

## FRANCHISE DISCLOSURE DOCUMENT



# Property Sellwise

**Property Sellwise Franchising, LLC**  
a Utah Limited Liability Company  
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South Jordan, Utah 84095  
(801) 878-6303  
franchise@propertysellwise.com  
[franchise.property.sellwise.com](http://franchise.property.sellwise.com)

As a Property Sellwise® franchisee, you will operate a business in the wholesale real estate industry focusing primarily on assigning real estate contracts for single family and multi-family and with a lesser focus on flipping properties and purchasing and renting properties.

The total investment necessary to begin operation of a 1-territory Property Sellwise® franchised business is \$105,950 to \$233,200. This includes the \$53,400 to \$57,600 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of a 2- to 10-territory Property Sellwise® franchised business is \$154,950 to \$606,200. This includes the \$93,400 to \$342,600 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Bryan Martineau at franchise@propertysellwise.com and (801) 833-7129.

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

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

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

Issuance Date: June 30, 2025

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit "C."
<b>How much will I need to invest?</b>	Items 5 and 6 list fees that 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 "B" 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 Property Sellwise® business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Property Sellwise® franchisee?</b>	Item 20 or Exhibit "C" lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

## **Some States Require Registration**

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Salt Lake City. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Salt Lake City than in your own state.

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

**ADDENDUM TO THE PROPERTY SELLWISE® FDD  
FOR THE STATE OF MICHIGAN**

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General  
G. Mennen Williams Building, 7th Floor  
525 W. Ottawa Street  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

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- D. List of Agents for Service of Process
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RECEIPTS

## FRANCHISE DISCLOSURE DOCUMENT

### ITEM 1

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

##### The Franchisor

The name of the franchisor is Property Sellwise Franchising, LLC. In this disclosure document Property Sellwise Franchising, LLC is referred to as “we” or “us” or “our” or “Property Sellwise”; “franchisee,” “you” or “yours” means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership, or other entity.

Our limited liability company was organized on March 5, 2024 in the state of Utah under the name Property Sellwise Franchising, LLC. Our principal place of business is 1055 West 10446 South, Suite 201, South Jordan, 84095. Our agents for service of process in various states are disclosed in Exhibit “D.”

##### Franchisor’s Business Activities

We do not have any other business activities other than franchising the Property Sellwise® brand, and we do not do business under any name other than Property Sellwise Franchising, LLC or Property Sellwise®. As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began offering and selling franchises under the Property Sellwise® brand in March 2024.

##### Parent, Affiliate, and/or Predecessor

Our affiliate Sellwise, LLC was organized on September 9, 2023 in the state of Utah. Its principal place of business is 1055 West 10446 South, Suite 201, South Jordan, 84095. Sellwise, LLC operates a business similar to what our franchisees operate. It has operated this business since September 2023. It may also provide certain goods or services to our franchisees. Sellwise, LLC has not offered for sale or sold franchises in this or any other line of business.

We have no other affiliates, parents or predecessors required to be disclosed in this Item.

##### Franchise Offered

We license and train others to operate Property Sellwise® businesses. A Property Sellwise® business is a business in the wholesale real estate industry focusing primarily on assigning real estate contracts for single family and multi-family properties but also with a lesser focus on flipping properties and purchasing and renting properties. The grant of a Property Sellwise® franchise authorizes you to engage in our complete system under the name Property Sellwise® and other proprietary marks and use of our software.

You must strictly follow our standards, methods, policies, and procedures in the operation of your franchise business as described in more detail in our franchise agreement attached as Exhibit “A” to this disclosure document.

## General Description of Market and Competition

The general market for buying, selling, and assigning real estate is well-developed and competitive. You will typically compete with other established businesses operating in the real estate industry. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Property Sellwise® franchises operated by us or other franchisees inside your territory.

