]**, Franchisee

By: \_\_\_\_\_  
Signature of individual or authorized officer

\_\_\_\_\_  
Print Name

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

B0724456

**SCHEDULE 1**  
**FRANCHISE INFORMATION**

[this page should be fully completed and in the Franchisee's hands 7 days prior to signing the agreement]

**1.1 Entity Name:** \_\_\_\_\_

**1.2 EIN (Business Number):** \_\_\_\_\_

**1.3 Type of Organization** (*e.g.*, corporation, partnership, LLC, LLP): \_\_\_\_

**1.4 Trade Name:** EXIT

**1.5 State of Organization:** .

**1.6 State that has issued Broker's License:** \_\_\_\_\_ (the "State")

**1.7 Fiscal Year End:** \_\_\_\_

**1.8 Principal Business Office:**

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip Code Phone ( )

EMAIL \_\_\_\_\_

**1.9 Location of Business Records (if different):**

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip Code Phone ( )

**1.10 Principal Officers and Directors and Shareholders**

<u>Name</u>	<u>Title</u>	<u>Ownership Percentage</u>
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_____	_____	_____
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_____	_____	_____
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Franchisees hereby confirm the accuracy and validity of the ownership breakdown as indicated above for the entity for which the Franchise Agreement is under.

If franchisee is an entity, Regional Owner has been or will be provided with the articles of incorporation/organization as well as evidence of the ownership breakdown in either the form of share certificates or the resolution page.

Subfranchisor Signature: \_\_\_\_\_

**2.0 Authorized Domain Name:** \_\_\_\_\_

**[Domain name must not be all-encompassing and cannot depict Franchise as owning more territory than is spelled out in the contract or that Franchise represents the Subfranchise or EXIT. If in doubt, clarify with EXIT before approving any domain names.]**

**SCHEDULE 2**  
**EXIT FORMULA**



# THE EXIT FORMULA

(U.S. Revision Effective-04.30.24)

## 1. Franchisor

EXIT Realty Corp. International ("EXIT") is the Franchisor. EXIT provides strategic oversight and support of all EXIT Subfranchises and Franchises with regard to the establishment, maintenance and updates of all policies, procedures, standards, and business insight of EXIT. EXIT is not a real estate brokerage and does not belong to any real estate board.

## 2. Sales Representatives and EXIT Associates

Sales Representatives mean all licensed real estate salespersons and brokers performing services as an employee or independent contractor for an EXIT Franchise.

EXIT Associates mean all Subfranchisors, Franchisees, and Sales Representatives, as well as all non-licensed persons under written contract with a Franchise, Subfranchise or EXIT who have met the requirements outlined in section 9.d), below.

It is important that all EXIT Associates who maintain multiple roles within the EXIT System identify the role which represents their "primary" role, as described in Section 9.q) below, on appropriate EXIT documentation.

## 3. Effective Date

The Effective Date for Sales Representatives is defined as the date that (1) the Sales Representative's license is formally transferred under Franchise's Real Estate Broker's License, (2) the Sales Representative has executed a Sales Representative's Agreement which has been approved by EXIT, and (3) the EXIT Associate Profile (described in Section 9.f)) below) has been completed.

The Effective Date for all other EXIT Associates is defined as the date that (1) a written contract is executed with a Franchise, Subfranchise or EXIT, and (2) execution of the online EXIT Associate Profile.

The signing of the contract, the transfer of the real estate license and completion of the Associate Profile (see Section 9.f) below) are prerequisites to generate the remuneration package outlined in this document. EXIT Associates may not make use of the EXIT trade name or any other proprietary marks of EXIT, on business cards, signage or in any published media until these prerequisites have been met.

## 4. Annual Membership

- a) Each EXIT Associate shall pay to EXIT an Annual Membership of \$425.00. The Annual Membership is non-refundable and is due and payable on the Effective Date of the Sales Representative's Agreement or the date the person becomes a part of the EXIT System, as applicable, and on each July 1<sup>st</sup> thereafter. The Annual Membership for the first year shall be prorated based on the number of days to the following July 1<sup>st</sup>.

- b) Loyalty Discount – Each EXIT Associate who at the time of membership renewal has been in the EXIT system for 5 years or longer (paid Annual Membership dues for 5 continuous years or longer) will receive a loyalty discount toward his/her Annual Membership. The discounts are calculated in 5-year increments of 5% each. For example:
  - i) Over 5 years but less than 10 years with EXIT, Associate will receive a 5% discount of \$21.25;
  - ii) Over 10 years but less than 15 years with EXIT, Associate will receive a 10% discount of \$42.50;
  - iii) Over 15 years but less than 20 years with EXIT, Associate will receive a 15% discount of \$63.75;
  - iv) Over 20 years but less than 25 years with EXIT, Associate will receive a 20% discount of \$85.00.
  - v) Over 25 years but less than 30 years with EXIT, Associate will receive a 25% discount of \$106.25.

This loyalty discount will continue for each 5-year increment Associate is with EXIT.

- c) The payment of the Annual Membership is an absolute prerequisite for the receiving of any and all EXIT Sponsoring Bonuses, Retirement Benefits and awards and to ensure a presence on the EXIT website as well as access to EXIT resources. The Franchisor reserves the right to deduct the Annual Membership from said payments whenever necessary.
- d) Franchises are responsible for the payment and collection of the Annual Membership from EXIT Associates. Franchise shall pay the Annual Membership to EXIT immediately upon the date that the new Sales Representative or EXIT Associate Agreement is signed and upon the annual renewal date of July 1<sup>st</sup>. Payment shall be by electronic funds transfer or by Franchise's check. Annual Membership payable on the July 1<sup>st</sup> renewal date may also be paid online directly by EXIT associates by VISA® or MasterCard®. Personal checks will not be accepted.
- e) Any amount not paid by the seventh (7<sup>th</sup>) day after its due date shall be charged a late fee of \$50.

## **5. Commissions**

Commission is defined as all revenues (percentage or flat fees) earned in relation to the sale, lease or exchange of real property or any transaction processed through the Franchise.

The standard commission structure for a Sales Representative is as follows:

- a) 70% of the first \$100,000 of all gross commissions per calendar year (pro-rated in the first calendar year) earned and received by the Franchise from transactions generated by a Sales Representative, are paid to the respective Sales Representative by the Franchise.
- b) 90% of all gross commissions in excess of \$100,000 per calendar year (pro-rated in the first calendar year) earned and received by the Franchise from transactions generated by a Sales Representative, are paid by the Franchise to the Sales Representative for the remainder of the calendar year.

These payments are due immediately upon the finalization of each transaction.

## **6. Transaction Fees**

Every sales or leasing transaction involves two “Transaction Sides”, a “Selling Side” and a “Buying Side”. Each “Transaction Side” is subject to the following Transaction Fees, payable to EXIT immediately upon the finalization of each transaction:

### **a) Transaction Fees (Residential and Commercial)**

Each Transaction Side is subject to a Transaction Fee as follows:

- i) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$250.01 and \$2,500 (“Minimum Commissions”) shall be \$50.
- ii) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$2,500.01 and \$5,000 shall be \$150.
- iii) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$5,000.01 and \$10,000 shall be \$225.
- iv) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$10,000.01 and \$25,000 shall be \$300.
- v) The Transaction fees payable on Transaction Sides generating a gross commission to the Franchise of over \$25,000 shall be \$400.

### **b) Partial Commissions**

All Transaction Fees for commissions on properties that are paid in installments, either before or after the closing date of the transaction, will be calculated in the same manner as noted in paragraph 6.a). For example, each installment of commission will be entered into EXIT’s computer reporting system separately and the Transaction Fee will be calculated using the same formula that is used for all transactions.

### **c) Referrals**

All Transaction Fees that pertain to referral commissions shall be treated in the same manner as all transactions except in the case of referrals between EXIT offices. The Transaction Fees that pertain to referral commissions between EXIT offices shall be split in direct proportion to the percentage of commission earned. For example, the office that receives 25% of the side pays 25% of the Transaction Fee.

### **d) Appraisals, Letters of Opinion and Nominal Commissions**

Nominal commissions of \$250.00 or less, or appraisals and letters of opinion are not subject to Transaction Fees, nor are they included in the tabulation of awards.

### **e) Payment**

Transaction Fees are payable by Franchise to Subfranchise and EXIT. Transaction Fees are payable at the finalization of the Transaction Side and are deducted from the Sales Representative’s portion of the commission.

A portion of each Transaction Fee is allocated as follows:

Description	\$50 Fee	\$150 Fee	\$225 Fee	\$300 Fee	\$400 Fee
U.S. Advertising Fund	\$12.00	\$36.00	\$54.00	\$72.00	\$96.00
U.S. Creative Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33
U.S. Administrative Bonus Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33
U.S. Charitable Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33

These allocations are applied against the EXIT portion of each Transaction Fee after the Transaction Fee has been divided as provided in the Subfranchise Agreement between the Subfranchisor and EXIT.

The maximum Transaction Fees paid per calendar year per Sales Representative is \$2,700 (pro-rated in the first calendar year).

## 7. Regional Development Fees

The Regional Development Fee is a fee used for the regional growth and development through advertising and promotion only within the Subfranchise region in which it is generated. Each Transaction Side is subject to the following Regional Development Fees payable to EXIT immediately upon the finalization of each transaction:

### a) Regional Development Fees (Residential and Commercial)

Each Transaction Side is subject to a Regional Development Fee of \$35. However, minimum commission transactions generating a gross commission of \$2,500 or less will not be subject to a Regional Development Fee.

### b) Partial Commissions

All Regional Development Fees for commissions on all properties that are paid in installments either before or after the closing date of the transaction will be calculated in the same manner as noted in paragraph 7.a). For example, each installment of commission will be entered into EXIT's computer reporting system separately and the Regional Development Fee will be calculated using the same formula that is used for all transactions.

### c) Referrals

All Regional Development Fees that pertain to referral commissions shall be treated in the same manner as all transactions except in the case of referrals between EXIT offices. The Regional Development Fees that pertain to referral commissions between EXIT offices shall be split in direct proportion to the percentage of commission earned. For example, the office that receives 25% of the side pays 25% of the Regional Development Fee.

### d) Appraisals, Letters of Opinion and Nominal Commissions

Nominal commissions of \$250 or less, or appraisals and letters of opinion are not subject to Regional Development Fees.

### e) Payment

Regional Development Fees are payable by Franchise to EXIT. Regional Development Fees are payable at the finalization of the Transaction Side and are deducted from the Sales Representative's portion of the commission.

The maximum Regional Development Fees paid per calendar year per Sales Representative is \$500 (pro-rated in the first calendar year).

## **8. Company Development Fee**

- a) Franchise shall pay EXIT a Company Development Fee of ten percent (10%) of the first \$100,000 of gross commissions per calendar year earned and received by the Franchise for transactions generated by each Sales Representative, including the Broker and Franchisee. The maximum Company Development Fee per calendar year per Sales Representative is \$10,000 (pro-rated in the first calendar year).
- b) The Company Development Fee shall be paid by Franchise to EXIT at the finalization of each Transaction Side via electronic funds transfer. All Company Development Fees shall be deposited into a designated trust account by EXIT upon receipt.
- c) Nominal commissions of \$250 or less, or appraisals and letters of opinion are not subject to Company Development Fees.

## **9. Sponsoring Bonus**

- a) The introduction of a person ("Recruit") to the EXIT System, who is subsequently hired by a Franchise as an EXIT Associate, is a process known as "Sponsoring."
- b) Franchisees control the actual hiring of Sales Representatives. Every effort should be made by Franchisees to develop a high-quality sales force to assist the public in the sale and purchase of real estate in an ethical and business-like manner. The Sponsoring process is intended to assist Franchisees in attracting this type of high-quality work force.
- c) A Sponsoring Bonus is paid to the person or persons responsible for the introduction that results in the recruitment of a new Sales Representative into the EXIT System (the "Sponsor"). Each EXIT Associate is eligible to receive a Sponsoring Bonus for Sponsoring equal to 10% of the gross commissions generated by the Recruit.
- d) All non-licensed persons under written contract with a Franchisee, a Subfranchisor or EXIT are required to virtually attend and successfully complete EXIT's E-Boss online training course before being eligible to participate in EXIT's Sponsoring program.
- e) The Sponsoring Bonus is paid by EXIT up to a maximum of \$10,000 per Recruit per calendar year (pro-rated in the first calendar year), less applicable Sponsoring Bonus Fees (defined in subsection 9.m) below).
- f) It is mandatory that each Sales Representative be sponsored into the EXIT System. Sales Representatives cannot be designated as their own Sponsor nor can two Sales Representatives sponsor each other. The Sponsorship must be acknowledged and verified by each Recruit, in a manner satisfactory to EXIT via EXIT's online "EXIT Associate Profile".
- g) In the event that a Recruit is introduced to the EXIT System by two Sponsors, then the Sponsoring Bonus will be split evenly between the Sponsors. A Recruit cannot be sponsored into the EXIT System by more than two Sponsors.
- h) EXIT Franchises may be designated as the Sponsor for a Recruit. (For the purposes of awards recognition only, the Franchise Sponsor shall name the individual(s) responsible for the introduction of the Recruit.) All other Sponsoring Bonuses will be payable to an

individual Sponsor, unless the Sponsor signs a direction that their Sponsoring Bonuses be paid to a U.S. or Canadian legal entity of which they (including the interests of their spouse) owns the controlling voting and equity interests. In order for this redirection to be effective, documents acceptable to EXIT must be provided verifying the Sponsor's interest in the entity. A Sponsor cannot redirect their Sponsoring Bonuses to more than one legal entity. Unless a beneficiary has been designated, as provided in Section 11(a) below, payment of the Sponsoring Bonuses to the redirected legal entity shall end upon the Sponsor's death.

- i) EXIT, as Franchisor, is responsible for the payment of all Sponsoring Bonuses throughout the entire EXIT System. Sponsoring Bonuses for all EXIT Associates will be made payable by electronic funds transfer (whenever possible) to the Sponsor.
- j) The Sponsoring Bonus is paid by EXIT after the Company Development Fee designated for the same Recruit is received by EXIT. If funds are received electronically the bonus is typically paid out within seven days. In the rare event that the Company Development Fee is not received electronically, or the associate has not elected to receive the Sponsoring Bonus electronically, the corresponding Sponsoring Bonus will be paid out within 30 days.
- k) Sponsoring Bonuses are calculated and paid out in the currency of the country in which the transaction is finalized.
- l) Sponsoring Bonuses are not part of any transaction record sheet and do not pertain to any trade or sale of real estate. Sponsoring Bonuses are never paid by Subfranchisors, Franchisees or Sales Representatives. This is the full responsibility of EXIT.
- m) Each Sponsoring Bonus is subject to a Sponsoring Bonus Fee of 10% of the Sponsoring Bonus per Transaction Side to a maximum of \$75 per Transaction Side. Sponsoring Bonus Fees for referrals between EXIT Offices will be pro-rated in the same manner as outlined in Section 6.c) above. In the event of the death of the Sponsor, an additional administration fee of \$35 will be deducted from each Sponsoring Bonus prior to disbursement. The Sponsoring Bonus Fee shall cease each calendar year once the sponsored Sales Representative generates \$100,000 of gross commissions for their Franchise(s) in that calendar year (pro-rated in the first calendar year). The Sponsoring Bonus Fee is deducted by EXIT prior to disbursement of the Sponsoring Bonus.
- n) The Franchise with whom the Recruit is registered should be named the Sponsor if no Sponsor has been provided and acknowledged, in writing, by the Recruit.
- o) Sponsoring Bonuses will be paid for Sponsoring throughout the entire EXIT System. Franchisees, Subfranchisors and EXIT agree to honor the payment of all Sponsoring Bonuses in accordance with this Formula.
- p) This bonus structure will continue for as long as both the Sponsor and the Recruit remain licensed and/or employed within the EXIT System, or until the Sponsor or Recruit enters the EXIT Part-time and Retirement Program (explained in Section 10. below) or the EXIT Beneficiary Program (explained in Section 11. below).
- q) In the event that a Sponsor leaves the EXIT System, the Sponsor loses all rights to any Sponsoring Bonuses, unless the Sponsor returns to the EXIT System within 30 days of departure. For any Recruits the Sponsor sponsored into the EXIT System prior to the Sponsor's departure, the Sponsoring Bonuses accruing subsequent to the Sponsor's departure will be redirected to the primary role Franchise or Subfranchise most recently under written contract with the Sponsor for at least 90 days prior to the time of departure or, if the Franchise no longer exists, to the Subfranchise. For purposes of the EXIT Formula,

the “primary role” Franchise or Subfranchise will be designated by the Sponsor/EXIT Associate, if there is more than one role performed by the Sponsor.

- r) Should a Recruit return to the EXIT System within two years of departure, then the named Sponsor at the time of the Recruit's termination will, upon reinstatement of the Recruit, be entitled to receive the Sponsoring Bonus for this Recruit. If the Sponsor is no longer in the EXIT system or has lost their sponsorship due to circumstances outlined in 9(q), then the EXIT Franchise that held the Sponsor's license, or employed the Sponsor at the time of departure, will immediately become the Sponsor or, if the Franchise no longer exists, the Subfranchise of that Franchise will become the Sponsor.
- s) Should a former EXIT Associate return to the EXIT System after an absence of more than two years, the returning EXIT Associate will be processed as a new EXIT Associate.

## **10. EXIT Part-time and Retirement Program**

- a) All EXIT Associates are automatically eligible to receive Sponsoring Bonuses at the rate of 10% until December 31<sup>st</sup> of the year in which the EXIT Associate joins EXIT. For those EXIT Associates who join after October 1<sup>st</sup>, the 10% eligibility will continue for the remainder of the calendar year in which the EXIT Associate joins EXIT, and for the entire calendar year following.
- b) If the EXIT Associate does not close a minimum of eight Transaction Sides or earn at least \$40,000 in gross closed commissions per calendar year (pro-rated in the first year and extended as noted in Section 10.a) above for those EXIT Associates who join after October 1<sup>st</sup>), the EXIT Associate shall be designated “part-time” for the following calendar year. (This minimum sales production does not apply to Franchisees or Subfranchisors.)
- c) An EXIT Associate may “retire” from the real estate business entirely and continue to receive Sponsoring Bonuses by signing an Affidavit stating that they will not work in any capacity for a competing real estate company. The EXIT Associate will continue to be affiliated with EXIT under the umbrella of the Franchise or Subfranchise that formerly held the EXIT Associate's license or contract, with the approval of the Franchisee or Subfranchise.
- d) If an EXIT Associate becomes “part-time” or “retires”, any Sponsoring Bonuses payable to the EXIT Associate (Sponsor) shall automatically be reduced from the equivalent of 10% to 7% of the gross commissions generated by the Recruit to a maximum of \$7,000 per Recruit per calendar year, less Sponsoring Bonus Fees (defined in Section 9.m) above). The other 3% shall be paid to the “primary role” Franchise or Subfranchise with whom the Sponsor is under contract or for whom the Sponsor worked at the time of retirement or, if the Franchise no longer exists, to the Subfranchise. The Sponsoring Bonus shall be paid out by EXIT by electronic funds transfer directly to the Sponsor or by check, sent in care of the Franchise for whom the retired Sponsor last worked or was last registered prior to retirement, or to the Franchise or Subfranchise that holds the contract for the part-time EXIT Associate.
- e) The Sponsoring Bonus will be restored to the 10% level immediately upon the finalization of the 8<sup>th</sup> Transaction Side or \$40,000 in gross closed commissions in the current calendar year by the Sales Representative. Restoration is not retroactive.
- f) A retired or part-time EXIT Associate may continue to sponsor more Recruits into the EXIT System.

## **11. EXIT Beneficiary Program**

- a) Sponsors may select a beneficiary to receive the Sponsoring Bonuses upon the death of the Sponsor. Beneficiary designation shall be in writing on documentation supplied or approved by EXIT and must be delivered to EXIT prior to the Sponsor's death. The designated beneficiary may be an individual, or a trust. The Sponsoring Bonuses shall end upon the death of the Sponsor if a beneficiary has not been designated. If an individual beneficiary has been designated, the Sponsoring Bonuses shall end upon the death of the beneficiary.
- b) Upon the death of a Sponsor, the Sponsoring Bonuses shall be payable to the Sponsor's designated beneficiary and shall automatically be reduced from an amount equivalent to 10% to 5% of the gross commissions generated by the Recruit, to a maximum of \$5,000 per Recruit per calendar year, less Sponsoring Bonus Fees (defined in Section 9.m) above). The remaining 5% shall be paid to the "primary role" Franchise that held the Sponsor's license or, if the Sponsor was not a licensed Sales Representative, to the Franchise for whom the Sponsor worked at the time of the Sponsor's death or, if the Franchise no longer exists, to the Subfranchise.

## **12. Data Transfer and Access**

All Multiple and exclusive listings, all transaction record sheet data, all information pertaining to license transfers for recruitment and termination of EXIT Associates and all current information pertaining to retired EXIT Associates (collectively, "Business Information") will be transferred to EXIT by Franchise immediately upon execution, via a specified computer reporting system made available by EXIT currently known as MEMO. The payment details entered into the MEMO system must agree with the payment details that are reported to government tax agencies.

## **13. The EXIT Referral System**

- a) It is recommended that the commission split for EXIT referrals remain uniform. The standard rate of commission to be paid for an EXIT listing referral is 40% of the listing commission received. The standard rate of commission to be paid for an EXIT buyer referral is 25% of the selling commission received. All referrals must be confirmed in writing on documentation supplied or approved by EXIT.
- b) Should a transaction be a referral whereby a portion of the commission is payable on closing to another Sales Representative, then all pertinent data must be submitted to the Franchise prior to the finalization of the Transaction Record Sheet.

## **14. Non-competition**

As a condition to receiving Sponsoring Bonuses, the EXIT Associate shall not work (directly or indirectly) for any business that is in any way competitive with the business conducted by EXIT or EXIT Franchise, as determined in the sole discretion of EXIT. If the EXIT Associate becomes licensed with or provides services to (whether directly or indirectly) a competing real estate company during the same time that they are licensed with or providing services for an EXIT office and if the competing arrangement continues for 30 days, as determined in the sole discretion of EXIT, the Sponsoring Bonuses accruing subsequent to the EXIT Associate's commencement of the competing arrangement and all Recruits of that EXIT Associate will be redirected to the primary



role Franchise or Subfranchisor most recently under written contract with the EXIT Associate for at least 90 days prior to the action, or if the Franchise no longer exists, to the Subfranchise.

**15. Commission Account**

Franchises must establish and operate a Commission Account, subject to state approval, which will be a checking account and shall be separate and distinct from the escrow account. The Commission Account is for the purpose of receiving and disbursing all commission monies generated from Real Estate Transactions and all disbursements to EXIT and Subfranchise.

**16. Modifications to the EXIT Formula**

It is understood that this EXIT Formula may not be changed or modified in any way without the prior express written permission of EXIT. EXIT reserves the right to modify this EXIT Formula and may increase the Annual Membership and fees up to 5% per year. If EXIT increases any amounts less than 5%, the unused portion may be carried over to subsequent years. Any modification shall become effective upon notice to all Subfranchisors and Franchisees. It shall be Franchisee's obligation to notify its Sales Representatives and employees of modifications in the EXIT Formula.

**17. Currency**

Except as provided in Section 9.k) above, all amounts described in the EXIT Formula are in U.S. Dollars.

**THIS FORMULA MUST FORM PART OF EACH EXIT CONTRACT FOR ALL EXIT ASSOCIATES AND REVISIONS TO THIS FORMULA MUST BE PROVIDED TO EACH EXIT ASSOCIATE IN A TIMELY MANNER.**

**SCHEDULE 3  
DESCRIPTION OF PROTECTED TERRITORY**

1. The following information is deemed a part of the EXIT Realty Corp. Franchise Agreement between Subfranchisor and the party identified below dated **[date from page 1 of franchise agreement]** \_\_\_\_\_, 20\_\_\_\_.
2. The name of this territory is \_\_\_\_\_.
3. The grid population for this territory is \_\_\_\_\_ making this a \_\_\_\_\_ type grid (Rural/low/medium or high density. Please indicate)
4. The minimum office space requirement shall be:
  - a) Rural density – 750 square feet
  - b) Low density – 1,000 square feet
  - c) Medium density – 1,500 square feet
  - d) High density – 2,000 square feet
5. The geographical boundaries of the Territory are as indicated on the map attached to this page. The Territory is further described as follows:

**[COMPLETE THE GEOGRAPHICAL DESCRIPTION IN DETAIL AND  
INCLUDE A MAP OF THE PROTECTED TERRITORY]**

**[Subfranchisor business entity]** dba **EXIT**  
**REALTY [trade name]**, SUBFRANCHISOR

**[name of individual or entity]**, FRANCHISEE

By: \_\_\_\_\_  
**[signature of officer for Subfranchisor –  
print name of individual]**

\_\_\_\_\_  
Signature of individual or officer

\_\_\_\_\_  
Print Name

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

\_\_\_\_\_  
Signature of individual or officer

\_\_\_\_\_  
Print Name

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

**[add multiple signature lines if necessary]**

**SCHEDULE 4**  
**GUARANTY AND AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS**  
**OF THE FRANCHISE AGREEMENT**

For good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally ("Guarantor" whether one or more) guarantee payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement dated **[insert date from page 1]**\_\_\_\_\_, \_\_\_\_\_, by and between **[insert information from page 1]** as Subfranchisor ("Subfranchisor") and **[insert information from page 1]** as Franchisee ("Franchisee") (the "Franchise Agreement"), to be paid, kept and performed by Franchisee.

Guarantor agrees to be bound by each and every condition and term contained in the Franchise Agreement and agree that this Guaranty should be construed as though the undersigned and each of them executed an Agreement containing the identical terms and conditions of the Franchise Agreement, including, but not limited to, the covenant not to compete provisions contained in Section 21 of the Franchise Agreement.

Guarantor guarantees payment of all amounts due EXIT or any of its subsidiaries or affiliates.

The provisions, covenants, and conditions of this Guaranty will inure to the benefit of the successors and assigns of Franchisor.

Guarantor's obligations under this Guaranty shall be binding upon Guarantor and its respective successors and assigns and shall remain in full force and effect irrespective of:

1. The validity or enforceability of the Franchise Agreement;
2. Any failure or lack of diligence in collection of any amounts due under the terms of the Franchise Agreement;
3. The acceptance of any security or other guaranty, the extension of any credit or amendments, modifications, consents or waivers with respect to the Franchise Agreement;
4. Any defense that the Franchisee or any other person or entity might have by reason of any action in bankruptcy or other statutory or common law proceedings for debtor relief by Franchisee or any other Guarantor;
5. Any legal or equitable principle of marshaling or other rule of law requiring a creditor to proceed against specific property, apply proceeds in a particular manner or otherwise exercise remedies so as to preserve the several estates of joint obligors or common debtors; and
6. Any act or failure to act with regard to the Franchise Agreement which might vary the risk of the undersigned.

Subfranchisor shall have no obligation to resort in any manner or form for payment from Franchisee or to any other person, firm or entity, their properties or assets or to any security, property or other rights or remedies whatsoever and Franchisor shall have the right to enforce this Guaranty irrespective of whether or not proceedings or steps are pending seeking to resort to or realization on or upon any of the foregoing remedies.

Guarantor agrees to pay Subfranchisor and EXIT and their respective subsidiaries and affiliates, upon demand, all legal and other costs, expenses and fees at any time paid or incurred by each of them in endeavoring to collect any amounts due pursuant to the Franchise Agreement or to

realize upon this Guaranty or to enforce any right under the Franchise Agreement or this Guaranty.  
This Guaranty is a guaranty of performance and payment and not a guaranty of collection.

GUARANTOR

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

\_\_\_\_\_

Address

\_\_\_\_\_

City/State/Zip Code

\_\_\_\_\_

Telephone

**SCHEDULE 5**  
**ASSOCIATE PROFILE**

B1155289



# ASSOCIATE PROFILE

## NEW ASSOCIATE INFORMATION

EXIT Roster Code \_\_\_\_\_ (Assigned by Head Office)

Date of Birth: (m) \_\_\_\_\_ (d) \_\_\_\_\_ (y) \_\_\_\_\_

Full Name: \_\_\_\_\_

Res. Address: \_\_\_\_\_

City, Prov / State: \_\_\_\_\_, \_\_\_\_\_ P.Code/Zip: \_\_\_\_\_

Tel (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Cell (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Alternate (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

E-Mail Address \_\_\_\_\_ URL \_\_\_\_\_

- ☐ Sales Representative
- ☐ Associate Broker
- ☐ Franchisee
- ☐ Broker of Record
- ☐ Regional Owner
- ☐ Regional Director
- ☐ Management
- ☐ Unlicensed Associate

The Franchisee / Regional Owner named below is seeking Associate's consent on behalf of EXIT Realty Corp. International, 2626 Argentia Road, Mississauga, Ontario, Canada, L5N 5N2, <https://www.exitrealty.com>, to receive, and Associate consents to receiving, the following types of emails. Associate may withdraw its consent at any time:

- ☐ **Promotional** ☐ **Inspiration/Motivational** ☐ **Convention/Training** ☐ **News/Newsletters**

**NOTE: By becoming an EXIT Associate, Associate acknowledges and agrees that from time to time Associate will receive transactional and other important information from EXIT Realty Corp. International via email that do not require consent under applicable law.**

SSN/SIN#: \_\_\_\_\_ R.E. License # : \_\_\_\_\_

R.E Expiration Date: \_\_\_\_\_ Tax# (Canada) \_\_\_\_\_ Year Licensed: \_\_\_\_\_

Previous Brokerage: \_\_\_\_\_ Languages spoken other than English \_\_\_\_\_

## BENEFICIARY INFORMATION (OF NEW ASSOCIATE)

**Only ONE beneficiary is permitted. This may be an individual, or the designated trust of the associate. Please select the appropriate one below and complete the required fields.**

### ☐ INDIVIDUAL

Name: \_\_\_\_\_ SIN/SSN #: \_\_\_\_\_

Res. Address: \_\_\_\_\_

City/ Prov / State: \_\_\_\_\_, \_\_\_\_\_

P. Code / Zip: \_\_\_\_\_ Tel: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Relationship: \_\_\_\_\_

Email Address: \_\_\_\_\_

### ☐ TRUST

Please provide the name of your Attorney or other advisor.

Attorney Name: \_\_\_\_\_

Company: \_\_\_\_\_

Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ EMAIL: \_\_\_\_\_

Trust Tax ID #: \_\_\_\_\_

Other Advisor: \_\_\_\_\_ Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_



# ASSOCIATE PROFILE

## ACKNOWLEDGEMENT

EXIT Roster Code \_\_\_\_\_ (assigned by Head Office)

New Associate's Name \_\_\_\_\_

Joining EXIT \_\_\_\_\_ Franchise Code \_\_\_\_\_  
(Name the Franchise or Region now being joined by the New EXIT Associate)

Start Date with EXIT \_\_\_\_\_

**NOTE: Annual membership is prorated based on the start date indicated on this Associate Profile.**

**The person(s) named below are responsible for my joining the EXIT system. (Please consider this question carefully as your decision is irrevocable):**

### SPONSOR #1

I.D. Code: \_\_\_\_\_  
Associate Roster or Franchise/Region Code

Full Name: \_\_\_\_\_

Contracted and in good standing with

EXIT Realty: \_\_\_\_\_

I.D. Code: \_\_\_\_\_  
Franchise/Region Code

### SPONSOR #2

I.D. Code: \_\_\_\_\_  
Associate Roster or Franchise/Region Code

Full Name: \_\_\_\_\_

Contracted and in good standing with

EXIT Realty: \_\_\_\_\_

I.D. Code: \_\_\_\_\_  
Franchise/Region Code

**PLEASE DRAW AN "X" THROUGH SPONSOR #2 IF NOT APPLICABLE.**

I \_\_\_\_\_ acknowledge that I have signed a contract with the above-noted franchise and the EXIT Formula forms part of that contract. I acknowledge that I have read and understand the EXIT Formula and acknowledge that during the term of my contract I will be bound by updated versions of the EXIT Formula. I consent to the collection and use of my New Associate Information by the above-noted franchise for the purposes of entering into listing agreements, payment of commissions and any other applicable compensation, tax and other reporting purposes, administering programs and benefits, and conducting the day-to-day operations of the franchise. I consent to the disclosure by the above-noted franchise of my New Associate Information to EXIT Realty Corp. International and any applicable EXIT Realty Corp. International regional owner for the purposes of tabulating transaction calculations for commissions, sponsoring bonuses, and fee caps, determining awards eligibility, tax and other reporting purposes, publishing my name, role and office affiliation on EXIT Realty Corp. International's online directory, sending communications, accessing resources, and for demographical and statistical analysis. I understand that EXIT Realty Corp. International may share my New Associate Information with financial institutions it selects to remit sponsoring bonuses. I understand that my information will be entered into EXIT Realty Corp. International's proprietary program called MEMO and stored within Canada. I understand that the above-noted franchise, EXIT Realty Corp. International, and any applicable regional owners, use physical, organizational and technological measures to protect my information and retain my information for as long as necessary to fulfill their respective purposes. I understand that I may contact the above-noted franchise's, EXIT Realty Corp. International's, or any applicable regional owner's respective privacy officer regarding any questions about their privacy practices and for access or correction to my information. I acknowledge that the New Associate Information provided by me is accurate and true.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_.  
(City) (Day) (Month)

\_\_\_\_\_  
Name of New Associate (Printed)

\_\_\_\_\_  
Signature of New Associate

\_\_\_\_\_  
Name of Franchisee / Regional Owner

\_\_\_\_\_  
Signature of Franchisee/Regional Owner

\_\_\_\_\_  
Name of Sponsor #1 (Printed)

\_\_\_\_\_  
Signature of Sponsor #1

\_\_\_\_\_  
Name of Sponsor #2 (Printed)

\_\_\_\_\_  
Signature of Sponsor #2 (if applicable)

***This information must first be entered into MEMO and the new associate will then be sent an email from records@exitrealty.com to confirm***

***Page 2 that the information entered is accurate. Associate's account will then be activated upon Associate's verification.***

***EXIT Realty Corp. International, 2626 Argentia Road, Mississauga, Ontario, Canada, L5N 5N2***

**EXHIBIT A-3**  
**SALES REPRESENTATIVE AGREEMENT (SAMPLE)**





# WARNING

EXIT REALTY CORP. INTERNATIONAL

## TO FRANCHISEES

1. The Attached EXIT U.S. Sales Representative Agreement is for example purposes only.
2. **SHOULD AN EXIT FRANCHISEE CHOOSE TO ADOPT THIS AGREEMENT, IT MUST BE REVIEWED AND APPROVED BY FRANCHISEE'S ATTORNEY FOR SUCH PURPOSES AND TO ENSURE IT COMPLIES WITH THE APPLICABLE LAW.**
3. EXIT Realty Corp. International ("EXIT") bears no responsibility for Agreements between the Franchisee and the Sales Representatives / Brokers.
4. EXIT retains absolute exclusive rights of the EXIT Formula attached as Schedule 1.
5. **This cover page is for your reference only. Please remove it once you have created a customized version for your franchise.**
6. Please make copies of the renewal page and ensure that your associates sign the renewal form annually upon their anniversary dates and ensure you provide them with a copy of the current EXIT Formula to review.
7. Once you have created a customized version for your office, please send a copy of your agreement to the Corporate Records department at [support@exitrealty.com](mailto:support@exitrealty.com), Should you choose to use your own agreement, we still require a copy for our records.



# U.S. SALES REPRESENTATIVE AGREEMENT

between

(INSERT NAME OF EXIT SALES REPRESENTATIVE)

and

EXIT \_\_\_\_\_

Address: \_\_\_\_\_

## U.S. SALES REPRESENTATIVE AGREEMENT

**THIS U.S. SALES REPRESENTATIVE AGREEMENT** (the "Agreement") is to be effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_ between **EXIT** \_\_\_\_\_, ("EXIT **[Insert Trade Name]**"), located at \_\_\_\_\_, and \_\_\_\_\_, ("Sales Representative") residing at \_\_\_\_\_.

### RECITALS

- A. EXIT Realty Corp. International ("EXIT") owns the rights to a business format franchise system for providing high-quality real estate services to the general public (the "EXIT System"). EXIT has granted **[Insert Region Name]** (the "Subfranchisor") the exclusive right to license the EXIT System and to enter into Franchise Agreements for specific geographic areas.
- B. EXIT **[Trade Name]** is an independently owned and operated EXIT Franchise, having entered into an EXIT Franchise Agreement with Subfranchisor, and is operating a real estate brokerage business in this state at the above address.
- C. Sales Representative has been issued a real estate (Sales Representative's/Broker's) license by this state and desires to enter into this Agreement with EXIT **[Trade Name]** in order to become an independent contractor real estate sales representative operating under EXIT **[Trade Name]'s** real estate brokerage business.

**NOW, THEREFORE**, in consideration of the promises and covenants contained in this Agreement, it is agreed as follows:

### 1. INDEPENDENT CONTRACTOR STATUS

Sales Representative is retained by EXIT **[Trade Name]** as an independent contractor to provide real estate salesperson services to EXIT **[Trade Name]'s** clients and customers on behalf of EXIT **[Trade Name]** and under its supervision as the broker of record.

Sales Representative shall devote to EXIT **[Trade Name]** the portion of Representative's time, energy, effort and skill as Sales Representative sees fit to meet the minimum standards set forth by EXIT **[Trade Name]** and to establish Sales Representative's own endeavors to meet those standards. Sales Representative shall have operational control of Sales Representative's business and shall not have mandatory duties or responsibilities imposed upon it by EXIT **[Trade Name]**, except those required by state law and those specifically outlined in this Agreement, the intent of which is to ensure compliance with such laws and to ensure minimum standards of quality control consistent with the industry. Nothing contained in this Agreement shall be regarded as creating any relationship, such as joint venture, partnership or shareholder, between EXIT **[Trade Name]** and Sales Representative other than that of an independent contractor real estate agent.

Sales Representative acknowledges that as an independent contractor (non-employee) affiliated with EXIT [Trade Name], Sales Representative is responsible for the payment of all Sales Representative's own federal income taxes and self-employment taxes (FICA) together with any and all corresponding state, county and local taxes, if any, and Sales Representative agrees to meet those responsibilities. Sales Representative waives any claims Sales Representative has or may have against EXIT [Trade Name] now or in the future related to taxes or the right of EXIT [Trade Name] not to withhold, pay or contribute to taxes on behalf of Sales Representative.

## 2. SALES REPRESENTATIVE RESPONSIBILITIES

- a) General Responsibilities. Sales Representative may obtain listings and/or other real estate related service contracts, solicit purchasers and/or lessees for all types of interests in and to real estate or for related services. Any and all listings of real estate or of any interest in real estate and all other real estate related service contracts approved by EXIT [Trade Name] shall be taken in the name of EXIT [Trade Name], which shall be the broker of record for all such transactions. Sales Representative shall immediately submit the listings and other real estate related service contracts to EXIT [Trade Name], and they shall become and remain exclusive property of EXIT [Trade Name].
- b) Fees and Commissions. All fees and commissions earned in connection with the sale, lease or rental of real estate and any interest in or service related to real estate are made payable to EXIT [Trade Name]. The fees may be jointly shared by Sales Representative with one or more sales representatives under contract with EXIT [Trade Name] or with one or more cooperating real estate sales representatives or brokers not associated with EXIT [Trade Name], as the parties may agree in writing, provided, however, Sales Representative shall promptly notify EXIT [Trade Name] in writing of the terms of the sharing arrangements. All payments of referral fees and shares of commission, shall be in compliance with applicable law, shall be made by EXIT [Trade Name], and all monies withheld for that purpose shall be withheld from commissions received by EXIT [Trade Name].
- c) Personal Expenses. Sales Representative shall be responsible for all personal expenses incurred in the course of or incidental to Sales Representative's business operations, including, but not limited to, automobile, travel, disability and other insurance, entertainment, food, lodging, license fees and dues, all income taxes, self-employment taxes, which result or may result from being licensed, engaged in the real estate business and/or associated with EXIT [Trade Name]. At or before the time this Agreement is signed, Sales Representative shall complete and deliver to EXIT [Trade Name] an IRS Form W-9.
- d) Compliance with Laws. Sales Representative shall at all times comply with all laws, rules and regulations, including, but not limited to, those relating to real estate brokerage.
- e) Quality Control. Sales Representative shall abide by the quality controls and safeguards established or enacted by EXIT [Trade Name], Subfranchisor or EXIT, the intent of which is to ensure compliance with applicable laws and standards of the industry. Sales Representative agrees to do everything possible and required to protect and maintain the highest ethical standards in the conduct of Sales Representative's real estate business. Sales Representative shall maintain Sales

Representative's personal appearance and the appearance of Sales Representative's office in a clean and orderly manner. Sales Representative shall always maintain a professional profile on any web or social media sites. The Sales Representative shall provide dependable, efficient, courteous, high quality and professional real estate services to the public, of the same high quality and integrity as other brokers and sales representatives affiliated with EXIT [Trade Name], in order to create and maintain goodwill among the public for the entire EXIT System. Sales Representative shall strictly observe the most current operating procedures established by EXIT [Trade Name], Subfranchisor and EXIT from time to time.

- f) Duty of Loyalty. Sales Representative shall act under a duty of loyalty in support and in furtherance of the EXIT System and shall maintain a proper attitude toward the public, EXIT [Trade Name] and EXIT [Trade Name] Sales Representatives. Sales Representative shall not engage in any acts or activities that may disrupt or discredit the EXIT System, its operations or EXIT [Trade Name], or that may detract from or tend to undermine the growth of the EXIT [Trade Name] organization.
- g) Restrictions on Subsequent Business Activity. Upon termination of this Agreement for any reason, Sales Representative shall immediately refrain from all representations, advertisements, actions and business activities that may mislead others to believe Sales Representatives are affiliated in any way with EXIT [Trade Name]. Sales Representative shall not adopt or use in connection with, or in the name of, any subsequent real estate business the term EXIT or any term confusingly similar to the term or any other term which may have the effect of creating confusion or question regarding Sales Representative's affiliation with the EXIT organization, including without limitation any name or term with the prefix "EX" or "IT".
- h) Information and Confidential Information. As used in this Agreement, the term "Information" means all information used or compiled by Sales Representative and any other information written or oral made known to Sales Representative by or on behalf of EXIT [Trade Name] or any customer of EXIT [Trade Name], including without limitation, all of the EXIT [Trade Name]'s financial information, employee lists and data, records and files, customer and prospective contact lists, requests for quotes, quotes, contracts of any nature, corporate procedures, sales plans, programs, materials, manuals, rosters, forms, brochures and other training, listing, sales and marketing materials of EXIT [Trade Name] and any information.

All Information shall be considered "Confidential Information," except Information which (i) was or becomes publicly known without disclosure by Sales Representative, or (ii) was or is acquired from a third party provided that the third party in providing the Information has not breached any agreement with, or acted in derogation of, any confidential relationship with EXIT [Trade Name] or EXIT.

- i) Non-Disclosure of Confidential Information. Sales Representative agrees that Sales Representatives will not, either during the term of Sales Representative's relationship with EXIT [Trade Name], and for a period of 1 year following termination of Sales Representative's relationship with EXIT, divulge, disclose or communicate to any person or entity other than EXIT [Trade Name], or use to the detriment of EXIT [Trade Name] or for the benefit of any other person or entity, or misuse in any other way, any Confidential Information. For any Confidential

Information that consists of trade secrets, the non-disclosure obligations shall remain in effect so long as the Confidential Information continues to be treated as a trade secret under applicable law. Sales Representative shall exercise utmost diligence to protect and guard all Confidential Information of EXIT [Trade Name].

- j) License. The Sales Representative shall maintain a valid real estate broker's or sales representative's license under state law, as well as membership in good standing in the local Board of Realtors having jurisdiction over the office location of EXIT [Trade Name]. Sales Representative shall abide by all of the rules and regulations of each local Multiple Listing Service (MLS) in which EXIT [Trade Name] participates. Sales Representative shall abide by all national, state and local laws governing real estate transactions and the rules of ethical conduct established by the National Association of Realtors, local Board of Realtors, and any other real estate board having jurisdiction over Sales Representative.

As EXIT [Trade Name] will be the broker of record on all real estate transactions, consistent with the requirements of applicable law and industry standards, Sales Representative shall follow all procedures and use all disclosure statements, business contracts and other forms prescribed by EXIT [Trade Name]. Sales Representative shall maintain its real estate license with EXIT [Trade Name] and shall comply with all state real estate practice licensing requirements.