## Laws and Regulations

You are required to follow all laws and regulations that apply to business generally. This franchise is in the real estate industry and specific state regulations may apply to the operation of your franchise. There may be restrictions in your jurisdiction as to advertising real estate transactions with or without a real estate license. There may also be requirements in your jurisdictions that may require some of your managers to obtain a real estate license to conduct wholesale transactions or other affiliated real estate transactions and other state-specific regulations and broker licensing laws surrounding real estate transactions as a whole. Additionally, although listing and closing real estate transactions is not part of our core business model, we may allow you to list and close real estate transactions. In such case, you must be licensed and comply with all real estate laws and regulations in your state.

You must also investigate local zoning rules because they may limit where you can locate your office and may affect the design features including the building façade and signs. In many jurisdictions, you may also be required to obtain a sign permit.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost of operating your business. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city, or town.

## **ITEM 2 BUSINESS EXPERIENCE**

### Bryan Martineau – Founder

Bryan Martineau is our Founder. He has held this position since our inception in March 2024. In addition to this employment, Bryan has held the following roles over the past 5 years:

- September 2023 to present: Founder for Sellwise, LLC, a real estate company based out of South Jordan, Utah that operates a business similar to the one our franchisees operate.
- August 2017 until August 2023: CEO of Utah House Buyers, LLC, a real estate company based out of Salt Lake City, Utah.
- August 2021 until March 2023: General Partner for Doorstep, LLC, a nightly rental management company based out of Salt Lake City, Utah.
- March 2023 to present: Founder for Propertywise, LLC, a management of traditional real estate rental company based out of South Jordan, Utah.

Brandy Hoffman – Operations Officer

Brandy Hoffman has been one of our Operations Officers since March of 2024. In addition to this employment, Brandy has held the following roles over the past 5 years:

- November 2023 to the present: disposition/acquisition manager for Sellwise LLC , a real estate transaction company based out of Salt Lake City, Utah.
- September 2022 to November 2023: co-owner of Blink Homebuyers, a real estate company in West Jordan, Utah.
- June 2022 to present: owner of Amandi Investments LLC, a business consulting and real estate company in Sandy, Utah.
- June 2020 to September 2023: Director of Operations for the DC Group LLC, a real estate group in Sandy, Utah.

Brenon Bollwinkel – Operations Officer

Brenon has been one of our Operations Officers since the inception of the company in March of 2024. In addition to this employment, Brenon has held the following roles over the past 5 years:

- December 2023 to the present: acquisition/disposition manager for Sellwise, LLC, a real estate company based out of Salt Lake City, Utah.
- June 2018 to December 2023: Director of Sales for Blink Home Buyers based in Salt Lake City, Utah.

**ITEM 3  
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4  
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5  
INITIAL FEES**

Initial Franchise Fee

The initial franchise fee depends on the number of territories purchased according to the following table. The initial franchise fee must be paid in a lump sum upon signing the franchise agreement.

Franchise Territory	Initial Franchise Fee	Total Initial Franchise Fee
1	\$49,500	\$49,500
2	\$40,000	\$89,500
3	\$35,000	\$124,500
4	\$30,000	\$154,500
5	\$30,000	\$184,500

6	\$30,000	\$214,500
7	\$30,000	\$244,500
8	\$30,000	\$274,500
9	\$30,000	\$304,500
10	\$30,000	\$334,500

Each territory will have a population of approximately 400,000 people. However, if you would like to add an area to a territory but do not want to purchase an additional territory, the initial franchise fee is \$0.25 per additional person in the desired area.

### Veteran Discount

To honor those men and women who have served our country in the U.S. Armed Forces, we offer a 10% discount off the initial franchise fee for your first territory, contingent upon verification of honorable separation. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status.

### Required Purchases from the Franchisor or an Affiliate

All franchisees initially purchase a startup package from us or an affiliate that includes the following items and services:

Item	Cost
Uniforms	\$200 - \$300
Books and Manuals	\$200 - \$300
Marketing Materials	\$500 - \$2,000
Signs	\$1,000 - \$3,000
Technology Setup Fee	\$2,000 - \$2,500
Total	\$3,900 - \$8,100

### Initial Training

There is no training fee for up to 4 attendees. The fee is \$250 per person for additional trainees (up to 2 additional trainees – 6 people total). Your operating principal, qualified operator, and each manager must attend the initial training program. These managers include your home buying specialist, disposition/acquisition manager, and intake manager. These attendees do not have to attend the same training session, but they must attend the initial training the month following their hire date. Training is held online.

### Uniformity and Refunds

Unless otherwise described above, the costs and fees described above in this Item are uniform and are non-refundable for all franchisees.

**ITEM 6  
OTHER FEES**

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Successor Franchise Fee <sup>1,2</sup>	\$5,000	Prior to your entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time your election to enter into a successor agreement must be made.
Relocation Fee <sup>1</sup>	\$10,000	At the time we approve of the relocation	If you request our approval to relocate to another territory and we agree, you must pay us this fee.
Royalty on Assignment Fees <sup>1,7</sup> (Option 1)	<p>\$10,000 per quarter for the first \$500,000 in annual gross sales</p> <p>You will also pay an additional \$10,000 for every additional \$250,000 in annual gross sales generated between \$500,001 and \$2,000,000</p> <p>You will also pay an additional \$5,000 for every additional \$250,000 in annual gross sales over \$2,000,000</p>	Payable quarterly to be received by the 10 <sup>th</sup> day of each quarter	<p>You may elect this royalty option or royalty option #2, and you are able to change your election each year. See Note 1.</p> <p>We require royalties and other fees due to us to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed.</p> <p>Gross sales means the total amount received from assigned contracts and referral fees received, including the value of any trades or bartering.</p> <p>By way of example, if you had gross sales of \$1.3M, you would pay \$80,000 in annual royalties as follows:</p> <p>\$0-\$500,000 = \$40,000            \$500,001 - \$750,000 = \$10,000            \$750,501 - \$1,000,000 = \$10,000            \$1,000,001 - \$1,250,000 = \$10,000            \$1,250,001 - \$1,300,000 = \$10,000</p> <p>Total = \$80,000</p>
Royalty on Assignment Fees <sup>1,7</sup> (Option 2)	8% on \$0 to \$1M of annual gross sales; 7% on \$1M+ to \$2M of annual gross sales; 6% on \$2M+ of annual gross sales	Payable monthly to be received by the 10 <sup>th</sup> day of each month	<p>You may elect this royalty option or royalty option #1, and you are able to change your election each year. See Note 1.</p> <p>We require royalties and other fees due to us to be paid in accordance with our</p>

			electronic funds transfer or automatic withdrawal program as developed. Gross sales means the total amount received as part of the seller assignment fee, including the value of any trades or bartering.
Royalty on Other Real Estate Transactions	\$3,000 flat fee for real estate transactions like flips and purchase and hold as a rental and a \$1,500 flat fee for closed listings	Payable monthly to be received by the 10 <sup>th</sup> day of each month	You are required to have a real estate license and abide by all real estate laws if you list homes.
Brand Development Fund Fee <sup>1,3</sup>	2% of gross sales, if implemented by us	Payable monthly to be received by the 15 <sup>th</sup> of the following month	See Note 3 below.
Advertising Cooperative <sup>1,3</sup>	Up to 3% of monthly gross sales payable to the co-op, if established by us	Payable in accordance with the advertising cooperative's governing documents if an advertising cooperative is established	If we form or authorize a local advertising co-op in your area, any marketing expenditures you make through the co-op is credited towards fulfilling your local advertising obligation.
Non-Sufficient Fund Fees <sup>1</sup>	\$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum).
Late Charges <sup>1,2,6</sup>	\$25 per day, up to a maximum of 2x the total amount owing per instance, per late payment and up to \$500 per late report	Payable with royalty or on demand	Charges begin to accrue after the due date of any required payment or report.
Interest on Late Fees and Reports <sup>1</sup>	18% interest or maximum rate permitted by state law, whichever is less	Payable with royalty or on demand	Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report.
Sales or Use Tax <sup>1</sup>	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.