- k) Insurance. Sales Representative shall acquire and maintain, at all times during the term of this Agreement, at Sales Representative's own expense, the following:
- i) Automobile Liability Insurance to cover business use of Sales Representative's vehicle (which coverage may be added by Sales Representative to Sales Representative's existing automobile insurance policy) in the face amount of at least \$1,000,000.00 combined single limit of liability; or bodily injury liability insurance having limits of at least \$250,000.00 for any one person and \$500,000.00 for more than one person arising out of a single accident, or higher amounts as required by state law.
  - ii) Errors and Omissions Coverage in an amount of at least \$1,000,000.00. The insurance shall be structured to protect Sales Representative against any liability that may arise in connection with the operation of Sales Representative's business as a real estate sales representative. Sales Representative agrees to participate in errors and omission insurance whenever facilitated as group coverage by EXIT [Trade Name] and to maintain at representative's expense such coverage.
- l) Turnover of Funds. All funds received by Sales Representative relating, directly or indirectly, to Sales Representative's responsibilities under this Agreement shall immediately be turned over and delivered to EXIT [Trade Name]. Sales Representative shall, in no circumstances, endorse or negotiate on behalf of EXIT [Trade Name], any such check or instrument.
- m) Sales Representative shall be responsible for the payment of the annual membership fee due each July 1<sup>st</sup> pursuant to the EXIT Formula. Sales Representative shall pay the annual membership by going to 'Personal Profile', then 'Membership Fees' on the Resource Center ("RC") by logging on to www.exitrealty.com. Sales Representative is provided with access to the RC after

execution of this Agreement. For additional information on logging in, Sales Representative can contact EXIT's Franchise Support department at [support@exitrealty.com](mailto:support@exitrealty.com) or by phone at 888-668-3948 extension 4080.

- n) Sales Representative is responsible for ensuring Sales Representative's information is up to date and keeping administration aware of any required changes. Sales Representative can make changes to Sales Representative's profile on the RC.
- o) Sales Representative is responsible for uploading their professional photograph to the RC which will then feed to EXIT's public website. Sales Representatives are encouraged to create a biography on the RC. All content must be truthful and verifiable.

### 3. REMUNERATION

- a) Generally. As remuneration for services as an independent contractor, Sales Representative will be paid at the EXIT **[Trade Name]** standard commission rate of 70% on the first \$100,000 of gross commission and 90% of the balance per calendar year, pro-rated in the first year in accordance with the Pro-rated Qualifications Guidelines chart attached as Schedule 2.
- b) Disbursement. Any monies received on account of commission by Sales Representative from any trade in real estate conducted by the Sales Representative, shall be held by EXIT **[Trade Name]** in trust and EXIT **[Trade Name]** shall disperse in a timely fashion directly to the Sales Representative commission due to the Sales Representative in connection with the Transaction Record Sheet completed at the time of closing the transaction.
- c) Deduction of Fees and Charges. Sales Representative irrevocably directs EXIT **[Trade Name]** to deduct from any commissions payable to Sales Representative, the amount of any indebtedness owed to EXIT **[Trade Name]** or EXIT, as outlined in this Agreement and the EXIT Formula.

### 4. TERM/TERMINATION

- a) Initial Term and Renewal. The term of this Agreement shall be for a period of 1 year from the date first written above. The Agreement will automatically be renewed for further periods of 1 year, unless terminated in writing by either party at least 60 days before the end of the term in effect. Upon renewal, the Renewal Form attached as Schedule 3 to this Agreement, or the most current Renewal Form, if it has been amended since the date of this Agreement, shall be completed by both parties
- b) Termination Without Cause. Either party may terminate this Agreement without cause, on giving not less than 30 days written notice to the other party.
- c) Termination for Cause. If Sales Representative fails to comply with the terms of this Agreement or any other agreement with an EXIT franchisee, this will be considered cause for EXIT **[Trade Name]** to terminate this Agreement immediately.



- d) Post Termination Commission and Charges. If this Agreement is terminated before a transaction from which Sales Representative is otherwise entitled to a commission is closed, EXIT **[Trade Name]** may withhold 50% of the commission payable to Sales Representative out of the transaction to ensure that any outstanding expenses owed by Sales Representative to EXIT **[Trade Name]** are recovered and to cover expenses incurred by EXIT **[Trade Name]** to complete the transaction. After the expenses are paid from the withheld amount, the balance of the withheld amount shall be paid to Sales Representative.

## 5. THE EXIT FORMULA

The EXIT Formula is attached to and incorporated into this Agreement as Schedule 1.

## 6. PERSONAL EXPENSES

In addition to the services and materials provided by EXIT **[Trade Name]** to all EXIT **[Trade Name]** Sales Representatives, Sales Representative may utilize, but is not obligated to utilize, certain additional services and materials which include, but are not limited to, long distance telephone and telecommunication services; internet services, copying and reproduction services, advertising and promotional brochures; personalized stationery; postage; yard signs for listings; rental of calculating, accounting, or bookkeeping equipment; and other services and materials as made available by EXIT **[Trade Name]** at the rates and on terms as EXIT **[Trade Name]** shall establish. EXIT **[Trade Name]** shall give Sales Representative a statement of expenses for the additional or optional services, which Sales Representative shall immediately pay.

## 7. EXIT **[TRADE NAME]** RESPONSIBILITIES

- a) Office Space. EXIT **[Trade Name]** agrees that in consideration of the fees and/or royalties and expenses to be paid by Sales Representative, it shall make available to Sales Representative, on a non-exclusive basis, an office or desk space, and a reception area, together with telephone and other communication means for Sales Representative to utilize in furtherance of the services contemplated by this Agreement.
- b) Monthly Statements. EXIT **[Trade Name]** shall submit to Sales Representative a monthly statement reflecting Sales Representative's portion of the expenses, fees and/or royalties and financial obligations set forth in this Agreement.
- c) MLS. EXIT **[Trade Name]** shall exercise its best efforts to maintain participation in local Multiple Listing Service ("MLS"), if any, serving the market area of EXIT **[Trade Name]** and submit to MLS all listings and any other real estate service contracts involving Sales Representative which may be required to be submitted by the rules and regulations of the MLS.
- d) Monies. EXIT **[Trade Name]** shall receive any monies from the Sales Representative, for real estate board and association fees, dues or assessments or for personal tax remittance, in trust, and remit the monies, on the Sales Representative's behalf, in a timely fashion by issuing a check to the board or association or taxation department for the entire amount collected on behalf of or from the Sales Representative.



## 8. LIABILITY AND INDEMNIFICATION

EXIT **[Trade Name]** shall not be liable to Sales Representative for any expenses incurred by Sales Representative, nor shall Sales Representative have authority to bind EXIT **[Trade Name]** by any promise or representation, unless specifically authorized in advance and in writing by EXIT **[Trade Name]**.

Sales Representative shall indemnify and hold harmless EXIT **[Trade Name]**, Subfranchisor and EXIT and their officers, directors, employees and assigns from all costs, damages, fines, levies, suits, proceedings, claims, actions or causes of action of any kind and of whatsoever nature, including but not limited to all court costs, litigation expenses and reasonable attorneys' fees arising from, growing out of, or incurred in connection with or incidental to Sales Representative's activities. Maintenance of any insurance required by this Agreement shall not relieve Sales Representative of liability under this section. The terms of this Section 8 shall survive the termination of this Agreement.

## 9. TRADEMARK USE PRIVILEGE

- a) Authorization. EXIT **[Trade Name]** authorizes Sales Representative to use on Sales Representative's business card, letterhead, yard signs and other real estate materials approved by EXIT, the following marks of EXIT **[Trade Name]**: **LOGO, NAME.** Sales representative is not authorized to form a legal entity that incorporates the word "EXIT".
- b) Use Requirements. Sales Representative's privilege to use the marks, and the privilege to use EXIT **[Trade Name]** yard signs, "SOLD" signs, business cards, promotional material, letterhead, and any other item which bears such marks or bears any other distinguishing characteristic of the EXIT **[Trade Name]** organization, is contingent upon:
  - i) Sales Representative's observance of and adherence to the EXIT Logo and Signage Standards which can be found on the Resource Center and from time to time will be amended only by EXIT;
  - ii) Sales Representative's adherence to and satisfaction of professional performance standards and service quality controls promulgated and from time to time amended by EXIT **[Trade Name]**, Subfranchisor or EXIT; and
  - iii) Sales Representative's continued affiliation with EXIT **[Trade Name]** under this Agreement or any successor to this Agreement.
- c) Acknowledgment. Sales Representative acknowledges that EXIT is the exclusive owner of all right, title and interest in and to the marks identified above and agrees that all use of the marks by Sales Representative shall inure exclusively to the benefit of EXIT.
- d) Approval Required. Sales Representative must have written approval of EXIT **[Trade Name]** before securing any web domain name that incorporates EXIT **[Trade Name]**. EXIT domain names are not permitted to have derogatory expressions, nor may they represent the Sales Representative as having greater

rights to the use of the name than they are permitted in the day-to-day business of selling real property.

## 10. MISCELLANEOUS PROVISIONS

- a) Attorney's Fees. If EXIT **[Trade Name]** and/or Subfranchisor is required to employ an attorney to enforce any of the provisions of this Agreement, or to institute legal proceedings incident to the enforcement, Sales Representative shall pay, in addition to all other sums to which Sales Representative may be found liable, reasonable attorneys' fees, court costs and litigation expenses incurred by EXIT **[Trade Name]** and/or Subfranchisor.
- b) Notices. All payments and communications which may be or are required to be given by Sales Representative or EXIT **[Trade Name]** to the other of them, shall (in the absence of any specific provision to the contrary) be in writing and delivered to Sales Representative or EXIT **[Trade Name]** at the principal address of EXIT **[Trade Name]** or the last home address of the Sales Representative that appears in the records of EXIT **[Trade Name]**. Delivery may be made by prepaid first class mail. Any payment or communication so delivered shall be deemed to have been received at the time of delivery or mailing, as the case may be.
- c) Entire Agreement. This Agreement constitutes the entire agreement between EXIT **[Trade Name]** and Sales Representative for the retention of the services of Sales Representative by EXIT **[Trade Name]** and supersedes all prior agreements in that regard. It may be changed only by an agreement in writing signed by EXIT **[Trade Name]** and Sales Representative.
- d) Waiver. No waiver of any breach of any condition or provision of this Agreement shall constitute a waiver of any subsequent breach.
- e) Severability. If any provision of this Agreement is invalid or unenforceable, the remainder of this Agreement shall not be affected and each provision of this Agreement shall be valid to the fullest extent permitted by law and be independent of every other provision of this Agreement.
- f) Cumulative Remedies. No remedy conferred upon or reserved to Sales Representative or to EXIT **[Trade Name]** shall exclude any other remedy existing at law or in equity or by statute, but each shall be cumulative and in addition to every other remedy given or now or hereafter existing.
- g) Assignment. This Agreement is personal to Sales Representative and no rights or obligations of Sales Representative under this Agreement shall be assignable by Sales Representative. EXIT **[Trade Name]** may assign its rights and obligations under this Agreement to any successor to the business of EXIT **[Trade Name]** or any part of its business, and EXIT **[Trade Name]** shall be relieved of all obligations under this Agreement arising subsequent to the date of the assignment.
- h) Counterparts. This Agreement may be executed in 2 or more counterparts, all of which taken together shall constitute 1 instrument. Execution and delivery of this Agreement by exchange of electronically scanned copies bearing the signature of a party shall constitute a valid and binding



**SCHEDULE 1**  
**THE EXIT FORMULA**

# THE EXIT FORMULA

(U.S. Revision Effective-04.30.24)

## 1. Franchisor

EXIT Realty Corp. International ("EXIT") is the Franchisor. EXIT provides strategic oversight and support of all EXIT Subfranchises and Franchises with regard to the establishment, maintenance and updates of all policies, procedures, standards, and business insight of EXIT. EXIT is not a real estate brokerage and does not belong to any real estate board.

## 2. Sales Representatives and EXIT Associates

Sales Representatives mean all licensed real estate salespersons and brokers performing services as an employee or independent contractor for an EXIT Franchise.

EXIT Associates mean all Subfranchisors, Franchisees, and Sales Representatives, as well as all non-licensed persons under written contract with a Franchise, Subfranchise or EXIT who have met the requirements outlined in section 9.d), below.

It is important that all EXIT Associates who maintain multiple roles within the EXIT System identify the role which represents their "primary" role, as described in Section 9.q) below, on appropriate EXIT documentation.

## 3. Effective Date

The Effective Date for Sales Representatives is defined as the date that (1) the Sales Representative's license is formally transferred under Franchise's Real Estate Broker's License, (2) the Sales Representative has executed a Sales Representative's Agreement which has been approved by EXIT, and (3) the EXIT Associate Profile (described in Section 9.f)) below) has been completed.

The Effective Date for all other EXIT Associates is defined as the date that (1) a written contract is executed with a Franchise, Subfranchise or EXIT, and (2) execution of the online EXIT Associate Profile.

The signing of the contract, the transfer of the real estate license and completion of the Associate Profile (see Section 9.f) below) are prerequisites to generate the remuneration package outlined in this document. EXIT Associates may not make use of the EXIT trade name or any other proprietary marks of EXIT, on business cards, signage or in any published media until these prerequisites have been met.

## 4. Annual Membership

- a) Each EXIT Associate shall pay to EXIT an Annual Membership of \$425.00. The Annual Membership is non-refundable and is due and payable on the Effective Date of the Sales Representative's Agreement or the date the person becomes a part of the EXIT System, as applicable, and on each July 1<sup>st</sup> thereafter. The Annual Membership for the first year shall be prorated based on the number of days to the following July 1<sup>st</sup>.

- b) Loyalty Discount – Each EXIT Associate who at the time of membership renewal has been in the EXIT system for 5 years or longer (paid Annual Membership dues for 5 continuous years or longer) will receive a loyalty discount toward his/her Annual Membership. The discounts are calculated in 5-year increments of 5% each. For example:
  - i) Over 5 years but less than 10 years with EXIT, Associate will receive a 5% discount of \$21.25;
  - ii) Over 10 years but less than 15 years with EXIT, Associate will receive a 10% discount of \$42.50;
  - iii) Over 15 years but less than 20 years with EXIT, Associate will receive a 15% discount of \$63.75;
  - iv) Over 20 years but less than 25 years with EXIT, Associate will receive a 20% discount of \$85.00.
  - v) Over 25 years but less than 30 years with EXIT, Associate will receive a 25% discount of \$106.25.

This loyalty discount will continue for each 5-year increment Associate is with EXIT.

- c) The payment of the Annual Membership is an absolute prerequisite for the receiving of any and all EXIT Sponsoring Bonuses, Retirement Benefits and awards and to ensure a presence on the EXIT website as well as access to EXIT resources. The Franchisor reserves the right to deduct the Annual Membership from said payments whenever necessary.
- d) Franchises are responsible for the payment and collection of the Annual Membership from EXIT Associates. Franchise shall pay the Annual Membership to EXIT immediately upon the date that the new Sales Representative or EXIT Associate Agreement is signed and upon the annual renewal date of July 1<sup>st</sup>. Payment shall be by electronic funds transfer or by Franchise's check. Annual Membership payable on the July 1<sup>st</sup> renewal date may also be paid online directly by EXIT associates by VISA® or MasterCard®. Personal checks will not be accepted.
- e) Any amount not paid by the seventh (7<sup>th</sup>) day after its due date shall be charged a late fee of \$50.

## **5. Commissions**

Commission is defined as all revenues (percentage or flat fees) earned in relation to the sale, lease or exchange of real property or any transaction processed through the Franchise.

The standard commission structure for a Sales Representative is as follows:

- a) 70% of the first \$100,000 of all gross commissions per calendar year (pro-rated in the first calendar year) earned and received by the Franchise from transactions generated by a Sales Representative, are paid to the respective Sales Representative by the Franchise.
- b) 90% of all gross commissions in excess of \$100,000 per calendar year (pro-rated in the first calendar year) earned and received by the Franchise from transactions generated by a Sales Representative, are paid by the Franchise to the Sales Representative for the remainder of the calendar year.

These payments are due immediately upon the finalization of each transaction.

## **6. Transaction Fees**

Every sales or leasing transaction involves two “Transaction Sides”, a “Selling Side” and a “Buying Side”. Each “Transaction Side” is subject to the following Transaction Fees, payable to EXIT immediately upon the finalization of each transaction:

### **a) Transaction Fees (Residential and Commercial)**

Each Transaction Side is subject to a Transaction Fee as follows:

- i) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$250.01 and \$2,500 (“Minimum Commissions”) shall be \$50.
- ii) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$2,500.01 and \$5,000 shall be \$150.
- iii) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$5,000.01 and \$10,000 shall be \$225.
- iv) The Transaction Fees payable on Transaction Sides generating a gross commission to the Franchise of between \$10,000.01 and \$25,000 shall be \$300.
- v) The Transaction fees payable on Transaction Sides generating a gross commission to the Franchise of over \$25,000 shall be \$400.

### **b) Partial Commissions**

All Transaction Fees for commissions on properties that are paid in installments, either before or after the closing date of the transaction, will be calculated in the same manner as noted in paragraph 6.a). For example, each installment of commission will be entered into EXIT’s computer reporting system separately and the Transaction Fee will be calculated using the same formula that is used for all transactions.

### **c) Referrals**

All Transaction Fees that pertain to referral commissions shall be treated in the same manner as all transactions except in the case of referrals between EXIT offices. The Transaction Fees that pertain to referral commissions between EXIT offices shall be split in direct proportion to the percentage of commission earned. For example, the office that receives 25% of the side pays 25% of the Transaction Fee.

### **d) Appraisals, Letters of Opinion and Nominal Commissions**

Nominal commissions of \$250.00 or less, or appraisals and letters of opinion are not subject to Transaction Fees, nor are they included in the tabulation of awards.

### **e) Payment**

Transaction Fees are payable by Franchise to Subfranchise and EXIT. Transaction Fees are payable at the finalization of the Transaction Side and are deducted from the Sales Representative’s portion of the commission.

A portion of each Transaction Fee is allocated as follows:

Description	\$50 Fee	\$150 Fee	\$225 Fee	\$300 Fee	\$400 Fee
U.S. Advertising Fund	\$12.00	\$36.00	\$54.00	\$72.00	\$96.00
U.S. Creative Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33
U.S. Administrative Bonus Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33
U.S. Charitable Fund	\$1.67	\$5.00	\$7.50	\$10.00	\$13.33

These allocations are applied against the EXIT portion of each Transaction Fee after the Transaction Fee has been divided as provided in the Subfranchise Agreement between the Subfranchisor and EXIT.

The maximum Transaction Fees paid per calendar year per Sales Representative is \$2,700 (pro-rated in the first calendar year).

## 7. Regional Development Fees

The Regional Development Fee is a fee used for the regional growth and development through advertising and promotion only within the Subfranchise region in which it is generated. Each Transaction Side is subject to the following Regional Development Fees payable to EXIT immediately upon the finalization of each transaction:

### a) Regional Development Fees (Residential and Commercial)

Each Transaction Side is subject to a Regional Development Fee of \$35. However, minimum commission transactions generating a gross commission of \$2,500 or less will not be subject to a Regional Development Fee.

### b) Partial Commissions

All Regional Development Fees for commissions on all properties that are paid in installments either before or after the closing date of the transaction will be calculated in the same manner as noted in paragraph 7.a). For example, each installment of commission will be entered into EXIT's computer reporting system separately and the Regional Development Fee will be calculated using the same formula that is used for all transactions.

### c) Referrals

All Regional Development Fees that pertain to referral commissions shall be treated in the same manner as all transactions except in the case of referrals between EXIT offices. The Regional Development Fees that pertain to referral commissions between EXIT offices shall be split in direct proportion to the percentage of commission earned. For example, the office that receives 25% of the side pays 25% of the Regional Development Fee.

### d) Appraisals, Letters of Opinion and Nominal Commissions

Nominal commissions of \$250 or less, or appraisals and letters of opinion are not subject to Regional Development Fees.

### e) Payment

Regional Development Fees are payable by Franchise to EXIT. Regional Development Fees are payable at the finalization of the Transaction Side and are deducted from the Sales Representative's portion of the commission.



The maximum Regional Development Fees paid per calendar year per Sales Representative is \$500 (pro-rated in the first calendar year).

## **8. Company Development Fee**

- a) Franchise shall pay EXIT a Company Development Fee of ten percent (10%) of the first \$100,000 of gross commissions per calendar year earned and received by the Franchise for transactions generated by each Sales Representative, including the Broker and Franchisee. The maximum Company Development Fee per calendar year per Sales Representative is \$10,000 (pro-rated in the first calendar year).
- b) The Company Development Fee shall be paid by Franchise to EXIT at the finalization of each Transaction Side via electronic funds transfer. All Company Development Fees shall be deposited into a designated trust account by EXIT upon receipt.
- c) Nominal commissions of \$250 or less, or appraisals and letters of opinion are not subject to Company Development Fees.

## **9. Sponsoring Bonus**

- a) The introduction of a person ("Recruit") to the EXIT System, who is subsequently hired by a Franchise as an EXIT Associate, is a process known as "Sponsoring."
- b) Franchisees control the actual hiring of Sales Representatives. Every effort should be made by Franchisees to develop a high-quality sales force to assist the public in the sale and purchase of real estate in an ethical and business-like manner. The Sponsoring process is intended to assist Franchisees in attracting this type of high-quality work force.
- c) A Sponsoring Bonus is paid to the person or persons responsible for the introduction that results in the recruitment of a new Sales Representative into the EXIT System (the "Sponsor"). Each EXIT Associate is eligible to receive a Sponsoring Bonus for Sponsoring equal to 10% of the gross commissions generated by the Recruit.
- d) All non-licensed persons under written contract with a Franchisee, a Subfranchisor or EXIT are required to virtually attend and successfully complete EXIT's E-Boss online training course before being eligible to participate in EXIT's Sponsoring program.
- e) The Sponsoring Bonus is paid by EXIT up to a maximum of \$10,000 per Recruit per calendar year (pro-rated in the first calendar year), less applicable Sponsoring Bonus Fees (defined in subsection 9.m) below).
- f) It is mandatory that each Sales Representative be sponsored into the EXIT System. Sales Representatives cannot be designated as their own Sponsor nor can two Sales Representatives sponsor each other. The Sponsorship must be acknowledged and verified by each Recruit, in a manner satisfactory to EXIT via EXIT's online "EXIT Associate Profile".
- g) In the event that a Recruit is introduced to the EXIT System by two Sponsors, then the Sponsoring Bonus will be split evenly between the Sponsors. A Recruit cannot be sponsored into the EXIT System by more than two Sponsors.
- h) EXIT Franchises may be designated as the Sponsor for a Recruit. (For the purposes of awards recognition only, the Franchise Sponsor shall name the individual(s) responsible for the introduction of the Recruit.) All other Sponsoring Bonuses will be payable to an

individual Sponsor, unless the Sponsor signs a direction that their Sponsoring Bonuses be paid to a U.S. or Canadian legal entity of which they (including the interests of their spouse) owns the controlling voting and equity interests. In order for this redirection to be effective, documents acceptable to EXIT must be provided verifying the Sponsor's interest in the entity. A Sponsor cannot redirect their Sponsoring Bonuses to more than one legal entity. Unless a beneficiary has been designated, as provided in Section 11(a) below, payment of the Sponsoring Bonuses to the redirected legal entity shall end upon the Sponsor's death.

- i) EXIT, as Franchisor, is responsible for the payment of all Sponsoring Bonuses throughout the entire EXIT System. Sponsoring Bonuses for all EXIT Associates will be made payable by electronic funds transfer (whenever possible) to the Sponsor.
- j) The Sponsoring Bonus is paid by EXIT after the Company Development Fee designated for the same Recruit is received by EXIT. If funds are received electronically the bonus is typically paid out within seven days. In the rare event that the Company Development Fee is not received electronically, or the associate has not elected to receive the Sponsoring Bonus electronically, the corresponding Sponsoring Bonus will be paid out within 30 days.
- k) Sponsoring Bonuses are calculated and paid out in the currency of the country in which the transaction is finalized.
- l) Sponsoring Bonuses are not part of any transaction record sheet and do not pertain to any trade or sale of real estate. Sponsoring Bonuses are never paid by Subfranchisors, Franchisees or Sales Representatives. This is the full responsibility of EXIT.
- m) Each Sponsoring Bonus is subject to a Sponsoring Bonus Fee of 10% of the Sponsoring Bonus per Transaction Side to a maximum of \$75 per Transaction Side. Sponsoring Bonus Fees for referrals between EXIT Offices will be pro-rated in the same manner as outlined in Section 6.c) above. In the event of the death of the Sponsor, an additional administration fee of \$35 will be deducted from each Sponsoring Bonus prior to disbursement. The Sponsoring Bonus Fee shall cease each calendar year once the sponsored Sales Representative generates \$100,000 of gross commissions for their Franchise(s) in that calendar year (pro-rated in the first calendar year). The Sponsoring Bonus Fee is deducted by EXIT prior to disbursement of the Sponsoring Bonus.
- n) The Franchise with whom the Recruit is registered should be named the Sponsor if no Sponsor has been provided and acknowledged, in writing, by the Recruit.
- o) Sponsoring Bonuses will be paid for Sponsoring throughout the entire EXIT System. Franchisees, Subfranchisors and EXIT agree to honor the payment of all Sponsoring Bonuses in accordance with this Formula.
- p) This bonus structure will continue for as long as both the Sponsor and the Recruit remain licensed and/or employed within the EXIT System, or until the Sponsor or Recruit enters the EXIT Part-time and Retirement Program (explained in Section 10. below) or the EXIT Beneficiary Program (explained in Section 11. below).
- q) In the event that a Sponsor leaves the EXIT System, the Sponsor loses all rights to any Sponsoring Bonuses, unless the Sponsor returns to the EXIT System within 30 days of departure. For any Recruits the Sponsor sponsored into the EXIT System prior to the Sponsor's departure, the Sponsoring Bonuses accruing subsequent to the Sponsor's departure will be redirected to the primary role Franchise or Subfranchise most recently under written contract with the Sponsor for at least 90 days prior to the time of departure or, if the Franchise no longer exists, to the Subfranchise. For purposes of the EXIT Formula,

the “primary role” Franchise or Subfranchise will be designated by the Sponsor/EXIT Associate, if there is more than one role performed by the Sponsor.

- r) Should a Recruit return to the EXIT System within two years of departure, then the named Sponsor at the time of the Recruit's termination will, upon reinstatement of the Recruit, be entitled to receive the Sponsoring Bonus for this Recruit. If the Sponsor is no longer in the EXIT system or has lost their sponsorship due to circumstances outlined in 9(q), then the EXIT Franchise that held the Sponsor's license, or employed the Sponsor at the time of departure, will immediately become the Sponsor or, if the Franchise no longer exists, the Subfranchise of that Franchise will become the Sponsor.
- s) Should a former EXIT Associate return to the EXIT System after an absence of more than two years, the returning EXIT Associate will be processed as a new EXIT Associate.

## **10. EXIT Part-time and Retirement Program**

- a) All EXIT Associates are automatically eligible to receive Sponsoring Bonuses at the rate of 10% until December 31<sup>st</sup> of the year in which the EXIT Associate joins EXIT. For those EXIT Associates who join after October 1<sup>st</sup>, the 10% eligibility will continue for the remainder of the calendar year in which the EXIT Associate joins EXIT, and for the entire calendar year following.
- b) If the EXIT Associate does not close a minimum of eight Transaction Sides or earn at least \$40,000 in gross closed commissions per calendar year (pro-rated in the first year and extended as noted in Section 10.a) above for those EXIT Associates who join after October 1<sup>st</sup>), the EXIT Associate shall be designated “part-time” for the following calendar year. (This minimum sales production does not apply to Franchisees or Subfranchisors.)
- c) An EXIT Associate may “retire” from the real estate business entirely and continue to receive Sponsoring Bonuses by signing an Affidavit stating that they will not work in any capacity for a competing real estate company. The EXIT Associate will continue to be affiliated with EXIT under the umbrella of the Franchise or Subfranchise that formerly held the EXIT Associate's license or contract, with the approval of the Franchisee or Subfranchise.
- d) If an EXIT Associate becomes “part-time” or “retires”, any Sponsoring Bonuses payable to the EXIT Associate (Sponsor) shall automatically be reduced from the equivalent of 10% to 7% of the gross commissions generated by the Recruit to a maximum of \$7,000 per Recruit per calendar year, less Sponsoring Bonus Fees (defined in Section 9.m) above). The other 3% shall be paid to the “primary role” Franchise or Subfranchise with whom the Sponsor is under contract or for whom the Sponsor worked at the time of retirement or, if the Franchise no longer exists, to the Subfranchise. The Sponsoring Bonus shall be paid out by EXIT by electronic funds transfer directly to the Sponsor or by check, sent in care of the Franchise for whom the retired Sponsor last worked or was last registered prior to retirement, or to the Franchise or Subfranchise that holds the contract for the part-time EXIT Associate.
- e) The Sponsoring Bonus will be restored to the 10% level immediately upon the finalization of the 8<sup>th</sup> Transaction Side or \$40,000 in gross closed commissions in the current calendar year by the Sales Representative. Restoration is not retroactive.
- f) A retired or part-time EXIT Associate may continue to sponsor more Recruits into the EXIT System.

## **11. EXIT Beneficiary Program**

- a) Sponsors may select a beneficiary to receive the Sponsoring Bonuses upon the death of the Sponsor. Beneficiary designation shall be in writing on documentation supplied or approved by EXIT and must be delivered to EXIT prior to the Sponsor's death. The designated beneficiary may be an individual, or a trust. The Sponsoring Bonuses shall end upon the death of the Sponsor if a beneficiary has not been designated. If an individual beneficiary has been designated, the Sponsoring Bonuses shall end upon the death of the beneficiary.
- b) Upon the death of a Sponsor, the Sponsoring Bonuses shall be payable to the Sponsor's designated beneficiary and shall automatically be reduced from an amount equivalent to 10% to 5% of the gross commissions generated by the Recruit, to a maximum of \$5,000 per Recruit per calendar year, less Sponsoring Bonus Fees (defined in Section 9.m) above). The remaining 5% shall be paid to the "primary role" Franchise that held the Sponsor's license or, if the Sponsor was not a licensed Sales Representative, to the Franchise for whom the Sponsor worked at the time of the Sponsor's death or, if the Franchise no longer exists, to the Subfranchise.

## **12. Data Transfer and Access**

All Multiple and exclusive listings, all transaction record sheet data, all information pertaining to license transfers for recruitment and termination of EXIT Associates and all current information pertaining to retired EXIT Associates (collectively, "Business Information") will be transferred to EXIT by Franchise immediately upon execution, via a specified computer reporting system made available by EXIT currently known as MEMO. The payment details entered into the MEMO system must agree with the payment details that are reported to government tax agencies.

## **13. The EXIT Referral System**

- a) It is recommended that the commission split for EXIT referrals remain uniform. The standard rate of commission to be paid for an EXIT listing referral is 40% of the listing commission received. The standard rate of commission to be paid for an EXIT buyer referral is 25% of the selling commission received. All referrals must be confirmed in writing on documentation supplied or approved by EXIT.
- b) Should a transaction be a referral whereby a portion of the commission is payable on closing to another Sales Representative, then all pertinent data must be submitted to the Franchise prior to the finalization of the Transaction Record Sheet.

## **14. Non-competition**

As a condition to receiving Sponsoring Bonuses, the EXIT Associate shall not work (directly or indirectly) for any business that is in any way competitive with the business conducted by EXIT or EXIT Franchise, as determined in the sole discretion of EXIT. If the EXIT Associate becomes licensed with or provides services to (whether directly or indirectly) a competing real estate company during the same time that they are licensed with or providing services for an EXIT office and if the competing arrangement continues for 30 days, as determined in the sole discretion of EXIT, the Sponsoring Bonuses accruing subsequent to the EXIT Associate's commencement of the competing arrangement and all Recruits of that EXIT Associate will be redirected to the primary

role Franchise or Subfranchisor most recently under written contract with the EXIT Associate for at least 90 days prior to the action, or if the Franchise no longer exists, to the Subfranchise.

**15. Commission Account**

Franchises must establish and operate a Commission Account, subject to state approval, which will be a checking account and shall be separate and distinct from the escrow account. The Commission Account is for the purpose of receiving and disbursing all commission monies generated from Real Estate Transactions and all disbursements to EXIT and Subfranchise.

**16. Modifications to the EXIT Formula**

It is understood that this EXIT Formula may not be changed or modified in any way without the prior express written permission of EXIT. EXIT reserves the right to modify this EXIT Formula and may increase the Annual Membership and fees up to 5% per year. If EXIT increases any amounts less than 5%, the unused portion may be carried over to subsequent years. Any modification shall become effective upon notice to all Subfranchisors and Franchisees. It shall be Franchisee's obligation to notify its Sales Representatives and employees of modifications in the EXIT Formula.

**17. Currency**

Except as provided in Section 9.k) above, all amounts described in the EXIT Formula are in U.S. Dollars.

**THIS FORMULA MUST FORM PART OF EACH EXIT CONTRACT FOR ALL EXIT ASSOCIATES AND REVISIONS TO THIS FORMULA MUST BE PROVIDED TO EACH EXIT ASSOCIATE IN A TIMELY MANNER.**

## SCHEDULE 2

### SALES REPRESENTATIVE PRORATED QUALIFICATION GUIDELINES

#### PERTAINING TO CLOSED COMMISSIONS GENERATED AND TRANSACTION FEES PAYABLE PER SALES REPRESENTATIVE

(Calculated from effective date to year end)

APPLICABLE IN THE FIRST YEAR ONLY and pursuant to section 10 a) of the EXIT Formula; For those Associates who join after October 1<sup>st</sup>, the 10% sponsoring bonus eligibility will continue for the remainder of the calendar year in which the EXIT Associate joins EXIT, and for the entire calendar year following,

START DATE	PERCENTAGE OF GROSS COMMISSION, PAID UNTIL YEAR END	* TRANSACTION FEES	** REGIONAL DEVELOPMENT FEES	MINIMUM COMMISSION QUOTA	COMPANY DEVELOPMENT FEES PAID BY FRANCHISE	MINIMUM SIDES QUOTA
JANUARY	90% After \$100,000	\$2,700	\$500	\$40,000	\$10,000	8
FEBRUARY	90% After \$91,667	\$2,475	\$453.33	\$36,667	\$9,167	7.3
MARCH	90% After \$83,333	\$2,250	\$416.67	\$33,333	\$8,333	6.6
APRIL	90% After \$75,000	\$2,025	\$375	\$30,000	\$7,500	6
MAY	90% After \$66,667	\$1,800	\$333.33	\$26,667	\$6,667	5.3
JUNE	90% After \$58,333	\$1,575	\$291.67	\$23,333	\$5,833	4.6
JULY	90% After \$50,000	\$1,350	\$250	\$20,000	\$5,000	4
AUGUST	90% After \$41,667	\$1,125	\$208.33	\$16,667	\$4,167	3.3
SEPTEMBER	90% After \$33,333	\$900	\$166.67	\$13,333	\$3,333	2.6
OCTOBER	90% After \$25,000	\$675	\$125	N/A	\$2,500	N/A
NOVEMBER	90% After \$16,667	\$450	\$83.33	N/A	\$1,667	N/A
DECEMBER	90% After \$8,333	\$225	\$41.67	N/A	\$833	N/A

1. Calculations are based on Gross Closed Commissions.
2. \* Transaction Fees maximize at \$2,700 per calendar year per Sales Representative.
3. \*\*Regional Development Fees maximize at \$500 per calendar year per Sales Representative.
4. Transaction fees for all sales, rentals, referrals and partial transactions are applied toward the \$2,700 maximized transaction fee limit.
5. Minimum quotas are used to determine the percentage of Sponsoring Bonus for which the agent will be eligible the following calendar year.
6. Above figures are estimates only. EXIT's proprietary software calculates all figures precisely.

**SCHEDULE 3**  
**POLICIES AND PROCEDURES MANUAL**

# EXIT Realty Upper Midwest POLICIES AND PROCEDURES MANUAL





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# POLICIES AND PROCEDURES MANUAL

## **CHAPTER 1 - THE ORGANIZATION**

This manual is designed to define and explain the policies and procedures adopted by **EXIT Brokerage Name** ("Company") for the conduct of its business. It is also intended to provide information that may be used in solving problems that may arise from time to time in the day-to-day handling of real estate business.

The success of our Company is contingent upon our people, their professionalism, productivity, and conduct. Needless to say, the business requires the complete co-operation of all individuals, both support staff and sales agents ("Agent" or "Agents", in order for the Company and its people to remain both competitive and successful. It is expected that you will be loyal to your fellow Agents and to this Company by protecting its interests and by striving for the betterment of all within the Company.

The following policies are subject to review and change at the sole discretion of management. Management's interpretation of the following policies shall prevail in all cases.

### **CORPORATE STRUCTURE**

**EXIT Brokerage Name** is owned by **Company Entity**, a **state or provincial** corporation that was incorporated on (d) [REDACTED] (m) [REDACTED] (y) [REDACTED] (the "Company"). The Broker of Record for this Company is **Name**. It is understood and agreed that the Broker is totally responsible for the proper execution of all banking, trust accounts, accounting, administration, advertising, sales activity as well as the ethical conduct of each Agent within the brokerage operation. The Broker is responsible for the management of the real estate brokerage, reporting, procedure, and activity. Any individual working for this Company who is having difficulty in executing their job effectively, will report immediately to management for assistance.

The success of this Company is dependent on everyone's willingness to employ full effort, co-operation, concentration, and a positive mental attitude in a manner that helps everyone to conduct business and generate sales. It should be well understood by everyone, that selling is the only activity that generates revenue. Everything else costs money. It is in everyone's best interest, therefore, to assist in the building process of the Company through EXIT's Sponsoring Program and to help reinforce the strength and integrity of our organization. The coordination of group effort is a key ingredient of the EXIT system and it acts as the foundation that will generate prosperity for everyone within the organization. Always keep in mind that *"Our business is people and that our product is real estate."*

### **MISSION STATEMENT**

This Company exists to build strong Agents, and to make them successful. We believe that by working first to strengthen each agent the team will be more productive and successful. We don't believe MORE is better; we believe BETTER is better.

We do this in five simple ways:

1. We provide the tools for each Agent, rookie, or veteran, to become thoroughly **trained** in successful real estate sales.
2. We help each Agent **brand** themselves then show them how to market their brand to the community to get more leads.
3. We seek out the latest **technology** tools available in real estate then teach each Agent how to use them.
4. We have built a **team** that is supportive and fun. We enjoy, mentor, and encourage each other much like a family would do.
5. We then expose our Agents to a plan to make over 100%, to build their own business with passive and residual income to create retirement **security**, which is unique in real estate today.

## **VISION STATEMENT**

Insert your vision statement for the year here. This is also a place where you can put your word of the year. Paint the picture for your team of Agents and staff on the objectives of your brokerage to GET- KEEP- GROW agents.

## **COMPANY**

The Company agrees to make available to all Agents all information regarding Company listings.

At Agent's request, the Broker/Manager agrees to furnish such advice, information, and full cooperation, as an Agent shall reasonably request. The Company agrees that they have no authority or right to direct or control an Agent's actions except where specifically required by law. Each Agent assumes and retains discretion for methods, techniques, and procedures in soliciting and obtaining listings and sales, and rentals or leases of listed property.

## **MEMBERSHIP IN ORGANIZED REAL ESTATE**

This Company is a member of the **Name of applicable Real Estate Board**, and the **Name of applicable Real Estate Association**. It must be noted that each Agent is responsible for maintaining his or her membership in good standing with the appropriate associations and legislation.

## **ETHICS**

This Company abides by the **Code of Ethics or similar title** as adopted by each of the above associations and complies with the **Name of applicable Act**.

We are a service-oriented Company and have built our reputation by fair dealings and by serving the public to the best of our ability. It is imperative for all those who are associated

with us that they conduct their sales activities with the highest regard for and application of sound ethics, honesty, and integrity.

Everyone who is part of this Company has this mandate and is therefore invited to submit suggestions for improvement of our procedures, policies, and office operations to management on an on-going basis.

If a problem should arise with a fellow Agent, please discuss the problem with your Manager in private and refrain from involving other Agents in the problem.

## **CONTRACT**

All Agents must acknowledge and sign a standard working agreement known as the EXIT Sales Representative Agreement. The terms set forth in the EXIT Sales Representative Agreement remain in place unless changes are approved in writing by both parties. This policy manual is designed to complement the EXIT Sales Representative Agreement and is in addition to the terms as set forth in the EXIT Sales Representative Agreement and not to supersede any terms of the EXIT Sales Representative Agreement. All Agents must also review and sign a copy of the EXIT Formula which forms an Exhibit to the EXIT Sales Representative Agreement.

## **CHAPTER 2 – OFFICE PROTOCOL**

### **OFFICE HOURS**

Office hours are Monday through Friday, **hours of operation.**; Saturday and Sunday, **hours of operation.**

### **HOLIDAYS**

We are a service business; thus, we must remember that our customers and clients always expect us to be available. Offices will be closed only on the following holidays:

**(INSERT HERE)**

### **VACATIONS**

Since Agents are independent contractors who receive no vacation pay, they may regulate their own vacations, however, it is requested that the Agent use judgement to assure that vacations are adequately planned as to not leave the office short-staffed. Agents must arrange for another licensed Agent to attend to their business during vacation times, illnesses, or extended absences. Agents must have a written agreement that covers compensation, if any, due. Agent needs to notify the broker/manager when they will be gone and who will be covering their business. If this has not been properly arranged, the broker/manager may assign an Agent to do the work. Compensation may be due to an Agent who assists.

## **PERSONAL APPEARANCE**

You are a direct reflection of this Company in your actions, dress, behavior, and language. We expect that you will behave and dress in a professional manner at all times when you are in the public, which will include dropping into the office (if you are in the public areas), showings, closing, final walk through, property tours, education programs, etc.

## **OFFICE NEATNESS AND DECORUM**

When visitors enter our office, we are judged on the neatness and the general appearance of the office. You are expected to keep any desk you are working at clean and tidy always. All ordered supplies and sales materials delivered to the office by a supplier must be removed from the general office area promptly by the Agent ordering the material.

No material may be attached to any office wall, unless preapproved by management. We must all co-operate in maintaining a businesslike and professional atmosphere in the office always.

Please ensure that the volume of discussions is kept at a professional and tolerant level. Please note that profanity of any kind will not be tolerated.

## **OFFICE FUNCTION**

This office is designed for selling, leasing, and exchanging real property only, and all systems, procedures and methodologies utilized in the office by all employees and associates shall correspond and co-ordinate accordingly. We are all here to provide the best possible service to the public as well as competitive brokerage companies and to maintain respect in this regard always. Under no circumstances are activities other than real estate to be conducted on the premises without the prior express written permission of management.

## **FOOD IN THE OFFICE**

The office is often your home away from home. However, it is first and foremost a place of business. Please refrain from using our microwave (where available) to cook items that produce odors, for example, popcorn or fish. It is not professional when clients come into our office and it smells like a restaurant.

If you order in food, it is to be eaten in an office separate from the conference rooms. If a fully functional kitchen is provided, please use it.

## **MAINTENANCE AND CLEANING**

This office is vacuumed and cleaned on the following days each week: **applicable day(s)**. This includes trash removal. It is the responsibility of everyone at the office to keep the common areas clean and tidy. This includes your desks, bathrooms, break room, training room, and conference areas.

## **LOCK – UP**

It is the responsibility of each Agent to lock up the office for security purposes whenever leaving after hours. Keys/key cards have been supplied to everyone in this regard and they should be retained in safe keeping. Security codes for the alarm system must be held in the strictest confidence. The Company is not responsible for theft or loss of personal items belonging to Agents/staff, and it is recommended that each person insure the loss of their personal belongings. You should make sure that you are covered by your homeowner's/renter's insurance policy. If you find that you are not insured, it is your responsibility to make arrangements for securing your personal property. Please do not leave yourself uninsured.

## **OFFICE PERSONNEL RECORDS**

The government requires the Company to keep extensive and accurate files on all salaried and commissioned individuals in the office and for this reason we must insist that all changes in your home address, telephone number, etc., be reported to the office administrator promptly and to appropriate governing bodies. You must co-operate in a diligent fashion in completing any forms or information required by the government or for our records.

## **PROFESSIONAL CONDUCT**

The Company does not tolerate any conduct unbecoming a professional staff member. Disciplinary action may follow any breach of this conduct. The Company reserves the right to immediately dismiss any individual who engages in an extreme violation of conduct, such as dishonesty, or repetitive breaches or violations of Company and real estate board rules, wherein the individual failed to correct said breaches or violations within an appropriate time after due notice of breach or violation by the Company.

## **CHAPTER 3 – ADMINISTRATION**

This office abides by the (select appropriate Act) Fair Labor Standards Act (FLSA) or Employment Standards Act for Canada.

### **HIRING OF EXIT ADMINISTRATORS**

Due to the nature of our work, our administrators are in the position of being in possession of confidential information and perform a very important function concerning the productivity of our operation. The following points are important in this regard.

### **ADMINISTRATION - GENERAL**

Administrative services rates as the most important service in a real estate office. It is vitally important that a high level of harmony and rapport exists between administrative and sales staff. Your patience, consideration, and co-operation must be practiced always.

To maximize the services available, in the most efficient and desirable manner, it is necessary that each sales associate knows and practices the following procedures.

All administrative work must be given to the designated administrator on duty.

### **ADMINISTRATOR**

In the initial stages of any real estate operation the Administrator executes all the administrative functions in the office. With expansion and growth this will change. The Administrator's true function involves everything that takes place after a sale is made, whereas the front desk staff handle everything that takes place before a sale is made.

The Administrator is a key employee who handles and executes all activities regarding banking, the trust/escrow account, transaction record sheets, accounting, bill paying, correspondence and all back-up services pertaining to our real estate transactions. This job requires detail orientation, efficiency, control, and good judgment. It is imperative that all documentation and information pertaining to real estate transactions, referrals and commissions be relayed to the Administrator immediately upon execution by the Agent. Like the Agent, the Administrator reports directly to management.

### **FRONT DESK STAFF**

Front desk staff specialize in communication and the efficient transmission of information. It is imperative that Agents refrain from loitering around the front desk. It is also important that the front desk staff maintain a good business-like appearance for public relations purposes and act and react in a professional business-like manner as prescribed by management. It is also to be understood that the Administrator is a senior position in relation to the front desk and as such will monitor and oversee the function and activities therein and will report back to management accordingly. Since the front desk position is often the initial contact with the public, attitude is a very important factor. It is the job of everyone in this Company to maintain a positive, constructive, and creative attitude. This adds to team spirit and makes the job easier.

Telephone reception is an extremely difficult and demanding responsibility. It is a stressful position, and the real estate industry traditionally experiences a very high rate of turnover. No matter how much a company may try to develop procedures to soften the stress level, it nonetheless remains a very difficult job.

It is also important that a harmonious, supportive, and efficient relationship exists between Agents and the administrative staff of this office. We are focused on successful productivity and everyone is expected to co-operate to achieve this goal. Any difficulties in this regard should be reported to Management immediately.

### **POLICY ON HARASSMENT**

Every effort should be made by all EXIT employees, Executives and Agents and other independent contractors to refrain from all activities that imply or denote harassment in the workplace.



To retain the dignity and reputation of the EXIT system, as well as that of everyone involved with the EXIT organization, it is expected that good ethics, sound moral judgment and conduct normally associated with good business be exercised by everyone in this Company always.

Should a problem occur, concerning harassment within the Company please contact **Enter appropriate name of person.**

A single incident of unwanted touching of a person's intimate body areas is sufficiently offensive to be defined as sexual harassment. It may also constitute a criminal offense under state/provincial "sexual assault" laws.

Conduct is unwelcome when a person does not solicit or invite it and when the person regards the conduct as undesirable or offensive. It is important to note that harassment is in the eye of the beholder. What might be acceptable to one worker might be offensive and unwelcome to another. Thus a "reasonable person" test is applied: Would a reasonable person in the person's position find the conduct to be so unwelcome or harassing as to create a hostile work environment?

Verbal, physical, visual, and sexual harassment are strictly prohibited in all Company offices and at other meetings or events. Verbal harassment includes jokes and insults based upon race, sex, or another protected class category under applicable federal, state/provincial, or local fair employment law, including age, creed, color, disability, marital status, national origin, ancestry, lawful source of income, sexual orientation, gender identity, arrest or conviction record. Physical harassment includes unwelcome touching, grabbing, and pinching. Visual harassment includes suggestive pictures, posters, photographs or cartoons, and materials intended to reflect negatively on an individual's gender, race, national origin, ancestry, sexual preference, or membership in another protected class under fair employment law.

Sexual harassment includes unwelcome sexual advances, unwelcome requests for sexual acts or favors, and other unwelcome verbal or physical conduct of a sexual nature, or possession or distribution of sexually explicit materials that have the purpose or effect of unreasonably interfering with an individual's work performance, creating an intimidating, hostile or offensive working environment, or creating a hostile environment for the conduct of real estate business with clients, customers and others.

If any Agent or any other staff member believes that they been subjected to any such harassment, the incident shall be immediately reported to the **(enter person's name)**. The Company shall promptly investigate all written complaints. If management is involved in the complaining person's allegations, then an outside investigator may be retained. A written report will be rendered within 30 days of receipt of the complaint. The identity of the complainant and the individual(s) accused of the harassment will be kept strictly confidential.

Company policy prohibits any retaliation against any person who has complained of harassment, or against any person who participates in this company's investigation of the complaint. Any Agent, employee or independent contractor found to have engaged in harassment may be subject to termination.

## **CYBER HARASSMENT**

Use of the information systems, social media, or other online platform for harassment, in any form, will not be tolerated. The information systems are not to be used inappropriately to forward messages or information that will disparage individuals or groups based on their gender, race, national origin, or other protected characteristic, or in any manner which might disrupt the work place or damage morale. Accordingly, conduct including, but not limited to offensive comments, jokes/riddles, cartoons, pornography, profanity and offensive messages or information in any form is expressly prohibited.

Any Agent who receives threatening, harassing, or improper communications shall immediately report the situation to the Company.

## **DISCRIMINATION/FAIR HOUSING**

It is federal/state/provincial law that all persons shall have equal opportunities for housing regardless of sex, race, color, religion, disability, familial status, nation origin, sexual orientation, marital status, lawful source of income, age, or ancestry. No unlawful discrimination will ever be tolerated by this company.

Agents shall not deny equal professional services to any persons as it is a violation of local, state/provincial and/or federal laws nor the Agent be party to any plan or agreement to discriminate against any person(s) in violation with local, state/provincial, and/or federal laws. It is also the policy of this Company that no person be discriminated against in either hiring or firing of personnel or independent contractors on the basis of race, sex, color, creed, handicap, national origin, sexual orientation, marital status, age, or ancestry.

We will provide reasonable accommodations to qualified individuals with disabilities unless such accommodations would impose an undue hardship on business operations. Qualified individuals with disabilities are those who, with or without reasonable accommodations, can perform the essential functions of the job.

Furthermore, it is the policy of this Company that the Agent will not discriminate in the showing, selling, leasing, advertising, or listing of real estate because of race, sex, color, religion, disability, familial status, national origin, sexual orientation, marital status, age, or ancestry.

Should an Agent be accused of discrimination, an investigation will be conducted by the company and if the investigation confirms the accusation, the Agent's actions will be reported to [\(listing your government agency and associations here\)](#).

## **AGENT SAFETY**

Everyone is responsible for his or her own safety on the job and common-sense dictates that everyone should do everything in his or her power to mitigate potential dangers before they occur. Our office takes Agent safety very seriously, and we suggest the following tips to help you to stay safe:

1. Procedures are in place for front desk staff to contact law enforcement in the event of an emergency.

2. We have a code phrase for agents in distress at a property who contact the office (e.g. “Pull the red file on 123 Main Street”, with red indicating an emergency and 123 Main Street indicating the address where the agent is located); upon receiving this call or message, front desk personnel would contact 911 immediately to dispatch them to that address.

3. All Agents are encouraged to download and use a safety app. These apps encourage users to take photos of prospects or clients and/or their license plates, as well as keep GPS tabs on location. Ensure the prospect or client is aware of your efforts to confirm their identity.

4. Never meet a stranger, prospect or client alone in a secluded area or home. Always meet them at the office and be sure to obtain information such as driver’s license to confirm name and address. Take a colleague or family member on showings with you.

5. Buddy up at open houses with another real estate agent or mortgage broker.

6. Do not get into the car of a prospect, client or customer whom you don’t know.

7. Always keep front desk personnel, or a team or family member apprised of your schedule and route when showing properties. Schedule check-in times.

8. Be mindful when showing homes of having an escape route. For example, do not go into the basement of a vacant property with a prospect or client.

9. Take self-defence classes which teach not only skills but awareness.

10. Carry pepper spray (where legal) or a whistle or some other deterrent.

11. Always trust your gut instinct. If something feels wrong, do not pursue the prospect or client.

Our office holds regular sessions with (law enforcement, etc.) to educate Agents on staying safe in the field.

## **BUSINESS VS. PERSONAL RELATIONSHIPS**

Every effort must be made by management and administrative staff to deal fairly with Agents concerning all business-related matters. It should also be understood that Agents should refrain from exerting unfair leverage against either the management or administrative departments to generate undeserved business. In this regard, it is the policy of this office that the administrators maintain a good business-like relationship with Agents but activities such as lunch, dinner, gifting, incentives and/or close personal relationships shall be regarded as inappropriate and contrary to good business practice. It would therefore be a conflict of interest for an Agent to hire one of our staff to work for them on a full-time basis or part-time basis. Office policy is that an Agent cannot hire one of our support staff or a support staff who worked with us during the previous six-month period.

## **DO'S & DON'TS**

It is vitally important that every Agent adheres to the proper procedures as outlined in this manual. The following is a list of DO'S and DON'TS that all Agents must clearly follow to streamline our operations as much as possible.

### **DO'S**

DO check-in when you enter the office and always check out when you leave the office.

DO use the conference room with discretion (where available). Conference rooms are not to be used as a workstation for on-going calls.

DO leave the conference rooms neat and tidy after you have used them. Remove all cups, papers, books, wipe spills etc.

DO leave written instructions if a caller is to be left a message. A verbal instruction is NOT practical and can be misunderstood, therefore, take that extra step and put it in writing to assure accuracy.

DO have patience when calling in and when put on hold. The front desk staff could be talking to someone inquiring about your business.

DO respect the priorities of others. Remember others' offers and/or typing assignment are just as important as yours.

DO always inform our administrators immediately of a new listing or a sale. Please provide all necessary details for newly listed properties - name, number, price, key locations, special instructions and pertinent details regarding the sale.

DO inform the administrators immediately of all changes in your listings; it is unprofessional to call a seller for a showing appointment only to learn that the property has been sold. Giving incorrect price or other information to outside sales representatives could have serious consequences for the Company.

DO inform reception if you are travelling or will be unavailable for a given timeframe.

DO hand in all offers according to **(governing body guidelines)** from acceptance of same to report it to the "BOARD". A late reporting penalty by the real estate board is not uncommon.

DO obtain a receipt whenever you give deposit funds to another broker or title company and have the receipt filed with the transaction. You are responsible for any deposits in your possession.

DO instruct your clients of the immediate importance of selecting an attorney or title company and arranging financing if required. A delay not only creates a time constraint for our administrative staff but could also be critical to your transaction.

DO request assistance at the front desk when necessary, however, remember, every time an administrator leaves the telephone, a backlog of calls can result.

DO, when an administrator is preparing your offer, be available in case they need your assistance. Remember always to complete an "offer information sheet".

## **DON'TS**

DO NOT engage in loud or boisterous conversation around the front desk with other associates or staff. Conversation and laughter will and does create a distraction that leads to errors. Also, excessive noise can be heard by a caller and is unprofessional. First impressions are lasting and a client or other salesperson entering our office could get the wrong impression.

DO NOT request by telephone a list of salespersons who have shown your listing. This quite often results in wanting to know their numbers etc. and unduly ties up a very busy receptionist. Inspect the appointment logs yourself.

DO NOT request the administrative staff to take an ad over the phone.

DO NOT expect assignments, other than offers, to be prepared immediately. There are priorities that our staff must follow, so that everyone obtains equal administrative access.

DO NOT take or "borrow" anything from the office or from any associate's desk or office and that includes paper stock, computer books, scissors etc. This practice will not be tolerated by management or anyone else in the organization.

DO NOT engage a telephone receptionist in conversation while she is on the phone. It is frustrating for both parties as well as disconcerting to the caller.

DO NOT help yourself to office files, desks, or drawers since these are strictly off limits. Ask a staff person to retrieve a file, information, or help. Please supply yourself with all other office supplies that you need, and do not "borrow" these items from staff.

## **SPECIAL NOTATION - SCREENING OF CALLS**

Occasionally, an Agent will ask our staff for a special favor – namely, the screening of telephone calls.

In fairness to everyone, we cannot expect our front desk staff to personally screen an Agent's telephone calls, allowing selected clientele to talk to you only. In as much as the telephone can be an aggravation from time to time, it is also in most cases our first link to a listing and/or sale. Please be advised that our front desk staff are instructed not to screen calls as a matter of Company policy.

## **CHAPTER 4 – OFFICE PROCEDURES**

### **ERRORS AND OMISSIONS INSURANCE**

The Broker reserves the right to select an Errors and Omissions Policy and to choose the appropriate deductible amount based on claim experience. The Agent agrees to participate by way of sharing expenses in conjunction with the rest of the sales force accordingly. For your protection, it is important that anything giving rise to a claim be reported immediately to management.

### **DELIVERY OF TRANSACTION DOCUMENTATION TO BROKER**

Availability. According to (insert your governing body), all listing contracts, offers to purchase, leases, closing statements, deposit receipts, cancelled checks, trust account records and other documents or correspondence, including inspection reports, received, or prepared by the Broker must be available for inspection by the department (ADD MORE DETAIL SPECIFIC TO THE DEPARTMENT AND PROVIDE CONTACT INFO). The Broker shall make these records available for inspection and copying by the board (SPECIFY WHICH BOARD). If the records are retained outside this state/province, the Broker shall, upon request of the board, promptly send exact and complete copies to the department. Therefore, office policy should be adopted to assure the broker can readily comply in the event the department conducts an audit. The rule does not specifically require original copies; however, the Broker may require this by Company policy.

Broker Supervision Document Review. (insert your governing body) requires that the Broker conduct a reasonable review of documents and records. 'Reasonable review' means the timely review of a document or record to detect and correct errors which include ambiguous, omitted or incomplete portions of a document or record, or incorrect words, numbers, phrases, legal descriptions, terms or conditions. 'Reasonable review' does not include the detection and correction of an error which is not apparent on the face of the document or record unless the supervising Broker knows or has reason to know of the error."

Office Policies. (insert your governing body) requires that a broker provide all agents with a written statement of procedures under which the office and employees shall operate with respect to handling leases, listing contracts, offers to purchase and other documents relating to transactions. This may include procedures for licensees to promptly provide documentation for review and record keeping purposes. Office policies can be customized based on the broker's intentions and any broker/company business models.

**Any contract signed by either party, client and/or customer must be submitted for proper Company filing.**

### **BULLETIN BOARDS**

For your convenience, bulletin boards are conveniently located in common areas.

We attempt to post items of general interest. These may include open houses for other Broker listings as well as our own, timely statistical information, mortgage information, "hot" or

unusual properties, rentals, personal items for sale, upcoming events, items of interest regarding our Company, staff and associates as well as social events.

Any information posted on the bulletin boards shall be deemed as having been received and read by all Agents, and administrative staff. Therefore, the responsibility is on the individual to be constantly aware of pertinent events and information. Agents wishing to post anything on the bulletin boards must do so through the administrative staff.

## **PHOTOCOPIER**

A photocopier is provided in the general office area. If paper or supplies run low, inform the office administrator so that they may be replenished. In cases where the photocopier runs low or out of paper, please refill the paper tray.

All Agents will receive a photocopier user I.D. Code that must be included when using the photocopier. All photocopies are subject to a charge that will be invoiced to you on your monthly business expense statement.

## **MAIL**

Mail and important information will be distributed in a timely manner to all Agents. Due to the importance of some mail, all mail must be picked up on a regular basis. Failure to do so will result in this documentation being mailed to Agent's home address at their expense.

## **SALES DOCUMENTATION/OFFICE FILES**

We are in business to generate sales. Since all real estate transactions must be in writing, it is imperative that all documentation pertaining to listings, sales, leases, or exchanges be turned into management via **the online transaction management system or in person or electronically** immediately upon execution. This includes all Offers, Waivers, Amendments, Addendums, Extensions, Cancellations, Commission Agreements, communications with agents and clients, changes and closing information.

Time is of the essence in every aspect of real estate and your efficiency and diligence is necessary in this regard. Failure to comply could result in immediate termination and forfeiture of any and/or all commissions owed to agent.

**NOTE: Procedure dictates that an agent shall retain a copy (paper or electronic) for his/her own file of all documents regarding a transaction or a listing, and of any changes or amendments to same.**

## **CONFIDENTIALITY**

Since very substantial commissions result from the sale of real estate, we must protect the information of others within the office as zealously as we protect our own.

a) When the administrator is preparing someone else's offer, please stay away from that work area.

b) Do not ask the names of clients or the addresses of properties that a fellow associate is working on.

c) All information regarding client accounts is completely confidential and only those employees who have a need for specific information to administer an account may have access. Information regarding the Company and its operations is also confidential unless the information has been made public through a press release or printed financial statement. Confidential information about the Company or any other corporation, which is "inside information", may not be used to make a profit for the Company, an employee or a client account.

The responsibility for confidentiality exists both during your relationship with the Company and following termination or retirement. Similarly, the Company acknowledges a responsibility to respect the confidentiality of Agent's records, though any Agent is welcome to discuss his or her own record with management at reasonable times.

### **INTEGRITY OF RECORDS**

The service that the Company provides can only be as good as the records it keeps. Each Agent must ensure accuracy, timeliness and completeness of their record-keeping duties. All effort in this regard pays off in customer satisfaction and in personal satisfaction of a job well done. All Agent files must be kept current. You may be required from time to time to sign revised and/or new office forms to keep your file current with all forms.

### **LEGISLATION**

Wherever we do business, we must observe both the letter and the spirit of the law. All Agents must be familiar with the law as it affects their work and the Company's internal procedures. It is the responsibility of all to ensure that they have this knowledge and are aware of the types of possible inadvertent violations of legislation that could occur in their work.

### **CONFLICTS OF INTEREST - SELF DEALING - VIOLATIONS OF STATUTE**

A conflict of interest arises when an Agent is forced to choose between personal interests and his/her duty to the Company or a customer. Should any Agent by inadvertence find himself or herself in such a situation, it must be reported to management.

### **OFFICE COMPUTERS**

Computers are provided in the office for your convenience for the express purpose of interfacing with the real estate board computer, and any other use of this terminal is strictly prohibited. It is unequivocally prohibited for any Agent to change any settings on computers owned by the Company or gain access to the programs and/or function keys. Inappropriate use of office computers (i.e., accessing inappropriate sites) will result in an immediate suspension of privileges and possible termination. If in doubt about what constitutes proper use, contact the Administrator or Manager to arrange training.

[Insert conditions/policies for access to real estate board MLS system].



## **MONTHLY BUSINESS INVOICES**

The accounting office generates your monthly expense invoices and keeps track of all payments and any balance due.

Expense invoices will be distributed on or about the \_\_\_\_ of the month. Payment must be received no later than the \_\_\_\_ day of the month, or the next immediate business day following this date.

If there is a discrepancy or disagreement with an item on a monthly invoice, the bill in full must still be paid by the due date. The exception would be if it were a simple error in transposing figures or arithmetic that can immediately be corrected. If the discrepancy involves credit for advertising, or some production work through a supplier, the amount must still be paid and when the Company receives a credit from the supplier then a credit will be automatically made in the following month's invoice to you. The Company will not be liable for errors between yourself and any supplier. This billing is a service only, and the Company assumes absolutely no liability in such billings/orders to suppliers.

To maintain optimum service and facilities in the office, it is very important that each Agent take full responsibility to meet his or her individual obligations to the Company according to his or her agreement.

## **DRUGS/ALCOHOL & SMOKING POLICY**

No drugs or alcohol shall be present or used by an Agent during any real estate brokerage transaction other than those prescribed and taken under the direct supervision of a health care provider and which do not adversely affect the Agent's ability to perform his/her real estate duties. The Agent shall notify the Company should the Agent have a medical problem that requires the use of drugs which hamper his/her ability to perform his/her job. Agents should also discourage the use of drugs or alcohol by any client/customer during the transaction. Upon discovering that the client/customer is under the influence of either drugs or alcohol, the Agent should take appropriate action to terminate that day's activities, document all activities and suggest that they discuss or complete the transaction another time.

In keeping with trends towards health, the move of our society away from smoking as well as the recognition of hazards associated with the inhalation of second-hand smoke, we have designated our premises as "NON SMOKING".

## **CHAPTER 5 – ADVERTISING**

### **ADVERTISING/PROMOTIONAL ACTIVITIES**

Advertising and promotional activities are an important element of one's selling activity. Because it is such a high-profile item, it is crucial that high standards of quality and strict adherence to the regulations of the various governing bodies and Company policy are followed. Governing bodies include (enter applicable governing body(ies)). If unsure about your advertising message, please clear it with management.

## **WEBSITES/DOMAINS**

A website is a collection of pages accessed by entering a website address (domain or URL) into a web browser while connected to the internet using a computer or mobile device. Over the years, websites have evolved from online versions of business cards to a critical part of your overall marketing efforts. Agents can have as many websites as they want. Real estate websites are typically used to:

- Promote an Agent's business, reputation, products, and services
- Promote the sale of real estate
- Offer tools, education and information of interest to buyers and sellers
- Obtain information of potential customers (leads)
- Encourage others to consider a career in real estate with EXIT

## **CHOOSING A DOMAIN NAME**

When choosing a domain name, the main domain name must represent the Agent's rights under his or her contract with EXIT. In other words, it must reflect either his or her approved dba name or the area to which he or she has the right to practice real estate. The domain must not give the impression that it represents all of EXIT or more than your area you are licensed to practice real estate. Savvy marketing dictates that domain names are short, easy to say and spell and are descriptive. You should be able to say it over the phone without having to explain it further.

If an Agent chooses to advertise, promote, or otherwise conduct business by means of the Internet, the Agent must have the written approval from management before securing any web domain name that incorporates EXIT in its name, displays the EXIT Marks in its content or otherwise promotes his or her business with EXIT. EXIT Realty Corp. International has the final right of approval of any domain name used by an EXIT Realty Agent. The Agent may not use a domain name or develop an app that includes the words National, International, Canada, U.S., North America, nor provide any indication that the Agent is licensed to sell real estate anywhere other than where he or she is legally licensed or that the Agent represents the Region or the Franchisor.

## **NEWSPAPER AND MAGAZINE ADVERTISING**

Each Agent, prior to the submission of any advertising, must provide to the Company a copy of the listing, as well as a copy of any other form of advertisement for approval by management. The following minimum specific information must be submitted: address, price, seller name, telephone number, Agent's name, general geographical area, general description and type of property.

## **PROPERTY SIGNS**

Immediately upon installing any property sign, contact the office by phone, email, or in person, and provide the following minimum information: address, price, seller name and

telephone number, general description and type of property, and your name. This will again ensure that inquiries are properly directed to you.

Please ensure that all signs are placed on the seller's property. Do not place our Company signs on public or private property without appropriate permission as this could be subject to fines or other penalties.

### **PROMOTIONAL PRINTED MATERIAL**

Approved stock material produced by approved printing suppliers ordered by you does not require management approval.

All custom designed material must be approved by management in writing (or final proof initialled) prior to production, printing, and distribution to ensure that it does not violate any regulatory body rules and regulations.

### **CLAIMS / INDUCEMENTS**

We must avoid making any claim that we cannot back up by factual evidence. If you wish to make any kind of statement regarding your achievements or the Company's performance, or capability, it must be approved by management.

### **IDENTIFICATION IN ADVERTISING/PROMOTIONAL MATERIAL**

The Company name must appear in full in all advertising and in all promotional material. Advertisements must comply with EXIT Standards found on the Resource Center (RC).  
(Outline additional regulations specific to your regulatory organization)

### **SOCIAL MEDIA POLICY**

As professionals in the real estate industry, our work rarely follows a 9-5 schedule and sometimes the line between our personal life and work life blurs. Whether you participate in social media, blogging or posting video is entirely up to you but if you do participate, please be aware of the following:

- You are associated with EXIT Realty even when you "clock off". Unless you are authorized to speak on behalf of your Region or Brokerage, please ensure that you add that the opinions you express are your own and do not necessarily reflect those of EXIT Realty Corp. International, your Region or Brokerage.
- When you post about real estate related matters, be sure to identify yourself as a licensed real estate salesperson or broker (if applicable) per the rules and regulations of your local licensing authority.
- Please uphold EXIT Realty's Standards and Guidelines for Marketing on the Internet and Logo and Signage Standards documents both of which are available for download on the Resource Center.

- You are responsible for all content you post. Please act with integrity and be respectful of your audience. Refrain from using slurs, personal insults, obscenity, or engaging in any conduct that wouldn't be appropriate face-to-face with your boss or best customer.
- Respect copyright, privacy, fair use, disclosure and other applicable laws.
- Respect the privacy of EXIT Realty Corp. International, your Region, Brokerage, colleagues, clients and customers and don't share confidential information.
- And lastly, protect yourself and be careful what you share online. Once it's out there, it's out there for good.

## **NON-REAL ESTATE ADVERTISING**

It is Company policy to prevent the use of our business number(s) to advertise goods or services not related to real estate. Our front desk staff have been instructed not to take messages regarding the sale of cars, appliances, etc. They will indicate that said number was placed in error and will report any such calls to management.

## **CHAPTER 6 – LISTINGS**

### **NEW LISTINGS**

As Realtors® we are liable for the accuracy of all details on the information sheet. The onus is on you, the Agent, to correctly measure room sizes, to ensure the accuracy of all personal property that is and is not included, the correct taxes, property dimensions, and to observe the basic condition of the dwelling or buildings upon the property. Verify all information and try to obtain a copy of the survey, or taxes, and verify the mortgage. Do not fall into the trap of copying the information from an old listing. This is NOT allowed. A professional verifies his or her own work. The listing Agent should NEVER underestimate the importance of accurately completed listing documents.

### **LISTING BOARD**

It is Company policy that all listings - MLS, Exclusive, Open, Commission Agreement etc. are to be displayed on the listing board. Every Agent should be proud to display his or her listings, but in case he or she doesn't, the staff is instructed to do so. No "Pocket" listings are allowed.

### **DATA INFORMATION FORM**

A data information form for each property listing must be completed and submitted to our Company. The office administrator will check the data form for accuracy and completeness before entering the new listing into the MLS system.

NOTE: - ALL LISTINGS AND DATA FORMS MUST BE IN THE REAL ESTATE BOARD'S (PLEASE PROVIDE DETAILS ON THE SPECIFIC BOARDS APPLICABLE) HANDS WITHIN 48 HOURS OF THE SIGNING OF A LISTING AGREEMENT.

### **EXCLUSIVE LISTINGS**

Use the real estate board's exclusive listing form. Exclusive listings have no minimum time limit and they may be less than a 24-hour listing if you wish. Please contact the office administrator immediately upon taking an exclusive listing and provide details. It shall be noted in the appointment log including details regarding Broker cooperation. Where there are no instructions, it will be assumed that the listing agent will cooperate, and all pertinent details will be made available to all brokers and their salespeople. All Agents of the Company will of course have free access to all exclusive listings contracted in the Company's name.

It is recommended that complete and total cooperation be always given to other brokers. It is in everyone's best interest that we develop a reputation that will encourage broker participation on all our listings.

### **EXPIRED LISTINGS**

Should an office listing expire, the following policies shall be in effect:

If an Agent determines that he or she will be unable to re-list or extend a listed property, he or she may wish to refer the listing to another Company Agent, provided that a memo to this effect is handed into the office for filing. If that new Agent succeeds in extending or re-listing the property, the listing will be split 75/25 (25% to original Agent), unless otherwise agreed to in writing.

When a listing expires, reception will, at the receipt of any inquires by any member of the public, refer them to the listing Agent unless there is a re-listing by another office Agent, in which case, it will be referred to the succeeding Agent.

Any inquiries by another competitor's salesperson or Broker will be answered as "off the market".

### **OFF THE MARKET**

We require that the seller sign a letter stating their wish to remove a property currently listed on MLS, from the MLS system. Another letter shall be required to reactivate the current MLS listing. During the listing period please do not ask an administrator to tell other agents/brokers that a listing is off the market without such a letter as it is a breach of ethics.

### **RELEASES AND ASSIGNMENTS OF LISTINGS**

A release or assignment of listing will be processed only if agreed to by the listing Agent, the Broker. and the seller.

## **CANCELLATION OF A LISTING**

A definite bona-fide reason to cancel a listing is required before the Company will approve a cancellation. Similarly, we would seek the agreement of a listing Agent before any such cancellation. If the listing Agent is agreeable, then we would provide a cancellation agreement. It should be noted that where there is no holdover clause in effect, a note will be added to the cancellation agreement, which clearly states to the seller that should a buyer who was shown the property during the period of this listing agreement, which subsequently resulted in a successful sale, then full commission shall be payable to the Company.

Three copies of a cancellation agreement must be signed by the seller, one of which they retain, one for our files and one to be provided to the real estate board.

## **CO-BROKERING LISTINGS**

The Company allows Agents to co-broker listings with other licensed Realtors®. However, please note that the real estate board does not recognize co-brokering of MLS listings. In the case of an MLS listing, one broker can take a listing on MLS, and provide a commission agreement to the co-broker. See Company management for further details.

## **CHAPTER 7 – OFFERS**

### **ACCEPTED OFFERS - OUR LISTING**

If you generate an accepted offer, please contact the office immediately and provide pertinent details so that we can update our listing file/appointment records. All showings will be stopped immediately unless there is an escape clause in the offer.

All sales must be reported to the real estate board within 48 hours of acceptance of the offer. Therefore, please have all pertinent details on the Administrator's desk within 24 hours of the sale.

### **CHECKLIST**

All Agents are required to accurately complete a sales checklist, providing the necessary information and pertinent details regarding the sale. Prompt submission of this checklist to your administrator will result in the quick and efficient input of this information directly into the accounting computer system and the generation of your trade record sheet.

### **ASSIGNMENTS/FLIPS**

If you are involved in an assignment of an accepted offer, or the "flip" of a property, you are in fact "selling" the paperwork. To protect yourself and the Company and to avoid conflicts of interest with your seller, it is necessary that specific clauses be inserted into the offer. Please see your Broker regarding assignments.

## **DEPOSITS/TRUST FUNDS**

Deposits are trust monies which we hold in the Company's designated trust/escrow account on behalf of purchasers and sellers. These are not our monies and must be handled with care, and of course, are subject to stringent rules laid down by applicable governing body.

## **CERTIFIED DEPOSITS**

A Deposit on a real estate contract acts as "good faith" and is referred to as "Earnest Money". This money must be put into statutory trust/escrow within \_\_\_\_\_ hours of our receipt by law. A certified check or bank draft is the best method to verify intent on behalf of the buyer regarding a purchase. For the protection of the seller a Realtor® should demand certified funds. It is the policy of this Company to certify deposit checks in every circumstance possible. Inability to do so must be reported to management immediately.

## **CASH DEPOSITS**

It is not the responsibility of this office to provide security for cash deposits. The sales force is hereby instructed to take all cash deposits to a bank directly upon receipt and acquire a money order or draft which will then be processed by our administrator in the proper manner. The cost of all certification of checks, money orders or drafts is that of the sales representative executing the transaction.

## **INTEREST BEARING DEPOSITS**

The Company can only accept interest bearing trust deposits provided that the deposit is a minimum of (enter appropriate amount) and that the minimum length of time is (enter appropriate timeframe) from time of deposit, and that it is requested in writing by the buyer and agreed to by the seller. Under existing regulations, the buyer's [SIN/SSN#] number must be included on the offer if interest on the deposit is requested.

## **LISTINGS AND COMMISSIONS**

Listings are a direct function of making sales. Every effort should be made to take MLS Listings at full commission or more. EXIT is a full-service company and we believe in charging full commission accordingly. It is understood that negotiation concerning commissions is periodically necessary in offer presentations and we expect our sales force to use the utmost in strategy and shrewdness whenever this occurs. Our sales representatives, however, should diligently insist that the listing agreement display a full commission with appropriate amount paid to outside brokers, so that maximum activity is generated always.

## **DISCOUNTING**

EXIT Brokerage Name is not a discount brokerage and at no time should discounted commissions be advertised or promoted in any way. Should a commission be reduced in negotiations by our sales force for whatever reason, full disclosure in writing of such must be reported to the Administrator immediately upon execution.

## **RELEASES/TERMINATION OF AN ACCEPTED OFFER**

Releases/Termination of any accepted offer must be agreed to by all parties to the transaction, duly signed and witnessed before the Company can release any deposit monies.

If not agreed to by all parties to a transaction, the Company shall not release any trust funds. If a legal dispute arises between the parties, and one party exercises its legal rights in a court of law, the Company will transfer the deposit monies to the court where applicable.

## **OFFER POLICY**

All offers must be approved by the Broker prior to being prepared.

If a commercial property offer is not written on a standard real estate board form, using standard clauses, then it is Company policy that the contract must be approved by the seller's attorney prior to presentation or alternatively, the contract must be contingent upon the seller's attorney's approval. You must advise your seller of this recommendation also and if the seller wishes to waive this right, then you must present him (or her) with a waiver or disclaimer for signature. (A standard waiver form will be available from the Broker.)

## **AGENCY**

Agency relationships and the laws governing them are not to be ignored. All Sales Staff must be well educated in all facets of the latest laws and policies governing such disclosures. At all times and at first contact an agent must disclose that he/she is acting in an agency capacity and will do so on the prescribed forms as supplied in the office.

## **CHAPTER 8 - SALES POLICIES**

### **ARBITRATION/ETHICS**

If a dispute arises between two Agents within the Company, please do not discuss this problem with your fellow Agents. This seldom solves the problem, and may create confusion, bad feelings and misunderstandings.

Management is available for consultation and will discuss the problem with the Agent in question. Usually disputes can be settled amicably and quickly in this manner, before things get out of hand.

If the dispute is serious, the Manager will arrange meetings to hear both sides of the story and may ask that your side of the story be in writing. The manager reserves the right to verify all information given before making a final decision.

If one party remains unhappy with the decision, there is a final alternative, which is binding arbitration. Both parties select one sales associate each to an arbitration committee, and both agree to a third. Arbitration rules of the Real Estate Board shall prevail.



## **COMPLAINTS**

### **A. ANOTHER BROKER COMPLAINT**

If a Broker complains about the conduct of one of our Agents, management will do its best to defuse the situation and try to contain the problem so that it does not have to go to the real estate board's arbitration or ethics committee.

If our Agent is in the wrong, he or she can expect to be reprimanded in line with the seriousness of the complaint.

### **B. OUR AGENT'S COMPLAINT RE: CONDUCT OF ANOTHER AGENT OR BROKER**

If you have a problem with another Agent or broker, please discuss it with your Broker. Depending upon the seriousness, the Broker may wish, with your approval, to contact the Agent directly, the Agent's Broker or manager, or lodge a complaint with the real estate board's ethics/arbitration committee.

### **C. SELLER OR BUYER COMPLAINT**

If the Company receives a complaint from a Seller or Buyer about one of our Agents, management will do its best to defuse the situation first. If, after thorough investigation, it is found that the Agent acted against the rules of conduct and professionalism expected by the Company, the Agent could face dismissal from the Company.

## **DISCLOSURES**

If you act as a buyer or seller, you are required to disclose in writing that you are a licensed real estate salesperson (or broker). This disclosure must be made prior to presenting or receiving a contract, and it must be acknowledged by the seller and buyer.

Please note that disclosures must be made even if you have an indirect interest in a property, or if you are an officer, director or shareholder of a private company who is buying or selling a property. If you are buying in trust, ensure that you have an agreement signed by your "client", otherwise you could be 100% responsible for any damages suffered by the seller.

## **DUTY ROSTER**

There is a duty roster in effect always. However, duty time is voluntary and duty calls shall be given to the first Agent who is present in the office, and whose name comes up next on the roster. Should no one be in the office then the first person on the duty list will be contacted and given the call.

Duty is arranged in      hour shifts. You will receive your Duty Roster calendar at the beginning of each month from the Administrator. Please keep this for your reference.

All calls from prospective buyers or sellers, where there is no request for a specific Agent, will be handled in the following way. The receptionist will inquire as to whether they are calling, or emailing because of a sign, referred by someone, or from receiving communication of any

kind. If their response is "yes" but they do not remember the Agent's name, they will prompt them by asking their address, when they saw a sign or pamphlet and the receptionist will try to identify the source and direct the call to the appropriate Agent. If they are unable to identify the source, they will then refer the call to the duty Agent. If there is some doubt in the receptionist's mind, then they will refer the call to management.

All referrals received by the Company that do not request a specific Agent go to the duty person, including those that arrive by mail. Please note that there is no perfect, mistake-proof system. Our staff does try their very best. In the rare case that a misplaced call/message/email arises, the onus is on the receiving Agent to redirect the misplaced call. Misdirected calls or messages must be immediately turned over to the proper Agent. Violation of this policy is subject to arbitration proceedings and reprimand policies that are in effect.

## **COMMISSIONS**

Commission checks are paid out on \_\_\_\_\_, usually in the early afternoon, provided that all funds are in the office by \_\_\_\_\_ at 5:00 p.m.

If the deposit held does not cover the full commission, then the Company reserves the right to withhold processing until full payment is received. If the remaining balance is not received by the end of the second week, the Company will actively begin to seek out the remaining balance. NOTE: Some companies often take up to three weeks to pay out other brokers. Pro-rated payment shall only be considered by management if the balance owing to us will be unduly delayed or difficult to obtain. To protect the interests of the seller as well as to ensure quick payment to you upon closing, make efforts to ensure that the deposit is sufficient to cover the full commission.

## **PURCHASE/SALE OF OWN PROPERTY**

Provided all proper disclosures are made, an Agent may purchase or sell any property any time. If no commissions are earned by the Agent on the purchase or sale of their own property, then no EXIT transaction fees or Company portion of commission will be levied. If commissions are earned, the transaction will be treated as any other.

NOTE: If the property is your own residence, the office is to be paid a flat fee for the administration of the deal as follows: **indicate amount for a listing side and indicate amount for a buyer side.**

## **REFERRALS**

Referrals are very important at any office. It is not uncommon, given the calibre of our people, that Agent may at times find themselves overburdened with more buyers than can be reasonably serviced. It is profitable for everyone concerned that you refer these "extra buyers" for "extra dollars" to an Agent in our office who is not quite so busy. The same goes for a seller that you feel you cannot handle efficiently.

As stated in the EXIT Formula, a 40% referral fee for a listing and a 25% referral fee for a buyer are standard. However, if you co-list a property but still want to be involved in some of the work, then a 50% co-listing arrangement is usual.

Company policy and legislation dictates that commissions are payable only to licensed salespersons within the Company or to other brokers.

### **SUBSTITUTE AGENT**

Whenever a substitute Agent handles the business affairs of an absent Agent, the following compensation guidelines are suggested:

It is hereby agreed between "X" (Agent to be absent) and "Y" (Agent handling "X's" business) as follows:

1. "Y" will receive 25% of any of my listing sides that sell provided it is some other Agent's offer.
2. "Y" will receive 75% of the selling side of one of my buyers, if I have not worked with them previously.
3. "Y" will receive 50% of the selling side of one of my buyers if I have spent a certain amount of time with them, showing homes.
4. "Y" will receive only 25% of the selling side of one of my buyers, if I have previously shown them the particular house that they buy.
5. "Y" will receive 25% of any new listing from one of my referral or previous clients.
6. "Y" will receive 50% of the selling side of a purchase by a current seller of mine, who buys during my absence, or is shown a home by "Y" and buys it upon or just after my return.
7. If "Y" is required to deal with a previously signed agreement that is in jeopardy and does all things necessary to keep the transaction alive, he/she will receive.
  - a. a minimum of 25% of the listing commission (if negotiations involve only the seller).
  - b. a minimum of 25% of the selling commission (if negotiations involve only the buyer).
  - c. a minimum of 25% of the total commission (if both listing and buying sides) if negotiations involve both the seller and buyer.

It is advisable that a written agreement be made. In the absence of any written agreement, management may use the above as a guideline only, in its decisions.

## **ABSENT AGENT (AGENT UNAVAILABLE)**

It is incumbent upon every Agent to notify reception of where he/she may be reached at any given time. Should an Agent be unavailable (for 1/2 day, a day or weekend), please ensure that reception is aware of this fact.

Should an Agent be unavailable for more than a day, it is office policy that another Agent be appointed to represent his or her business affairs during this absence. (See Substitute Agent). If this is not done, and the Agent cannot be reached in a reasonable timeframe, the Broker reserves the right to arrange a substitute should it become necessary. The compensation in such a case will be as follows:

- a) Presenting a Registered Offer on our listing - 25% referral to presenting Agent.
- b) To take a caller's listing - 50% referral (does not include re-listing).

## **FORMATION OF TEAMS**

The EXIT Formula is written in such a way to allow teams to prosper and be successful. As a Company, EXIT [insert brokerage name] wants to foster an environment that is conducive for teams to be successful. As a prerequisite to forming a team, the Agents must meet with the Broker prior to establishment of a new team to help ensure success for all involved.

Likewise, for existing teams before adding existing EXIT [insert brokerage name] Agents to a team, the team must meet with the Broker to discuss the additions. Teams are also required to follow the proper recruiting process when looking for potential outside team members. All new Agents and administrative staff are required to meet with the Broker for approval prior to being added to the team.

### **EXIT Team Definition**

A team is two or more licensed Agents working together to conduct real estate. Typically, the team will be recognized as, and promote themselves as, this team. Team leader and member information will be entered in MEMO (deal accounting system).

### **Team Deals in MEMO**

All transactions that are entered into MEMO where a team leader and member(s) share in the deal and are paid commissions related to the transaction are subject to transaction fees prorated accordingly. For example, if the team leader and member share the commission 60%/40%, then the transaction fee would be split accordingly. Therefore, a \$150 transaction fee would be split between the leader at 60% or \$90, and the member at 40%, or \$60. This cannot be altered. The team leader and member would also be credited for the side for individual awards purposes based on the same breakdown (.6 and .4 of an end/side respectively).

## **Partnerships**

In the case of spousal teams or partnerships, particularly where one spouse has sponsored the other, all transactions will be split 50/50 to ensure proper recognition as well as adherence to the EXIT Formula.

## **Team Leader Production**

Team Leader personal production may be designated as “team deals” in MEMO for the purpose of adding to the team’s total sales volume.

## **What Violates EXIT’s Policy?**

It is EXIT’s policy that all actively licensed individuals who offer real estate services to a customer or client should be recognized in MEMO, should remit the appropriate transaction fees, and be eligible for both personal and team production awards. Failure to record production in MEMO as it occurred, is a violation of the EXIT Formula.

## **Sample Team Transaction**

This example shows the team leader earning 60% of the commission and the team member earning 40%. The total transaction fee on this deal is \$225; the total regional development fee is \$35. The team leader pays 60% of the fees and earns .6 of an end. The team member pays 40% of the fees and earns .4 of an end.

In the case of a spousal team splitting transactions 50/50, substitute the 60/40 for 50/50 in the above example: all fees would be split 50/50, and each member would receive .5 of an end.

### **Important Notes:**

- When a deal has been denoted as a team transaction, MEMO will allocate that production towards team awards, as well as toward the individual team leader's and member's personal production awards eligibility.
- Regardless of how a team leader and member(s) split the commission, the fee caps ALWAYS remain the same for each agent and do not increase. For each Agent, the caps per production year are \$2700 in transaction fees and \$500 in regional development fees (pro-rated the first year).
- All team agreements must be in writing and on file with the Company. They must clearly state the responsibilities of the team leader and team member(s) including the financial responsibility for each party in addition to the commission split information.

### **NON-LICENSED ASSISTANTS**

1. Non-licensed Assistants must not represent themselves as Agents. This includes direct involvement in any activity that requires a real estate license, such as canvassing, sitting at open houses, showing properties or presenting offers, waivers, amendments, etc.
2. Assistants may perform certain administrative functions that do not involve dealing with the public in a capacity that requires a real estate license. They must answer the phone as your assistant, for example, "Good morning, this is George Smith's assistant. May I help you?"
3. Assistants may have access to our offices with the clear understanding that any and all information gained by them is strictly confidential.
4. Assistants may use the equipment and supplies provided to you as Agents with the understanding that they will treat it as you would.
5. Assistants should dress professionally and conduct themselves always so as to represent a true professional image that we all strive to maintain.
6. Assistants should be asked to keep personal calls and visitors to an absolute minimum.

Management reserves the right to review the impact that assistants make on our daily cost of operation. Should we find it necessary, a fee for each assistant that utilizes our services may be imposed.

## **OPEN HOUSES**

No one shall hold an open house other than a licensed Agent. All open houses must have a licensed Agent present for the entire duration of the scheduled open house. It is imperative to have all attendees sign in for security reasons for the Agent and seller.

## **SPONSORING**

Management will have final approval for all new recruits. Sponsoring is an introductory program that enhances the recruiting process. It is understood and agreed that management retains all rights regarding screening in this regard to maintain the goals, reputation and integrity of this operation. At no time should it be taken for granted that a potential recruit will be hired into our Company until management gives full approval. This is for the good of not just this franchise but for the entire EXIT System.

The giving to management of a business card, the name, or any written or verbal suggestion regarding a potential recruit does not constitute sponsoring. It is necessary that management be introduced to the potential recruit by the sponsor whereby all initiation is executed by that sponsor. It is also understood that the potential recruit must acknowledge in writing immediately upon license transfer the name of his/her sponsor(s). If no sponsor is named directly therein, then management becomes the sponsor as per the EXIT Formula and this should be noted on the form that the recruit signs. The sponsoring process at EXIT is unique to the industry and it is expected that it will be conducted in a professional and ethical manner. It requires salesmanship, diligence, and persistence and the residual rewards are substantial. It is expected that all our EXIT Associates treat this sponsoring process as an integral part of our business and that all parties be held in high esteem and be treated with courtesy, fairness and positive intent accordingly.