Audit Charge <sup>1</sup>	Cost of audit	On billing	Payable only if an audit shows an understatement of 2% or more of gross sales for the period audited or records are unorganized or unavailable.
System Non-Compliance <sup>1,4,6</sup>	\$250 per violation	As incurred	Charged if you are not in compliance with the operations manual. This is not our only remedy.
Technology Fee <sup>1,6</sup>	Currently, \$500 per month, plus applicable usage fees related to your use (sent and received text messages, etc.) of our designated CRM	Monthly	This fee is for use of our designated technology suite and will be updated periodically in our manuals to account for increased costs and new or substituted technologies, platforms, software, etc., if applicable. Our technology suite currently includes an account with Delightree, 3 email accounts, CRM logins, AI integration, and usage charges for text messages.
Referral Fee <sup>1,7</sup>	You will pay the referring party (or receive from the referring party) 7% of the earned assignment fee;  Or if the referral is related to another type of real estate transactions like flips and purchase and/or hold as a rental, the referral fee is a \$3,000 flat fee and a \$1,500 flat fee for closed listings	Payable within 10 days of closing	This payment is paid to the referring party, which could be us, an affiliate, or another franchisee. You may also receive a referral payment for closed transactions from referrals that you provide to us or others.
Replacement Training <sup>1,6</sup>	\$750 to \$1,200 per team	At time of registering	Any new operating principal, qualified operator, or new managers (disposition/acquisition manager, intake manager, and home buying specialist) must complete the initial training program at our next available training after they are hired. We can hold trainings online or in person. If a training is held in person, you must also cover the travel, food, and lodging for Your

			attendees or our representatives, as applicable.
Additional Training <sup>1,6</sup>	\$1,000 per day, per person	Upon demand	We may require additional training if you are in default or at our sole discretion if we feel that additional training is necessary. Depending on advanced notice and our availability and our discretion based on your circumstances, you may also request training in addition to what we already provide. If the training is held in person, you must also cover the travel, food and lodging of your attendees or our representatives as applicable.
Insurance Reimbursement Fee <sup>1</sup>	Reimbursement of premium amount, plus an administration fee of \$100 per hour	Upon demand	You are required to hold and maintain your own insurance, but if you fail to do so, we have the right to obtain insurance on your behalf.
Conference or Seminar Fee <sup>1,6</sup>	\$750 to \$1,200 per team	At time of registering for the conference or seminar	These conferences are typically held bi-annually. You will also be required to pay all travel, lodging, food, and other expenses for each of your attendees. Your operating principal, qualified operator, and home buying specialist must attend annual conferences, if held by us.
Interim Management Fee <sup>1,6</sup>	20% of earned assignment fee for a wholesale property transaction;  \$10,000 for any other real estate transaction (e.g., resell, flip, purchase as a rental, etc.)	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or if you are not in compliance after you have been given a notice of default and failed to cure. You must also pay all travel, lodging, food and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed by you.
Supplier or Product Evaluation Fee <sup>1,6</sup>	\$100 per hour for our time, plus actual costs	Before we evaluate potential suppliers	Payable if you want to have unapproved suppliers or products evaluated for our approval.

Replacement Costs	Our costs, plus \$100 per hour for our time	Upon demand	If you fail to replace equipment, furniture, tools, etc., that is outdated, damaged, obsolete, etc., and we determine to replace those items for you.
Additional Copies of Marketing Materials <sup>1</sup>	Our costs, plus 10%, and the costs for shipping and handling	Time of delivery	We may develop and provide you physical copies of marketing and promotional materials.
Fees on Default <sup>1,2</sup>	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us
Post-Termination Non-Compliance Fees <sup>1</sup>	Our costs and fees	As incurred	You will be responsible to pay us any post-termination expenses, including attorneys' fees and costs to enforce your post-term obligations.
Early Termination Liquidated Damages <sup>1</sup>	\$8,500 multiplied by the lesser of 24 months or the remaining term of your franchise agreement	Upon termination	Payable if your franchise agreement is terminated prior to the expiration of the term. This is only to compensate for lost royalties and is not our only remedy.
Transfer Review Deposit	\$1,500	At the time of notice of a potential transfer	You must pay us this non-refundable deposit if you would like us to review a proposed transfer. If the transfer is approved, the deposit will be applied towards the transfer fee.
Transfer Fee <sup>1,2</sup>	\$5,000	At time of approved transfer	Payable when you sell your franchise, substantially all of your assets, or a controlling interest in your franchise and prior to our signing any approval or new agreement. Transferees owning at least 20% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law. If a broker is used in the transfer of your franchise, you will be required to cover the broker fees.
Minority Interest Transfer Fee <sup>1</sup>	Our legal fees and administrative costs related to the transfer	On demand	This fee applies to transfers of up to 40% of your franchisee entity—cumulative during the term of the franchise agreement. Transferees owning at least 20% of the franchise must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.