Please review the What is Sponsoring document found on the Resource Center.

## **SALES MEETINGS**

From time to time management will organize and conduct sales meetings. It is expected that you book this time as an appointment and that you participate in all such group sessions. You will be notified well in advance and your full co-operation is expected. The policies, procedures, direction and motivation of this operation must periodically be dealt with in a group function and your attendance helps to guarantee our complete success in this regard.

## **PERFORMANCE REVIEW**

We expect all our Agents to develop systems and plan with the intent to be productively successful. It is part of management's job to monitor this and to be of assistance whenever possible. From time to time interviews will be arranged with the Agents regarding performance. This will include all the functions of the Agent's responsibilities ranging from the ability to canvass for business, generate listings, make presentations, closing abilities, price reductions, advertising, etc. This is done to enhance productivity, and therefore full co-operation is appreciated.

## **CORPORATE OBJECTIVE**

EXIT Realty Corp. International has established standards that all EXIT Agents target to achieve a minimum of 12 active listings held in stock always and that 2 sales and 3 listings per month are a prerequisite for good achievement. Anything less than this is to be considered unfinished business. This is an excellent corporate objective and every effort will be made by management to assist you in this regard. It is our absolute intention to be the very best real estate company in the business and our ability to achieve these goals will help us to be totally successful in achieving our goal. As a bonus, the EXIT Formula offers a 3<sup>rd</sup> revenue stream with sponsoring. Our corporate objective is to have all Agents sponsor 3 agents each year so they can build lifestyle, retirement, wealth, investment opportunities without using the money they personally earned.

## **EXIT AWARDS SYSTEM**

For trophy and award designations, the EXIT production year for our sales force is calibrated from July 1<sup>st</sup> to June 30<sup>th</sup> of each year. In this way each Agent has the benefit of finishing their year with the help of the spring market.

Most of the awards recognized by EXIT are based on closed transactions only, which must be verifiable by transaction record sheets. The EXIT Annual Convention is held in the fall each year and this includes the award presentations. This timing is perfect because it removes the problem of the sales force leaving their business in the middle of the spring market. This Convention is EXIT Realty Corp. International's major corporate event of the year and every effort should be made to be part of this gala.

You will be notified of the convention details well in advance and our team spirit thrives on full participation by the entire group. That is what EXIT is all about and that is why you are encouraged to take part in these events. It is a fabulous experience and well worth the effort. Award thresholds can be found on the Resource Center.

## **PROCEDURES FOR REPORTING IDEAS, SUGGESTIONS, PROBLEMS, COMPLAINTS**

Management is anxious to increase its efficiency, level of service and productivity. Therefore, we urge you to voice your ideas, suggestions, problems or complaints directly to management.

In the case of a minor complaint or problem you may bring it to the attention of the office Administrator.

## **LEAVE OF ABSENCE**

Any Agent requiring extended time away should make arrangements with management beforehand.



## **CHAPTER 9 – SUMMARY**

### **GENERAL**

It would be impossible for any organization to create written policies that adequately cover co-operation and goodwill, and what it takes to protect professionalism and competence. Rather they are created through the attitude and conduct of every employee and Agent.

### **BUILDING GOOD WILL**

Business courtesy, applied to a trivial matter here and to another trivial matter elsewhere, builds up rapidly until each member of the organization succeeds in presenting the Company to the public as a going concern composed of men and women of competence and ability.

True courtesy materially contributes to goodwill and respect, that most precious possession of any one or any business. Goodwill and respect are the cornerstone, not merely of business, but of all civilized relationships.

The goodwill and respect created by those who have served the Company in the past, added to that of those who serve now, is a business asset which most businesspeople rate highly. More importantly, it is a personal asset that is invaluable to each of us.

### **INTER-OFFICE CO-OPERATION**

Nothing is so important as harmony, loyalty and friendly co-operation among the Agents in the same office. Misunderstandings must be settled immediately. Grudges must not be allowed to continue, as they will interfere with the Agent's best efforts and productivity.

If each Agent practices the "Golden Rule" with all other Agents in the office, few misunderstandings should arise. If each will respect the other's right to develop prospects and will help the other without thought of a commission split, his or her efforts will be reciprocated. This is the ideal situation. All will make more money and there will exist harmony and goodwill.

To receive co-operation from other Agents and in order that all might be in a better position to give it, each Agent should openly discuss his or her prospects and the types of properties in which he or she thinks they are most interested. If an Agent discusses his or her problems, other Agents will probably think of some property that he or she can show to his or her prospect. The Agent suggesting a property should not expect the Agent with the prospect to share commissions. He or she should expect only that the other Agent would make reciprocal suggestions to him or her, which will result in more sales for all concerned.

**ACKNOWLEDGEMENT**

I, \_\_\_\_\_, HAVE FULLY READ AND UNDERSTAND THE POLICIES AND PROCEDURES THAT ARE CONTAINED IN THE POLICY AND PROCEDURES MANUAL DATED \_\_\_\_\_, AND AGREE TO ABIDE BY THEM WHILE LICENSED AND / OR IN ASSOCIATION WITH THIS COMPANY. UPDATES TO THIS MANUAL WILL BE PROVIDED TO ME BY MANAGEMENT IN A TIMELY MANNER.

Dated at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
EXIT Sales Associate

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Franchisee [or authorized representative]

\_\_\_\_\_  
Witness

## SCHEDULE 4

# SALES REPRESENTATIVE AGREEMENT RENEWAL FORM

Between:

EXIT Realty \_\_\_\_\_, located at \_\_\_\_\_,  
 ("EXIT **Trade Name**") and \_\_\_\_\_, ("Sales Representative")  
 residing at \_\_\_\_\_.

1. EXIT **[Trade Name]** and Sales Representative signed a Sales Representative Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_(the “Agreement”).
2. Both parties agree to renew the Agreement based on the same terms and conditions identified in the Agreement with the following exception:

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3. Sales Representative acknowledges receipt of the most recent version of the EXIT Formula dated \_\_\_\_\_.

Witness Signature	Date
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Sales Representative Signature	Date
--------------------------------	------

Witness Print Name \_\_\_\_\_

Sales Representative Print Name

\_\_\_\_\_  
 Witness Signature Date

Franchisee Signature \_\_\_\_\_ Date \_\_\_\_\_

Witness Print Name \_\_\_\_\_

Franchisee Print Name

B1155365

**EXHIBIT B**  
**STATE FRANCHISE ADMINISTRATORS**

## STATE FRANCHISE ADMINISTRATORS

State	State Administrator	Agent for Service of Process
<b>California</b>	California Department of Business Oversight	Department of Financial Protection and Innovation Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (866) 275-2677
<b>Hawaii</b>	Hawaii Commissioner of Securities, Department of Commerce & Consumer Affairs, Business Registration Division, Securities Compliance Branch	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
<b>Illinois</b>	Illinois Franchise Bureau, Office of the Attorney General	Attorney General of Illinois Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465
<b>Indiana</b>	Indiana Securities Division/Franchise Section	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681
<b>Maryland</b>	Maryland, Office of the Attorney General, Securities Division	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2021 (410) 576-7042
<b>Michigan</b>	Michigan Attorney General's Office, Consumer Protection Division, Franchise Section	Michigan Department of Labor & Economic Growth Commercial Services & Corporations Bureau 611 West Ottawa Street Lansing, Michigan 48909 (517) 373-7117
<b>Minnesota</b>	Minnesota Commissioner of Commerce	Minnesota Commissioner of Commerce Department of Commerce 85 7 <sup>th</sup> Place East, Suite 500 St. Paul, MN 55101-2198 (651) 539-1500
<b>New York</b>	New York State Department of Law, Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231

## STATE FRANCHISE ADMINISTRATORS

State	State Administrator	Agent for Service of Process
<b>North Dakota</b>	North Dakota Securities Department	North Dakota Securities Commissioner State of North Dakota 600 East Blvd. Ave., Fifth Floor Bismarck, ND 58505 (701) 328-4712
<b>Oregon</b>	Oregon Department of Consumer and Business Services	Director of the Department of Consumer and Business Services 350 Winter Street NE P.O. Box 14480 Salem, OR 97309-0405 (503) 378-4100
<b>Rhode Island</b>	Department of Business Regulation, Securities Division	Director Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
<b>South Dakota</b>	South Dakota Division of Insurance, Securities Regulation	Director, Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501-3185 (605) 773-3563
<b>Virginia</b>	State Corporation Commission, Division of Securities and Retail Franchising	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9672
<b>Washington</b>	Washington Department of Financial Institutions, Securities Division	Administrator of Securities Securities Division 150 Israel Road, S.W. Tumwater, WA 98501 (360) 902-8760
<b>Wisconsin</b>	Wisconsin Department of Financial Institutions, Securities and Franchise Registration, Wisconsin Securities Commission	Administrator, Division of Securities Department of Financial Institutions Division of Securities 345 West Washington Street, 4th Floor Madison, WI 53703 (608) 266-3364

**EXHIBIT C**  
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- 1.2 Tami Bonnell, Co-Chair
- 1.3 Erika Gileo, COO
- 1.4 Craig Witt, C.E.O - U.S. Division
- 1.5 Joyce Paron, C.E.O - Canadian Division
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**TRAINING MANUAL – VOLUME 2**  
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**EXHIBIT D  
LIST OF OPEN FRANCHISES**

**EXHIBIT D – 1  
LIST OF FRANCHISEES THAT HAVE FRANCHISE AGREEMENTS SIGNED BUT NOT  
OPENED**

## EXHIBIT D - U.S Open Office List

Alabama									
EXIT REALTY ALABAMA - AL102									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
AL501	EXIT REALTY LYON	251 450 1481	SLyon@ExitRealtyLyon.com	Jimmy	Lyon	759 Downtowner Loop W.	Mobile	AL	36609
AL502	EXIT REALTY GULF SHORES	251 974 1288	tom7467@gmail.com	Tom	Stanton	3725 Gulf Shores Pkwy	Gulf Shores	AL	36542
AL502C	EXIT REALTY ORANGE BEACH	251 981 7335	tommy.exit@gmail.com	Tommy	Stanton	23005 Perdido Beach Blvd.	Orange Beach	AL	36561
AL530	EXIT TOTAL REALTY	256 325 0044	jeffnay@exittotalrealty.com	Ronnie	Harris	6610 Old Madison Pike	Huntsville	AL	35806
AL533	EXIT REALTY PREFERRED	334 491 3948	marthadoylerealtor@aol.com	Martha	Doyle	660 N. McQueen Smith Rd. Suite J	Prattville	AL	36066
AL534	EXIT ALLSTAR REALTY	251 380 0990	rachelnufrio@yahoo.com	Rachel	Nufrio	6606 Old Shell Rd	Mobile	AL	36608
AL536	EXIT REALTY LYON	251 929 4545	SLyon@ExitRealtyLyon.com	Sue	Lyon	8 South Church Street	Fairhope	AL	36532
AL539	EXIT ALLSTAR GULF COAST REALTY	251 348 7220	jodylmarsh@gmail.com	Jody	Marsh	28600 Hwy 98 Suite K	Daphne	AL	36526
AL543	EXIT ROYAL REALTY	205 258 5325	exitroyalrealty@gmail.com	Nathan	Oldroyd	103 7th Street North	Clanton	AL	35045
AL545	EXIT REALTY PARTNERS	334 356 7575	bernicehenderson.exit@yahoo.com	Bernice	Henderson	1345 Carmichael Way	Montgomery	AL	36106
AL549	EXIT RIVER CITY REALTY	256 284 7781	angiebrandon570@yahoo.com	Dewayne	Crumley	4221 Huntsville Road	Florence	AL	35630
AL550	EXIT JUSTICE REALTY	205 648 5195	Melissa@ExitJusticeRealty.com	Melissa	Justice	50 Parr Street	Sumiton	AL	35148
AL552	EXIT CAPSTONE REALTY	659 734 3948	frontdesk.exitcapstone@gmail.com	Julie	Meggs	1818 University Blvd.	Tuscaloosa	AL	35401
AL553	EXIT JUSTICE REALTY	205 285 8095	melissa@exitjusticerealty.com	Steven	Pharo	439 Fieldstown Road, Suite 129	Gardendale	AL	35071
AL554	EXIT REALTY NORTH	256 427 2777	chris@exitrealtynorth.com	Chris	Hulser-Hoover	1896 Slaughter Road, Suite F	Madison	AL	35758

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
AL555	EXIT REALTY PIKE ROAD	334 245 9300	rebekah@exitrealtypike road.com	Mary	Corwin	9427 Vaughn Road, Suite C	Pike Road	AL	36064
AL556	EXIT ELITE REALTY	205 894 4200	tundrapippens@yahoo. com	Melanee	Rose	3421 South Shades Crest Drive Suite 113	Hoover	AL	35244
AL557	EXIT REALTY PRIME	205 420 8989	Info.exitrealtyprime@g mail.com	Justin	Bailey	669 1st Street SW Suite A	Alabaster	AL	35007
AL558	EXIT NAVIGATOR REALTY	251 227 8326	exitnr@gmail.com	Courtney	Cathers	22835 Highway 59 South, Suite A	Robertsdale	AL	36567
AL559	EXIT REALTY BIRMINGHAM	205 202 2747	info@exitrealtybham.co m	Shannon	Malcom	2808 7th Ave S., Suite 111	Birmingham	AL	35233
AL560	EXIT REALTY LANDMARK	251 232 7702	exitrealtylandmark.dnj @gmail.com	Jenny	Carr	316 South McKenzie Street, Suite 100	Foley	AL	36535
AL562	EXIT REALTY FOOTHILLS	256 337 3930	kevin.cunningham.sales @gmail.com	Kevin	Cunningham	101 South Main Street	Piedmont	AL	36272
AL563	EXIT REALTY DOWNHOME	256 444 0929	felicia@exitrealtydownh ome.com	Felicia	McGee	115 South Marion Street	Athens	AL	35611
AL564	EXIT REALTY SHOALS	256 248 4320	exitrealtyshoals@gmail. com	Jay	Johnson	1402 Avalon Ave	Tuscumbia	AL	35674
AL567	EXIT REALTY HOMETOWN	334 478 4190	allenleerealestate@gma il.com	Angie	Kidd	219 Hill Street	Wetumpka	AL	36092
AL568	EXIT RIVER CITY REALTY	256 332 9920	angiebrandon570@yah oo.com	Marty	Vandiver	115 N Jackson Ave	Russellville	AL	35653
AL569	EXIT HOMESTYLE REALTY	205 565 7427	tundrapippens@yahoo. com	Rena'	Cottrell	4212 Tove Blvd Suite 110	Hueytown	AL	35023
AL570	EXIT REALTY 3:16	256 531 5657	clint@exitrealty316.co m	Jackie	Heaton	2046 B St. Joseph Dr. NW	Cullman	AL	35058
AL571	EXIT REALTY CAHABA	205 848 2228	info@exitrealtycahaba.c om	Susan	Alexander	13521 Old Highway 280, Ste. 249	Birmingham	AL	35242
AL573	EXIT REALTY SOUTHERN SELECT	205 913 0396	info@exitrealtysouther nselect.com	Randy	Aldrich	196 Main Street	Trussville	AL	35173
AL574	EXIT REALTY ANCHOR SOUTH	334 402 0028	rossonthelakeandcoast @gmail.com	Nancy	Pemberton	175 Aliant Parkway	Alexander City	AL	35010

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
AL576	EXIT REALTY SOUTHERN SELECT	205 913 0396	info@exitrealtysouthernselect.com	Sandy	Mills	105 3rd Street	Oneonta	AL	35121
AL577	EXIT REALTY ANCHOR SOUTH	334 402 0028	rossonthelakeandcoast@gmail.com	Burton	Hataway	1922 Professional Circle Suite #202	Auburn	AL	36830
AL580	EXIT REALTY CAHABA	205 848 2228	info@exitrealtycahaba.com	Jeannie	Smith	113B W. College St.	Columbiana	AL	35071
AL581	EXIT REALTY 9-1-1	205 486 9549	exitrealtyshoals@gmail.com	Reba	Hicks	2541 6th Ave	Haleyville	AL	35565
AL582	EXIT REALTY CALERA	205 294 4210	teresa.autrey@gmail.com	Teresa	Autrey	4720 Highway 31 South	Calera	AL	35040
AL583	EXIT HEART & HOME REALTY	205 532 7770	Karen.backinblack@outlook.com	Karen	Black	440 Middle Street	Montevallo	AL	35115
AL584	EXIT LAKE & COUNTRY REAL ESTATE	256 339 4152	exitlakeandcountry@gmail.com	Jill	Lambert	1645 Lessman Steet SW	Cullman	AL	35055
AL586	EXIT REALTY CAHABA	205 506 0714	melissahand@exitrealtycahaba.com	Dorothy	O'Hanlon	2057 Valleydale Rd. Suite 100	Birmingham	AL	35244
AL587	EXIT LEGACY REALTY	205 699 4837	EXITLegacyRealty@gmail.com	Tina	Poe	7924 Parkway Dr. SE	Leeds	AL	35094

#### Arizona

#### EXIT REALTY PACIFIC WEST - AZ200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
AZ557	EXIT REALTY YUMA	928 783 1900	jennifersellsyuma@gmail.com	Jennifer	Rascon	661 S. 4th Ave	Yuma	AZ	85364
AZ559	EXIT REALTY - REALTY PLACE	623 412 8500	k.weaver@exitrealtyplace.com	Keith	Weaver	501 E. Plaza Circle Suite P	Litchfield Park	AZ	85340
AZ565	EXIT REALTY SUN CITY	623 552 3255	laya@exitrealtysuncity.com	Laya	Gavin	18700 N 107th Ave, #33	Sun City	AZ	85373
AZ568	EXIT REALTY LIVING	480 791 4604	admin@exitrealtyliving.com	Ann	Petersen	1270 E Broadway Rd. Suite 104	Tempe	AZ	85282
AZ569	EXIT REALTY COANNAH	480 284 6283	chad@exitrealtycoannah.com	Chad	Kamp	610 N. Alma School Rd #18	Chandler	AZ	85224

#### Arkansas

#### EXIT REALTY CORP. USA - AR200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
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Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
AR528	EXIT REALTY HARPER CARLTON GROUP	479 372 6246	Tomacarlton@ymail.com	Toma	Carlton	2603 W. Pleasant Grove Rd. Unit 103	Rogers	AR	72758
AR529	EXIT TAYLOR REAL ESTATE	479 488 6120	mitzirealtor1@gmail.com	Mitzi	Taylor	1997 W. Pickens Rd	Pea Ridge	AR	72751
AR530	EXIT TAYLOR REAL ESTATE	479 488 6120	mitzirealtor1@gmail.com	Mitzi	Taylor	3201 Northeast 11th Street Suite 1	Bentonville	AR	72712

## California

### EXIT REALTY PACIFIC WEST - CA200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
CA504	EXIT REALTY KEYSTONE	408 778 9990	margaretvierra@gmail.com	Margaret	Vierra	16175 Monterey #A	Morgan Hill	CA	95037
CA546	EXIT REALTY CONSULTANTS	209 668 2525	kklair@exithome.com	Kris	Klair	600 E. Main Street, Suite 300	Turlock	CA	95380
CA597	EXIT REALTY CONSULTANTS	559 256 7878	kklair@exithome.com	Kris	Klair	2416 W. Shaw Ave #105	Fresno	CA	93711
CA626	EXIT IMPERIAL REALTY	760 352 9000	jaygoyal@yahoo.com	Jay	Goyal	512 Broadway	El Centro	CA	92243
CA641	EXIT REALTY CONSULTANTS	209 554 5252	kklair@exithome.com	Kris	Klair	3018 E. Service Rd. Suite 104 & 105	Ceres	CA	95380
CA644	EXIT REALTY CONSULTANTS	209 823 1234	kklair@exithome.com	Kris	Klair	150 W. Yosemite Ave	Manteca	CA	95336
CA654	EXIT CASTILLO REALTY	805 204 0920	lorenzo@castillorealtyinc.com	Lorenzo	Castillo	418 W. 3rd St.	Oxnard	CA	93030
CA655	EXIT ALLIANCE REALTY	951 639 8777	yourhomehere@yahoo.com	Shawn	Sorensen	43521 Ridge Park Suite 201	Temecula	CA	92590
CA658	EXIT REALTY KEYSTONE	408 550 1487	margaretvierra@gmail.com	Margaret	Vierra	1361 S. Winchester Blvd. Suite 103	San Jose	CA	95128
CA660	EXIT REALTY CONSULTANTS	209 622 4800	kklair@exithome.com	Kris	Klair	3425 Coffee Road. Ste 1	Modesto	CA	95355
CA660A	EXIT REALTY CONSULTANTS (MODESTO NORTH)	209 529 9050	kklair@exithome.com	Kris	Klair	901 McHenry Ave	Modesto	CA	95350

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
CA665	EXIT ALLIANCE REALTY	951 677 7300	yourhomehere@yahoo.com	Shawn	Sorensen	24791 Washington Ave	Murrieta	CA	92562
CA668	EXIT DIAMOND REALTY	877 271 1313	ward.broker@gmail.com	Dr. John	Ward	44231 10th Street W	Lancaster	CA	93534
CA669	EXIT REALTY CONSULTANTS	209 627 1111	kklair@exithome.com	Kris	Klair	924 N. Central.	Tracy	CA	95376
CA670	EXIT REALTY KEYSTONE	408 778 9990	margaretvierra@gmail.com	Margaret	Vierra	22076 Gilmore Ranch Road	Red Bluff	CA	96080
CA671	EXIT REALTY CONSULTANTS	209 626 2625	kklair@exithome.com	Kris	Klair	1822 W. Olive	Merced	CA	95348
CA672	EXIT CAPITAL REALTY	916 550 3948	sam@exitcapitalrealestate.com	Sam	Samadi	2100 Watt Ave Suite #140	Sacramento	CA	95825

#### Colorado

#### EXIT REALTY CORP. USA - CO200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
CO507	EXIT REALTY DTC, CHERRY CREEK, PIKES PEAK	303 790 7200	info@exitrealtymt.com	Sheryll	White	383 Inverness Parkway Suite 140	Englewood	CO	80112
CO516	EXIT REALTY DTC, CHERRY CREEK, PIKES PEAK	303 790 7200	info@exitrealtypikespeak.com	Sheryll	White	5575 Tech Center Drive #206	Colorado Springs	CO	80919
CO517	EXIT REALTY HOME & RANCH	970 247 3948	exitrealtymt@gmail.com	Jessica	Low	1032 Main Ave	Durango	CO	81301
CO519	EXIT REALTY MOUNTAIN VIEW	719 375 3864	admin@exitrealtymtview.com	Brandy	Brown	3204 N. Academy Blvd Suite 120	Colorado Springs	CO	80917
CO520	EXIT REALTY HOME & RANCH	970 731 3948	info@exitrealtypagosa.com	Jessica	Low	565 Village Drive Suite E	Pagosa Springs	CO	81147
CO521	EXIT ELEVATION REALTY	719 275 8622	jenverneti@gmail.com	Jennifer	Verneti	520 Main Street	Canon City	CO	81212
CO523	EXIT SILVER THREAD REALTY	719 873 3948	brittany@exitsilverthread.com	Brittany	Hathorn	30330 US Hwy 160	South Fork	CO	81154
CO524	EXIT MOSAIC REALTY	303 419 7082	tasha@mamabearteam.com	Tasha	Beckman	7173 S. Havana St., #A-600	Centennial	CO	80112

#### Connecticut

#### EXIT REALTY CT & RI - CT103



Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
CT514	EXIT REALTY GROUP	631 343 8700	melissa@everydayrs.com	Melissa	Shea	154 North St.	Bristol	CT	06010
CT515	EXIT NEW ENGLAND REALTY ADVISORS	877 644 5197	info@joinexitnera.com	David	Tigner	470 Bank Street Suite 201	New London	CT	06320

#### Delaware

#### EXIT REALTY CORP. USA - DE200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
DE508	EXIT CENTRAL REALTY	302 674 2900	info@delawarelisted.com	Bill	Standiford	598 N. DuPont Hwy	Dover	DE	19901

#### Florida

#### EXIT SOUTHEAST - FL102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
FL590	EXIT REALTY LEADERS	352 794 0888	melonie@exitrealtyleaders.com	Jim	Wade	730 N. Suncoast Blvd.	Crystal River	FL	34429
FL608	EXIT REALTY N.F.I.	850 477 3948	ranaestewart@exitnfi.com	Ranae	Stewart	7139 N. 9th Avenue	Pensacola	FL	32504
FL630	EXIT REALTY LEADERS (Citrus County)	352 527 1112	melonie@exitrealtyleaders.com	Jim	Wade	5018 Lecanto Hwy.	Beverly Hills	FL	34465
FL680	EXIT REALTY SYNERGY INTERNATIONAL	786 845 3948	enriqueb@exitrealtysynergy.com	N/A	N/A	6351 NW 99th Avenue	Miami	FL	33178
FL790	EXIT 1 STOP REALTY	904 733 3003	officemanager@exitonestop.com	Valerie	Womble	13529 Beach Blvd #307A	Jacksonville	FL	32224
FL807	EXIT REALTY FIRST CHOICE	386 246 3161	honora@exitrealtyfirstchoice.com	Honora	Giumenta	4871 NW Palm Coast Parkway #3	Palm Coast	FL	32137
FL810	EXIT BAYSHORE REALTY	813 839 6869	exitbayshorerealty@gmail.com	Lewis	Stewart	5801 S. Dale Mabry Hwy	Tampa	FL	33611
FL813	EXIT REALTY HOME TEAM	386 734 2595	robert@exitmartin.com	Robert	Martin	905 Biscayne Blvd.	Deland	FL	32724
FL816	EXIT REALTY PRODUCERS	352 505 5700	debra@martinback.com	Debra	Martin-Back	3600 NW 43rd St. Suite F-1	Gainesville	FL	32606
FL839	EXIT KING REALTY	941 497 6060	izabelaforbes@outlook.com	Steven	Forbes	1800 S. Tamiami Trail	Venice	FL	34293
FL846	EXIT KING REALTY	941 497 6060	izabelaforbes@outlook.com	Steven	Forbes	3900 Clark Rd. Unit H3-H4	Sarasota	FL	34233

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
FL847	EXIT SUCCESS REALTY	352 686 2222	michelesellshomes@yahoo.com	Michele	Richard	5160 Mariner Blvd.	Spring Hill	FL	34609
FL852	EXIT ELITE REALTY	813 835 0000	jasongarcia366@gmail.com	Jason	Garcia	13911 N. Dale Mabry Hwy Suite #201	Tampa	FL	33618
FL854	EXIT MAGNOLIA POINT REALTY	904 269 4600	exitmpr@aol.com	Rosalind	Arnold	3616 Magnolia Point Blvd	Green Cove Springs	FL	32043
FL855	EXIT KING REALTY	941 497 6060	izabelaforbes@outlook.com	Steven	Forbes	8728 East State Rd 70	Bradenton	FL	34202
FL856	EXIT REALTY TRI-COUNTY	352 385 3948	jaret@exitrealtytricity.com	Emily	Demeter	18610 US Hwy 441	Mount Dora	FL	32757
FL863	EXIT GULF COAST REALTY	941 505 2950	kenrdoran@gmail.com	Ken	Doran	3665 Tamiami Trail Suite 106 and 107	Punta Gorda	FL	33950
FL864	EXIT REAL ESTATE PROPERTY SOLUTIONS	386 402 7909	ssteger@exitreps.com	Scott	Steger	431 Canal St. Ste B	New Smyrna Beach	FL	32168
FL868	EXIT BAYSHORE REALTY	813 689 6328	exitbayshorerealty@gmail.com	Lewis	Stewart	1463 Oakfield Dr. #111	Brandon	FL	33511
FL875	EXIT 1ST CLASS REALTY	321 259 3990	susannieroda@exit1st.net	Stephen	Nieroda	3700 N Harbor City Blvd, Suite 1E	Melbourne	FL	32935
FL878	EXIT REAL ESTATE PROPERTY SOLUTIONS	386-763-3008	ssteger@exitreps.com	Scott	Steger	3132 S Ridgewood Ave	South Daytona	FL	32119
FL881	EXIT REALTY PREMIER ELITE	561 792 3948	vdefrisco@exitrealtypalmbeach.com	Victor	DeFrisco	5034 Seminole Pratt Whitney Rd	Loxahatchee	FL	33470
FL884	EXIT COMPASS REALTY	941 889 7299	debbiemyers@exitcompassrealty.com	Debbie	Myers	18326 Murdock Circle	Port Charlotte	FL	33948
FL888	EXIT REAL ESTATE PROPERTY SOLUTIONS	386 402 7909	ssteger@exitreps.com	Scott	Steger	424 Luna Bella Lane, Suite 135	New Smyrna Beach	FL	32168
FL897	EXIT REALTY PARTNERS	561 567 3333	heatherlyhomegroup@gmail.com	Casey	Doran Heatherly	2240 Woolbright Road #357	Boynton Beach	FL	33426
FL901	EXIT SELECT REALTY	239 314 7900	Cindi@ExitSelectRE.com	Cindi	Infiesto	12530 World Plaza Ln Suite 1	Fort Myers	FL	33907
FL902	EXIT REALTY CAFE	850 926 1011	david@exitrealtycafe.com	David	Rossetti	961 Woodville Hwy	Crawfordville	FL	32327

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
FL903	EXIT REALTY PREMIER ELITE	561 792 3948	vdefrisco@exitrealtypalmbeach.com	Victor	DeFrisco	8961 Hypoluxo Road	Lake Worth	FL	33467
FL906	EXIT REALTY OCEANSIDE	561 805 3948	jagmohan@rogers.com	Jag	Mohan	2620 N Australian Avenue	West Palm Beach	FL	33407
FL908	EXIT RIGHT REALTY	772 404 4450	EXITRightFL@gmail.com	Robert	MacCallum	2710 Airport Dr	Vero Beach	FL	32960
FL910	EXIT SANDS REALTY	850 215 4120	thatexitgirl@gmail.com	Erica	Price	2633 W. 23rd St	Panama City	FL	32405
FL916	EXIT REALTY ADVANTAGE	386 624 7499	garcia.exitrealty@gmail.com	Sergio	Garcia	2 Volusia Dr.	DeBary	FL	37213
FL921	EXIT RIVERSIDE REALTY	352 462 7170	info@exitriversiderealty.com	Vinny	Esposito	20156 E. Pennsylvania Ave	Dunnellon	FL	34432
FL923	EXIT INSPIRED REAL ESTATE	904 595 3948	info@exitire.com	Jeanne	Scholl	2747 Blanding Blvd Suite #102	Middleburg	FL	32068
FL924	EXIT BEACH REALTY	386 441 1141	anthony@exitbeachrealty.com	Anthony	Sisco	1650 Ocean Shore Blvd	Ormond Beach	FL	32176
FL925	EXIT REAL ESTATE RESULTS	561 781 5590	contactus@exitrealestatereults.com	Sebastian	Manes	636 US Hwy One Suite 208	North Palm Beach	FL	33408
FL928	EXIT REALTY PARADISE	786 677 3948	chuckmackrealty@gmail.com	Robert	MacCallum	24171 Overseas Hwy	Summerland Key	FL	33042
FL929	EXIT REALTY OCALA	352 300 3200	vincent.exitrealtyocala@gmail.com	Vinny	Esposito	8530 SW 103rd St. Suite C	Ocala	FL	34481
FL930	EXIT RED HILLS REALTY	850 926 1011	david@exitrealtycafe.com	David	Rossetti	2012 North point Blvd, Suite E	Tallahassee	FL	32317
FL931	EXIT REAL ESTATE RESULTS	407 788 6474	contactus@exitrealestatereults.com	Michelle	Manes	125 W. Pineview St Suite 1009	Altamonte Springs	FL	32714
FL937	EXIT REAL ESTATE PROPERTY SOLUTIONS	386 402 7909	ssteger@exitreps.com	Scott	Steger	602 Indian River Blvd Suite 6	Edgewater	FL	32132
FL940	EXIT GULF COAST REALTY	239 800 2726	kenrdoran@gmail.com	Ken	Doran	3515 Del Prado Blvd South 105/106	Cape Coral	FL	33904

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
FL943	EXIT TWOANDAHALFMEN REAL ESTATE	772 877 3953	john@twoandahalfmen re.com	Michael	Angell	1531 SE Port Saint Lucie Blvd	Port St. Lucie	FL	34952
FL944	EXIT REALTY FARM & COUNTRY	386 866 0181	kayla@exitfarmandcoun try.com	Kayla	Helton	273 NW Main Blvd	Lake City	FL	32055
FL946	EXIT REALTY 4CORNERS	863 344 3948	exitrealty4corners@gm ail.com	Karol	Alvarenga	49503 Hwy 27 Unit B	Davenport	FL	33897
FL947	EXIT REALTY DELRAY	561 376 3706	jackiepezza@yahoo.co m	Jackie	Pezza Pellegrino	1200 NW 17th Avenue Suite 4	Delray Beach	FL	33445
FL951	EXIT 1 STOP REALTY	904 310 9257	officemanager@exitone stop.com	Valerie	Womble	961687 Gateway Blvd Unit #101D	Fernandina Beach	FL	32034
FL952	EXIT REALTY OF NAPLES	239 331 5656	exitrealtyofnaples@gma il.com	Debbie Z	Zalewski	4850 Tamiami Trail Suite 301	Naples	FL	34103
FL955	EXIT GLOBAL REALTY	407 725 7180	hello@exitglobalrealty.c om	Wendy	Wagner	533 Versailles Dr. Ste 200	Maitland	FL	32751

## Georgia

### EXIT SOUTHEAST - GA104

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
GA628	EXIT TEAM REALTY	912 408 8000	angela@etrga.com	Bob	Powell	576 W. Oglethorpe Hwy	Hinesville	GA	31313
GA678	EXIT TEAM REALTY	678 424 8300	angela@etrga.com	Bob	Powell	1755 The Exchange, Suite 204	Atlanta	GA	30339
GA681	EXIT INTEGRITY REALTY	470 545 3010	georgiaexit@gmail.com	Renee	Duncan	4353 Atlanta Hwy Suite 500	Loganville	GA	30052
GA685	EXIT REALTY WEST MIDTOWN	470 749 9378	admin@exitwestmidto wn.com	Michael	Williams	1024 Donald L Hollowell Pkwy N.W Ste A	Atlanta	GA	30318
GA686	EXIT REALTY ADVANTAGE	706 883 6670	psims@exit- advantage.com	Patrick	Sims	306 S. Lewis Street	LaGrange	GA	30240
GA688	EXIT HALLWAY REALTY	770 954 7400	dhall@hallwayrp.com	Daren Hall	Hall	4751 Best Road, Suite 177	College Park	GA	30337
GA689	EXIT REALTY PARTNERS	678 619 6891	exitrealtypartnersga@g mail.com	Andrew	Lacy	509 N. Tennessee Street. Suite 108	Cartersville	GA	30120

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
GA690	EXIT REALTY PARTNERS	770 282 7715	exitrealtypartnersga@gmail.com	Andrew	Lacy	3450 Acworth Due West	Kennesaw	GA	30144
GA700	EXIT COMMAND EXCELLENCE REALTY	404 429 6709	curtisb@commandexcel.lencerealty.com	Curtis	Bratton	3800 Camp Creek Parkway. Building 1400 Ste 116	East Point	GA	30344
GA708	EXIT REALTY SOUTH GATE	470 815 4495	melissa@exitsouthgate.com	Melissa	Agosto	240 Corporate Center Drive Suite A	Stockbridge	GA	30281
GA710	EXIT TRACKSIDE REALTY	706 712 4727	etrsonya@gmail.com	Rudy	Ownbey	1223 Coronet Dr. #4	Dalton	GA	30720
GA714	EXIT GRASSROOTS REALTY	404 324 7321	exitgrassrootsrealty@gmail.com	Mary B.	Berblinger	4448 Marietta St. Suite 200	Powder Springs	GA	30127
GA715	EXIT FOR SALE REALTY	706 377 2525	coachbevans25@gmail.com	Bruce	Evans	254 W. Franklin St.	Hartwell	GA	30643

## Illinois

### EXIT REALTY UPPER MIDWEST - IL104

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
IL520	EXIT REAL ESTATE PARTNERS	630 967 0400	tomsailer@gmail.com	Thomas	Sailer	4901 Main Street	Downers Grove	IL	60515
IL521	EXIT STRATEGY REALTY	312 554 5478	Nick@nicklibert.com	Nick	Libert	2935 N. Clark	Chicago	IL	60657
IL524	EXIT REALTY REDEFINED	630 480 4555	Roger@exitrealtyredefined.com	Roger	Jenisch	1275 E. Butterfield Rd Suite 200	Wheaton	IL	60189
IL525	EXIT REALTY REDEFINED - MAURER GROUP	815 977 7411	exitlovespark@gmail.com	Roger	Jenisch	4174 N. Perryville Rd	Loves Park	IL	61111
IL527	EXIT REALTY REDEFINED	773 250 7410	kingakorpacz@gmail.com	Roger	Jenisch	2775 Algonquin Rd Suite 350	Rolling Meadows	IL	60008
IL528	EXIT STRATEGY REALTY	312 554 5478	nick@nicklibert.com	Nick	Libert	7300 S Cottage Grove Ave	Chicago	IL	60619
IL529	EXIT REALTY NEW BEGINNINGZ	618 529 4663	exit2newbeginningz@yahoo.com	Jason	Mueller	231 Main St. Suite 1E	Carbondale	IL	62901
IL530	EXIT REALTY AT HOME	773 502 5400	luis.premiersellingteam@gmail.com	Luis	Rojas	1622 South Blue Island Avenue	Chicago	IL	60608

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
IL531	EXIT TRUE DESIGN REALTY	708 573 8801	office@exittruedesign.com	Trudy	Holmes	11070 S. Western Ave. Suite 7	Chicago	IL	60643
IL532	EXIT REALTY 365	847 842 2200	joanne@exitrealty365.com	Joanne	Levicki	22000 North Pepper Rd	Barrington	IL	60010
IL533	EXIT REALTY REDEFINED	815 793 3631	kathyszram@gmail.com	Roger	Jenisch	7416 S. County Line Rd Suite D	Burr Ridge	IL	60527
IL534	EXIT REALTY WE	708 859 0650	Esgil@exitrealtywe.com	Roger	Jenisch	505 S. La Grange Rd	La Grange	IL	60525
IL535	EXIT GRACE REALTY		exitgracerealty@gmail.com	Grace	Martinez	2945 N. Milwaukee Ave. Ste B	Chicago	IL	60618
IL536	EXIT STRATEGY REALTY	312 554 5478	nick@nicklibert.com	Nick	Libert	2750-2752 Caton Farm Road	Joliet	IL	60435
IL537	EXIT STRATEGY REALTY	312 554 5478	nick@nicklibert.com	Nick	Libert	4106 Oakton St.	Skokie	IL	60076

#### Indiana

#### EXIT REALTY CORP USA. - IN200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
IN509	EXIT REALTY SOLUTIONS	219 237 9797	exitrealty.solutions@gmail.com	Dan	Nolan	833 Lincoln Highway #410 E-5	Schererville	IN	43675

#### Iowa

#### EXIT REALTY UPPER MIDWEST - IA102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
IA501	EXIT REALTY MASON CITY	641 424 3005	brian.m.carlson@hotmail.com	Brian	Carlson	2401 S. Federal Avenue	Mason City	IA	50401
IA505	EXIT REALTY NORTH STAR	515 981 5131	jon@exitrealtynorthstar.com	Jon	Niemeyer	1039 Sunset Dr.	Norwalk	IA	50211
IA506	EXIT REALTY CAPITAL CITY	515 253 3948	Timothy@solddesmoines.com	Timothy	Schutte	7009 Hickman Rd	Urbandale	IA	50322
IA510	EXIT REALTY FIRESIDE	563 549 7860	exitqc@exitqc.com	Scott	Ryder	4509 N Brady Street	Davenport	IA	52806
IA512	EXIT REALTY GROUP	563 596 4902	hugginshometeam@gmail.com	Darrin & Stephanie	Huggins	116 E. 3rd Street	Muscatine	IA	52761

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
IA518	EXIT REALTY FRONTIER	515 570 1100	kyle.olson@exitrealtyfr ontier.com	Kyle	Olson	321 Central Ave	Fort Dodge	IA	50501
IA523	EXIT EASTERN IOWA REAL ESTATE CORRIDOR	319 200 2700	john@exiteir.com	John	Beltramea	1965 51st St. N.E Suite B	Cedar Rapids	IA	52402
IA523A	EXIT EASTERN IOWA REAL ESTATE	319 200 2700	john@exiteir.com	John	Beltramea	1965 51st St. N.E Suite A	Cedar Rapids	IA	52402
IA527	EXIT REALTY HOME/LAND PROPERTIES	515 295 7577	pam@exithomeland.co m	Pam	Yegge	215 E. State Street	Algona	IA	50511
IA530	EXIT REALTY UNLIMITED	563 231 7738	cody@exitunlimited.co m	Dennis	Buchheit	1200 Cedar Cross Rd	Dubuque	IA	52003
IA531	EXIT REALTY UNLIMITED	563 875 0000	cody@exitunlimited.co m	Dennis	Buchheit	1021 2nd Ave S.E	Dyersville	IA	52040
IA531A	EXIT REALTY UNLIMITED	319 283 5700	cody@exitunlimited.co m	Dennis	Buchheit	One West Charles, Suite 4	Oelwein	IA	50662
IA531B	EXIT REALTY UNLIMITED	563 822 1484	cody@exitunlimited.co m	Dennis	Buchheit	218 N Franklin St	Manchester	IA	52057
IA532	EXIT REALTY DRIFTLESS GROUP	563 880 8168	jeffmarcks@outlook.co m	Jeff	Marcks	111 S. Main St	Monona	IA	52159
IA532A	EXIT REALTY DRIFTLESS GROUP	319 231 9037	jeffmarcks@outlook.co m	Jeff	Marcks	227 Center Street	Elgin	IA	52141
IA533	EXIT REALTY DRIFTLESS GROUP	563 379 0944	jeffmarcks@outlook.co m	Jeff	Marcks	304 W. Water St	Decorah	IA	52101
IA534	EXIT REALTY UNLIMITED	563 557 4441	cody@exitunlimited.co m	Dennis	Buchheit	1900 James St. Suite 1	Coralville	IA	52241
IA535	EXIT COUNTRY REALTY	641 755 2990	kyle.olson@exitrealtyfr ontier.com	Kyle	Olson	108 E. Main Street	Panora	IA	50216
IA536	EXIT REALTY CAPITAL CITY	641 236 8786		Timothy	Schutte	615 Horseshoe Dr. Suite B	Grinnell	IA	50112
IA537	EXIT REALTY MIDWEST	712 336 3405	lee@exitisgreat.com	Lee A.	Porter	1306 18th St. Suite C	Spirit Lake	IA	51360
IA537A	EXIT REALTY MIDWEST	712 580 3948	lee@exitisgreat.com	Lee A.	Porter	2402 Highway Blvd	Spencer	IA	51360
IA538	EXIT REALTY MIDWEST	712 546 4011	lee@exitisgreat.com	Lee A.	Porter	37 Plymouth St. NE	Le Mars	IA	51031

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
IA538A	EXIT REALTY MIDWEST	712 225 9100		Lee A.	Porter	109 N. 2nd St	Cherokee	IA	51012
<b>Kentucky</b>									
<b>EXIT SOUTHEAST - KY104</b>									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
KY504	EXIT REALTY CRUTCHER	502 839 9822	cindy@exitrealtycrutcher.com	Cindy	Crutcher	502A Saffell St.	Lawrenceburg	KY	40342
KY507	EXIT REALTY CRUTCHER	502 327 9838	cindy@exitrealtycrutcher.com	Cindy	Crutcher	8911 Greenway Commons Pl	Louisville	KY	40220
KY513	EXIT REALTY CRUTCHER	502 783 6060	cindy@exitrealtycrutcher.com	Cindy	Crutcher	60 Devils Hollow Rd	Frankfort	KY	40601
KY516	EXIT REALTY MCCAULEY	270 692 8800	larry@exitrealtymccauley.com	N/A	N/A	137 East Main Street	Lebanon	KY	40033
KY526	EXIT EXPERIENCE REALTY	270 495 2626	exittobg@gmail.com	Robert	Mitchell	701 Dishman Lane Suite 2	Bowling Green	KY	42104
KY527	EXIT REALTY HOME FRONT	270 422 7945	exit_becky@hotmail.com	Rebecca	Brown	520 Broadway Street Suite #3	Bradenburg	KY	40108
KY529	EXIT INTERSTATE REALTY	606 261 5043	adamhill99@gmail.com	Adam	Hill	1414 American Greet Card Rd	Corbin	KY	40701
KY531	EXIT TOWN & COUNTRY REAL ESTATE	859 273 0000	jasonszaks@yahoo.com	Jason	Szaks	1795 Alysheba Way #1202	Lexington	KY	40509
KY535	EXIT REALTY GREEN & ASSOCIATES	502 806 3948	george@exitgreenteam.com	George	Green III	8607 Smyrna Pkwy Unit 108	Louisville	KY	40228
KY536	EXIT REALTY BLUEGRASS	270 789 8879	exitrealtyjackie@gmail.com	Jackie	Willis-Denton	119 Well Park Lane	Campbellsville	KY	42718
KY537	EXIT REALTY BLUEGRASS	270 789 8879	exitrealtyjackie@gmail.com	Jackie	Willis-Denton	1003 West Main St. Suite B	Glasgow	KY	42141
KY538	EXIT REALTY GARDEN GATE TEAM	270 253 3048	derrickmiller@realtracs.com	Derrick	Miller	128 N. Main Street	Franklin	KY	42134
KY539	EXIT REALTY THOROUGHbred	270 239 3948	exitadmin@exitrealtyky.com	Cindy	Payne	523 East Main St. Suite 208	Scottsville	KY	42164
KY543	EXIT REALTY KEY GROUP	270 978 1303	tiffany@exitkeygroup.com	Tiffany	Carlson	901 US Highway 68 West	Benton	KY	42025
KY545	EXIT REALTY GREEN & ASSOCIATES	270 806 3948	george@exitgreenteam.com	George	Green III	137 East Lincoln Trail Blvd	Radcliff	KY	40160



Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
KY547	EXIT REALTY CHOICE	502 233 3033	cwadmin@exitrealtychoice.com	Lori	Lopez	7025 West State Highway 22 Suite #2	Crestwood	KY	40014
KY551	EXIT REALTY BOLD MOVE	888 920 0003	cindy@exitrealtycrutcher.com	Anne	Ruemler	2600 Ring Road Suite 105	Elizabethtown	KY	42701
KY553	EXIT REALTY HOMESTEAD	859 481 6223	lbk.exit@gmail.com	Jackie	Willis-Denton	210A East Main Street	Springfield	KY	40069
KY554	EXIT REALTY KEY GROUP	270 978 1303	admin@exitkeygroup.com	Tiffany	Carlson	222 Kentucky Avenue Suite 104	Paducah	KY	42003

#### Louisiana

#### EXIT REALTY OF LOUISIANA - LA102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
LA510	EXIT REALTY GROUP	225 364 2282	blakemhts2@gmail.com	Blake	Fowler	3362 Brentwood Dr	Baton Rouge	LA	70809
LA511	EXIT REAL ESTATE CONSULTANTS	337 463 1000	waynehallexit@gmail.com	Wayne	Hall	1909 N.Pine St.	DeRidder	LA	70634
LA512	EXIT REALTY NOLA PREMIERE	504 298 3948	kel@exitnola.com	Kel	Kopecky	2200 Veterans Blvd. Suite 206	Kenner	LA	70062
LA516	EXIT REALTY SOUTHERN	337 438 7777	josh@exitrealtysouthern.com	Josh	Foster	306 Iris St. Ste 2	Lake Charles	LA	70601
LA517	EXIT REALTY SOUTHERN	337 287 9500	josh@joshfosterproperties.com	Josh	Foster	3701 Maplewood Dr	Sulphur	LA	70663
LA518	EXIT BAYOU REALTY	377 905 9000	bayleighrigdon@gmail.com	Stuart	Peterson	722 N Hwy 171	Lake Charles	LA	70611

#### Maine

#### EXIT REALTY NEW ENGLAND - ME104

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
ME501	EXIT KEY REAL ESTATE	207 636 2222	elias@exitkeyrealestate.com	Jane	Thomas	920 Shapleigh Corner Rd	Shapleigh	ME	04076
ME502	EXIT OCEANSIDE REALTY	207 646 8333	rick@exitoceansiderealty.com	Rick	Coyne	913 Post Rd Box 3	Wells	ME	04090

#### Maryland

#### EXIT REALTY CORP. USA - MD200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
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Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
DC512	EXIT KEYS REALTY	202 489 6110	ofakinlede.realtor@gmail.com	Olatokunbo	Fakinlede	1 Thomas Circle, Suite 700	Washington	DC	20005
DC514	EXIT LEADING EDGE REALTY	571 931 0531	homes@januaricoates.com	Januari	Coates	700 Pennsylvania Ave SE 2nd Floor	Washington	DC	20003
MD503	EXIT 1 STOP REALTY (DUNKIRK)	301-855-7867	realestatebyellie@gmail.com	Ellie	Stommel	10130 Southern Maryland Blvd.	Dunkirk	MD	20754
MD513	EXIT RIGHT REALTY	301 362 4500	carlos@exitrightrealty.com	Carlos	Lancaster	8730-16 Cherry Lane	Laurel	MD	20707
MD517	EXIT SPIVEY PROFESSIONAL REALTY	410 465 0083	donnell@exitspiveypros.com	Donnell	Spivey Sr.	9396 B. Baltimore National Pike	Ellicott City	MD	21042
MD523	EXIT PREFERRED REALTY	410 670 9100	craig.exitpreferred@gmail.com	Craig J.	Strobel	2105 Laurel Bush Rd. Suite 110	Bel Air	MD	21015
MD534	EXIT COMMUNITY REALTY	240 623 3948	Exitcommunityrealty@gmail.com	George	Bryant Jr	4200 Forbes Blvd., Ste 121	Lanham	MD	20706
MD545	EXIT LANDMARK REALTY (White Plains)	301 934 2022	myexitagent@yahoo.com	Bernadette	Cole	4550 Crain Highway Suite 100	White Plains	MD	20695
MD549	EXIT RESULTS REALTY	410 705 6295	jim.hyatt@exitresults.com	Jim	Hyatt, Jr.	5517 Oregon Ave	Arbutus	MD	21227
MD551	EXIT RESULTS REALTY	410 705 6296	tina.hyatt@exitresults.com	Jim	Hyatt, Jr.	6020 Meadowridge Center Dr. Suite M	Elkridge	MD	21075
MD552	EXIT BY THE BAY REALTY	443 975 7555	exitbythebay@gmail.com	Jennifer	Anderson	222 Merrimac Court	Prince Frederick	MD	20678
MD555	EXIT PREFERRED REALTY	410 398 9000	craig.exitpreferred@gmail.com	Craig J.	Strobel	2615 Augustine Herman Hwy	Chesapeake City	MD	21915
MD558	EXIT LANDMARK REALTY (CLINTON)	301 868 0500	myexitagent@yahoo.com	Bernadette	Cole	8222 Schultz Road	Clinton	MD	20735
MD560	EXIT FIRST REALTY	301-352-8100	vernada@realtor.com	Vernada	Williams	2139 Espey Court, Suite #1	Crofton	MD	21114
MD563	EXIT ON THE BAY REALTY	410 228 2900	dan@exitotb.com	Dan	Shoemaker III	122 Cedar Street	Cambridge	MD	21613

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MD564	EXIT REALTY PERSPECTIVES	410 777 8433	jrsellsmaryland@gmail.com	J. R.	Smith	1826 Woodlawn Drive Ste. 1	Woodlawn	MD	21207
MD569	EXIT COMMUNITY REALTY ANNAPOLIS	410 266 3030	EXITCommunityRealtyAnnapolis@gmail.com	George	Bryant Jr	211 Main St Suite 2	Annapolis	MD	21401
MD570	EXIT ON THE HARBOR REALTY	410 919 9660	saul@exitontheharbor.com	Saul	Kloper	600 Fairmount Avenue Suite #205	Towson	MD	21286
MD572	EXIT ABOVE REALTY	240 770 5393	ekekwe@aboverealty solutions.com	Olekanma	Ekekwe	3321 Toledo Terrace #101	Hyattsville	MD	20782
MD573	EXIT WYSE REALTY	443 962 6282	lharris1632@gmail.com	Herschell	Harris	10440 Little Patuxent Pky, Ste 300	Columbia	MD	21044
MD574	EXIT ON THE BAY REALTY	410 304 2011	dan@exitotb.com	Dan	Shoemaker III	1539 Postal Rd #68	Chester	MD	21619
MD575	EXIT REALTY ENTERPRISES	301 593 4811	vincentekuban@yahoo.com	Vincent	Ekuban	8701 Georgia Avenue, Ste. 509	Silver Spring	MD	20910
MD577	EXIT REALTY CENTER	301 703 8169	kellysteichen@outlook.com	Kelly	Steichen	205 E Ridgeville Blvd	Mt. Airy	MD	21771
MD578	EXIT MILLENNIUM REALTY	866 642 2721	info@exitmillennium.com	Jonathan	Rundlett	10770 Columbia Pike, Suite 300E1	Silver Spring	MD	20901
MD580	EXIT RESULTS REALTY	443 588 5062	tina.hyatt@exitresults.com	Jim	Hyatt, Jr.	3905 Mountain Rd., Suite A	Pasadena	MD	21122
MD581	EXIT DELUXE REALTY	800 761 1690	info@exitrealtynationalharbor.com	Olatokunbo	Fakinlede	137 National Plaza, Suite 300	National Harbor	MD	20745
MD582	EXIT HERE REALTY	301 932 7800	pattiexithere@gmail.com	Patti	Stinnett	3475 Leonardtown Rd. Ste 101	Waldorf	MD	20601
MD583	EXIT DELUXE REALTY	202 489 6110	ofakinlede.realtor@gmail.com	Olatokunbo	Fakinlede	7200 Wisconsin Ave, Suite 500	Bethesda	MD	20814
MD586	EXIT VANGUARD REALTY	301 539 9669	info@exitvanguard.com	Kevin	Rorie	1113 Odenton Road Suite 1F/G	Odenton	MD	21113
MD587	EXIT NORSTAR REALTY	410 891 0091	pamdotson100@gmail.com	Pam	Dotson	311 Crain Hwy S.	Glen Burnie	MD	21061

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MD588	EXIT P.R.E.S. REALTY	301 970 9776	presteam@exitpresrealt y.com	Michele	Harris-Carter	986A Swan Creek Rd. E	Ft. Washington	MD	20744
MD590	EXIT ESSENTIALS REALTY	240 498 6270	infoessentialsrealty@g mail.com	Jonathan	Rundlett	9440 Marlboro Pike #201	Upper Marlboro	MD	20771
MD591	EXIT SUNSHINE REALTY	410 822 2152	Lesley@ExitOTB.com	Lesley	Jackson	219 Marlboro Ave #47	Easton	MD	21601

#### Massachusetts

#### EXIT REALTY NEW ENGLAND - MA103

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MA613	EXIT PREMIER REAL ESTATE	781 270 4770	mark@exitpremier.com	Mark	Bettinson	85 Wilmington Road	Burlington	MA	01803
MA615	EXIT ASSURANCE REALTY	978 448 6800	jeff@EXITassurance.co m	Jeff	Gordon	161 Main Street	Groton	MA	01450
MA644	EXIT NEW OPTIONS REAL ESTATE	888 363 3948	admin@exitnewoptions .com	Denise	Wortman	12 Main Street	Leominster	MA	01453
MA655	EXIT CAPE REALTY	508 499 2200	dave@exitcaperealty.co m	Dave	Harris	4527 Falmouth Rd	Cotuit	MA	02635
MA658	EXIT BAYSIDE REALTY	617 265 6111	carla@exitbaysiderealty .com	Carla	Pantaleon-Stovell	1827 Dorchester Avenue	Boston	MA	02124
MA660	EXIT REAL ESTATE EXECUTIVES	508 885 5555	exitreexecutives@gmail .com	Michelle	Terry	130 W. Main St.	Spencer	MA	01562
MA662	EXIT CAPE REALTY (BREWSTER)	508 499 2200	dave@exitcaperealty.co m	Dave	Harris	2660 Route 6A Main St	Brewster	MA	02631
MA663	EXIT CAPE REALTY (FALMOUTH)	508 499 2200	dave@exitcaperealty.co m	Dave	Harris	660 North Falmouth Hwy	North Falmouth	MA	02556
MA670	EXIT SUNSHINE REALTY	617 942 7251	louismjeanniton@gmail. com	Louis	Jeanniton	1226 Hyde Park Ave, Suite 2	Hyde Park	MA	02136

#### Michigan

#### EXIT REALTY UPPER MIDWEST - MI106

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MI639	EXIT REALTY 1ST	517 796 9300	Admin@EXITjackson.co m	Kimberly	Kurtz	740 Laurence Ave	Jackson	MI	49202
MI640	EXIT REALTY GROUP	810 245 2600	jeanne@exitrealtygroup .net	Jeanne	McCorkle	489 W Nepessing Street	Lapeer	MI	48446

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MI644	EXIT NORTHERN SHORES REALTY	231 258 0927	stephen@sckaras.com	Stephen	Karas	204 S. Cedar Street	Kalkaska	MI	49646
MI667	EXIT NORTHERN SHORES REALTY	231 264 9833	stephen@sckaras.com	Stephen	Karas	710 US Hwy 31	Elk Rapids	MI	49629
MI668	EXIT REAL ESTATE OF LUDINGTON	231 845 5353	RobinKoikas@ExitRealEstateofLudington.com	Robin	Koikas	401 W. Ludington Ave. Ste. 101	Ludington	MI	49431
MI674	EXIT REALTY PARAMOUNT	231 946 4404	holly@tcexit.com	Holly	Hack	515 W Fourteenth St.	Traverse City	MI	49684
MI677	EXIT REALTY PREMIER	231 597 8000	rmkopernik@att.net	Roger	Kopernik	1160 E. State St. Suite 2	Cheboygan	MI	49721
MI681	EXIT REALTY HOME PARTNERS	517 803 2345	broker@exithomepartners.com	Jonathan	Lum	1000 S. Washington Ave Suite 104	Lansing	MI	48910
MI686	EXIT GREAT LAKES REALTY	517 543 1202	promichllc@gmail.com	Ryan	Halsey	115 W. Lawrence Ave	Charlotte	MI	48813
MI687	EXIT REALTY LAND AND LAKES	231 839 6500	homessoldbysara@gmail.com	Sara	Crawford Martinez	1263 S. Lakeshore Dr	Lake City	MI	49651
MI689	EXIT WATERWAY REALTY	231 238 2440	geo.nc1@charter.net	George	Chorey	6301 M-68 Ste. E	Indian River	MI	49749
MI690	EXIT REALTY 1ST	734 627 1400	Admin@EXITjackson.com	Kimberly	Kurtz	1250 S. Main Street Suite 2	Chelsea	MI	48118
MI691	EXIT REALTY AT HOME	517 489 2550	admin@exitathome.com	Heather	Driscoll	1427 West Saginaw Suite #110	East Lansing	MI	48823
MI692	EXIT REALTY ADVANTAGE	517 281 2690	gary@exitadvantagerealestate.com	Gary	Naeyaert	624 S Cedar Street Suite 500	Mason	MI	48854
MI693	EXIT UNITED REALTY PROFESSIONALS	248 677 3220	exitunitedrealtypros@gmail.com	LaQua	Loyd	611 W. Nine Mile Rd	Ferndale	MI	48220
MI695	EXIT REALTY HOME PARTNERS	517 803 2345	broker@exithomepartners.com	Jonathan	Lum	414 S. Clinton St.	Grand Ledge	MI	48837
MI697	EXIT AHEAD REALTY	810 347 5354	daveinfenton@gmail.com	Dave	Broadworth	1542 N. Leroy, Suite 2A	Fenton	MI	48430

#### Minnesota

#### EXIT REALTY UPPER MIDWEST - MN102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
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Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MN508	EXIT REALTY NEXUS	763 548 1400	dangelo@exitrealtynexus.com	Frank	D'Angelo	2143 Northdale Blvd.	Coon Rapids	MN	55433
MN531	EXIT REALTY NEXUS	763 548 1400	dangelo@exitrealtynexus.com	Frank	D'Angelo	17323 US-10 Suite B&C	Elk River	MN	55330
MN533	EXIT REALTY RIVERTOWN	651 388 2122	candace@exitrealtyrivertown.com	Lori	Simonson	2966 North Service Drive	Red Wing	MN	55066
MN534	EXIT REALTY NEXUS	320 515 2122	info@exitrealtynexus.com	Frank	D'Angelo	210 Main St W	Isle	MN	56342
MN536	EXIT REALTY - GREAT PLAINS	888 446 2973	lee@exitisgreat.com	Lee A.	Porter	401 2nd Street	Jackson	MN	56143
MN536B	EXIT REALTY - GREAT PLAINS	507 847 2104	lee@exitisgreat.com	Lee A.	Porter	225 9th St	Windom	MN	56101
MN537	EXIT MINNESOTA LAKES REALTY	320 491 9069	red@rea-alp.com	Glen	Reiner	5747 County. Rd 11 NE	Alexandria	MN	56308
MN538	EXIT REALTY METRO	612 470 3948	office@ermetro.com	Nick	Leavy	20765 Holyoke Ave	Lakeville	MN	55044
MN539	EXIT REALTY SPRINGSIDE	866 709 7770	jeffk@springsiderealty.com	Jeff	Klemmer	7876 Hudson Road, Suite 10	Woodbury	MN	55125
MN543	EXIT REALTY BEMIDJI	218 444 2204	marty@paulbunyan.net	Trent	Eineichner	140 Paul Bunyan Dr NW	Bemidji	MN	56601
MN545	EXIT REALTY REFINED	507 258 6464	tara@exitrealtYROCHESTER.COM	Tara	Johnson	1903 S. Broadway Ave	Rochester	MN	55904
MN546	EXIT REALTY METRO	612 238 1099	nick@ermetro.com	Carson	Brooks	275 Market St. Ste 501	Minneapolis	MN	55405
MN548	EXIT NORTHSTAR REALTY	612 919 0213	Greg@ExitNorthstarRealty.com	Greg	Schmidt	160 Commerce Dr. E	Belle Plaine	MN	56011
MN549	EXIT REALTY - GREAT PLAINS	888 446 2973	lee@exitisgreat.com	Lee A.	Porter	400 South State Street, Ste #330	Fairmont	MN	56031

## Mississippi

### EXIT REALTY OF MISSISSIPPI - MS102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MS511	EXIT SOUTHERN REALTY	601 909 6940	sherrytaylorpullens@gmail.com	Sherry	Pullens	59 98th Place Blvd.	Hattiesburg	MS	39402
MS514	EXIT MAGNOLIA COAST REALTY	228 206 0708	Tiffany@EXITmcr.com	Tiffany	Marshall	370 Courthouse Rd. Suite 104	Gulfport	MS	39507

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MS525	EXIT MONARCH REALTY	601 944 4240	renee@exitmonarchrealty.com	Renee	Melitos	1107 Frontage Drive East, Suite D	Wiggins	MS	39577
MS526	EXIT NEW DOOR REALTY	601 488 3948	tony@exitnewdoorrealty.com	Tony	Bahou	207 W. Jackson Street, Suite 201	Ridgeland	MS	39157
MS530	EXIT COASTAL GATEWAY REALTY	228 206 1556	jmarble@exitcoastalgatewayrealty.com	James	Marble	4405 East Aloha Drive, Suite F	Diamondhead	MS	39525
MS531	EXIT SOUTHERN CHARM REALTY	662 510 8455	arielle@exitscr.com	Arielle	Reece	1326 Goodman Road East	Southaven	MS	38671
MS532	EXIT REALTY HEART PROPERTIES	228 285 7450	jacki@heartproperties.net	Jacki	Thornburg	1315 Bienville Blvd	Ocean Springs	MS	39564
MS533	EXIT BAY REALTY	228 344 3066	sherrytaylorpullens@gmail.com	Sherry	Pullens	124 Main St	Bay St Louis	MS	39520
MS534	EXIT REALTY LEGACY GROUP	601 750 7195	melanie.greer89@gmail.com	Melanie	Greer	105 Lexington Drive, Suite E	Madison	MS	39110
MS536	EXIT REALTY SOUTHERN LEGACY	601 419 3191	jeni@exitrealtysouthernlegacy.com	Jeni	Butler	1473 Highway 98 East Suite #1	Columbia	MS	39429
MS537	EXIT REALTY INTEGRITY FIRST	601 255 5661	kirbytherealtor@gmail.com	Kirby L	Harrell	117 N Main Street Ste 220	Petal	MS	39465
MS538	EXIT EXTRA MILE REALTY	228 731 3013	joepiernas3@gmail.com	Joe	Piernas	5093 Beatline Road	Long Beach	MS	39560

## Missouri

### EXIT REALTY CORP. USA - MO200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MO510	EXIT ELITE REALTY	636 464 3222	jakers06@charter.net	John	Akers, Jr.	1960 Richardson Road	Arnold	MO	63010
MO512	EXIT REALTY PROFESSIONALS	816 581 0333	office@exitrealtykc.com	Mitchell	Straight	9582 N. McGee Street	Kansas City	MO	64155
MO522	EXIT ALL AMERICAN REALTY	573 336 3733	nextexit161@gmail.com	LaGail	Edgar	376 Suite 1 Old Rt 66	St. Robert	MO	65584
MO523	EXIT ALL AMERICAN REALTY	573 426 3948	nextexit161@gmail.com	LaGail	Edgar	219 W. State Route 72. Suite C	Rolla	MO	65401

## Montana

### EXIT REALTY MONTANA - MT102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
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Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
MT503	EXIT REALTY MISSOULA	406 721 1010	kevin@exitrealtymsla.com	Kevin	Bailey	715 Kensington Ave., Suite 13	Missoula	MT	59801
MT503B	EXIT REALTY MISSOULA PLEASANTVIEW	406 241 0024	kevin@exitrealtymsla.com	Kevin	Bailey	2816 Mary Jane Blvd	Missoula	MT	59808
MT503C	EXIT REALTY MISSOULA SOUTH	406 926 1112	kevin@exitrealtymsla.com	Kevin	Bailey	16366 Old US Highway 93	Lolo	MT	59847
MT505	EXIT REALTY BITTERROOT VALLEY	406-375-9251	max@exitrealtybv.com	Max	Coleman	301 N 1st., St. Unit 1	Hamilton	MT	59840
MT505A	EXIT REALTY BITTERROOT VALLEY	406 375 9251	max@exitrealtybv.com	Max	Coleman	406 Main St. Suite C	Stevensville	MT	59840
MT507	EXIT REALTY HELENA	406 449 8831	bob@exitrealtyhelena.com	Robert	Den Herder	849 Great Northern Blvd	Helena	MT	59601
MT507A	EXIT REALTY HELENA	406 449 8831	bob@exitrealtyhelena.com	Robert	Den Herder	2 S. Morton	East Helena	MT	59635
MT508	EXIT REALTY GREAT FALLS	406 770 3948	john@exitjkrealty.com	John	Lind	203 Smelter Ave N.E	Great Falls	MT	59404
MT509	EXIT REALTY POLSON	406 207 6729	gracelyn6729@gmail.com	Gracelyn	LaFleur	49628 Hwy 93	Polson	MT	59860
MT510	EXIT REALTY LAUREL	406 839 0372	lisa@exitrealtylaurel.com	Lisa	Slattery	221 West 1st Street	Laurel	MT	59044

#### Nebraska

#### EXIT REALTY CORP. USA - NE200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NE501	EXIT REALTY PROFESSIONALS	402 466 8181	tlindstrom@exitrp.com	Joshua	Jackson	5540 South St. #208	Lincoln	NE	68506

#### Nevada

#### EXIT REALTY PACIFIC WEST - NV200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NV523	EXIT REALTY NUMBER ONE	702 949 2409	dawn@exiterno.com	Dawn	Houlf	316 S. Jones Blvd	Las Vegas	NV	89107
NV524	EXIT REALTY THE RIGHT CHOICE	702 545 0800	admin@exitrealtytherightchoice.com	Jade	Buckman	8925 South Pecos Rd. #15C	Henderson	NV	89074

#### New Hampshire

#### EXIT REALTY NEW ENGLAND - NH103

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
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Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NH506	EXIT REWARD REALTY	603 435 7800	donna@exitrewardrealt y.com	Donna	Ward	79 High Street	Pittsfield	NH	03263
<b>New Jersey</b>									
<b>EXIT REALTY OF NEW JERSEY - NJ102</b>									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NJ501	EXIT REALTY LUCKY ASSOCIATES	973 817 7700	luis.nogueira@luckyreal ty.com	Luis	Nogueira	290 Ferry St.	Newark	NJ	07105
NJ503	EXIT REALTY LUCKY ASSOCIATES (ELIZABETH)	908 289 7746	luis.nogueira@luckyreal ty.com	Luis	Nogueira	640 Newark Ave.	Elizabeth	NJ	07208
NJ519	EXIT ON THE HUDSON REALTY	201 437 0411	annetterubin@exitonth ehudson.com	Annette	Rubin	867 Broadway	Bayonne	NJ	07002
NJ540	EXIT GOLDEN REALTY GROUP	201-997-4425	alex@exitgolden.com	Carlos	Jesus	50 Midland 1st floor	Kearny	NJ	07032
NJ575	EXIT GOLDEN REALTY GROUP	201 997 4425	alex@exitgolden.com	Luis	Gaspar	50 Midland Ave	Kearny	NJ	07032
NJ576	EXIT PLATINUM REALTY	973 746 4777	eprteam@exitplatinumr ealty.biz	Yvonne	Marshall	200 Claremont Ave	Montclair	NJ	07042
NJ583	EXIT CLASSIC REALTY	973 386 9900	sue@exitclassicrealty.co m	Susan	Wadleigh	1 Bank St.	Rockaway	NJ	07866
NJ586	EXIT REALTY EAST COAST SHIRVANIAN	732 946 2000	info@exitrealtyec.com	Robert	Shirvanian, Jr	57 E. Main Street	Holmdel	NJ	07733
NJ589	EXIT REALTY EAST COAST SHIRVANIAN	732 229 8700	info@exitrealtyec.com	Robert	Shirvanian, Jr	964 Broadway	West Long Branch	NJ	07764
NJ604	EXIT REALTY JP ROTHERMEL	609 714 3948	jprothermel@aol.com	Judy	Rothermel	5 Wilkins Station Rd	Medford	NJ	08055
NJ605	EXIT REALTY EAST COAST SHIRVANIAN	877 778 3948	roberts@exitrealtyec.co m	Robert	Shirvanian, Jr	280 Highway 35 South	Middletown	NJ	07701
NJ611	EXIT BLUE WATER REALTY	732 696 8088	exitbluewaterteam@gm ail.com	Christopher	Carlino	943 Highway 34	Matawan	NJ	07747
NJ616	EXIT REALTY JERSEY SHORE	732 573 1550	sharonexitbroker@gmai l.com	Sharon	Miranda	2029 Route 37 East	Toms River	NJ	08753
NJ618	EXIT NEIGHBORHOOD REALTY	973-663-1660	rfuge@exitrt15.com	Robert	Fuge	725 Route 15, Unit #106	Jefferson	NJ	07849
NJ619	EXIT REALTY CONNECTIONS	908 842 0010	sayerdebbie@ymail.co m	Debra	Sayer	149 Main St.	Hackettstown	NJ	07840

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NJ621	EXIT MBR REALTY	856 667 2000	mike@mbrrealty.com	Michael	Brucoliere	660 N. Kings Highway	Cherry Hill	NJ	08034
NJ623	EXIT REALTY CONNECTIONS	973 750 4440	sayerdebbie@ymail.com	Debra	Sayer	1152 RT 10 Ste P	Randolph	NJ	07869
NJ625	EXIT HOMESTEAD REALTY PROFESSIONALS	856 692 3948	stephanie@exithomepros.com	Stephanie	Verderose	1070 E. Chestnut Ave	Vineland	NJ	08360
NJ629	EXIT REALTY URBAN LIVING	201 380 4200	sunilchillar@hotmail.com	Sunil	Chillar	150 Bay Street, Unit 308	Jersey City	NJ	07302
NJ630	EXIT REALTY JACKSON NJ	732 367 2888	exitrealtyjacksonnj@gmail.com	Michael	Kafton	2200 W. County Line Road	Jackson	NJ	08527
NJ631	EXIT REALTY WASHINGTON TOWNSHIP	856 352 4045	sharonwoodsrealtor@gmail.com	Sharon	Woods	2A Shoppers Lane	Turnersville	NJ	08012
NJ634	EXIT REALTY JERSEY SHORE	732 892 2060	sharonexitbroker@gmail.com	Sharon	Miranda	816 Ocean Road	Point Pleasant	NJ	08742
NJ635	EXIT REALTY JERSEY SHORE	732 920 2060	sharonexitbroker@gmail.com	Sharon	Miranda	890 Mantoloking Rd	Brick	NJ	08723
NJ637	EXIT SOLGAR REALTY	973 282 8642	olga@solgarrealty.com	Olga	Clavijo	200 Diamond Bridge Ave	Hawthorne	NJ	07506
NJ638	EXIT D'AGOSTINO AGENCY REAL ESTATE	609 561 6112	jjr@dagostinoagency.com	John	D'Agostino Jr.	105 N White Horse Pike	Hammonton	NJ	08037
NJ639	EXIT CORNERSTONE REALTY	973 927 0250	rjsosnovik@aol.com	Raymond	Sosnovik	438 US Route 46	Kenvil	NJ	07847
NJ640	EXIT REALTY CONNECTIONS	973 823 0231	sayerdebbie@ymail.com	Debra	Sayer	225 Route 23 North, Suite 2I	Hamburg	NJ	07419
NJ641	EXIT ALL STATE REALTY	908 378 5170	exitallstaterealty@gmail.com	Jorge	Fernandez-Cabrales	2780 Morris Ave Unit 1 A	Union	NJ	07083

#### New Mexico

#### EXIT REALTY NEW MEXICO AND EL PASO - NM102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NM518	EXIT REALTY HORIZONS	575 532 5678	admin@exitrealtyhorizons.com	Chris	Harrison	3519 Foothills Rd	Las Cruces	NM	88011
NM521	EXIT REALTY ADVANTAGE NM	505 500 8222	pam@ExitRealtyPagosa.com	Lance	Eaton	1615 Central Ave Suite 100	Los Alamos	NM	87544
NM522	EXIT REALTY HOME & RANCH	970 903 8376	EXITRealtyFarmington@gmail.com	John	Gillam	101 West Main Street	Farmington	NM	87401

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
TX603	EXIT WEST REALTY	915 585 8899	steve@exitrealtyelp.com	Brent	Hull	299 Shadow Mountain	El Paso	TX	79912
TX623	EXIT EAST REALTY	915 540 6401	ben@exitrealtyelp.com	Rick	Snow	1700 N. Zaragoza. Suite 117	El Paso	TX	79936
TX625	EXIT REALTY CENTRAL	915 702 0158	elphomefinder@yahoo.com	Maria	Rojas	5724 Trowbridge	El Paso	TX	79925
TX629	EXIT SUNRISE REALTY	915 271 8133		Ben	Williams	13650 Eastlake, Ste 506	El Paso	TX	79928
TX634	EXIT ELITE REALTY	915 262 8915	ramonahull.eprealtor@gmail.com	Ben	Williams	4860 Woodrow Bean Transmountain, Ste D-405	El Paso	TX	79924

#### New York

#### EXIT REALTY CORP. USA (UPSTATE NEW YORK) - NY200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NY501	EXIT REALTY HOMEWARD BOUND	607 729 5500	john@exitnys.com	Robert	Farrell	202 Clubhouse Road	Vestal	NY	13850
NY579	EXIT REALTY FRONT AND CENTER	607 724 3948	barb@exitfac.com	Barbara	Gallo	1163 Front Street, Suite 2	Binghamton	NY	13905
NY627	EXIT CHAMPION REALTY	315 457 7500	Karl@exitchampion.com	Karl	Ashley	The Village Mall, 305 Vine Street	Liverpool	NY	13088
NY643	EXIT REALTY HOMEWARD BOUND	607 353 8060	john@exitnys.com	Robert	Farrell	395 Main Street	Oneonta	NY	13820
NY658	EXIT TURNING KEY REALTY	716 688 4900	tkern@turningkeyrealty.com	Terri	Kern	8175 Sheridan Drive. Suite 400	Buffalo	NY	14221
NY659	EXIT REALTY EMPIRE ASSOCIATES	833 518 3948	jennsoldit@gmail.com	Jennifer	Vucetic	805 Route 146	Clifton Park	NY	12065
NY669	EXIT REALTY FRONT AND CENTER	607 875 0530	barb@exitfac.com	Barbara	Gallo	18 Genesee St	Greene	NY	13778

#### EXIT REALTY NEW YORK METRO - NY102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NY533	EXIT REALTY TEAM	718 358 4000	info@exitrealtyteam.com	Charles	Chang	45-66 162nd Street	Flushing	NY	11358

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NY575	EXIT ALL SEASONS REALTY	718 345 4545	roman.d@exitallseasons.com	Roman	Dziedzic	345 Nostrand Ave	Brooklyn	NY	11216
NY576	EXIT ALL SEASONS REALTY	718 416 4411	info@exitallseasons.com	Roman	Dziedzic	65-46 Grand Ave	Maspeth	NY	11378
NY593	EXIT REALTY TOP PROPERTIES	718 256 4000	thomasdalcamo@gmail.com	N/A	N/A	7610 13 Ave.	Brooklyn	NY	11228
NY596	EXIT REALTY ACHIEVE	631 543 2009	jeff@EXITAchieve.com	Susan	Hamblen	956 W. Jericho Turnpike	Smithtown	NY	11787
NY597	EXIT REALTY CENTRAL	718 848 5900	frontdesk13307@gmail.com	John	Rodriguez	106-14 Rockaway Blvd.	Ozone Park	NY	11417
NY607	EXIT REALTY PROFESSIONALS	718 838 2600	careyyangexitny@gmail.com	Jimmy	Tan	6203 18th Ave	Brooklyn	NY	11204
NY614	EXIT REALTY FIRST CHOICE	718 380 2500	exitbyleah@gmail.com	Roman	Davydov	180-32 Union Turnpike	Fresh Meadows	NY	11365
NY614A	EXIT REALTY FIRST CHOICE	718 380 2500	exitrealtyfirstchoice@gmail.com	Roman	Davydov	8015 188th street	Hollis	NY	11423
NY616	EXIT REALTY ALL PRO	631 647 8844	lennyexit@gmail.com	Lenny	Simonetti	269 W. Main St.	Bay Shore	NY	11706
NY622	EXIT REALTY HILLCOURT	516 593 4141	hrojas@exitrealtyhillcourt.com	Henry	Rojas	59 Rockaway Avenue	Valley Stream	NY	11580
NY624	EXIT REALTY GROUP	718 319 8500	sonny@exitrealtygroup.com	Sonny	Vataj	985 Allerton Ave	Bronx	NY	10469
NY625	EXIT REALTY CONNECTIONS	845 298 6034	linom@exitrealtyconnections.com	Lino	Mendogni	2790 W. Main St.	Wappingers Falls	NY	12590
NY630	EXIT REALTY PRIVATE CLIENT	914 222 1000	admin@exitrpc.com	Steven	Saljanin	75 South Broadway, Suite 430	White Plains	NY	10601
NY634	EXIT REALTY TOP PROPERTIES	718 256 4000	thomasdalcamo@gmail.com	N/A	N/A	3614 Quentin Road	Brooklyn	NY	11234
NY635	EXIT REALTY GROUP	914 909 9100	sonny@exitrealtygroup.com	Sonny	Vataj	75 N. Central Ave	Elmsford	NY	10523
NY641	EXIT REALTY PREMIER	516 795 1000	benny@exitpremiersells.com	Benny	Diasparra	4804 Merrick Road	Massapequa	NY	11758
NY644	EXIT REALTY UNITED	516 352 4600	exitunited@gmail.com	JoAnn	Seeno	1603 Hempstead Turnpike	Elmont	NY	11003

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NY645	EXIT REALTY METRO	516 921 3948	info@exitrealtymetro.com	Hector	Castillo	6800 Jericho Turnpike Ste. 120W	Syosset	NY	11791
NY646	EXIT REALTY VENTURE	845 999 3948	info@exitrv.com	Moshe	Schwartz	24 Lake Street	Monroe	NY	10950
NY648	EXIT REALTY PREMIUM	718 829 2300	exitrealtypremium@gmail.com	Anthony	Domathoti	813 Morris Park Ave	Bronx	NY	10462
NY649	EXIT REALTY TOP PROPERTIES	718 256 4000	thomasdalcamo@gmail.com	N/A	N/A	91A Lincoln Ave	Staten Island	NY	10306
NY654	EXIT REALTY PRIME	718 262 0205	exitprimeny@gmail.com	Zaman	Majumder	189-10 Hillside Ave, Suite E	Hollis	NY	11423
NY656	EXIT REALTY ALL CITY	718 276 0070	frontdesk@exitrealtyallcity.com	Ruth	Settles	230-16 Merrick Blvd	Laurelton	NY	11413
NY661	EXIT REALTY ISLAND ELITE	631 331 4000	JFurnari@EXITIslandElite.com	Jason	Furnari	4699 Nesconset Hwy, Suite #2	Port Jefferson Station	NY	11776
NY662	EXIT REALTY EVERYDAY	631 343 8700	melissa@lireia.com	Melissa	Shea	53 Hill St.	Southampton	NY	11968
NY663	EXIT FAMILY REALTY	631 450 4777	barbnjak86@gmail.com	Barbara	Murphy	202 N. Wellwood Ave	Lindenhurst	NY	11757
NY664	EXIT REALTY PRIVATE CLIENT	718 995 2000	admin@exitrpc.com	Steven	Saljanin	2000 Williamsbridge Rd	Bronx	NY	10461
NY665	EXIT REALTY LIMITLESS	646 915 7913	HCEXITRealtor@gmail.com	Hector	Castillo	236 Jericho Turnpike	Floral Park	NY	11001
NY667	EXIT REALTY ISLAND ELITE	631 937 5800	info@exitislandelite.com	Jason	Furnari	870 Love Lane	Mattituck	NY	11952
NY670	EXIT REALTY LIBERTY	631 445 4195	mklersy6@gmail.com	Maureen	Klersy	40 Peconic Ave	Riverhead	NY	11901
NY671	EXIT HOME KEY REALTY	631 408 6622	melissa@everydayrs.com	Melly	Rosario	5018 Express Dr S 2nd Floor	Lake Ronkonkoma	NY	11779
NY672	EXIT REALTY DKC	718 676 1371	DKC.grp@gmail.com	Danny	Collins	1738 Wallace Ave.	Bronx	NY	10462
NY673	EXIT REALTY ENJOY	631 392 1700	nhinds@hpgnyc.com	Newton	Hinds III	2005 Deer Park Ave. Suite 2A	Deer Park	NY	11729

#### North Carolina

#### EXIT OF THE CAROLINAS - NC101

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
NC517	EXIT REALTY MOUNTAIN VIEW PROPERTIES	828 837 2288	properties@exitmurphy.com	Corky	Vetten	14 Valley River Ave	Murphy	NC	28906
NC521	EXIT REALTY ELITE PROPERTIES	704 262 3948	brandy.sellersus@yahoo.com	Brandy	Sellers	1 Buffalo Ave. NW Suite 3301	Concord	NC	28025
NC560	EXIT REALTY PREFERRED	910-904-7355	candiquigley@gmail.com	Candilee	Quigley	250 Lindsay Rd	Raeford	NC	28376
NC565	EXIT EAST CAROLINA REALTY	910 406 1455	christina@christinablock.com	Christina	Block	14548 US Hwy, 17 N	Hampstead	NC	28443
NC567	EXIT REALTY PREFERRED - FAYETTEVILLE	910 229 2520	exitfayettevillehomes@gmail.com	Heather	Faircloth	717 Hay Street, Suite A	Fayetteville	NC	28301
NC568	EXIT REALTY GROUP	704 790 1400	gthomas@thomaspropertygroup.net	Grady	Thomas	15720 Brixham Hill Ave, Suite 300	Charlotte	NC	28277
NC571	EXIT REALTY PREFERRED TRIANGLE	919 706 7778	mikaela@exitrealtytriangle.com	Mikaela	Rojas	1100 Logger Ct. Suite H-100	Raleigh	NC	27609
NC573	EXIT REALTY PREFERRED TRIAD	910 624 6857	candiquigley@gmail.com	Keith	Quigley	1540 Westbrook Plaza Drive	Winston-Salem	NC	27103
NC576	EXIT REALTY EXPERTS	828 712 4838	melissa@exitrealtyexperts.com	Melissa	Webb	318 N Suite 7 Main Street	Hendersonville	NC	28792
NC578	EXIT REALTY VISION	828 484 9268	exitashevilleinfo@gmail.com	Tammy	Israel	101 Weaver Blvd.	Weaverville	NC	28787
NC579	EXIT REALTY JOURNEY	910 286 0697	Exitrealtyjourney@gmail.com	Jaimie	Tedder	9508 Blake Cir NE	Leland	NC	28451

#### North Dakota

#### EXIT REALTY UPPER MIDWEST - ND103

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
ND501	EXIT REALTY METRO	701 205 1350	office@ermetro.com	Nick	Leavy	1325 DeMers Ave., Suite B	Grand Forks	ND	58201
ND502	EXIT PREMIER REALTY	701 770 7183	findhomeskihle16@gmail.com	Kathryn	Kihle	1411 West Dakota Pkwy	Williston	ND	58801

#### Ohio

#### EXIT REALTY CORP. USA - OH200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
OH514	EXIT BEST REALTY	513 899 9990	ralph@blantonteam.com	Ralph	Blanton	500 West Pike Street	Morrow	OH	45152

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
OH521	EXIT BEST REALTY	513 932 3948	debi@blantonteam.com	Ralph	Blanton	777 Columbus Ave Suite 7A	Lebanon	OH	45036
OH523	EXIT RIVERBEND REALTY	740 860 3555	marianduvall@gmail.com	Marian	DuVall	220 Main St	Belpre	OH	45714
OH525	EXIT REALTY GPS	330 526 6544	jsaal@exitgps.com	Jason	Saal	6370 Mount Pleasant St. NW	North Canton	OH	44720

#### Oklahoma

#### EXIT REALTY CORP. USA - OK200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
OK511	EXIT REALTY CONNEXX	918 994 4848	exitconnexx@gmail.com	Sally	Perez	6130 E. 71st St. Suite 14	Tulsa	OK	74136
OK513	EXIT REALTY PREMIER	405 703 3565	vada.dwa@gmail.com	Vada	Dwaileebe	3705 W. Memorial Rd Suite 1405	Oklahoma City	OK	73134

#### Oregon

#### EXIT REALTY PACIFIC WEST - OR200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
OR512	EXIT REALTY BEND	541 385 8775	exitrealtybendoregon@gmail.com	Juana	Beede	805 SW Industrial Way, Suite 4	Bend	OR	97702

#### Pennsylvania

#### EXIT REALTY CORP. USA - PA200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
PA537	EXIT PREFERRED REALTY	717 263 3555	timsmith@exitpreferredrealty.com	Tim	Smith	2021 East Main St.	Waynesboro	PA	17268
PA538	EXIT PREFERRED REALTY	717 263 3555	timsmith@exitpreferredrealty.com	Tim	Smith	1047 Lincoln Way East	Chambersburg	PA	17201
PA540	EXIT REALTY SERVICES	724 457 3948	mikemiller@exitrealtyse rvices.com	Mike	Miller	626 McGovern Boulevard	Moon Township	PA	15108
PA541	EXIT REALTY INDEPENDENCE	267 239 5806	sharonwoodsrealtor@gmail.com	Sharon	Woods	617 S 2nd St	Philadelphia	PA	19147
PA542	EXIT ELEVATE REALTY	215 623 6000	elemons23@gmail.com	Erik	Lemons	1450 Grays Ferry Ave. 1st Floor	Philadelphia	PA	19143

#### Rhode Island

#### EXIT REALTY CT & RI - RI102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
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Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
RI513	EXIT REALTY RE-IMAGINED	401 739 2081	anthonyiadevaia2@gmail.com	Anthony	iadevaia	100 Centerville Rd Unit #1	Warwick	RI	02886

#### South Carolina

#### EXIT OF THE CAROLINAS - SC101

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
SC588	EXIT REAL ESTATE CONSULTANTS	803 358 0888	info@exitrec.com	Loretta	Whitehead	5175 Sunset Blvd. Suite 3	Lexington	SC	29072
SC596	EXIT REAL ESTATE SOLUTIONS	803 834 7444	jk4homes@yahoo.com	Jae	Kim	7116 Firelane Rd.	Columbia	SC	29223
SC607	EXIT COASTAL REAL ESTATE PROS	843 796 1358	exitcoastalrealestatepros@gmail.com	MaryAnne	Dorio	550 Forestbrook Rd. Suite 300	Myrtle Beach	SC	29579
SC608	EXIT PALMETTO REAL ESTATE SERVICES	803 764 7968	office.admin@exitpalm etto.com	Lisa	Cloyd	1720-F Dutch Fork Rd	Irmo	SC	29063
SC610	EXIT REALTY LOWCOUNTRY GROUP	843 619 3005	corwyn@corwynmelette.com	Corwyn J.	Melette	3294 Ashley Phosphate Road Suite 1-E	North Charleston	SC	29418
SC612	EXIT REALTY UNLIMITED	864 509 0336	maryiacovelli@att.net	Mary	Iacovelli	107 East Butler Road Suite F	Mauldin	SC	29662
SC613	EXIT HILTON HEAD REALTY	843 342 3948	info@exitrealtyhhi.com	Ronald	Williams	1000 William Hilton Parkway, Suite J15	Hilton Head Island	SC	29928
SC614	EXIT OMEGA REAL ESTATE GROUP	864 335 9944	jason@exitomegareg.com	Jason	Sumter	212 Adley Way	Greenville	SC	29607
SC615	EXIT EMPOWERMENT REALTY	803 470 1787	EXITEmpowermentRealty@gmail.com	Belinda	Forrest	1345 Garner Ln, Ste 106-A	Columbia	SC	29210
SC616	EXIT REALTY NEW HORIZONS	803 678 7110		David	Kafitz Jr.	914 Richland Street, Suite B-201	Columbia	SC	29201