Transfer Training Fee <sup>1,6</sup>	\$3,000	At time of approved transfer	The transferee must pay this initial training fee to have us train the transferee.
Liquidated Damages for Non-Compete Violations <sup>1,5</sup>	\$600 per day for each competing business	Upon demand	See Note 5.
Indemnification <sup>1,2</sup>	Varies	As incurred or on demand	See Note 2.
Dispute Resolution Fees <sup>1</sup>	Varies	As incurred or on demand	You are required to pay half of the mediation or arbitration fees. Additionally, the prevailing party will be entitled to reimbursement of its legal fees and expenses.

## NOTES

<sup>1</sup> Royalty and Fees. Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable. You will be required to select your royalty option for year 1 within one week of signing the franchise agreement. Thereafter, you may change your election each year within 30 days of the end of the year. For the purposes of royalty election, year 1 begins upon signing the franchise agreement and ends on December 31 of that same year.

<sup>2</sup> Indemnification. You must indemnify us from damages and costs related to your acts, errors or omissions in the operation of your franchise business or your franchise business generally, and including any allegation that you are our employee, or that we are a joint employer or otherwise responsible for the acts or omissions relating to your employees, and other laws regarding public accommodations for persons with disabilities. You are not required to indemnify us for liability caused by our willful misconduct, gross negligence, strict liability, or fraud.

<sup>3</sup> Advertising Fees. The brand development fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. You must also spend at least 20% of your monthly gross sales each month (or a minimum of \$3,000 per month, per territory) to advertise your franchise business locally. If any advertising co-op is established, your contribution toward the co-op will be considered part of your local advertising requirement.

<sup>4</sup> System Non-Compliance. If you do not correct the violation within the time required by us, we have the right to put you in default. This fee is to be paid in accordance with our electronic funds transfer or automatic withdrawal program.

<sup>5</sup> Liquidated Damages for Breach of Non-Competition. This fee is applied if you violate the non-compete covenants in the franchise agreement or any related agreements, or if you use our system without our express written permission or approval. This fee is not our only remedy, does not represent a price for the privilege of not performing, nor does the payment represent an alternative manner of performance.

<sup>6</sup> Fee Increases. We may increase these designated fees by up to 10% per year during the term of your franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

<sup>7</sup> Referral Fee. If you receive a lead for a real estate transaction located outside of your territory, you must refer that lead to us, even if the lead is not in the designated territory of another franchisee. We will have the sole discretion whether to send leads for a real estate transaction outside of your territory to our affiliate or another franchisee near that lead. If the referral is ultimately closed, the party that closes the transaction will be responsible to pay you a referral fee, and any referral fees you receive will count towards your total gross sales for calculating royalties as if that revenue were generated from assigned contracts. Likewise, if you close a transaction from a lead from us, our affiliate, or another franchisee, you will pay the referring party a referral fee in addition to other applicable fees to us from that transaction.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT  
(1-Territory Franchise)**