#### South Dakota

#### EXIT REALTY UPPER MIDWEST - SD103

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
SD501	EXIT REALTY BLACK HILLS	605 716 3948	alley@exitrapidcity.com	Michael	Alley	302 Main Street	Rapid City	SD	57701
SD503	EXIT REALTY CONNECTION	605 753 3948	exitrealty@iw.net	Jayson	Maguire	1001 Ninth Ave.SE	Watertown	SD	57201



Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
SD505	EXIT REALTY SIOUX EMPIRE	605-498-3200	lynda@exitsiouxempire.com	Lynda	Cook	405 E. Brian St. Suite #1	Tea	SD	57064
SD506	EXIT REALTY - LEADING EDGE	605 438 3948	dhooth8@gmail.com	Denice	Hooth	203 E 4th Ave	Milbank	SD	57252
SD507	EXIT REALTY ADVANTAGE	605 556 7500	adamsellsomore@gmail.com	Adam	Foland	1020 S. Union Ave	Madison	SD	57042
SD508	EXIT REALTY BLACK HILLS	605 722 3948	alley@exitrapidcity.com	Michael	Alley	315 Cliff Street	Deadwood	SD	57732
SD509	EXIT REALTY - GREAT PLAINS	605 777 4083	admin@exitisgreat.com	Lee A.	Porter	1504 W. 41st St	Sioux Falls	SD	57105
SD511	EXIT REALTY - HEARTLAND HOMES	605 270 3877	leary.heartlandhomes@gmail.com	Mary	Leary	108 N Main St	Howard	SD	57349
SD512	EXIT REALTY MITCHELL	605 990 3948	tonyak.realtor@gmail.com	Tonya	Klingaman	117 E. 4th Ave	Mitchell	SD	57301

#### Tennessee

#### EXIT SOUTHEAST - TN102

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
TN524	EXIT REALTY MUSIC CITY	615 807 1204	exitmusiccity@gmail.com	Jan	Nichols	3010 Poston Ave. Suite One	Nashville	TN	37203
TN537	EXIT REALTY BOB LAMB & ASSOCIATES	615 896 5656	thetnrealtor@outlook.com	Valarie	Glenn	2630 Memorial Blvd	Murfreesboro	TN	37129
TN556	EXIT REALTY DIVERSIFIED	615 463 8740	csplemons@gmail.com	Linda	Burr	212 Oceola Ave	Nashville	TN	37209
TN557	EXIT REAL ESTATE SOLUTIONS	615 826 0001	info@exitrealestatesolutions.com	Ed	Andrews	111 Maple Row Blvd	Hendersonville	TN	37075
TN565	EXIT REALTY OF THE SOUTH	615 220 0700	jeremy@exitrealtyofthesouth.com	Dan	Bush	701 President Place, Suite 150	Smyrna	TN	37167
TN566	EXIT REALTY GARDEN GATE TEAM	615 323 0707	derrickmiller@realtracs.com	Derrick	Miller	109 Main Street	Portland	TN	37148
TN569	EXIT REALTY GARDEN GATE TEAM	615 672 6729	derrickmiller@realtracs.com	Jennifer	Moss	610 B. Hwy 76	White House	TN	37188
TN570	EXIT REALTY SCREAMIN' EAGLE	931 919 5099	admin@exitrealtyscreamineagle.com	Amanda	Griffis	919-B Tiny Town Road	Clarksville	TN	37042
TN572	EXIT REALTY GARDEN GATE TEAM	615 989 7733	derrickmiller@realtracs.com	Shelly	Gregory	132 North Water Ave	Gallatin	TN	37066

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
TN577	EXIT REALTY ELITE	615 373 3948	sales@kelwilliams.com	Christie	Drury	1000 Division St.	Nashville	TN	37203
TN582	EXIT ROCKY TOP REALTY	866 456 2903	tom@gorockytop.com	Tom	Parham	2348 North Main St.	Crossville	TN	38555
TN582A	EXIT ROCKY TOP REALTY	931 787 1213	tom@gorockytop.com	Jill	Parham	5161 Peavine Road	Crossville	TN	38571
TN585	EXIT ROCKY TOP REALTY COOKEVILLE	931 526 4455	tom@gorockytop.com	Donnita	Hill	818 E. 10th St	Cookeville	TN	38501
TN585A	EXIT ROCKY TOP REALTY	931 520 7733	exitck2@gmail.com	Catherine	Cates	208 South Jefferson Ave	Cookeville	TN	38501
TN588	EXIT TENNESSEE REALTY PROS	865 429 2800	tnrealtypros@gmail.com	James	Maddron	1338 Parkway Rd., Suite 2	Sevierville	TN	37862
TN591	EXIT MASTER REALTY	615 467 7077	gseard@yahoo.com	Gayle Seard	Brown	907 Rivergate Parkway D1	Goodlettsville	TN	37072
TN592	EXIT TENNESSEE REALTY PROS	865 429 2800	tnrealtypros@gmail.com	Jerry	Sandifer	3278 Wears Valley Rd	Sevierville	TN	37862
TN595	EXIT ROCKY TOP REALTY SPARTA	931 836 1490	tom@gorockytop.com	Tom	Parham	135 West Bockman Way	Sparta	TN	38583
TN597	EXIT ROCKY TOP REALTY LIVINGSTON	931 823 7717	tom@gorockytop.com	Dino	Cates	518 W Main St	Livingston	TN	38570
TN598	EXIT REALTY BLUES CITY	901 577 3948	EddieWithEXIT@gmail.com	Michael Anthony	McCord	11124 Hwy 51 N Suite C	Atoka	TN	38004
TN600	EXIT ROCKY TOP REALTY DALE HOLLOW	931 456 2903	tom@gorockytop.com	Clint	Conner	1022 East Lake Avenue	Celina	TN	38551
TN601	EXIT REALTY MUSIC CITY	615 807 1204	info@exitmusiccity.com	Jan	Nichols	813 Wedgewood	Nashville	TN	37203
TN609	EXIT ROCKY TOP REALTY LEBANON	615 443 3130	tom@gorockytop.com	Judy	Cox	1330 West Main Street	Lebanon	TN	37087
TN610	EXIT REALTY ECLIPSE	615 772 5326	qncrum@gmail.com	Quenn	Crum	2397 Main St.	Greenbrier	TN	37073
TN611	EXIT TLC REALTY	865 816 3094	exittlcrealty@gmail.com	Patti	Whalen	149 Kelsey Lane Suite 102	Lenoir City	TN	37772
TN613	EXIT REALTY OF THE SMOKIES	865 465 8361	EXITdiane@hotmail.com	Diane	Farr	3662 Douglas Dam Rd	Kodak	TN	37764
TN615	EXIT REALTY BLUES CITY	731 554 3948	EddieWithEXIT@gmail.com	Janet	DiChiara	50 Volunteer Blvd	Jackson	TN	38305

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
TN626	EXIT EXCEPTIONAL REALTY	931 292 0813	shavondapolk@yahoo.com	Shavonda	Polk	317 Geri Street	Lawrenceburg	TN	38464
TN627	EXIT REALTY SCENIC GROUP	423 803 4900	exitscenicgroup@gmail.com	Mandi	Greeson	7506 E. Brainerd Rd	Chattanooga	TN	37421
TN631	EXIT REALTY BREWER AND CO.	931 433 2633	brewerka@realtracs.com	Kay	Brewer	117 Main Avenue	Fayetteville	TN	37334
TN635	EXIT REALTY PROS	865 383 3948	vosepropertygroup@gmail.com	Patricia	Shepherd	9821 Cogdill Rd. Suite 1A	Knoxville	TN	37932
TN639	EXIT REALTY PREMIER	423 884 2255	exitrealtypre@gmail.com	Annette	Oliverio	2903 Hwy 411 Suite 6	Madisonville	TN	37354
TN643	EXIT REAL ESTATE EXPERTS	615 894 7070	exitrealestateexperts@gmail.com	April	Harrington	1903 Old Hickory Blvd	Old Hickory	TN	37138
TN644	EXIT TRULY HOME REALTY	615 302 3213	jagraves247@gmail.com	Jessica	Graves	5075 Main Street, Ste D-2	Spring Hill	TN	37174
TN647	EXIT PROVISION REALTY	423 472 9200	bettyhmesser@gmail.com	Dennis	Opp	1592 Clingan Ridge Dr. NW	Cleveland	TN	37312
TN652	EXIT REALTY BLUES CITY	731 554 3948	EddieWithEXIT@Gmail.com			1019 Jones Blvd	Milan	TN	38358
TN653	EXIT REALTY 615	615 630 4550	tennesseehousehunter@gmail.com	Kristen	Curtis	231 Public Square, Suite 300	Franklin	TN	37064
TN655	EXIT REALTY TRI-CITIES	423 806 0400	admin@exitrealtytri-cities.com	Jennie	Treadway	1735 West State of Franklin Road. Ste 2	Johnson City	TN	37604
TN658	EXIT REALTY PROFESSIONAL GROUP	423 716 4535	exitrealtyprofessionalgroup@gmail.com	Bayli	Williams	9217 Dayton Pike, Suite 102	Soddy Daisy	TN	37379
TN661	EXIT NOBLE REALTY GROUP	931 632 3948	leah@exitnoblerealtygroup.com	Leah	Dickert	1350 Cedar Lane	Tullahoma	TN	37388
TN663	EXIT REALTY GARDEN GATE TEAM	615 667 0100	derrickmiller@realtracs.com	Barry	Richards	101 5th Ave West	Springfield	TN	37172
TN665	EXIT REALTY GATEWAY SOUTH	931 905 8442	katelynn@exitgatewaysouth.com	Garry	Wicker	120G Merchants Blvd	Clarksville	TN	37040
TN669	EXIT NOW REALTY	931 582 6555	brachford@realtracs.com	Desiree	Rachford	10163 Hwy 70 E	McEwen	TN	37101
TN671	EXIT REAL ESTATE EXPERTS EAST	615 736 3279	exitexpertseast@gmail.com	Elizabeth	Lawson	625 Main Street Suite #205	Nashville	TN	37206

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
<b>Texas</b>									
<b>EXIT SOUTHEAST - TX109</b>									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
TX530	EXIT REALTY PRO	903 567 7777	mike@texasrealtypro.net	Michael	Murdock	1445 South Buffalo	Canton	TX	75103
TX539	EXIT REALTY PINNACLE GROUP	903 356 4700	texaslakehomes@gmail.com	Kathy	Hobbs	8767 S. Hwy 34	Quinlan	TX	75474
TX564	EXIT REALTY OF LUBBOCK	806 771 3900	frontdesk@exitlubbock.com	Russell	McGuire	2405 W. Loop 289 Suite 100	Lubbock	TX	79407
TX586	EXIT 4 TEXAS REALTY PROFESSIONALS	830 627 3948	sherrykeeble@yahoo.com	Sherry	Keeble	1619 E. Common Suite 1003	New Braunfels	TX	78130
TX607	EXIT LONE STAR REALTY	281 292 8886	susanmackrealty@gmail.com	Susie	Mack	2219 Sawdust Road Suite 1302	The Woodlands	TX	77380
TX608	EXIT PERMIAN BASIN REALTY	432 400 2177	joe@joegarciatoday.com	Eric	Garcia	3952 E. 42nd St. Suite XX	Odessa	TX	79762
TX612	EXIT REALTY 360	713 987 7000	andreacooksey@exitrealty360.com	Andrea	Cooksey	1990 Country Place Pkwy #110	Pearland	TX	77584
TX618	EXIT REALTY ELITE	817 251 5559	Paul.Reitz@exitrrg.com	Paul	Reitz	931 S. Church St.	Grapevine	TX	76051
TX620	EXIT REALTY ELITE	214 407 7405	Paul.Reitz@exitrrg.com	Paul	Reitz	7651 Main St. Ste 100	Frisco	TX	75034
TX624	EXIT REALTY PROPERTY PROS	409 895 2383	propertyprojck@gmail.com	Jacey-Kay	Carter	122 Country Lane Drive	Lumberton	TX	77657
TX626	EXIT REALTY UNLIMITED	903 716 8082	kenautrey@aol.com	Ken	Autrey	3403 Cascades Blvd	Texarkana	TX	75503
TX627	EXIT HEART OF TEXAS REALTY	254 781 2012	greg@exithot.com	Greg	Ruehlen	4003 W. Stan Schlueter Loop Rd. Suite 106	Killeen	TX	76549
TX628	EXIT HEART OF TEXAS REALTY	254 781 2012	greg@exithot.com	Greg	Ruehlen	2526 E. Bus Hwy 190	Copperas Cove	TX	76522
TX630	EXIT PREMIER REALTY	210 491 2067	exitpremierrealtytx@gmail.com	Cher	Miculka	16170 Jones Maltsberger Bldg	San Antonio	TX	78247
TX633	EXIT J RAGZ REALTY ELITE	214 305 5888	janie@exitjragzrealtyelite.com	Janie	Ragsdale	130 N. Preston Rd Suite 331	Prosper	TX	75078

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
TX635	EXIT REALTY LAREDO	956 728 1114	luluparasjasso@gmail.com	Jose	Escobedo	10414 Medical Loop, B1	Laredo	TX	78045
TX636	EXIT PERMIAN BASIN REALTY	432 400 2177	joe@joegarciatoday.com	Eric	Garcia	111 NW Ave C	Andrews	TX	79714
TX639	EXIT REALTY ADVANTAGE	325 716 4663	aaron_nelson@live.com	Aaron	Nelson	5028-A Knickerbocker Rd	San Angelo	TX	76904

#### Utah

#### EXIT REALTY PACIFIC WEST - UT200

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
UT560	EXIT REALTY SUCCESS	801 352 8000	kevinkhomes@gmail.com	Kevin	Kilpatrick	1231 West 9000 South Suite E	West Jordan	UT	84088
UT563	EXIT REALTY LEGACY	801 438 0246	angelina@exitrealtylegacy.com	Kyle	Webb	2257 South 1100 East Suite 204	Salt Lake City	UT	84106
UT566	EXIT REALTY ADVANTAGE	801 298 2865	kevinkhomes@gmail.com	Stephanie	Dickson	517 N. 2000 W. Suite #4	Marriott-Slaterville	UT	84404
UT567	EXIT REALTY ASCENDANCY	435 228 6281	exitrealtyascendancy@gmail.com	Mandy	Brown	70 S Main St.	Tooele	UT	84074
UT568	EXIT REALTY LEGACY EXCELLENCE	801 438 0246	kylewebb@exitlegacyutah.com	Kyle	Webb	169 West 2710 South Circle	St. George	UT	84790
UT570	EXIT REALTY SUCCESS SOLUTIONS	801 352 8000	kevinkhomes@gmail.com	Kevin	Kilpatrick	1593 N Redwood Rd, Suite 4	Saratoga Springs	UT	84045

#### Virginia

#### EXIT REALTY VIRGINIA - VA101

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
VA506	EXIT FIRST REALTY (RICHMOND/GLEN ALLEN)	804 527 3948	marc@marcshomes.net	Bryan	Tubbs	11207 Nuckols Rd Suite E	Glen Allen	VA	23059
VA510	EXIT REALTY PROFESSIONALS	757 425 6060	info@exitrealtyhr.com	Tom	Hubba, II	1100 Eaglewood Dr. #200	Virginia Beach	VA	23454
VA515	EXIT MID-RIVERS REALTY	804 493 1888	info@exitmiddrivers.com	Rosa	Johnson	15034 Kings Highway	Montross	VA	22520
VA515A	EXIT MID-RIVERS REALTY	804 224 3948	info@exitmiddrivers.com	Rosa	Johnson	990 Colonial Ave	Colonial Beach	VA	22443

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
VA518	EXIT TOWN & LAKE REALTY	434 689 2766	bethcook@gastonlake.com	Beth	Cook	14 Bracey Drive	Bracey	VA	23919
VA518A	EXIT TOWN & LAKE REALTY	434 689 2766	bethcook@gastonlake.com	Beth	Smith	231 E. Atlantic St	South Hill	VA	23970
VA526	EXIT REALTY CENTRAL	757 466 1009	soldhamptonroads@gmail.com	Kimberly	Plourde	870 N. Military Hwy, Suite 100	Norfolk	VA	23502
VA533	EXIT REALTY PARADE OF HOMES	804 622 3948	callmarcy@aol.com	Marcy	Caffrey	2820 Waterford Lake Drive, Suite 106	Midlothian	VA	23112
VA538	EXIT ELITE REALTY	540 785 2002	info@exit-fredericksburg.com	Katrina	Dotson	11928 Cherry Rd	Fredericksburg	VA	22407
VA545	EXIT REALTY PROS	703 368 7355	vicki@exitrealtypros.com	Vicki	Cloud	9244 Center St.	Manassas	VA	20110
VA546	EXIT REALTY SUCCESS	804 924 2171	Jane@JaneRenger.com	Jane	Renger	605 Research Rd. Suite E.	North Chesterfield	VA	23236
VA550	EXIT REALTY EXPERTISE	540 775 6555	eexitrealtykg@gmail.com	Gary	Butler	9441 Kings Hwy	King George	VA	22485
VA550A	EXIT REALTY EXPERTISE	540 413 1006	eexitrealtykg@gmail.com	Gary	Butler	4485 Danube Dr. Unit 32	King George	VA	22485
VA551	EXIT LANDMARK REALTY LORTON	703 339 7506	exitlandmarkva@gmail.com	Bernadette	Cole	2000 Duke Street, 3rd Floor	Alexandria	VA	22314
VA552	EXIT ELITE REALTY	540 479 3226	Katrina@EXIT-Fredericksburg.com	Katrina	Dotson	608 William Street	Fredericksburg	VA	22401
VA553	EXIT LEADING EDGE REALTY	202 802 1559	homes@januaricoates.com	Januari	Coates	3248 Richmond Hwy	Stafford	VA	22554
VA554	EXIT REALTY ALLIANCE	571 330 2484	nakitamattocks@gmail.com	Nakita	Mattocks	13168 Centerpointe Way Ste 201 & 202	Woodbridge	VA	22193
VA556	EXIT REALTY DIGITAL	804 239 0002	TheCarter-PrideTeam@Outlook.Com	Regenia	Carter-Pride	3601 W Hundred Rd	Chester	VA	23831
VA557	EXIT REALTY EXPERTISE	804 250 2106	eexitrealtykg@gmail.com	Gary	Butler	5055 Richmond Rd	Warsaw	VA	22572
VA560	EXIT RESOURCE REALTY	804 519 7676	tamara@crgrichmond.com	Tamara	Taylor	203 Twinridge Lane	Bon Air	VA	23235

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
<b>Washington</b>									
<b>EXIT REALTY PACIFIC WEST - WA200</b>									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
WA501	EXIT REAL ESTATE PROFESSIONALS	509 535 8400	sabrina@exitofspokane.com	Sabrina	Jones-Schroeder	1403 S. Grand Blvd, Suite 101 N	Spokane	WA	99203
WA515	EXIT REAL ESTATE NORTH	509 466 4500	admin@exitrenorth.com	Don	Guderjohn	1105 W. Francis Ave, Suite A	Spokane	WA	99205
WA519	EXIT REAL ESTATE PROFESSIONALS	509 535 8400	sabrina@exitofspokane.com	Sabrina	Jones-Schroeder	517 S. Fir Ave	Deer Park	WA	99006
WA520	EXIT REALTY TRI-CITIES LIFE	509 820 3010	Office@EXITRealtyTC.com	Steve	Lambert	8836 W Gage Blvd Suite 101-A	Kennewick	WA	99336
<b>West Virginia</b>									
<b>EXIT REALTY CORP. USA - WV200</b>									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
WV503	EXIT SUCCESS REALTY	304 350 1281	howard@exitsuccesswv.com	Howard	Kronthal	115-3 Aikens Ctr.	Martinsburg	WV	25404
WV504	EXIT SUCCESS REALTY	304 350 1281	howard@exitsuccesswv.com	Howard	Kronthal	120-B W. Washington Street	Charles Town	WV	25414
WV505	EXIT RIVERBEND REALTY	304 893 9556	exitriverbendrealty@gmail.com	Marian	DuVall	130 Fourth Street	Parkersburg	WV	26101
WV506	EXIT ELEVATION REALTY	304 256 0101	exitelevationwv@gmail.com	Luke	Richmond	300 N Kanawha St Ste 205	Beckley	WV	25801
<b>Wisconsin</b>									
<b>EXIT REALTY UPPER MIDWEST - WI102</b>									
Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
WI506	EXIT REALTY HORIZONS	414 771 7144	info@exithorizonswi.com	Tom	McCormick	1417 N. Wauwatosa Ave #201	Wauwatosa	WI	53213
WI507	EXIT GREATER REALTY	715 298 2727	teal@exitwausau.com	Glenn	Mohs	3315 Terrace Court	Wausau	WI	54401
WI513	EXIT GREATER REALTY	715 785 5170	teal@exitwausau.com	Glenn	Mohs	860 E. Broadway Ave	Medford	WI	54451
WI514	EXIT MIDSTATE REALTY	715 575 8758	sales@exitmidstate.com	Jodi	Teige	4111 Schofield Ave #10	Weston	WI	54476

Code	Office	Phone	Email	First Name	Last Name	Address	City	State	Zip
WI515	EXIT REALTY HGM	608 838 4457	Brian@exithgm.com	Ronald	Williams	12 S. Pontiac Dr.	Janesville	WI	53545
WI516	EXIT REALTY HGM	608 838 4457	finance@exithgm.com	Ronald	Williams	345 W Washington Ave	Madison	WI	53703
WI518	EXIT REALTY RESULTS	262 235 0355	gayle@exitresultswi.co m	Mike	Matt	Wessex Centre N 64 W 24678 Main St	Sussex	WI	53089
WI519	EXIT PROFESSIONAL REAL ESTATE	608 426 7111	exitpre@gmail.com	Jeffrey	Maliszewski	912 17th Ave	Monroe	WI	53566
WI519A	EXIT PROFESSIONAL REAL ESTATE	608 424 8960	exitpre@gmail.com	Jeffrey	Maliszewski	901 Highway 69	New Glarus	WI	53574
WI519B	EXIT PROFESSIONAL REAL ESTATE	608 285 2540	exitpre@gmail.com	Jeffrey	Maliszewski	1007 1st Center Ave	Brodhead	WI	53520
WI520	EXIT ELITE REALTY	920 722 1100	eric.muller@exitelitewi. com	Eric	Muller	2711 N. Mason St. Ste A	Appleton	WI	54914
WI521	EXIT ELITE REALTY	715 940 0020	eric.muller@exitelitewi. com	Eric	Muller	420 E. Green Bay St. Suite 201	Shawano	WI	54166
WI522	EXIT ELITE REALTY	877 338 3948	eric.muller@exitelitewi. com	Eric	Muller	1777 Witzel Ave Ste B	Oshkosh	WI	54902
WI523	EXIT REALTY CW	715 598 3794	sales@exitcw.com	Brandon	Taylor	3440A Church St	Stevens Point	WI	54481
WI529	EXIT REALTY HORIZONS	262 255 5588	info@exithorizonswi.co m	Tom	McCormick	W175 N11162 Stonewood Dr	Germantown	WI	53022
WI530	EXIT REALTY HORIZONS	414 771 7144	info@exithorizonswi.co m	Tom	McCormick	103 North Avenue	Hartland	WI	53029
WI532	EXIT REALTY DRIFTLESS GROUP	608 237 1770	jeffmarcks@outlook.co m	Cynthia	Luster	328 S. Marquette Rd	Prairie Du Chien	WI	53821



**Exhibit D-1 - Signed but not yet Open as at 12.31.23**

	<b>Compliance Date</b>	<b>Code</b>	<b>Franchisees</b>	<b>Franchise Name &amp; Address</b>	<b>Status</b>
1	25-Jan-19	GA682	Renee Duncan	EXIT INTEGRITY REALTY Snellville, GA	New Office
2	7-Oct-19	KY528	Adam Hill	EXIT INTERSTATE REALTY Somerset, KY	New Office
3	25-Dec-20	FL927	Erica Price	EXIT SANDS REALTY Mexico Beach, FL	New Office
4	15-Jan-21	ON661	Wade Mitchell	EXIT REALTY ACCELERATION, BROKERAGE Kingston, ON	New Office
5	20-May-21	FL934	Sebastian Manes	EXIT REALTY MANES GROUP Oviedo Park, FL	New Office
6	1-Jun-21	TN651	Jessica Graves	EXIT REALTY KING AND ASSOCIATES Columbia, TN	New Office
7	4-Jun-21	FL936	Michael Anthony Sisco	EXIT BEACH REALTY Daytona Beach, FL	New Office
8	1-Feb-22	MA664	David Harris	EXIT CAPE REALTY MARTHA'S VINEYARD Martha's Vineyard, MA	New Office
9	1-Feb-22	MA665	David Harris	EXIT ISLAND REALTY NANTUCKET Nantucket, MA	New Office
10	4-Mar-22	ON662	Mary Ellen McCamus	EXIT REALTY LIFTLOCK, BROKERAGE Bowmanville, ON	New Office
11	3-Apr-22	KY540	Cynthia Payne Kelley McGough	EXIT REALTY THOROUGHbred Russelville, KY	New Office
12	22-Jul-22	IA522	John Beltramea	EXIT EASTERN IOWA REAL ESTATE Marion, IA	New Office
13	27-Aug-22	VA558	Steve Twyman	EXIT REALTY EXPERTS Springfield, VA	New Office
14	25-Jan-23	AL575	Erin Howell Lyndsi Hughes	EXIT REALTY HOWELL & HUGHES Vestavia Hill, AL	New Office
15	18-Feb-23	AL578	Rachel Nufrio Jody Marsh	EXIT ALLSTAR GULF COAST REALTY Elberta/Lillian, AL	New Office
16	19-Feb-23	FL948	Michael Wright Jeanne Scholl	EXIT INSPIRED REAL ESTATE Orange Park, FL	New Office
17	8-Mar-23	TN667	Matthew Stinnett	EXIT REALTY PROFESSIONAL GROUP Pikeville, TN	New Office

**Exhibit D-1 - Signed but not yet Open as at 12.31.23**

	<b>Compliance Date</b>	<b>Code</b>	<b>Franchisees</b>	<b>Franchise Name &amp; Address</b>	<b>Status</b>
18	8-Mar-23	TN668	Matthew Stinnett	EXIT REALTY PROFESSIONAL GROUP Dunlap, TN	New Office
19	4-Apr-23	AL579	Teresa Autrey Sahid Bahakel	EXIT REALTY OF SPANISH FORT Columbiana, AL	New Office
20	13-May-23	TN670	Jonathan Campbell	EXIT TBD Chattanooga, TN	New Office
21	27-Jun-23	FL950	Carla Allen	EXIT Prestige Island Realty Treasure Island, FL	New Office
22	7-Jul-23	ON665	Tanmay Kelkar	EXIT TBD Central North Mississauga, ON	New Office
23	23-Jul-23	FL953	William Kilpatrick	EXIT Realty Anchor South Ft. Walton, FL	New Office
24	25-Aug-23	FL954	Shawna Lafont and Ricardo Lafont Lopez	EXIT Realty Revolution Clermont, FL	New Office
25	12-Nov-23	VA559	Stephanie Cooper	EXIT Essential Realty Alexandria, VA	New Office
26	21-Nov-23	AL585	Tonya Mitchell Gregory Mitchell	EXIT Realty Legacy homes Arrowhead/East Dale, AL	New Office
27	3-Feb-24	ON671	Shelly Howe	EXIT Realty Connect Milton, ON	New Office
28	13-Feb-24	GA716	Whittney Self	EXIT Realty Self Property Advisors McDonough, GA	New Office
29	14-Feb-24	ON673	Julie Jenkins	EXIT Realty Twin Bridges Komoka, ON	New Office
30	6-Mar-24	AL589	Ronald Bowling Kellie Bowling Sandy Marks	EXIT TBD Decatur, AL	New Office
31	8-Mar-24	AL588	Morgan Gullede	EXIT TBD Moody, AL	New Office
32	10-Mar-24	IL538	Cris and Scott Ryder	EXIT Realty Fireside East Dubuque, IL	New Office
33	10-Mar-24	WI533	Jeffrey Maliszewski, Ryan Ziltner, Alexis Harris, Patrick Reese	EXIT Professional Real Estate Mount Horeb, WI	New Office

**Exhibit D-1 - Signed but not yet Open as at 12.31.23**

	<b>Compliance Date</b>	<b>Code</b>	<b>Franchisees</b>	<b>Franchise Name &amp; Address</b>	<b>Status</b>
34	8-Apr-24	NY674	Chris Valsamos	EXIT Key Realty Patchogue, NY	New Office
35	20-Apr-24	TX640	Steffan Moore Carolyn Moore	EXIT Realty Frontier Abilene, TX	New Office
36	21-Apr-24	VA561	Sean Monteiro Erika Monteiro Crystal Clarke	EXIT Monument Realty Chesapeake, VA	New Office

**EXHIBIT E**  
**DISCONTINUED FRANCHISES**

**EXHIBIT E – 1**  
**TRANSFERRED FRANCHISES**

## Exhibit E - Terminated Franchises as at 12.31.2023

	Termination Date	Code	Franchisee(s)	Franchise Name	Phone #	Address	Reason For Closure
1	11-Nov-20	NJ633	Shimon Avrahami	EXIT REALTY OF TENAFLY	201 338 2772	37 Riveredge Road Tenafly, NJ 07670	Default - Abandonment
2	19-Jan-23	MA642	Peter Beatrice III	EXIT REALTY BEATRICE ASSOCIATES	978 777 3948	191 S. Main Street Middleton, MA 01949	Expired
3	19-Jan-23	MA646	Peter Beatrice III	EXIT REALTY BEATRICE ASSOCIATES	978 777 3948	1711 Broadway 1st Floor Saugus, MA 01906	Expired
4	19-Jan-23	MA671	Derek Beatrice Carol Beatrice	EXIT REALTY MERRIMACK VALLEY	781 883 9433	41 Washington Street Haverhill, MA 01832	Defaulted - Failure to open
5	25-Jan-23	NY668	Janet Mahabir	EXIT REALTY ADVANTAGE	516 513 5152	1900 Grand Ave Suite 106 Baldwin, NY 11510	Closed
6	25-Jan-23	TN618	Abdulqader Omar	EXIT UNITED REALTY	615 474 2446	2005 Ethan Lane Antioch, TN 37013	Defaulted - Failure to open
7	25-Jan-23	TN634	Rebecca Steverson	EXIT DREAMS REALTY	615 441 1117	101B S. Main Street Dickson, TN 37055	Mutual Release
8	26-Jan-23	FL841	Deirdre Lucey-Humphries Steven Humphries	EXIT REALTY CHAMPIONS	863 420 0007	7830 Lake Wilson Rd Davenport, FL 33896	Mutual Release
9	1-Feb-23	ON643	Tamara Culham Larry Culham	EXIT REALTY WELCOME HOME	705 315 7653	7280 Hwy 26 Stayner, ON L0M 1S0	Mutual Release
10	3-Feb-23	NH515	Chris Capitelli	EXIT REALTY TRAILBLAZERS	603 915 1531	1363 Main St. Berlin, NH 03570	Mutual Release
11	15-Feb-23	TN662	David Price	EXIT CLASSIC REAL ESTATE	865 350 0030	1079 Martha Glass Dr Jefferson City, TN 37760	Mutual Release
12	21-Feb-23	TN654	Mary Olinger Nicole Reed	EXIT REALTY HOMETOWN PARTNERS	423 521 3918	9469 David Smith Lane, Suite 113 Ooltewah, TN 37363	Mutual Release
13	24-Feb-23	TN614	Abdulqader Omar	EXIT UNITED REALTY	615 474 2446	2005 Ethan Lane Antioch, TN 37013	Default - Abandonment
14	25-Feb-23	FL938	Paul Kersey	EXIT REALTY POSITIVE EDGE	407 593 6033	1401 Budinger Ave, Suite B St. Cloud, FL 34769	Default - Monetary
15	25-Feb-23	GA707	Shedonna Grier	EXIT VISION REALTY	404 273 1221	6139 Bake St. #16N Covington, GA 30014	Default - Failure to open
16	1-Mar-23	TN578	Stephen Aeschliman Renee Aeschliman Bonnie Aeschliman	EXIT REALTY BLUES CITY	901 860 3302	2150 W. Poplar Suite 108 Collierville, TN 38017	Mutual Release
17	5-Mar-23	MA653	Lou Gosselin Mark Sacco	EXIT BEACON POINTE REALTY	508 919 8070	382 West Main St. Northborough, MA 01532	Expired
18	5-Mar-23	MA669	Lou Gosselin Mark Sacco	EXIT BEACON POINTE REALTY	508 919 8070	255 Park Ave, Suite 704 Worcester, MA 01609	Expired
19	21-Mar-23	GA711	Mary Olinger Nicole Reed	EXIT REALTY HOMETOWN PARTNERS	423 521 3918	9469 David Smith Lane, Suite 113 Ooltewah, TN 37363	Default - Failure to open

## Exhibit E - Terminated Franchises as at 12.31.2023

	Termination Date	Code	Franchisee(s)	Franchise Name	Phone #	Address	Reason For Closure
20	25-Mar-23	ME505	Daniel Hickman Tammy Hickman	EXIT HERITAGE REAL ESTATE	207 560 3569	436 North High Street Bridgton, ME 04009	Expired
21	31-Mar-23	CO522	Trinity French Tyler French	EXIT ASCENT REALTY	303 927 7338	1250 Bergan Parkway, Suite B-130 Evergreen, CO 80439	Mutual Release
22	1-Apr-23	TN637	Stephen Aeschliman Renee Aeschliman Bonnie Aeschliman	EXIT REALTY BLUES CITY	731 407 9015	107 E. Wood St Paris, TN 38242	Mutual Release
23	4-Apr-23	ON646	Chris Messecar	EXIT LIFESTYLE REALTY, BROKERAGE	705 797 1004	1004B Carson Road, Unit 5 Midhurst, ON L9X 0T1	Mutual Release
24	4-Apr-23	ON653	Chris Messecar	EXIT LIFESTYLE REALTY, BROKERAGE	705 797 1004	143 Bass Line Orillia, ON L3V 0J9	Mutual Release
25	10-Apr-23	OH527	Jason Saal Lorri Goss	EXIT REALTY GPS	330 495 7362	7543 Broadview Road, Suite 6 Seven Hills, OH 44131	Expired
26	30-Apr-23	GA652	Christy Dwyer Aaron Dwyer	EXIT REALTY LAKE COUNTRY	706 377 3948	173 E. Howell Street Hartwell, GA 30643	Default - monetary and non compete
27	30-Apr-23	GA679	Christy Dwyer Aaron Dwyer	EXIT REALTY LAKE COUNTRY	706 377 3948	191 West Jefferson St Madison, GA 30650	Default - monetary and non compete
28	30-Apr-23	GA680	Christy Dwyer Aaron Dwyer	EXIT REALTY LAKE COUNTRY	706 377 3948	6750 Hwy 53, Suite 105 Braselton, GA 30517	Default - non compete
29	30-Apr-23	GA687	Christy Dwyer Aaron Dwyer	EXIT REALTY LAKE COUNTRY	706 377 3948	200 Main Street W. Suite 108 Gainesville, GA 30501	Default - non compete
30	30-Apr-23	GA695	Christy Dwyer Aaron Dwyer	EXIT REALTY LAKE COUNTRY	706 377 3948	1031 Village Park Drive. Suite 101 Greensboro, GA 30642	Default - monetary and non compete
31	30-Apr-23	MA667	Jose Perez	EXIT REALTY ALL STARS	774 296 8355	59 North Pearl Street Brockton, MA 02301	Expired
32	30-Apr-23	TN641	Christy Dwyer Aaron Dwyer	EXIT REALTY LAKE COUNTRY	615 716 1700	11316 Lebanon Rd Mount Juliet, TN 37122	Default - monetary and non compete
33	30-Apr-23	AL542	Tammy King Craig King III	EXIT RIVER ROCK REALTY	334 290 5091	39 Wisteria Place Millbrook, AL 36054	Expired
34	4-May-23	MI684	Christi Cronk	EXIT REALTY PROPERTY PARTNERS	616 681 3948	4492 Plainfield Ave Grand Rapids, MI 49525	Expired
35	26-May-23	ON660	Matthew Grant	EXIT REALTY GENESIS, BROKERAGE	519 954 3948	1373 Victoria Street N. Unit 2, Kitchener, ON N2B 3R6	Default - monetary/ misuse of trust funds
36	1-Jun-23	FL933	Sebastian Manes	EXIT REAL ESTATE RESULTS	407 788 6474	636 US Hwy One Suite 208 North Palm Beach, FL 33408	Expired

## Exhibit E - Terminated Franchises as at 12.31.2023

	Termination Date	Code	Franchisee(s)	Franchise Name	Phone #	Address	Reason For Closure
37	5-Jun-23	TX622	Brian and Michelle Thomason	EXIT REALTY NO LIMITS	469 673 3948	243 FM 1903 Suite 800 Greenville, TX 75402	Mutual Release
38	14-Jun-23	UT569	Glade McCombs Corrine McCombs	EXIT REALTY AFFINITY	801 272 2200	221 25th Street Ogden, UT 84403	Mutual Release
39	28-Jun-23	DC511	Melvin Yates	EXIT FLAGSHIP REALTY	301 841 7551	1140 3rd Street NE Washington, DC 20002	Expired
40	30-Jun-23	MA639	Shelley Sainato	EXIT FAMILY FIRST REALTY	978 988 3943	21 Middlesex Ave, Unit 101 Wilmington, MA 01887	Mutual Release
41	30-Jun-23	NY585	Annie Agardi Steve Agardi	EXIT REALTY ONE	718 997 6667	91-06 63rd Drive Rego Park, NY 11374	Expired
42	2-Jul-23	FL871	Nicholas Rotenberger Cristian Melo Roza Giancarlo Godz	EXIT REALTY MIZNER	561 501 1001	200 W. Palmetto Park Rd. Suite 101 Boca Raton, FL 33432	Default - Abandonment
43	2-Jul-23	FL913	Shannon Scarfino Randy Buff	EXIT SUNSET REALTY	941 896 9991	6620 Cortez Rd West Bradenton, FL 34210	Default - Abandonment
44	2-Jul-23	FL939	Josette Lewis	EXIT REALTY EMERALD COAST	850 842 2732	4476 Legendary Dr. Suite 206 Destin, FL 32541	Default - Abandonment
45	2-Jul-23	FL941	Shannon Scarfino Randy Buff	EXIT SUNSET REALTY	941 896 9991	6620 Cortez Rd West Bradenton, FL 34210	Default - Failure to open
46	2-Jul-23	TN632	Eddie Aeschliman, Bonnie Aeschliman Renee Aeschliman	EXIT REALTY BLUES CITY	731 584 1788	152 W. Main St Camden, TN 38320	Default - Abandonment
47	11-Jul-23	NC570	Jonathan Washburn	EXIT REALTY WILMINGTON	910 352 2846	909 Market Street Wilmington, NC 28401	Mutual Release
48	21-Jul-23	FL932	Sebastian Manes	EXIT REAL ESTATE RESULTS	407 696 4946	1401 Town Plaza Court Winter Springs, FL 32708	Default - Abandonment
49	22-Jul-23	MS520	Tashia McGinn	EXIT PRESTIGE LUXURY REALTY	228 388 5888	2598 Pass Rd Suite B Biloxi, MS 39531	Default - Monetary
50	22-Jul-23	MS524	Tashia McGinn	EXIT PRESTIGE LUXURY REALTY	228 388 5888	207 E. Scenic Dr. Pass Christian, MS 39571	Expired
51	22-Jul-23	MS528	Tashia McGinn	EXIT PRESTIGE LUXURY REALTY	228 388 5888	1121 Jackson Ave Pascagoula, MS 39567	Expired
52	31-Jul-23	NC572	Christopher Corbett Amy Klingensmith	EXIT HOMETOWN REALTY	252 364 4944	1913 N Berkeley Blvd. Suite 5 Goldsboro, NC 27534	Mutual Release
53	31-Jul-23	NC574	Christopher Corbett Amy Klingensmith	EXIT HOMETOWN REALTY	252 364 4944	3101 Evans Street, Suite C Greenville, NC 27834	Mutual Release
54	14-Aug-23	MD585	William 'Bernie' Alvey	EXIT REALTY OCEAN CITY	410 524 3948	5700 Coastal Hwy Suite 202 Ocean City, MD 21842	Default - non compete
55	8-Aug-23	DE509	Dan Shoemaker III	EXIT CENTRAL REALTY	302 424 8221	29787 John J Williams Hwy Millsboro, DE 19966	Expired
56	16-Aug-23	OK515	Janice Graham Mark Young	EXIT BLUE MOON REALTY	918 201 4114	301 S. McQuarrie Ave Wagoner, OK 74467	Mutual Release
57	30-Aug-23	KY532	J.R Smith	EXIT EXPERIENCE REALTY	270 495 2626	757 Dunbarton Avenue Bowling Green, KY 42104	Default - Failure to open

## Exhibit E - Terminated Franchises as at 12.31.2023

	Termination Date	Code	Franchisee(s)	Franchise Name	Phone #	Address	Reason For Closure
58	4-Sep-23	TN657	Kadestrick Russell	EXIT REALTY WALLSTREETS	901 474 6779	9160 Highway 64. Suite 15 Lakeland, TN 38002	Default - Abandonment
			Vada Dwaileebe Bo Martin			3705 W. Memorial Rd. Suite 1405	
59	17-Aug-23	OK514	Krista Martin	EXIT REALTY PREMIER	405 703 3565	Oklahoma City, OK 73134	Mutual Release
60	1-Sep-23	TN646	Angie Stumbo	EXIT REALTY STUMBO AND COMPANY	423 428 9181	1325 Market Street Dayton, TN 37321	Mutual Release
61	1-Sep-23	TN659	Angie Stumbo	EXIT REALTY STUMBO AND COMPANY	423 428 9181	1325 Market Street Dayton, TN 37321	Mutual Release
						28967 Three Notch Road Unit B Mechanicsville, MD	
62	11-Sep-23	MD576	Greg Bennett Patti Stinnett	EXIT HERE REALTY	301 932 7800	20659	Expired
63	27-Sep-23	CT512	Bill Barrieau Bridget Barrieau	EXIT REALTY SIGNTAURE	203 441 6175	1615 Wolcott Road Wolcott, CT 06716	Expired
64	29-Sep-23	UT562	Denny Bleak Martin Lingwall	EXIT REALTY PLUS	801 506 3110	8160 S. Highland Drive A-1 Sandy, UT 84093	Expired
						7455 France Ave S. Suite 186 Edina, MN	
65	5-Oct-23	MN544	Michael Barnett	EXIT REALTY EDINA	952 594 0829	55435	Expired
66	22-Sep-23	FL909	Jarrett West	EXIT REALTY MAGIC CITY	407 894 5855	653 Maguire Blvd., #900 Orlando, FL 32803	Expired
67	27-Oct-23	FL942	Lethaier Roberts	EXIT REALTY TREASURE COAST	772 446 1087	886 N.E Jensen Beach Blvd Jensen Beach, FL 34957	Default
			Sonya Adkins-Blake Rocky Blake			99 Old CCC Camp Road	
68	4-Nov-23	GA705	Nathan Lents	EXIT TRACKSIDE REALTY	706 695 0044	Chatsworth, GA 30705	Default - Abandonment
69	4-Nov-23	GA709	Melissa Agosto	EXIT REALTY SOUTH GATE	678 761 0915	1415 Lake Forest Lane McDonough, GA 30253	Default - non-compliance
70	10-Nov-23	TN645	Shona Scott	EXIT MILESTONE REALTY	865 839 4000	605 Congress Parkway N Athens, TN 37303	Default - Abandonment
71	15-Nov-23	MI685	David Hancock	EXIT COLONIAL HOUSE REAL ESTATE	989 291 3700	201 S. Main Street Sheridan, MI 48884	Expired
72	20-Dec-23	MN547	Nickolas Leavy	EXIT REALTY METRO	952 393 3376	25930 2nd St. E Suite A Zimmerman, MN 55398	Expired
73	31-Dec-23	NH505	Ted Bateman Carol Bateman	EXIT REALTY LEADERS	603 539 9595	810 Route 16 Ossipee, NH 03864	Mutual Release
74	31-Dec-23	GA683	Sharon Henry and Michele Calloway	EXIT REALTY QUALITY SOLUTIONS	770 672 6069	999 Whitlock Ave., Suite 15 Marietta, GA 30064	Mutual Release
75	31-Dec-23	GA684	Sharon Henry and Michele Calloway	EXIT REALTY QUALITY SOLUTIONS	770 672 6069	2014 Beaver Ruin Rd NW Norcross, GA 30071	Mutual Release



### Exhibit E(1) Assigned Franchises as at 12.31.2023

	Assignment Date	Previous Code	Old Franchisee(s)	Old Franchise Name	Previous Franchise Address	Assigned To
1	31-Dec-22	IA529	Mindy Huls	EXIT Huls Realty	615 Horseshoe Dr. Suite B Grinnell, IA 50112	IA536
2	20-Jul-22	FL919	Erica Price	EXIT Sands Realty	2930 W County Hwy 30A Santa Rosa Beach, FL 32459	FL949
3	1-Jan-23	KY544	Cindy Crutcher, Mark Crutcher, Joe Lopez and Lori Lopez	EXIT Realty Crutcher	8911 Greeneway Commons Pl Louisville, KY 40220	KY547
4	1-Mar-23	TN558	Wayne Rachford	EXIT Now Realty	10163 Hwy 70 E McEwen, TN 37101	TN669
5	20-Mar-23	AL561	Troy Silva Colton Ludham	EXIT Ludlam-Silva Realty	1552 State Highway 134 E Headland, AL 36345	AL581
6	13-Mar-23	KY542	Vickie Grimes	EXIT Realty Heartland	4611 N. Dixie Hwy Elizabethtown, KY 42701	KY548
7	13-Mar-23	KY541	Vickie Grimes	EXIT Realty Heartland	4611 N. Dixie Hwy Elizabethtown, KY 42701	KY549
8	13-Mar-23	KY546	Vickie Grimes	EXIT Realty Heartland	4611 N. Dixie Hwy Elizabethtown, KY 42701	KY550
9	7-Apr-23	IN508	Jaclyn D'Andrea	EXIT Realty Solutions	821 W. Glen Park Ave Griffith, IN 46319	IN509
10	13-Mar-23	KY530	Vickie Grimes	EXIT Realty Heartland	4611 N. Dixie Hwy Elizabethtown, KY 42701	KY551
11	25-Apr-23	AL572	Ashley Burks Michael Burks	EXIT Provision Realty	101 Wilson Way Calera, AL 35040	AL582
12	27-Apr-23	MD562	Melvin Yates	EXIT Flagship Realty	1221 Caraway Court. Suite 1050 Upper Marlboro, MD 20774	MD589
13	4-May-23	MD589	Jonathan Rundlett Janett Rundlett	EXIT Mid-Atlantic	3572 Ashland Drive Davidsonville, MD 21035	MD590
14	19-Jun-23	NY660	Melly Rosario	EXIT Home Key Realty	91 Medford Ave Patchogue, NY 11772	NY671
15	15-Aug-23	WI524	Carrie Lemke	EXIT NextKey Realty	7957 W. Wind Lake Rd. Ste E Wind Lake, WI 53185	WI528
16	15-Aug-23	SD510	Tonya Klingaman, Kleve Klingaman	EXIT Realty Mitchell	117 E. 4th Ave Mitchell, SD 57301	SD512
17	30-Aug-23	AL546	Dorothy O'Hanlon	EXIT Magic City Realty	2057 Valleydale Rd. Suite 100 Birmingham, AL 35244	AL586
18	1-Sep-23	AL566	April Andrews	EXIT Legacy Realty	7924 Parkway Dr. SE Leeds, AL 35094	AL587
19	25-Sep-23	IA513	Brad Sanderson	EXIT Realty Midwest	1306 18th St. Suite C Spirit Lake, IA 51360	IA537
20	25-Sep-23	IA514	Brad Sanderson	EXIT Realty Midwest	37 Plymouth St. NE Le Mars, IA 51031	IA538
21	27-Sep-23	WI525	Mikey Whitcomb	EXIT Realty XL	W175 N1162 Stonewood Dr Germantown, WI 53022	WI529
22	27-Sep-23	WI527	Mikey Whitcomb	EXIT Realty XL	103 North Avenue Hartland, WI 53029	WI530
23	27-Sep-23	WI526	Mikey Whitcomb	EXIT Realty XL	341 W. Paradise Drive West Bend, WI 53095	WI531

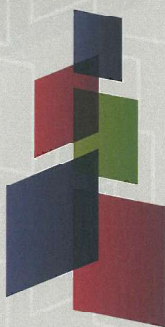
### Exhibit E(1) Assigned Franchises as at 12.31.2023

	Assignment Date	Previous Code	Old Franchisee(s)	Old Franchise Name	Previous Franchise Address	Assigned To
24	28-Jul-23	TN664	April Harrington	EXIT Real Estate Experts	625 Main Street Suite #205 Nshville, TN 37206	TN671
25	10-Nov-23	WI510	Tina Osterhaus, Cynthia Luster	EXIT Realty Premier Properties	328 S. Marquette Rd Prairie Du Chien, WI 53821	WI532
26	21-Aug-23	KY552	Tiffany Carlson	EXIT Realty Key Group	222 Kentucky Avenue Suite 104 Paducah, KY 42003	KY554
27	20-Dec-23	MD579	Daniel Shoemaker III	EXIT on the Bay Realty	219 Marlboro Ave #47 Easton, MD 21601	MD591

**EXHIBIT F**  
**FINANCIAL STATEMENTS**

**THE YEAR-END FINANCIAL STATEMENTS FOR EXIT REALTY UPPER MIDWEST ARE AUDITED.**

**THE YEAR END FINANCIAL STATEMENTS FOR EXIT REALTY CORP. INTERNATIONAL ARE AUDITED.**



**Thoresen  
Diaby  
Helle  
Condon  
& Dodge, Inc.**  
**CPAs & Advisors**

**Upper Midwest Realty, Inc.  
d.b.a. Exit Realty Upper Midwest, Inc.  
Financial Statements  
Years Ended  
December 31, 2023, 2022, and 2021**

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STEPHEN D. HELLE, CPA  
MICHAEL J. CONDON, CPA  
RACHEL A. PETERS, CPA, CFE  
JOSEPH T. BERNDT, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Stockholders of  
Upper Midwest Realty, Inc.  
d.b.a. Exit Realty Upper Midwest  
Lakeville, Minnesota

### Opinion

We have audited the accompanying financial statements of Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest (a Minnesota S corporation), which comprise the Balance Sheets as of December 31, 2023, 2022, and 2021, and the related Statements of Loss, Changes in Stockholders' Deficit, 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 individual and financial positions of Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest as of December 31, 2023, 2022, and 2021, and the results of their operations and their 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 Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest 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 the 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 the Company'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 Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest'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 Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest'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.

*Thoresen Diaby Helle London & Dodge, Inc.*

**Minneapolis, Minnesota**

**April 22, 2024**

## **FINANCIAL STATEMENTS**



**Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest**  
**Balance Sheets**

		<b>December 31</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$	168,676	\$ 191,798	\$ 232,909
Marketable securities		59,957	51,674	50,378
Accounts receivable, net		96,173	113,926	84,175
Stockholder advances		14,250	-	-
Prepaid expenses		2,301	11,149	10,277
<b>Total current assets</b>		<b>341,357</b>	<b>368,547</b>	<b>377,739</b>
<b>Property, plant, and equipment</b>				
Furniture and fixtures		10,340	10,340	-
Leasehold improvements		322,000	322,000	322,000
<b>Total property, plant, and equipment</b>		<b>332,340</b>	<b>332,340</b>	<b>322,000</b>
Less: accumulated depreciation and amortization		(197,496)	(164,762)	(132,889)
<b>Net property, plant, and equipment</b>		<b>134,844</b>	<b>167,578</b>	<b>189,111</b>
<b>Other assets</b>				
Intangible assets, net		813,880	1,995,091	2,316,371
Goodwill, net		14,748	17,661	20,575
Operating lease right-of-use assets, net		124,741	148,366	-
Deposits		13,862	5,002	5,002
<b>Total other assets</b>		<b>967,231</b>	<b>2,166,120</b>	<b>2,341,948</b>
<b>Total assets</b>		<b>\$ 1,443,432</b>	<b>\$ 2,702,245</b>	<b>\$ 2,908,798</b>

See notes to financial statements

	December 31		
	2023	2022	2021
<b>Liabilities and Stockholders' Deficit</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 4,350	\$ 17,928	\$ 17,299
Accrued interest	7,731	20,641	19,635
Accrued payroll and related taxes	9,305	8,713	17,069
Operating lease liability obligations - current	66,179	63,007	-
Security deposit	4,350	4,350	3,150
Deferred revenue - current	93,036	113,013	105,929
Deferred lease incentive - current	-	-	30,667
Notes payable, current	87,060	326,323	194,166
<b>Total current liabilities</b>	<b>272,011</b>	<b>553,975</b>	<b>387,915</b>
<b>Long-term liabilities, less current maturities above</b>			
Deferred lease incentive	-	-	158,444
Notes payable	1,609,462	2,392,948	2,719,271
Operating lease liability obligations	242,630	308,808	-
Deferred revenue	160,760	204,545	202,924
Deferred rent	-	-	69,213
<b>Total long-term liabilities</b>	<b>2,012,852</b>	<b>2,906,301</b>	<b>3,149,852</b>
<b>Total liabilities</b>	<b>2,284,863</b>	<b>3,460,276</b>	<b>3,537,767</b>
<b>Stockholders' deficit</b>			
Common stock, \$1 par value, 1,000 shares authorized, issued and outstanding	1,000	1,000	1,000
Additional paid-in capital	365,460	365,460	365,460
Accumulated other comprehensive loss	(1,797)	(9,239)	-
Retained deficit	(1,206,094)	(1,115,252)	(995,429)
<b>Total stockholders' deficit</b>	<b>(841,431)</b>	<b>(758,031)</b>	<b>(628,969)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 1,443,432</b>	<b>\$ 2,702,245</b>	<b>\$ 2,908,798</b>

**Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest**  
**Statements of Loss**

	Years Ended December 31					
	2023		2022		2021	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenues</b>						
Initial franchise fees	\$ 104,355	14.1 %	\$ 107,263	11.6 %	\$ 97,949	11.0 %
Franchise commissions	575,252	77.7	748,794	81.0	757,012	85.2
Management fees	20,000	2.7	-	-	-	-
Sponsorship revenues	40,915	5.5	68,472	7.4	33,723	3.8
<b>Total revenues</b>	<b>740,522</b>	<b>100.0</b>	<b>924,529</b>	<b>100.0</b>	<b>888,684</b>	<b>100.0</b>
<b>Cost of sales</b>						
Automobile expense	21,316	2.9	23,459	2.5	25,395	2.9
Travel and entertainment	43,558	5.9	37,173	4.0	30,699	3.4
<b>Total cost of sales</b>	<b>64,874</b>	<b>8.8</b>	<b>60,632</b>	<b>6.5</b>	<b>56,094</b>	<b>6.3</b>
<b>Gross profit</b>	<b>675,648</b>	<b>91.2</b>	<b>863,897</b>	<b>93.5</b>	<b>832,590</b>	<b>93.7</b>
<b>Operating expenses</b>						
Amortization	268,913	36.3	354,860	38.4	310,874	35.0
Advertising	126,939	17.1	97,836	10.6	81,326	9.2
Bad debts	9,676	1.3	2,500	.3	-	-
Bank charges	80	-	247	-	243	-
Commissions	5,550	.8	4,200	.5	2,250	.3
Depreciation expense	2,068	.3	1,206	.1	-	-
Dues and subscriptions	5,003	.7	6,002	.6	10,686	1.2
Franchise sale fee	15,508	2.1	35,369	3.8	48,071	5.4
Gifts	771	.1	752	.1	685	.1
Insurance	46,301	6.3	39,758	4.3	4,136	.5
Licenses and permits	250	-	5	-	35	-
Office supplies	13,803	1.9	12,260	1.3	8,435	.9
Officer's salary	84,732	11.4	84,500	9.1	84,354	9.5
Payroll taxes	13,508	1.8	15,170	1.6	13,461	1.5
Postage	456	.1	722	.1	520	.1
Professional fees	49,432	6.7	56,115	6.1	69,619	7.8
Lease expense	847	.1	17,302	1.9	78,810	8.9
Repairs and maintenance	7,205	1.0	8,044	.9	4,844	.5
Salaries	84,732	11.4	84,500	9.1	85,575	9.6
SEP contributions	8,500	1.1	24,000	2.6	14,000	1.6
State income taxes	-	-	1,714	.2	-	-
Telephone	4,618	.6	3,141	.3	239	-
Training and education	1,761	.2	1,526	.2	7,902	.9
Contributions	5,948	.8	582	.1	425	-
<b>Total operating expenses</b>	<b>756,601</b>	<b>102.1</b>	<b>852,311</b>	<b>92.2</b>	<b>826,490</b>	<b>93.0</b>
<b>Income (loss) from operations</b>	<b>(80,953)</b>	<b>(10.9)</b>	<b>11,586</b>	<b>1.3</b>	<b>6,100</b>	<b>0.7</b>
<b>Other income (expense)</b>						
Interest income	1,347	.2	88	-	37	-
Dividend income	1,519	.2	1,051	.1	-	-
Other income	11,181	1.5	10,282	1.1	5,296	.6
Gain on cancellation of debt	80,978	10.9	-	-	-	-
Gain (loss) on investments	(102)	-	4	-	-	-
Settlement expense	(37)	-	(36)	-	-	-
Interest expense	(61,867)	(8.4)	(91,752)	(9.9)	(77,678)	(8.8)
<b>Total other income (expense)</b>	<b>33,019</b>	<b>4.4</b>	<b>(80,363)</b>	<b>(8.7)</b>	<b>(72,345)</b>	<b>(8.2)</b>
<b>Net loss</b>	<b>\$ (47,934)</b>	<b>(6.5) %</b>	<b>\$ (68,777)</b>	<b>(7.4) %</b>	<b>\$ (66,245)</b>	<b>(7.5) %</b>

See notes to financial statements

**Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest**  
**Statements of Changes in Stockholders' Deficit**  
**Years Ended December 31, 2023, 2022, 2021**

	<u>Common Stock</u>				Accumulated	
	Shares	Amount	Additional Paid- In Capital	Retained Deficit	Other Comprehensive Loss	Total
<b>Balances - January 1, 2021</b>	<b>1,000</b>	<b>\$ 1,000</b>	<b>\$ 365,460</b>	<b>\$ (883,706)</b>	<b>\$ -</b>	<b>\$ (517,246)</b>
Stockholder distributions	-	-	-	(45,478)	-	(45,478)
Net loss	-	-	-	(66,245)	-	(66,245)
<b>Balances - December 31, 2021</b>	<b>1,000</b>	<b>1,000</b>	<b>365,460</b>	<b>(995,429)</b>	<b>-</b>	<b>(628,969)</b>
Stockholder distributions	-	-	-	(51,046)	-	(51,046)
Net loss	-	-	-	(68,777)	-	(68,777)
Change in net unrealized holding losses	-	-	-	-	(9,239)	(9,239)
<b>Balances - December 31, 2022</b>	<b>1,000</b>	<b>1,000</b>	<b>365,460</b>	<b>(1,115,252)</b>	<b>(9,239)</b>	<b>(758,031)</b>
Stockholder distributions	-	-	-	(42,908)	-	(42,908)
Net loss	-	-	-	(47,934)	-	(47,934)
Change in net unrealized holding gains	-	-	-	-	7,017	7,017
Reclassification adjustment for net losses included in net loss	-	-	-	-	425	425
<b>Balances - December 31, 2023</b>	<b>1,000</b>	<b>\$ 1,000</b>	<b>\$ 365,460</b>	<b>\$ (1,206,094)</b>	<b>\$ (1,797)</b>	<b>\$ (841,431)</b>

See notes to financial statements

**Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest**  
**Statements of Cash Flows**

	<b>Years Ended December 31</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>			
Net loss	\$ (47,934)	\$ (68,777)	\$ (66,245)
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>			
Amortization of intangible assets	238,244	324,194	310,874
Amortization of leasehold improvements	30,666	30,667	30,667
Amortization of operating lease right-of-use assets	23,625	21,546	-
Amortization of deferred lease incentive	-	-	(30,667)
Franchise fee received in exchange for credit	(42,262)	-	-
Loss on investments	102	-	-
Bad debts	9,676	2,500	-
Depreciation expense	2,068	1,206	-
<b>Changes in operating assets and liabilities</b>			
<b>Decrease (increase) in:</b>			
Accounts receivable	8,077	(42,351)	(29,992)
Prepaid expenses	8,848	(872)	(886)
<b>Increase (decrease) in:</b>			
Accounts payable	(13,578)	629	6,217
Accrued interest	(12,910)	1,006	8,891
Accrued payroll and related taxes	592	(8,356)	11,010
Operating lease liability obligations	(63,006)	(56,420)	-
Deferred revenue	(63,762)	8,705	47,754
Deferred rent	-	-	(2,405)
<b>Net cash provided by operating activities</b>	<b>78,446</b>	<b>213,677</b>	<b>285,218</b>
<b>Cash flows from investing activities</b>			
Net advances to stockholder	(14,250)	-	-
Acquisition of franchise territory rights	-	-	(10,100)
Security deposits	(8,860)	1,200	3,150
Purchases of property, plant, and equipment	-	(10,340)	-
Investment in marketable securities	(943)	(10,535)	(50,378)
<b>Net cash used by investing activities</b>	<b>(24,053)</b>	<b>(19,675)</b>	<b>(57,328)</b>
<b>Cash flows from financing activities</b>			
Principal payments of notes payable	(34,607)	(184,067)	(205,253)
Stockholder distributions	(42,908)	(51,046)	(45,478)
<b>Net cash used by financing activities</b>	<b>(77,515)</b>	<b>(235,113)</b>	<b>(250,731)</b>
<b>Net decrease in cash</b>	<b>(23,122)</b>	<b>(41,111)</b>	<b>(22,841)</b>
<b>Cash</b>			
Beginning of year	191,798	232,909	255,750
<b>End of year</b>	<b>\$ 168,676</b>	<b>\$ 191,798</b>	<b>\$ 232,909</b>

See notes to financial statements

	Years Ended December 31		
	2023	2022	2021
<b>Supplemental disclosure of cash flow information</b>			
<b>Cash paid during the year for:</b>			
Cash paid during the year for interest	\$ 74,777	\$ 90,746	\$ 68,787
<b>Supplemental disclosures of noncash investing and financing activities</b>			
Acquisition of franchise territory rights financed with notes payable	\$ -	\$ -	\$ 1,258,643
Deferred rent reclassified as operating lease right-of-use assets	\$ -	\$ 69,213	\$ -
Leasehold improvement allowances reclassified as operating lease right-of-use assets	\$ -	\$ 189,111	\$ -
Operating lease liability arising from recognition of right-of-use assets	\$ -	\$ 428,236	\$ -
Unrealized holding gains (losses) on investments included in accumulated other comprehensive loss	\$ 7,017	\$ (9,239)	\$ -
Accounts receivable applied to notes payable	\$ -	\$ 10,100	\$ -
Acquisition of franchise territory right renewals financed with notes payable	\$ 287,044	\$ -	\$ -
Reduction of franchise fees arising from restructuring of related notes payable	\$ 1,275,185	\$ -	\$ -
Proceeds from sales of available-for-sale securities reinvested	\$ 1,380	\$ -	\$ -
Reclassification adjustment for net losses included in net losses	\$ 425	\$ -	\$ -

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

### **Business description**

Upper Midwest Realty, Inc. d.b.a. Exit Realty Upper Midwest, located in Lakeville, Minnesota, is registered as a sub-franchisor of Exit Realty Corp. International and has purchased the rights to sell Exit Realty Franchises and operate in the states of Minnesota, North Dakota, South Dakota, Iowa, Wisconsin, Michigan, Illinois, Colorado, Indiana, Kansas, Missouri, Nebraska, and Wyoming. The franchises were granted by Exit Realty Corp. International and began to expire in 2023 and continue to expire through 2033. The sub-franchisor agreements can be renewed for two additional ten-year terms. Exit Realty is a system for the establishment of businesses which offer full service real estate services in North America.

### **Basis of presentation**

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

### **Franchising**

The Company executes franchise agreements that set the terms of its arrangement with each franchisee. The agreements cover a five-year period. The franchise agreements require the franchisee to pay an initial, non-refundable fee of \$7,500 for a rural density franchise, \$15,000 for a medium density franchise, and \$25,000 for a high-density franchise, and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise agreements are charged to operating expenses as incurred.

### **Revenue recognition**

The Company accounts for revenue in accordance with FASB ASU No. 2019-09, Revenue from contracts with Customers (Topic 606).

### ***Performance obligations***

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the expected cost plus a margin approach, under which the Company forecasts their expected costs of satisfying a performance obligation and then add an appropriate margin for that distinct good or service based on margins for similar services sold on a standalone basis. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the Company sells those performance obligations unaccompanied by other performance obligations.

## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition (continued)

#### *Franchise revenue*

Franchise revenues consist of the initial franchise fee, renewal fees, and franchise commission income.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all the other services the Company provides are highly interrelated and not distinct within the contract, and therefore accounted for under ASC 606 as a single performance obligation, which is satisfied by granting rights to use the Company's intellectual property over the term of the franchise agreement.

Under ASC 606, initial and renewal fees, are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. Consideration received in advance of performing all significant services is included in deferred revenue and recorded as a liability.

Revenue from commissions and transaction fees is recognized in the period in which the franchisee earns the revenue upon which this fee is based and collectability from the customer is reasonably assured. Commissions are computed as a percentage of net sales earned by the franchisee. Transaction fees are flat fees for each transaction, the rates of which vary based on the amount of revenue generated by the franchisee.

Revenue from sponsorships is recognized over the period the related sponsorship lasts.

#### *Management fees*

Management fees consist of revenue derived from the Company providing certain sales and management services in specified regions of Exit USA (USA), an agent of Exit Realty Corp. International (EXIT).

The Company's performance obligations under the management agreement are to oversee franchise sales, provide leadership for franchisees, oversee compliance issues, and plan the expenditures of marketing funds for the USA regions as well as work with EXIT's marketing and social media staff to promote the USA regions. All the services the Company provides are highly interrelated and not distinct within the contract and are therefore accounted for under ASC 606 as a single performance obligation, which is satisfied over a period of time.

Under ASC 606, management fee income is recognized as revenue on a straight-line basis over the term of the respective management agreement which commenced on September 10, 2023, and is set to expire on September 10, 2033. Consideration received in advance of performing all significant services is included in deferred revenue and recorded as a liability.

### Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain report amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates, and such differences may be material.



## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Cash and cash equivalents**

For purposes of the Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Company does not hold any cash equivalents at December 31, 2023, 2022, and 2021. At times throughout the year, the Company's cash balances may exceed Federal Deposit Insurance Corporation (FDIC) limits. No amounts were in excess of FDIC limits at December 31, 2023, 2022 and 2021, and the Company has not experienced any losses from such accounts.

### **Investments and marketable securities**

The Company's investments in debt and equity securities are classified as available-for-sale. Available-for-sale securities are recorded at fair value on the Balance Sheets, with the change in fair value during the period excluded from earnings and recorded as a component of other income (expenses) until realized unless management estimates the decline in fair value to be other than temporary. Declines in fair market value that are other than temporary are included in earnings. Realized gains and losses, determined on the basis of the cost of specific securities sold are included in earnings.

The investments are reviewed annually for impairment by management. No impairments were recognized by the Company during the years ended December 31, 2023, 2022, and 2021.

### **Accounts receivable**

Accounts receivable evolve in the normal course of business. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for amounts deemed uncollectible, if necessary. An allowance for doubtful accounts was recorded in the amount of \$10,000, \$2,500, and \$0 for the years ended December 31, 2023, 2022, and 2021, respectively. The Company's policy for charging interest on delinquent receivables varies by terms stated in individual contracts. Accounts receivable are considered past due on an individual client basis.

### **Property, plant, and equipment**

Property, plant, and equipment are stated at cost. Significant additions or improvements extending asset lives are capitalized; normal maintenance and repairs are charged to expense as incurred. Upon retirement or other disposition of fixed assets, applicable cost and accumulated depreciation or amortization are removed from the accounts. Any gains or losses are included in the determination of the results of operations. Depreciation of furniture and fixtures is determined using the straight-line method over the estimated useful lives of the assets.

The estimated useful lives for significant property and equipment categories are as follows:

Furniture and fixtures	5 Years
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### **Leasehold improvements**

Leasehold improvements are stated at cost and amortized using the straight-line method over the shorter of the useful lives of the assets or the lease term, which generally includes renewal options that are reasonably expected to be exercised. The weighted average useful life of the leasehold improvements is ten and a half years. Amortization expense was \$30,667 for the years ended December 31, 2023, 2022, and 2021, respectively. The estimated remaining useful life of the leasehold improvements is 50 months.

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Intangible assets**

Costs incident to the acquisition of the franchise rights for the client to operate within a designated territory are capitalized. These agreements are being amortized on a straight-line basis over their related terms ranging from eight to fifteen years and are stated at cost net of accumulated amortization. The weighted average useful life of franchise territories is ten years. The Company's future cash flows are impacted by its ability to extend or renew agreements related to these intangible assets. Costs incident to the organization of the Company, including legal fees, were capitalized. These expenses are being amortized on a straight-line basis over a period of fifteen years, are stated at cost net of accumulated amortization and have a weighted average useful life of fifteen years.

Intangible assets are reviewed annually for impairment or when events or circumstances indicate their carrying amount may not be recoverable.

On September 10, 2023, the Company entered into a 10-year agreement with Exit Realty Corp. International for the franchise territories currently managed by the Company. As part of the agreement, the Company revalued the intangible assets associated with the managed territories. Below is a summary of the revaluation for the franchise territories previously recognized:

	<u>Amount</u>
Historical cost of franchise territories as of December 31, 2022	\$ 4,089,613
Less:	
Accumulated amortization as of December 31, 2022	<u>(2,097,776)</u>
<b>Net book value of franchise territories at December 31, 2022</b>	<b>1,991,837</b>
Accumulated amortization through September 10, 2023	<u>(206,998)</u>
<b>Net book value of franchise territories at September 10, 2023</b>	<b>1,784,839</b>
Plus:	
Escalation clause for Illinois franchise addition	198,629
Additional franchise renewal fee	130,677
Less:	
Reduction in franchise territory fees	<u>(1,275,186)</u>
<b>Cost of restructured franchise territories</b>	<b><u>\$ 838,959</u></b>

Intangible assets consist of the following:

<u>December 31, 2023</u>	<u>Amortization Period</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Value</u>
Franchise territories	8-15 years	\$ 838,959	\$ (27,862)	\$ 811,097
Organization costs	15 years	7,062	(4,279)	2,783
<b>Total</b>		<b><u>\$ 846,021</u></b>	<b><u>\$ (32,141)</u></b>	<b><u>\$ 813,880</u></b>
 <u>December 31, 2022</u>				
Franchise territories	8-15 years	\$ 4,089,613	\$ (2,097,776)	\$ 1,991,837
Organization costs	15 years	7,062	(3,808)	3,254
<b>Total</b>		<b><u>\$ 4,096,675</u></b>	<b><u>\$ (2,101,584)</u></b>	<b><u>\$ 1,995,091</u></b>
 <u>December 31, 2021</u>				
Franchise territories	8-15 years	\$ 4,089,613	\$ (1,776,967)	\$ 2,312,646
Organization costs	15 years	7,062	(3,337)	3,725
<b>Total</b>		<b><u>\$ 4,096,675</u></b>	<b><u>\$ (1,780,304)</u></b>	<b><u>\$ 2,316,371</u></b>

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Intangible assets (continued)**

Based on the review of intangible assets completed for the years ended December 31, 2023, 2022, and 2021, no impairment was recorded. Amortization expense totaled \$239,142, \$321,280, and \$307,959 for the years ended December 31, 2023, 2022, and 2021, respectively.

Estimated amortization expense is as follows:

<u>For the Years Ending December 31</u>	<u>Amount</u>
2024	\$ 84,065
2025	84,065
2026	84,065
2027	84,065
2028	83,997
Thereafter	393,623
<b>Total estimated amortization expense</b>	<b><u>\$ 813,880</u></b>

**Goodwill**

In accordance with update 2014-02 to the FASB Accounting Standards Codification (ASC) 350, Intangibles – Goodwill and Other, the Company has elected to apply the accounting alternative for goodwill. The accounting alternative allows an entity to take goodwill relating to each business combination or reorganization event resulting in fresh-start reporting (amortizable unit of goodwill) and amortize it on a straight-line basis over ten years, or less than ten years if the Company demonstrates that another useful life is more appropriate. Goodwill of the Company (or a reporting unit) shall be tested for impairment if an event occurs, or circumstances change that indicates the fair value of the Company (or the reporting entity) may be below its carrying amount.

The Company has recorded goodwill associated with the acquisition of Legacy Success Group, LLC on January 1, 2018. During the year ended December 31, 2020, the Company assigned an additional \$6,250 to goodwill in relation to the purchase agreement. The goodwill is associated with Legacy Success Group, LLC's reputation within its respective industry, totaling \$24,973. The Company began to amortize it over a ten-year period effective January 1, 2018. Management has determined that there has been no impairment related to this goodwill for the years ended December 31, 2023, 2022, and 2021. The Company acquired aforementioned goodwill on January 1, 2018, as part of the purchase price to acquire Legacy Success Group, LLC. Amortization expense totaled \$2,914, \$2,914, and \$2,915 for the years ended December 31, 2023, 2022, and 2021, respectively.

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Goodwill (continued)**

The gross carrying amount and accumulated amortization of intangible assets subject to amortization is as follows:

	<u>Estimated Life</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Value</u>
<b>December 31, 2023</b>				
Goodwill	10 Years	\$ 31,223	\$ (16,475)	\$ 14,748
<b>Total</b>		<u><u>\$ 31,223</u></u>	<u><u>\$ (16,475)</u></u>	<u><u>\$ 14,748</u></u>
<b>December 31, 2022</b>				
Goodwill	10 Years	\$ 31,223	\$ (13,562)	\$ 17,661
<b>Total</b>		<u><u>\$ 31,223</u></u>	<u><u>\$ (13,562)</u></u>	<u><u>\$ 17,661</u></u>
<b>December 31, 2021</b>				
Goodwill	10 Years	\$ 31,223	\$ (10,648)	\$ 20,575
<b>Total</b>		<u><u>\$ 31,223</u></u>	<u><u>\$ (10,648)</u></u>	<u><u>\$ 20,575</u></u>

Estimated amortization expense is as follows:

<u>For the Years Ending December 31</u>	<u>Amount</u>
2024	\$ 2,914
2025	2,914
2026	2,914
2027	2,917
2028	417
Thereafter	2,672
<b>Total expected amortization expense</b>	<u><u>\$ 14,748</u></u>

The Company's future cash flows are not materially impacted by its ability to extend or renew agreements related to its amortizable intangible assets.

**Leases**

ASC 842 requires a lessee to recognize a liability to make lease payments and an asset with respect to its right to use the underlying asset for the lease term.

Leases are to be classified as either financing or operating, with classification affecting the pattern of expense recognition in the Statements of Loss.

ASU 2016-02 defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of the identified asset for a period of time, the customer has to have both (1) the right to obtain substantially all of the economic benefits from the use of the identified asset and (2) the right to direct the use of the identified asset, a contract does not contain an identified asset if the supplier has a substantive right to substitute such asset ("the leasing criteria"). Management only reassesses its determination if the terms and conditions of the contract are changed.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Leases (continued)**

Management determines if an arrangement is a lease at inception. Operating leases are included in Right-of-Use (ROU) assets, and lease liability obligations are included in the Balance Sheets, except for those that qualify for the short-term scope exception of twelve months or less. ROU assets represent the right to use an underlying asset for the lease term and lease liability obligations represent the obligation to make lease payments arising from the lease. ROU assets and related liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The Company has a lease agreement with lease and non-lease components and accounts for such components as a single lease component. As most of the Company's leases do not provide an implicit rate, the Company estimated the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The ROU asset also includes any lease payments made and excludes lease incentives and lease direct costs. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option.

The Company has had multiple active subleases during the years ended December 31, 2023, 2022, and 2021. See additional disclosures related to the lease and associated subleases at Note 7.

### **Deferred revenue**

Franchise deferred revenue results from the initial, renewal, and assignment franchise fees paid by franchisees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement.

### **Compensated absences**

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Company's policy is to recognize these costs when actually paid.

### **Income taxes**

The Company, with the consent of its stockholders, has elected under the Internal Revenue Service Code to be taxed as an S corporation. In lieu of corporation income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income.

Therefore, these statements do not include any provisions for corporation income taxes, refunds, or deferred income taxes.

### **Uncertainty in income taxes**

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its stockholders will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Company's tax returns remain open for three years. The Company has adopted the policy of expensing any interest or penalties related to uncertain tax positions in other expenses on the Statements of Loss. For the years ended December 31, 2023, 2022, and 2021, there were no such interest or penalty expenses.

## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Advertising costs**

Advertising costs are generally charged to operations in the year incurred and totaled \$126,939, \$97,836, and \$81,326 for the years ended December 31, 2023, 2022, and 2021, respectively.

### **Financial instruments**

The Company's financial instruments consist of cash, marketable securities, accounts receivable, stockholder advances, accounts payable, operating lease liability obligations, deferred revenue, and notes payable. It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from these instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

### **Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. Total stockholders' deficit and net loss are unchanged due to these reclassifications.

### **Subsequent events**

The Company has evaluated subsequent events through April 22, 2024, the date which the financial statements were available to be issued.

## **NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

### **Fair values**

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements of assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market and assumptions that market participants would use when pricing the asset or liability.

The Company categorizes the fair value of its financial assets and liabilities according to the hierarchy established by the Financial Accounting Standards Board, which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities. Level 1 assets represent quoted prices in active markets and, therefore, do not require significant management judgment.

Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, for the asset or liability such as: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or similar assets or liabilities in less active markets; or other inputs that can be derived principally from, or corroborated by, observable market data.

Level 3: Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)**

**Fair values (continued)**

The recorded values of accounts receivable, accounts payable, and accrued liabilities approximate fair values due to their short maturities.

**Available-for-sale securities**

Available-for-sale securities are measured at fair value on a recurring basis using Level 1 inputs. There were no changes in the methodologies used at December 31, 2023, 2022, and 2021.

**Investment securities**

Investments available-for-sale consist of brokered certificates of deposit placed with Thrivent and are carried in the financial statements at fair value. The amortized cost, fair value, and the corresponding gross unrealized holding gains and losses recognized in accumulated other comprehensive loss on available-for-sale securities as of December 31, 2023, 2022, and 2021 are as follows:

	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Gross Fair Value</b>
<b><u>December 31, 2023</u></b>				
Available-for-sale				
Thrivent	<u>\$ 61,754</u>	<u>\$ 1,620</u>	<u>\$ (3,417)</u>	<u>\$ 59,957</u>
<b><u>December 31, 2022</u></b>				
Available-for-sale				
Thrivent	<u>\$ 60,913</u>	<u>\$ 102</u>	<u>\$ (9,341)</u>	<u>\$ 51,674</u>
<b><u>December 31, 2021</u></b>				
Available-for-sale				
Thrivent	<u>\$ 50,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,378</u>

**NOTE 3 – NOTES PAYABLE**

On September 12, 2023, the Company negotiated with Exit Realty Corp. International to restructure and amend the outstanding notes associated with the franchise territories that were renewed on September 10, 2023, as disclosed in Note 1. Below is a summary of the restructured debt by note at September 12, 2023:

	<b>Balance before Restructure</b>	<b>Advances</b>	<b>Debt Reduction</b>	<b>Balance after Restructure</b>
Franchise territory – IL	\$ 702,045	\$ 277,019	\$ (606,327)	\$ 372,737
Franchise territory – MN	60,106	127,745	(17,430)	170,421
Franchise territory – WI	467,232	70,518	(192,906)	344,844
Franchise territory – MI	1,088,526	46,973	(458,523)	676,976
<b>Total</b>	<u>\$ 2,317,909</u>	<u>\$ 522,255</u>	<u>\$ (1,275,185)</u>	<u>\$ 1,564,978</u>

Included in advances is an escalation of the Illinois territory addition of \$198,629, financing of debt payments in arrears of \$235,210, and franchise renewal fees of \$88,416.

**NOTE 3 – NOTES PAYABLE (continued)**

Notes payable consist of the following:

	<b>December 31</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Exit Realty Corp. International</b>			
Note dated April 29, 2016 and subsequently amended on September 12, 2023 for franchise territory in Wisconsin, payable in monthly installments ranging from \$2,381 to \$3,844 through September 2033. Interest accrues on the note at 3.00% per annum.	\$ 338,744	\$ 507,496	\$ 531,950
Note dated August 9, 2013 and subsequently amended on September 12, 2023 for franchise territory in Minnesota, payable in monthly installments ranging from \$1,177 to \$1,900 through September 2033. Interest accrues on the note at 3.00% per annum.	167,406	166,269	194,851
Note dated August 9, 2013 and subsequently amended on June 1, 2017 for franchise territory in Iowa, payable in monthly installments ranging from \$1,445 to \$2,836 through April 2022 with a lump sum payment of \$15,247 due in May 2022. Interest accrued on the note at 3.25% per annum.	-	-	48,493
Note dated August 1, 2021 and subsequently amended on September 12, 2023 for franchise territory in Michigan, payable in monthly installments ranging from \$4,675 to \$7,546 through September 2033. Interest accrues on the note at 3.00% per annum.	665,001	1,103,621	1,125,616
Note dated July 1, 2018 and subsequently amended on September 12, 2023 for franchise territory in Illinois, payable in monthly installments ranging from \$2,574 to \$4,155 through September 2033. Interest accrues on the note at 3.00% per annum.	366,144	750,432	821,074
<b>U.S. Small Business Administration</b>			
Note dated May 16, 2020 to alleviate economic injury caused by disaster, payable in monthly installments of \$731 from November 18, 2022 through November 2052. Interest accrues on the note at 3.75% per annum. The previous deferment may result in a balloon payment.	117,674	149,900	149,900



**NOTE 3 – NOTES PAYABLE (continued)**

	<b>December 31</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>New Summit Partners, LLC</b>			
Unsecured note dated January 1, 2018 payable in a lump sum of \$41,553 plus accrued interest on September 30, 2025. Interest accrues on the note at 2.18% per annum.	41,553	41,553	41,553
<b>Total notes payable</b>	<b>1,696,522</b>	<b>2,719,271</b>	<b>2,913,437</b>
Less: current portion	87,060	326,323	194,166
<b>Non-current portion</b>	<b>\$ 1,609,462</b>	<b>\$ 2,392,948</b>	<b>\$ 2,719,271</b>

Future maturities of notes payable are as follows:

<b>For the Years Ending December 31</b>	<b>Amount</b>
2024	\$ 87,060
2025	107,664
2026	184,674
2027	147,510
2028	162,852
Thereafter	1,006,762
<b>Total principal maturities</b>	<b>\$ 1,696,522</b>

**NOTE 4 – FRANCHISE AGREEMENT**

Franchise revenue consisted of the following:

	<b>Years Ended December 31</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Franchise revenues:</b>			
Initial franchise fees	\$ 104,355	\$ 107,263	\$ 97,949
Franchise commission	575,252	748,794	757,012
<b>Total franchise revenues</b>	<b>\$ 679,607</b>	<b>\$ 856,057</b>	<b>\$ 854,961</b>

Information about the number of franchised offices is as follows:

	<b>Years Ended December 31</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Franchised offices:</b>			
Opened/acquired	4	6	6
Closed	(4)	(0)	(1)
<b>In operation as of December 31</b>	<b>80</b>	<b>80</b>	<b>74</b>

## NOTE 5 – LIQUIDITY AND STOCKHOLDERS' DEFICIT

The Company has historically sustained a net loss and negative working capital and, as a result, has an accumulated stockholders' deficit of \$1,206,094, \$1,115,252, and \$995,429 as of December 31, 2023, 2022, and 2021, respectively. The accumulated stockholders' deficits reported each year, when adjusted for earnings before interest, taxes, depreciation, and amortization (EBITDA), reflect the operational performance and financial health of the company which is imperative to contextualize these deficits with broader market conditions, strategic initiatives, and operational challenges faced during these periods. Below is a summary of the accumulated stockholders' deficits adjusted for EBITDA:

	December 31		
	2023	2022	2021
Stockholders' deficit - unadjusted	\$ (1,206,094)	\$ (1,115,252)	\$ (995,429)
Plus:			
Adjustment for interest expense	36,854	91,752	77,678
Adjustment for depreciation expense	2,068	1,206	-
Adjustment for amortization expense	354,806	354,806	310,873
Prior year accumulated adjustments	836,315	388,551	-
<b>Total adjustments for EBITDA</b>	<b>1,230,043</b>	<b>836,315</b>	<b>388,551</b>
<b>Accumulated stockholders' equity (deficit)</b>			
<b>- adjusted for EBITDA</b>	<b>\$ 23,949</b>	<b>\$ (278,937)</b>	<b>\$ (606,878)</b>

The Company's operations have been funded through capital contributions from the stockholders, financing by EXIT Realty Corp. International, and cash flows from operations. The Company is growing and, as such, is incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated to improve operating cash flows as needed in the future.

During the year ended December 31, 2023, management has taken several actions to improve operating cash flows including the restructuring of notes payable owed to Exit Realty Corp. International, as disclosed in Note 3 – Notes Payable, and the negotiation of increased territory management with Exit Realty Corp. International as disclosed in Note 1 – Significant Accounting Policies: *Intangible Assets*. As of the date these financial statements were available to be issued, the Company continues to sell franchises, and is generating franchise commissions revenues from open and operating franchisees. The Company believes that the combination of the actions taken will enable it to meet its funding requirements for one year from the date these financial statements were available to be issued. If necessary, stockholders of the Company intend to provide any financial assistance needed by the Company should its cash flows from operations combined with its cash balances not be sufficient to meet its working capital needs. Management believes that the stockholders have the intent and ability to provide the funds needed, if any, to continue to fund the operations of the Company for at least one year from the date these financial statements were available to be issued.

**NOTE 6 – CONTRACT BALANCES**

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as deferred revenues on the accompanying Balance Sheets. A summary of significant changes in deferred revenues are as follows:

	<b>December 31</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Deferred revenues – beginning of year	\$ 317,558	\$ 308,853	\$ 261,099
Additions for initial franchise fees received	33,750	80,000	107,500
Additions for renewal fees received	19,500	28,250	27,000
Additions for assignment fees received	8,625	18,000	5,750
Reduction for amounts deemed uncollectible	(10,100)	-	-
Revenue recognized during the year	(115,536)	(117,545)	(92,496)
<b>Deferred revenues – end of year</b>	<b>\$ 253,796</b>	<b>\$ 317,558</b>	<b>\$ 308,853</b>

At December 31, 2023, deferred revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<b>For the Years Ending December 31</b>	<b>Amount</b>
2024	\$ 93,036
2025	80,375
2026	50,021
2027	22,128
2028	7,650
Thereafter	586
<b>Total deferred revenues</b>	<b>\$ 253,796</b>

**NOTE 7 – OPERATING LEASES**

The Company entered into a lease agreement commencing April 3, 2017, for office space in Lakeville, Minnesota. The agreement expires on February 29, 2028, and calls for monthly rent ranging from \$3,754 to \$6,760. In addition to base rent, the Company is charged for its share of operating expenses and taxes. Included in the terms of the lease is a build-out incentive of \$322,000. The deferred lease incentive was being amortized over the life of the lease on a straight-line basis. As of January 1, 2022, the remaining unamortized deferred lease incentive of \$189,111 was reclassified to operating lease ROU assets as part of the implementation of ASC 842. The unamortized balance is \$0, \$0, and \$189,111 as of December 31, 2023, 2022, and 2021, respectively.

The lease agreement contains the landlord's option to terminate the current lease if the premises are: (i) rendered wholly untenable, or (ii) damaged as a result of any cause which is not covered by insurance then in full force and effect naming the landlord as the insured, or (iii) damaged or destroyed in whole or in part during the last two lease years, or (iv) if the building in which the premises are located is damaged to the extent of 50% or more of the landlord's gross leasable area, then, in any such event, the landlord may elect to terminate the lease by giving the Company notice of such election within 120 days after the occurrence of such an event.

In the event that the Company remains in possession of the premises after the termination date without execution of a new lease, it shall be deemed to be occupying the premises as a tenant from month to month, at 150% of the annual minimum rent and a percentage rent and subject to all other conditions, provisions, and obligations of the lease; provided, that percentage rent for such hold-over period shall be calculated using the annual minimum rent for the last lease year of the term and not the annual minimum rent payable for such hold-over period.