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee <sup>1</sup>	\$49,500	\$49,500	Lump Sum	Upon signing the franchise agreement	Us
Initial training <sup>2</sup>	\$0	\$500	As incurred	As incurred	Us
Real estate improvements <sup>3</sup>	\$0	\$10,000	As incurred	As negotiated	Suppliers and contractors
Rent <sup>4</sup> (3 months of rent, plus a security deposit)	\$0	\$24,000	As incurred	As negotiated	Landlord
Equipment, furniture, fixtures, décor, and supplies <sup>5</sup>	\$700	\$2,000	As incurred	As negotiated	Suppliers
Computer hardware, and software <sup>6</sup>	\$2,000	\$6,000	As incurred	As negotiated	Suppliers
Signs <sup>7</sup>	\$0	\$3,000	As incurred	Before opening	Us
Vehicle <sup>8</sup>	\$0	\$50,000	As incurred	As negotiated	Suppliers
Startup Package <sup>9</sup>	\$3,900	\$8,100	As incurred	At the time of ordering	Us or an affiliate
Demographic List <sup>10</sup>	\$1,500	\$4,500	As incurred	Monthly	Suppliers
Technology Fee <sup>11</sup> (3 months)	\$1,000	\$1,000	As incurred	Monthly	Us

Professional Fees <sup>12</sup>	\$1,500	\$3,500	As incurred	As incurred	Suppliers
Insurance <sup>13</sup> (3 months)	\$850	\$1,100	As incurred	As incurred	Insurance companies
Miscellaneous opening costs <sup>14</sup>	\$1,000	\$3,000	As incurred	As incurred	Suppliers, government departments, utilities, etc.
Advertising <sup>15</sup> (3 months)	\$9,000	\$12,000	As incurred	As negotiated	Suppliers
Additional funds <sup>16</sup> (3 months)	\$35,000	\$55,000	As incurred	As incurred	Suppliers, employees, etc.
<b>TOTAL<sup>17</sup></b>	<b>\$105,950</b>	<b>\$233,200</b>			

**YOUR ESTIMATED INITIAL INVESTMENT  
(2- to 10-Territory Franchise)**

<b>TYPE OF EXPENDITURE</b>	<b>LOW AMOUNT</b>	<b>HIGH AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial franchise fee <sup>1</sup>	\$89,500	\$334,500	Lump Sum	Upon signing the franchise agreement	Us
Initial training <sup>2</sup>	\$0	\$500	As incurred	As incurred	Us
Real estate improvements <sup>3</sup>	\$0	\$10,000	As incurred	As negotiated	Suppliers and contractors
Rent <sup>4</sup> (3 months of rent, plus a security deposit)	\$0	\$24,000	As incurred	As negotiated	Landlord
Equipment, furniture, fixtures, décor, and supplies <sup>5</sup>	\$700	\$2,000	As incurred	As negotiated	Suppliers
Computer hardware, and software <sup>6</sup>	\$2,000	\$6,000	As incurred	As negotiated	Suppliers
Signs <sup>7</sup>	\$0	\$3,000	As incurred	Before opening	Us
Vehicle <sup>8</sup>	\$0	\$50,000	As incurred	As negotiated	Suppliers
Startup Package <sup>9</sup>	\$3,900	\$8,100	As incurred	At the time of ordering	Us or an affiliate
Demographic List <sup>10</sup>	\$1,500	\$4,500	As incurred	Monthly	Suppliers
Technology Fee <sup>11</sup> (3 months)	\$1,000	\$1,000	As incurred	Monthly	Us
Professional Fees <sup>12</sup>	\$1,500	\$3,500	As incurred <sup>12</sup>	As incurred	Suppliers

Insurance <sup>13</sup> (3 months)	\$850	\$1,100	As incurred	As incurred	Insurance companies
Miscellaneous opening costs <sup>14</sup>	\$1,000	\$3,000	As incurred	As incurred	Suppliers, government departments, utilities, etc.
Advertising <sup>15</sup> (3 months)	\$18,000	\$100,000	As incurred	As negotiated	Suppliers
Additional funds <sup>16</sup> (3 months)	\$35,000	\$55,000	As incurred	As incurred	Suppliers, employees, etc.
TOTAL <sup>17</sup>	\$154,950	\$606,200			

## NOTES

<sup>1</sup> Initial Franchise Fee. These ranges reflect a standard-sized territory or territories and does not include any discounts or population overage charges referenced in Item 5. The initial franchise fee is non-refundable, and we do not finance any portion of the fee.