**NOTE 7 – OPERATING LEASES (continued)**

**Summary information**

The Company has an operating lease for office space that is set to expire in 2028. Below is a summary of the Company's operating ROU assets and lease liability obligations:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating lease ROU assets, net</b>	<b>\$ 124,741</b>	<b>\$ 148,366</b>
Operating lease liability obligations, current	\$ 66,179	\$ 63,007
Operating lease liability obligations, less current portion	242,630	308,808
<b>Total operating lease liability obligations</b>	<b>\$ 308,809</b>	<b>\$ 371,815</b>
Weighted average remaining lease term	4.08 years	5.16 years
Weighted average discount rate	3.50%	3.50%

The Company recognized approximately \$23,625 and \$21,546 in operating lease costs during the years ended December 31, 2023 and 2022, respectively. Operating lease costs were recorded within general and administrative expenses in the Company's Statements of Loss.

Approximate future minimum lease payments for the Company's ROU assets over the remaining lease periods are as follows:

<b>For the Years Ending December 31</b>	<b>Amount</b>
2024	\$ 75,712
2025	80,219
2026	81,120
2027	81,120
2028	13,520
<b>Total future minimum lease payments</b>	<b>\$ 331,691</b>
Less: amount representing interest	(22,882)
<b>Present value of lease payments</b>	<b>\$ 308,809</b>

**Operating subleases**

A portion of the leased space was subleased to an unrelated third party under a noncancelable lease agreement that began on March 1, 2018, and expired on February 28, 2021.

A portion of the leased space is subleased to an unrelated third party under a noncancelable lease agreement that began on May 21, 2021, and was set to expire on May 21, 2023. The lease agreement renewed on April 12, 2023 and is set to expire on April 12, 2026. The third party has the option to extend the lease by three years with base rent amount to be increased by 3% after year three.

A portion of the leased space is subleased to an unrelated third party under a cancelable lease agreement that began on December 15, 2021, expired on December 15, 2022, and continued monthly until the lease was cancelled in September 2023.

**NOTE 7 – OPERATING LEASES (continued)**

**Operating subleases (continued)**

A portion of the leased space is subleased to an unrelated third party under a noncancelable lease agreement that began on February 1, 2022, expired on February 1, 2023, and has continued monthly through the date of this report.

A portion of the lease space was subleased to an unrelated third party under a noncancelable lease agreement that began on September 1, 2022, and expired on December 1, 2022.

A portion of the lease space is subleased to an unrelated third party under a noncancelable lease agreement that began on August 5, 2022, and expires on August 5, 2024.

A portion of the lease space is subleased to an unrelated third party under a noncancelable lease agreement that began on October 1, 2022, and expires on October 1, 2025.

A portion of the lease space is subleased to an unrelated third party under a monthly lease agreement that began on December 2, 2022. As of the date of this report, management expects the agreement to remain in effect through the year ended December 31, 2024.

A portion of the lease space was subleased to an unrelated third party under a cancelable lease agreement that began on June 14, 2023, expired on October 14, 2023, and continued monthly until subsequent to year end, the lease was cancelled in April 2024.

Operating lease expense charged to operations including amortization of leasehold improvements totaled \$106,187, \$101,019, \$128,802, at December 31, 2023, 2022, and 2021, respectively. The Company's lease expense is offset by rental income under the sublease agreements. Sublease rental income totaled \$74,673, \$53,050, and \$19,235 for the years ended December 31, 2023, 2022, and 2021, respectively. Expected minimum future sublease rental income under the operating subleases are as follows:

<u>For the Years Ending December 31</u>	<u>Amount</u>
2024	\$ 42,600
2025	26,200
2026	7,400
<b>Total future expected sublease income</b>	<b><u>\$ 76,200</u></b>

**NOTE 8 – LITIGATION**

On August 21, 2019, the Company became the defendant in a class action lawsuit seeking damages under the Telephone Consumer Protection Act. In 2020, the Company settled the claim with the plaintiff in the amount of \$15,000. The settlement required an installment payment of \$2,500 in May 2020, with monthly installment payments of \$500 until paid in full. The balance that remained, which was included in accounts payable, was \$3,000 at December 31, 2021 and was paid in full during the year ended December 31, 2022.

**NOTE 9 – RETIREMENT PLAN**

During the year ended December 31, 2021, the Company established a new Simplified Employee Pension retirement plan (a “SEP” plan). The SEP is a defined contribution plan in which the Company may make discretionary contributions directly into eligible employees’ individual retirement accounts. Such contributions cannot exceed annual prescribed limits and are tax-deferred to the employee. Total Company contributions for the years ended December 31, 2023, 2022, and 2021 were \$8,500, \$24,000, and \$14,000, respectively.

**NOTE 10 – CONCENTRATIONS**

The Company had certain customers whose accounts receivable balances individually represented 10% or more of the Company’s total accounts receivable as follows:

For the year ended December 31, 2023, four customers accounted for 66% of the Company’s accounts receivable balance. For the year ended December 31, 2022, three customers accounted for 37% of the Company’s accounts receivable balance. For the year ended December 31, 2021, three customers accounted for 48% of the Company’s accounts receivable balance.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2023, the Company provided advances totaling \$16,381 to one of its stockholders. These advances were extended interest-free and do not have specified repayments terms but are expected to be repaid within one year from the date of this report. As of December 31, 2023, the outstanding balance of advances to stockholder is \$14,250.

**EXIT REALTY CORP. INTERNATIONAL**  
Mississauga, Ontario

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

Years Ended December 31, 2023, 2022 and 2021

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## INDEPENDENT AUDITORS' REPORT

Shareholders  
EXIT Realty Corp. International  
Mississauga, Ontario

### Opinion

We have audited the accompanying consolidated financial statements of EXIT Realty Corp. International (a corporation) and subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of December 31, 2023, 2022 and 2021, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



April 30, 2024  
Milwaukee, Wisconsin

**EXIT REALTY CORP. INTERNATIONAL**  
Mississauga, Ontario

**Consolidated Balance Sheets**  
**In U.S. Dollars**  
December 31, 2023, 2022 and 2021

	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and equivalents	\$ ---	\$ 165,530	\$ 2,851,126
Trade accounts receivable, net of allowance for credit losses of \$511,956, \$458,976, and \$19,900 respectively	859,378	621,432	895,179
Short-term investment	189,022	186,041	197,192
Prepaid expenses	237,657	116,502	327,256
Income taxes receivable	672,410	---	---
Current portion - Loans receivable	---	---	---
Current portion - Notes receivable	1,056,201	1,355,483	1,045,908
<b>Total current assets</b>	<u>3,014,668</u>	<u>2,444,988</u>	<u>5,316,661</u>
<b>Other Assets:</b>			
Advances to related parties	2,287,705	2,199,967	1,515,378
Notes receivable (net)	8,704,995	11,839,353	10,538,492
Property and equipment (net)	271,020	328,683	281,138
Digital assets (net)	943,094	943,094	2,763,279
Regional rights	11,049,112	8,679,201	9,297,047
Deferred income tax asset - United States taxes	428,000	485,000	537,000
<b>Total other assets</b>	<u>23,683,926</u>	<u>24,475,298</u>	<u>24,932,334</u>
<b>Total assets</b>	<u><u>\$ 26,698,594</u></u>	<u><u>\$ 26,920,286</u></u>	<u><u>\$ 30,248,995</u></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>			
<b>Current Liabilities:</b>			
Bank overdraft	\$ 344,392	\$ ---	\$ ---
Accounts payable	8,030,086	6,593,994	6,106,790
Income taxes payable	15,000	351,968	679,000
Advances from related parties	35,579	34,744	37,117
Line of credit	151,217	---	---
Current portion of notes payable	1,281,506	1,518,786	1,723,516
Current portion of deferred rent	---	---	55,624
Short-term notes payable - Related parties	816,338	---	---
Current portion of deferred revenue	3,636,617	3,523,417	4,422,344
<b>Total current liabilities</b>	<u>14,310,735</u>	<u>12,022,909</u>	<u>13,024,391</u>
<b>Long-Term Liabilities</b>			
Notes payable (net)	1,889,505	2,250,108	3,798,398
Deferred income tax liability - Canadian taxes	312,000	215,000	669,000
Deferred revenue	3,929,136	4,854,640	3,000,706
<b>Total long-term liabilities</b>	<u>6,130,641</u>	<u>7,319,748</u>	<u>7,468,104</u>
<b>Total liabilities</b>	<u>20,441,376</u>	<u>19,342,657</u>	<u>20,492,495</u>
<b>Stockholders' Equity:</b>			
Capital stock	7	7	7
Retained earnings	8,075,962	9,403,248	11,540,817
Noncontrolling interest in subsidiary	(1,713)	(1,250)	(559)
Accumulated other comprehensive loss	(1,817,038)	(1,824,376)	(1,783,765)
<b>Total stockholders' equity</b>	<u>6,257,218</u>	<u>7,577,629</u>	<u>9,756,500</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 26,698,594</u></u>	<u><u>\$ 26,920,286</u></u>	<u><u>\$ 30,248,995</u></u>

The accompanying notes to consolidated financial statements  
are an integral part of these consolidated statements.

**EXIT REALTY CORP. INTERNATIONAL**  
Mississauga, Ontario

**Consolidated Statements of Income**  
**In U.S. Dollars**  
Years Ended December 31, 2023, 2022 and 2021

	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Gross Revenue:</b>			
Revenue	\$ 16,373,958	\$ 18,285,857	\$ 17,868,466
<b>Operating Expenses:</b>			
Advertising and promotion	2,858,751	2,880,073	2,449,208
Amortization and depreciation	92,338	125,888	154,557
Ancillary expenses	159,378	209,692	222,204
Credit loss (recovery) expense	1,304,738	382,936	(83,238)
Bank charges	246,186	234,654	207,147
Commissions	198,365	111,540	175,962
Contract services	883,805	972,546	899,924
Fees and dues	30,231	33,494	18,358
Information technology	519,057	470,750	302,986
Insurance	146,300	97,700	75,078
Interest	303,979	256,648	319,674
Office and general	64,051	83,463	59,904
Postage and delivery	77,943	102,833	82,858
Professional fees	512,417	334,687	328,642
Rent	305,396	293,000	310,424
Repairs and maintenance	2,787	8,364	16,948
Salaries and benefits	7,205,125	7,900,241	7,872,910
Telephone	25,306	26,585	23,119
Trade shows and conventions	2,020,763	2,845,425	376,337
Training and development	1,078,879	1,452,332	900,866
Travel	147,007	136,233	67,361
Vehicles	5,902	7,405	16,045
<b>Total operating expenses</b>	<u>18,188,704</u>	<u>18,966,489</u>	<u>14,797,274</u>
<b>Income (loss) from continuing operations before the following</b>	<u>(1,814,746)</u>	<u>(680,632)</u>	<u>3,071,192</u>
Gain on sale of property and equipment	---	20,291	383,500
Impairment of digital assets	---	(1,820,185)	---
<b>Income (loss) from operations before income taxes</b>	<u>(1,814,746)</u>	<u>(2,480,526)</u>	<u>3,454,692</u>
<b>Provision (benefit) for income taxes</b>	<u>(486,997)</u>	<u>(342,266)</u>	<u>851,774</u>
<b>Net income (loss) before noncontrolling interest</b>	<u>(1,327,749)</u>	<u>(2,138,260)</u>	<u>2,602,918</u>
<b>Noncontrolling interest in subsidiary's loss</b>	<u>463</u>	<u>691</u>	<u>836</u>
<b>Net income (loss)</b>	<u><u>\$ (1,327,286)</u></u>	<u><u>\$ (2,137,569)</u></u>	<u><u>\$ 2,603,754</u></u>

The accompanying notes to consolidated financial statements  
are an integral part of these consolidated statements.

**EXIT REALTY CORP. INTERNATIONAL**  
Mississauga, Ontario

**Consolidated Statements of Changes in Stockholders' Equity**  
**In U.S. Dollars**

Years Ended December 31, 2023, 2022 and 2021

	<u>Common stock</u>	<u>Retained earnings</u>	<u>Noncontrolling interest</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Total stockholders' equity</u>
<b>Balance - December 31, 2020</b>	\$ 7	\$ 8,937,063	\$ 277	\$ (1,806,842)	\$ 7,130,505
Net income (loss) for the year	---	2,603,754	(836)	---	2,602,918
Foreign currency translation adjustment	---	---	---	23,077	23,077
<b>Total comprehensive income (loss)</b>	---	2,603,754	(836)	23,077	2,625,995
<b>Balance - December 31, 2021</b>	7	11,540,817	(559)	(1,783,765)	9,756,500
Net loss for the year	---	(2,137,569)	(691)	---	(2,138,260)
Foreign currency translation adjustment	---	---	---	(40,611)	(40,611)
<b>Total comprehensive income (loss)</b>	---	(2,137,569)	(691)	(40,611)	(2,178,871)
<b>Balance - December 31, 2022</b>	7	9,403,248	(1,250)	(1,824,376)	7,577,629
Net loss for the year	---	(1,327,286)	(463)	---	(1,327,749)
Foreign currency translation adjustment	---	---	---	7,338	7,338
<b>Total comprehensive income (loss)</b>	---	(1,327,286)	(463)	7,338	(1,320,411)
<b>Balance - December 31, 2023</b>	<u>\$ 7</u>	<u>\$ 8,075,962</u>	<u>\$ (1,713)</u>	<u>\$ (1,817,038)</u>	<u>\$ 6,257,218</u>

The accompanying notes to consolidated financial statements  
are an integral part of these consolidated statements.

**EXIT REALTY CORP. INTERNATIONAL**  
Mississauga, Ontario

**Consolidated Statements of Cash Flows**  
**In U.S. Dollars**  
Years Ended December 31, 2023, 2022 and 2021

	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Cash Flows from Operating Activities:</b>			
Net income (loss)	\$ (1,327,749)	\$ (2,138,260)	\$ 2,602,918
<b>Adjustments to reconcile net income to cash and equivalents provided (used) from operating activities:</b>			
Amortization and depreciation	92,338	125,888	154,557
Credit loss (recovery) expense	1,304,738	382,936	(83,238)
Deferred tax expense (benefit)	154,000	(402,000)	164,145
Regional rights disposed	---	975,000	142,000
Gain on sale of property and equipment	---	(20,291)	(383,500)
Impairment of digital assets	---	1,820,185	---
<b>Changes in assets and liabilities:</b>			
Trade accounts receivable	(1,542,684)	(109,189)	32,009
Prepaid expenses	(121,155)	210,754	(4,199)
Notes receivable	3,433,640	(1,610,436)	(585,041)
Accounts payable and accrued liabilities	1,436,092	487,204	375,525
Income taxes receivable (payable)	(1,009,378)	(327,032)	48,020
Deferred revenue	(812,304)	955,007	1,637,200
<b>Net cash and equivalents provided (used) by operating activities</b>	<u>1,607,538</u>	<u>349,766</u>	<u>4,100,396</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of property and equipment	(34,675)	(239,563)	---
Advances (to) from related parties	(86,903)	(686,962)	(29,349)
Proceeds on sale of property and equipment	---	86,421	1,404,875
Redemption (purchase of) short-term investment	(2,981)	11,151	391,875
Purchase of digital assets	---	---	(2,763,279)
Reacquisition of regional rights	(2,369,911)	(357,154)	---
<b>Net cash and equivalents provided (used) by investing activities</b>	<u>(2,494,470)</u>	<u>(1,186,107)</u>	<u>(995,878)</u>
<b>Cash Flows from Financing Activities:</b>			
Bank overdraft	344,392	---	---
Proceeds from notes payable	1,100,000	---	---
Proceeds from line of credit	151,217	---	---
Repayments on notes payable	(1,697,883)	(1,753,020)	(2,024,117)
Borrowings from short-term notes payable - Related parties	816,338	---	---
Deferred rent	---	(55,624)	(73,615)
<b>Net cash and equivalents provided (used) by financing activities</b>	<u>714,064</u>	<u>(1,808,644)</u>	<u>(2,097,732)</u>
Effect of exchange rate changes on financial instruments	<u>7,338</u>	<u>(40,611)</u>	<u>23,077</u>
<b>Net change in cash and equivalents</b>	<u>(165,530)</u>	<u>(2,685,596)</u>	<u>1,029,863</u>
<b>Cash and equivalents, at beginning of year</b>	<u>165,530</u>	<u>2,851,126</u>	<u>1,821,263</u>
<b>Cash and equivalents, at end of year</b>	<u><u>\$ ---</u></u>	<u><u>\$ 165,530</u></u>	<u><u>\$ 2,851,126</u></u>
<b>Supplemental Disclosure:</b>			
Income tax paid	<u>\$ 315,687</u>	<u>\$ 386,766</u>	<u>\$ 639,609</u>
Interest paid	<u>\$ 297,641</u>	<u>\$ 256,648</u>	<u>\$ 318,001</u>

The accompanying notes to consolidated financial statements  
are an integral part of these consolidated statements.

# **EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

## **Notes to Consolidated Financial Statements**

**In U.S. Dollars**

December 31, 2023, 2022, and 2021

### **1. Company Description**

EXIT Realty Corp. International was incorporated on October 20, 1995 under the laws of the Province of Ontario. The Company is a real estate franchisor that sells regions in the United States of America and Canada. Revenues are generated from transaction and development fees, sale of franchises, franchisee annual membership fees, convention income and software and training fees.

EXIT Realty Corp. USA was incorporated in the Commonwealth of Massachusetts and is a wholly owned subsidiary of EXIT Realty Corp. International. It also generates its revenues from transaction and development fees, sale of franchises, franchisee annual membership fees, convention income, software and training fees and management fees.

Ah\$um America, Inc. is a wholly owned subsidiary of EXIT Realty Corp. International and is the surviving corporation resulting from the merger of Ah\$um America, Inc. and Ah\$um Financial Corp. Both of the predecessor corporations were incorporated in the State of Georgia. Subsequent to the merger in 2010, the surviving corporation was redomesticated in the Commonwealth of Massachusetts. Ah\$um America, Inc. is in place to manage the ancillary services of EXIT Realty Corp. International and EXIT Realty Corp. USA.

EXIT Realty Pacific West, LLC is a subsidiary of EXIT Realty Corp. USA that was incorporated in 2020. The Company is deemed to control another company either by ownership of a majority voting interest in the other company's equity or by incurring a contractual obligation to provide additional financial support to the other company. The Company owns a majority of the voting interest of EXIT Realty Pacific West, LLC. EXIT Realty Pacific West, LLC generates its revenues from transaction and development fees, sale of franchises and training fees. Collectively, EXIT Realty Corp. International and its subsidiaries are referred to as the "Company" herein.

### **2. Summary of Significant Accounting Policies**

#### **A. Principles of Consolidation**

The current consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, EXIT Realty Corp. USA, AH\$um America, Inc., and EXIT Realty Pacific West, LLC. All significant inter-company accounts and transactions have been eliminated.

#### **B. Basis of Presentation**

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### **C. Revenue Recognition**

Initial franchise and regional development rights fees are determined by geographic area and population in that area and are recorded as deferred franchise fee and regional development right fees and amortized as revenue over the life of the franchise agreement (generally five years for franchise rights and ten or fifteen years for regional development rights). Franchise fee renewals are charged 10% of the then current initial franchise fee (not to exceed 25% of the initial franchise fee originally paid by the franchisee). Regional development right renewals are charged 25% or 50% of the initial franchise fee depending on the original terms of the agreement.

Transaction fees and development fee income are earned, recognized and payable by the franchisees upon the finalization of a transaction initiated by the franchisee (sale or leasing transaction).

Annual membership fees are recognized when earned. The portion of annual membership fees that relate to the subsequent fiscal year is deferred and shown as deferred revenue.

Software and training fees are recognized on a monthly basis.

**EXIT REALTY CORP. INTERNATIONAL**  
Mississauga, Ontario

**Notes to Consolidated Financial Statements**  
**In U.S. Dollars**

December 31, 2023, 2022, and 2021  
(Continued)

**2. Summary of Significant Accounting Policies (Continued)**

**C. Revenue Recognition (Continued)**

Convention income is recognized at the completion of the convention. The portion of convention income that relates to the subsequent year's convention is deferred and shown as deferred revenue.

Management fees are recognized on a monthly basis.

Ancillary revenues are recognized when earned based on the terms of the individual supplier agreements. The portion of ancillary revenues that relate to the subsequent year is deferred and shown as deferred revenue.

**D. Cash and Equivalents**

The Company considers demand deposits, savings, money market fund accounts and investments with maturities of 90 days or less to be cash and equivalents for purposes of the consolidated statements of cash flows.

**E. Short-term Investments**

The Company is required to maintain a minimum deposit balance of 250,000 Canadian dollars (189,022 USD at current exchange rates) as security for the bank line of credit disclosed in note 8. The company maintains this deposit in a redeemable guaranteed investment certificate ("GIC") bearing interest at 1.75% per annum, maturing April 13, 2024. At each maturity date, the company renews its investment in the GIC to maintain the security requirements.

**F. Digital Assets**

During the year ended December 31, 2021, the Company purchased \$2,463,219 of Bitcoin and \$300,060 of Ethereum ("digital assets"). The Company accounts for digital assets held as a result of these transactions as indefinite-lived intangible assets in accordance with ASC 350, *Intangibles – Goodwill and Other*. The company has ownership of and control over the digital assets and uses third-party custodial services to secure it. The digital assets are initially recorded at cost and are subsequently remeasured on the consolidated balance sheets at cost, net of any impairment losses incurred since acquisition.

The fair value of the Company's digital assets is determined on a nonrecurring basis in accordance with ASC 820, *Fair Value Measurement*, based on quoted prices on the active exchange(s) that the Company has determined is the principal market for such assets (Level 1 inputs). The Company performs an analysis at year end to determine whether events or changes in circumstances, principally decreases in the quoted prices on active exchanges, indicate that it is more likely than not that the Company's digital assets are impaired. In determining if an impairment has occurred, the Company considers the market price of one unit of digital asset quoted on the active exchange at year end. If the then current carrying value of a digital asset exceeds the fair value so determined, an impairment loss has occurred with respect to those digital assets in the amount equal to the difference between their carrying values and the price determined.

Impairment losses, if any, are shown as impairment losses on the consolidated statements of income in the period in which the impairment is identified. The impaired digital assets are written down to their fair value at the time of impairment and this new cost basis will not be adjusted upward for any subsequent increase in fair value. Gains are not recorded until realized upon sale, at which point they are presented net of any impairment losses for the same digital assets held. In determining the gain to be recognized upon sale, the Company calculates the difference between the sales price and carrying value of the digital assets sold immediately prior to sale.

## EXIT REALTY CORP. INTERNATIONAL

Mississauga, Ontario

### Notes to Consolidated Financial Statements

In U.S. Dollars

December 31, 2023, 2022, and 2021

(Continued)

## 2. Summary of Significant Accounting Policies (Continued)

### G. Recently Adopted Accounting Guidance - Allowance for Credit Losses

In June 2016, the FASB issued guidance FASB ASC 326, *Financial Instruments – Credit Losses* (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model, that is referred to as the current expected credit loss ("CECL") methodology. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Company has implemented the standard using the modified retrospective approach and has elected the practical expedient to not adjust the comparative periods presented in the financial statements. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable and notes receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

### H. Trade Accounts Receivable, Notes Receivable and Allowance for Credit Losses

Trade Accounts receivable are customer obligations due under normal trade terms and reported at contract value. The Company sells its services to businesses.

1. **Measurement of Expected Credit Losses:** The Company estimates expected credit losses on trade receivables based on historical credit loss experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the trade receivables.
2. **Credit Risk Profile:** The credit risk profile of trade receivables is categorized based on credit quality indicators. The Company uses this information to determine appropriate allowances for expected credit losses.
3. **Significant Judgments and Estimates:** The determination of expected credit losses involves significant judgments and estimates. Changes in economic conditions or customer payment behavior may impact the allowance for credit losses.

The balance in trade accounts receivable at January 01, 2021 was \$860,250 with allowance for credit losses of \$16,300.

Notes receivable are stated at note amounts. No allowance for credit losses has been established for notes receivable.

The Corporation believes that the allowance for credit losses is appropriate based on the information available as of December 31, 2023.

The Corporation writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs of trade accounts receivable was \$24,778 for the year ending December 31, 2023. The total amount of write-offs of notes receivable was \$1,279,960 for the year ending December 31, 2023.



## **EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

### **Notes to Consolidated Financial Statements**

**In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

## **2. Summary of Significant Accounting Policies (Continued)**

### **I. Property and Equipment**

Property and equipment with an acquisition cost greater than \$1,500 and an estimated useful life of greater than one year are recorded at cost. Expenditures for maintenance and repairs are charged against income when incurred. Amortization and depreciation of equipment and software is provided on the declining balance basis using the following rates:

Electronic equipment	30%
Furniture and fixtures	20%
Outdoor sign	25%
Computer Software	30% - 100%
Vehicles	30%
Buildings	4%

Leasehold improvements are amortized on a straight-line basis over the lesser of the lease term or five years.

### **J. Regional Rights**

Regional rights are recorded at cost. The value of the regional rights is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. When the carrying value is determined to be impaired, an impairment loss is recognized in income in the year. The regional rights write downs amounted to \$0 for the years ended December 31, 2023, 2022 and 2021.

### **K. Income Taxes**

The Company follows the liability method of accounting for income taxes; whereby, deferred income tax assets and liabilities reflect the expected future income tax consequences of temporary differences between carrying amounts of assets and liabilities and their income tax bases. Deferred income tax assets and liabilities are measured based on the enacted or substantively enacted income tax rates that are expected to be in effect when the deferred income tax assets or liabilities are expected to be realized or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized into income in the year that includes the substantive enactment date. Deferred income tax assets are recognized to the extent that realization is considered more likely than not.

The Company has implemented accounting for uncertainty in income taxes in accordance with U.S. GAAP. This standard prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognizing, interest, penalties and disclosures required. The Company recognizes interest and penalties, if any, related to unrecognized tax liabilities in income tax expense.

## **EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

### **Notes to Consolidated Financial Statements**

**In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

## **2. Summary of Significant Accounting Policies (Continued)**

### **L. Foreign Currency Translation**

Assets and liabilities of foreign operations and foreign currency denominated assets and liabilities of Canadian operations are translated into U.S. dollars at the exchange rates prevailing at the transaction date for non-monetary items and at the year-end exchange rate for monetary items. Revenue and expenses, except amortization, are converted at average exchange rates for the year. Amortization is converted at the same rate as related assets. Gains or losses on translation are recognized in income in the year realized or incurred.

### **M. Financial Instruments**

Financial instruments are carried at cost, less any impairment value. The Company discloses information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment, and therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

### **N. Other Comprehensive Income**

U.S. GAAP requires that recognized revenue, expenses, gains and losses be included in net income. Certain changes in assets and liabilities, however, such as foreign currency translation adjustments, are reported as a direct adjustment to the equity section of the balance sheet. Such items, along with net income, are considered components of comprehensive income.

### **O. Use of Estimates**

These financial statements have been prepared in accordance with U.S. GAAP, from information provided by management. Preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the year. Actual results could differ from those estimates.

### **P. Advertising and Promotion**

Advertising and promotion expenses are expensed as incurred by the Company. The advertising and promotion expenses for the years ended December 31, are as follows:

2023	\$	2,858,751
2022		2,880,073
2021		2,449,208

### **Q. Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (April 30, 2024). Other than the lease noted in Note 12, there were no subsequent events that required recognition or disclosure.

**EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

**Notes to Consolidated Financial Statements****In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

**2. Summary of Significant Accounting Policies (Continued)****R. Reclassifications**

Certain amounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements. There was no effect on stockholders' equity.

**3. Revenue Recognition****A. Disaggregation of Revenue**

Revenue from performance obligations satisfied at a point in time consists of transaction and development fee income and convention income.

Revenue from performance obligations satisfied over time consists of franchise and regional development rights sales and renewals, annual membership fees, ancillary revenues, and software and training fees.

In the following table, revenue is disaggregated by timing of satisfaction of performance obligations for the years ended December 31:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Revenues recognized over time:</b>			
Franchise sales and renewals	\$ 432,411	\$ 431,299	\$ 445,907
Regional development rights and renewals	946,819	496,281	366,237
Annual membership fees	4,750,812	5,048,225	4,701,908
Software and training fees	1,643,027	1,710,816	1,553,777
Management fees	---	---	32,000
Ancillary revenue	453,825	532,289	784,483
<b>Revenues recognized at a point in time:</b>			
Convention income	750,324	1,114,051	---
Transaction and development fees	6,981,403	8,395,365	9,470,295
<b>Government grants</b>	---	---	---
<b>Interest and other miscellaneous income</b>	415,337	557,531	513,859
<b>Total Revenue</b>	<u>\$ 16,373,958</u>	<u>\$ 18,285,857</u>	<u>\$ 17,868,466</u>

**EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

**Notes to Consolidated Financial Statements****In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

**3. Revenue Recognition (Continued)****B. Contract Balances**

Contract liabilities include franchise and regional development rights sales and renewals received, convention income for the convention that will occur in the following year, training income for sessions that will occur in the following year, deferred ancillary revenue, and the portion of annual membership fees that relate to the following year (deferred revenue). Contract liabilities were as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred revenue	\$ 7,565,753	\$ 8,378,057	\$ 7,423,050
Less: long-term portion of deferred revenue	(3,929,136)	(4,854,640)	(3,000,706)
<b>Current portion of deferred revenue</b>	<b>\$ 3,636,617</b>	<b>\$ 3,523,417</b>	<b>\$ 4,422,344</b>

The balance in deferred revenue at January 1, 2021 was \$3,623,968.

**C. Performance Obligations**

For performance obligations related to franchise and regional development rights fees, control transfers over time. The franchisee/regional developer has the right to operate in a specific territory over a specified time frame. There are no additional performance obligations. Payment is due upon signing of the agreement.

**D. Significant Judgments**

The franchisees and regional rights developers have the right to operate exclusively in territory over an agreed time frame. Franchise and regional rights revenue is deferred and amortized on a straight-line basis over the time of the contract. The Company has used the practical expedient which allows the Company to apply the revenue recognition guidance to a portfolio of franchise contracts with similar characteristics, rather than applying the guidance to each contract individually.

**EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

**Notes to Consolidated Financial Statements****In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

**4. Advances to (from) Related Parties and Related Party Transactions**

Advances to (from) related companies, which are under common control, are unsecured, non-interest bearing and have no fixed terms for repayment.

Advances from the ultimate shareholder of the Company, are unsecured, non-interest bearing and have no fixed terms for repayment.

Management is of the opinion that these transactions were undertaken under the same terms and conditions as transactions with non-related parties. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The advances to (from) related parties are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
EXITus Holdings, Inc.	\$ 2,287,705	\$ 2,199,967	\$ 1,515,378
AH-\$UM Potential Inc.	(35,579)	(34,744)	(37,117)
<b>Net related party advances</b>	<u>\$ 2,252,126</u>	<u>\$ 2,165,223</u>	<u>\$ 1,478,261</u>

In addition, the Company is a guarantor of a mortgage payable by its parent company, EXITus Holdings, Inc. At December 31, 2023, the outstanding balance owing under this mortgage amounted to \$5,226,396 (2022 - \$5,380,110). The mortgage is secured by real property owned by the parent company. The mortgage is subject to certain financial and reporting covenants. For the year ended December 31, 2023, the parent company was in compliance with the covenants. The Company also leases its premises from EXITus Holdings, Inc. as noted in Note 12.

Short-term notes payable – related parties consists of loans to the Company from employees. These notes are short-term with maturity dates in 2024. Interest rates were 20% at December 31, 2023. Loans outstanding were \$816,338 at December 31, 2023. Interest expense on these notes was \$10,192 for the year ended December 31, 2023. There were no notes payable or activity in notes payable from related parties for 2022 or 2021.

**5. Notes Receivable**

Notes receivable represent balances due on the sale of Canadian and U.S. regions. The notes bear interest between 3.00% and 10.00%, mature between 2024 and 2033, and are secured by performance contracts in the franchisor agreements.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total notes receivable	\$ 9,761,196	\$ 13,194,836	\$ 11,584,400
Less: current portion	1,056,201	1,355,483	1,045,908
<b>Long-term</b>	<u>\$ 8,704,995</u>	<u>\$ 11,839,353</u>	<u>\$ 10,538,492</u>

When management has determined that collection of specific notes receivable to be doubtful, it will include the write down of these notes in credit loss expense. There were no amounts of write downs relating to these notes receivable for the years ended December 31, 2023, 2022 and 2021. When a region is reacquired for non-performance by the sub-franchisor, the amount of the uncollected notes receivable is added to the cost of regional rights on the balance sheet. Regions reacquired for non-performance amounted to \$2,369,911, \$357,154, and \$0 for the years ended December 31, 2023, 2022 and 2021, respectively. Interest income on these notes totaled \$397,640, \$383,186, and \$342,401 for the years ended December 31, 2023, 2022 and 2021, respectively.

**EXIT REALTY CORP. INTERNATIONAL**

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**Notes to Consolidated Financial Statements****In U.S. Dollars**

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(Continued)

**6. Property and Equipment**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Electronic equipment	\$ 825,066	\$ 810,567	\$ 727,285
Furniture and fixtures	143,869	141,906	129,599
Outdoor sign	18,214	---	17,455
Software	2,719,424	2,719,424	2,705,298
Vehicles	152,526	152,526	371,113
Leasehold improvements	129,847	129,847	224,968
<b>Total</b>	<u>3,988,946</u>	<u>3,954,270</u>	<u>4,175,718</u>
Less: accumulated amortization and depreciation	3,717,926	3,625,587	3,894,580
<b>Net property and equipment</b>	<u>\$ 271,020</u>	<u>\$ 328,683</u>	<u>\$ 281,138</u>

**7. Digital Assets**

During the year ended December 31, 2021, the Company purchased \$2,463,219 of Bitcoin and \$300,060 of Ethereum. During the year ended December 31, 2022, the Company recognized an impairment loss of \$1,820,185 based on the underlying market price of the digital assets. There was no impairment loss recognized during the years ending December 31, 2021 and 2020. As of December 31, 2023, the carrying value of digital assets held was \$943,094. As of December 31, 2023, the fair market value of these assets was \$2,276,093.

**8. Line of Credit**

The company has available a bank revolving demand facility with an authorized limit of 250,000 Canadian dollars (189,021 USD at current exchange rates), bearing interest at the bank's prime rate plus 1.00%. The facility is secured by a general security agreement over all property of the company, and assignment of a guaranteed investment certificate in the amount of 250,000 Canadian dollars. The bank credit facility is subject to certain reporting requirements and not subject to any financial covenant. At December 31, 2023, 2022 and 2021, the company had utilized \$151,217 of the facility.

**9. Notes Payable**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Notes payable, unsecured, non-interest bearing, with varying repayment terms and mature in 2028	\$ 420,000	\$ ---	\$ 84,000
Notes payable, unsecured, with varying repayment terms, bearing interest between 4.00% and 6.00%, maturing between 2024 and 2029	2,751,011	3,768,894	5,380,740
Notes payable, secured by specific vehicles, repayable in blended monthly payments of 3,800 Canadian dollars, bearing interest between 2.99% and 6.99%, maturing in 2022	---	---	57,174
<b>Total</b>	<u>3,171,011</u>	<u>3,768,894</u>	<u>5,521,914</u>
Less: current portion	1,281,506	1,518,786	1,723,516
<b>Long-term</b>	<u>\$ 1,889,505</u>	<u>\$ 2,250,108</u>	<u>\$ 3,798,398</u>

**EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

**Notes to Consolidated Financial Statements****In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

**9. Notes Payable (Continued)**

Interest expense on the above notes totaled \$293,787, \$256,648, and \$319,011 for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

Total principal repayments required on the notes for the years ending December 31, are as follows:

2024	\$ 1,281,506
2025	338,232
2026	347,828
2027	338,060
2028	127,802
Thereafter	737,583
<b>Total</b>	<b>\$ 3,171,011</b>

**10. Capital Stock**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued			
100 common shares	\$ 7	\$ 7	\$ 7

**11. Provision for Income Taxes**

A current tax liability is recognized for the estimated taxes payable on tax returns for the year. Deferred tax assets or liabilities are recognized for the estimated future tax effects of temporary differences between book and tax accounting.

The provision for income taxes consists of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current expense	\$ (640,997)	\$ 59,734	\$ 687,629
Deferred expense (benefit)	154,000	(402,000)	164,145
<b>Total provision</b>	<b>\$ (486,997)</b>	<b>\$ (342,266)</b>	<b>\$ 851,774</b>

Deferred income tax assets related to United States taxes result from net operating losses.

Details are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<b>Deferred Tax Expense (Benefit)</b>
Net operating losses	\$428,000	\$485,000	\$537,000	\$57,000

**EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

**Notes to Consolidated Financial Statements****In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

**11. Provision for Income Taxes (Continued)**

Deferred income tax assets or liabilities related to Canadian taxes result from differences between book and tax accounting values of property and equipment, regional rights, deferred rent and the recognition of revenue under franchise agreements. Details as follows:

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

The net operating losses for United States taxes relate to losses incurred by Ah\$um America, Inc. expire in the years ending December 31, 2025-2030. Net operating losses for United States taxes related to losses incurred by EXIT Realty Corp. USA do not expire. Ah\$um America, Inc. has total net operating losses of \$7,083,440 and EXIT Realty Corp. USA has total net operating losses of \$750,492. The losses are expected to expire as follows:

2025	\$	460,306
2026		3,902,219
2027		2,489,747
2028		209,160
2029		4,282
2030		17,726
Do not expire		750,492
<b>Total</b>	<b>\$</b>	<b>7,833,932</b>

The deferred tax assets listed above are reflective of the tax effect of the expected portion of losses to be utilized to offset against projected future taxable income.

The remaining deferred tax assets and liabilities listed above relate to EXIT Realty Corp. International and its obligation to pay Canadian taxes. The Company does not have the right or intention to offset the deferred tax asset related to Ah\$um America, Inc. against the deferred tax assets or liabilities of EXIT Realty Corp. International.



## EXIT REALTY CORP. INTERNATIONAL

Mississauga, Ontario

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#### 12. Lease and Contract Commitments

The Company rents its premises from EXITus Holdings, Inc. under a one-year lease that expired in December 2023. Subsequent to year end another one-year lease was signed for January to December 2024 with future payments due of \$265,788.

In addition, the Company has entered into services contracts that have initial terms in excess of one year and expiring at various times through 2027. Future minimum required payments under these service contracts for each of the remaining years ending December 31, are as follows:

2024	\$ 1,932,070
2025	800,004
2026	800,004
2027	800,004
<b>Total</b>	<b>\$ 4,332,082</b>

#### 13. Consulting Agreements and Employment Contracts

The Company has entered into a number of consulting agreements and employment contracts. The length of the contracts and agreements range from one to fifteen years.

#### 14. Contingent Liabilities

On December 6, 2016, a claim was filed against the Company in the amount of \$975,000 for a guarantee provided by the Company on the debt of a former regional owner. The Company has contested the claim and has filed a counterclaim against the former regional owner. The discovery phase of the claim has been prolonged. The likelihood of any loss relating to this claim cannot be determined.

In addition, in 2022, two claims were filed against the Company alleging amounts due to them related to wages and commissions. The Company has contested the claims and denying the allegations. The likelihood of any loss relating to these claims cannot be determined.

#### 15. Financial Instruments

The Company's financial instruments include cash, accounts receivable, notes receivable, loans receivable, advances to related parties, bank overdrafts, accounts payable and accrued liabilities, advances from related parties, notes payable and mortgage payable.

##### A. Fair Value

The carrying amounts for cash, accounts receivable, accounts payable and accrued liabilities on the balance sheet approximates their fair value because of the short-term maturities of these items.

The fair value of the notes receivable, loans receivable, advances to and from related parties and notes payable is not determinable, as these items are non-interest bearing and there is no comparable market data for them.

The fair value of the mortgage payable approximates its carrying value as it bears interest at market rates for similar debt.

## **EXIT REALTY CORP. INTERNATIONAL**

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### **Notes to Consolidated Financial Statements**

**In U.S. Dollars**

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(Continued)

#### **15. Financial Instruments (Continued)**

##### **B. Foreign Exchange Risk**

Certain of the Company's revenue and expenses are incurred in Canadian dollars and are therefore subject to gains and losses due to fluctuation in the U.S. dollar relative to the Canadian dollar. The Company does not use derivative instruments to reduce its exposure to foreign exchange risk.

The Company is exposed to currency risk through the certain assets and liabilities denominated in Canadian dollars.

##### **C. Interest Rate Risk**

The Company has interest-bearing borrowings for which general rate fluctuations apply.

##### **D. Credit Risk**

The Company maintains cash with Canadian chartered banks which is insured by the Canada Deposit Insurance Corporation up to CDN\$100,000 and a US financial institution which is insured by the Federal Deposit Insurance Corporation up to US\$250,000. From time to time these deposits are in excess of insured limits and are exposed to the credit risk from the concentration of cash.

The Company's customers are dispersed throughout the United States and Canada. The Company does not obtain collateral or other security to support accounts receivable. Notes receivable are secured by performance contracts and personal guarantees as per the conditions of the franchisor agreements.

##### **E. Liquidity Risk**

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The current assets reflected in the balance sheet are highly liquid. Financial liabilities, including accounts payable and accrued liabilities, are short-term in nature and are generally due within several months. Management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they come due, as well as ensuring adequate funds exist to support business strategies and operations growth. The Company manages liquidity risk by monitoring cash balances on a daily basis.

## **EXIT REALTY CORP. INTERNATIONAL**

Mississauga, Ontario

### **Notes to Consolidated Financial Statements**

**In U.S. Dollars**

December 31, 2023, 2022, and 2021

(Continued)

#### **16. Franchising**

The Company's subfranchise and franchise agreements provide for the payment of a franchise fee for each subfranchise and franchise purchased. One hundred percent (100%) of the franchise fees for subfranchises sold in the United States and Canada are received by the Company. Franchises in the United States and Canada are sold by subfranchisors. Twenty-five percent (25%) of the franchise fees for franchises sold in the United States and Canada by the subfranchisors are received by the Company. One hundred percent (100%) of the franchise fees for franchises sold in the United States and Canada in company owned regions are received by the Company. Annual membership fees are charged in the amount of \$425 per associate. Software license fees are charged per subfranchise and franchise.

Franchise fees, which vary depending on the population of the territory included in the purchase, are amortized over the life of the contract. Costs to the Company relating to the territories are commissions and administrative costs.

## **STATE EFFECTIVE DATES**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
Illinois	April 30, 2024
Michigan	March 4, 2024
Minnesota	Pending
North Dakota	Pending
South Dakota	Pending
Wisconsin	August 4, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT G  
RECEIPTS  
(DUPLICATE)**

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 EXIT Realty Upper Midwest 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, EXIT Realty Upper Midwest or an affiliate in connection with the proposed Franchise sale.

If EXIT Realty Upper Midwest 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 B.

The Subfranchisor is EXIT Realty Upper Midwest 20765 Holyoke Ave, Lakeville, MN 55044. Its telephone number is (651) 560-3234.

The name, address and telephone number of each Franchise seller offering the Franchise is as follows:

Willard Pankonin, 20765 Holyoke Ave, Lakeville, MN 55044 (612) 414-4022  
Cade Pankonin, 20765 Holyoke Ave, Lakeville, MN 55044 (612) 702-1869

The issuance date of the Disclosure Document is April 30<sup>th</sup> 2024.

EXIT Realty Upper Midwest authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I received the Disclosure Document dated April 30<sup>th</sup> 2024. that included the following Exhibits:

EXHIBIT A-1	REQUEST FOR CONSIDERATION
EXHIBIT A-2	FRANCHISE AGREEMENT
EXHIBIT A-3	SALES REPRESENTATIVE AGREEMENT (SAMPLE)
EXHIBIT B	STATE FRANCHISOR ADMINISTRATORS
EXHIBIT C	TABLE OF CONTENTS OF TRAINING MANUALS
EXHIBIT D/D 1	LIST OF OPEN FRANCHISES/LIST OF FRANCHISE AGREEMENTS SIGNED BUT NOT OPENED
EXHIBIT E/E 1	DISCONTINUED FRANCHISES/TRANSFERRED FRANCHISES
EXHIBIT F	FINANCIAL STATEMENTS
EXHIBIT G	RECEIPTS

**THIS RECEIPT MUST BE SIGNED BY AN OFFICER OF THE CORPORATION, THE GENERAL PARTNERS OF A PARTNERSHIP, THE MEMBERS OF A LIMITED LIABILITY COMPANY OR ANY INDIVIDUAL RECEIVING A COPY OF THE DISCLOSURE DOCUMENT.**

**EXHIBIT G  
RECEIPTS  
(DUPLICATE)**

PROSPECTIVE FRANCHISEE:

---

(Print or Type Name of Person, Corporation, Partnership or Limited Liability Company)

	<u>Date</u>	<u>Name</u>	<u>Signature</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

You may return the signed Receipt either by signing, dating and mailing to EXIT Realty Upper Midwest PO Box 1431, Lakeville, MN 55044, or by scanning and e-mailing a copy of the signed and dated Receipt to [info@exitumw.com](mailto:info@exitumw.com).

**EXHIBIT G  
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PROSPECTIVE FRANCHISEE:

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(Print or Type Name of Person, Corporation, Partnership or Limited Liability Company)

	<u>Date</u>	<u>Name</u>	<u>Signature</u>
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____

Keep a copy of this Receipt for your records.