<sup>2</sup> Initial Training. There is no training fee for up to 4 attendees. The fee is \$250 per person for additional trainees (up to 2 additional trainees – 6 people total). Training is held online. We estimate that you will have 1 to 3 people attend the initial training.

<sup>3</sup> Real Estate Improvements. You are required to lease office space once you have 4 or more people in your company, including your operating principal. This estimate includes the cost for construction if you need to make improvements to your chosen office space. Costs of improvements vary widely based on location, terms of the lease, the total area of your space, as well as construction and material costs. Your landlord may provide you with a tenant improvement allowance as part of your lease. You should review these costs with a local contractor, commercial real estate agent, and other professionals. We do not provide standard design plans and specifications for construction and improvements of your office space. If your site is a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space.

<sup>4</sup> Rent. You are required to lease space if you have 4 or more people in your company, including your operating principal. Your space will vary depending on your needs, but we estimate you will need 1,000 to 3,000 square feet, and we estimate your lease to be \$18 to \$28 per square foot per annum. Our estimate includes a security deposit and 3 months of rent. You are encouraged to negotiate a rent-free period for the time it takes to build out your space. You may be able to negotiate additional free rent or reduced rent periods after opening as well. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. If you do not work from a commercial office space (if you have less than 4 people in your company), then each member of your team must have a dedicated office space to work from with a door that closes that allows for a quiet, professional environment. Any home office space must also be “quiet-equipped” with all the necessary equipment and technology to provide customers with the same quality services as if the franchisee were leasing a commercial space with no background noises or visual distractions that would not be present if You were leasing a commercial space.

<sup>5</sup> Equipment, Furniture, Fixtures, Décor, and Supplies. Included in this estimate are the cost of desks, chairs, and other office supplies and furniture.

<sup>6</sup> Computer Hardware, and Software. Included in this estimate are the cost of lead generation software, Apple laptops/computers, email marketing generation software, email addresses, sales and marketing software, and accounting software.

<sup>7</sup> Signs. If you lease space, you must have at least 1 sign on the exterior of your office premises displaying our trademark. All signs must conform to our specifications. Subject to landlord and government restrictions.

<sup>8</sup> Vehicle. Your vehicle must be in good condition and repaired with no external damage or unreasonable wear and tear, must not be more than 10 years old, and must be approved by us.

<sup>9</sup> Startup Package. The startup package includes an initial supply of uniforms, books and manuals, marketing materials, and the technology setup fee to get you set up on our CRM and with 3 email accounts. The technology setup fee is part of the startup package and is \$2,000 to \$2,500 to get you and your team set up on our designated technology suite, depending on how many team members you have.

<sup>10</sup> Demographic List(s). We will provide you with a list of approved lead suppliers, and you can decide which demographic lists to subscribe to. Franchisees in Utah will receive access to our affiliate's data list, texting software, and buyers' list. Franchisees outside of Utah will need to procure these on their own.

<sup>11</sup> Technology Fees. The monthly technology fee is for the use of our CRM and 3 Property Sellwise® branded email addresses. The first month is included in the technology setup fee.

<sup>12</sup> Professional Fees. These miscellaneous costs include legal fees, business entity organization and accounting fees. Rates for professionals can vary significantly based on locale, area of expertise, and experience.

<sup>13</sup> Insurance. These costs include monthly premium costs for general liability and commercial auto insurance. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history.

<sup>14</sup> Miscellaneous Costs. These miscellaneous costs include utility set up fees, deposits, licenses, and other miscellaneous startup costs.

<sup>15</sup> Advertising. This estimates the cost of advertising for the first 3 months of operations. You must spend at least 20% of your monthly gross sales each month (or minimum of \$3,000 per month, per territory) to advertise your franchise business locally. Not less than 30 days prior to your franchise business opening, you are required to submit to us an opening advertising plan. We must review and approve this advertising plan. You must submit an updated advertising plan by December 31 of each year.

<sup>16</sup> Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. You must maintain a minimum of \$20,000 in your operating account or have secured a \$20,000 line of credit at all times for business emergencies; provided that in any 30-day period, the operating account may have less than such amount for a period of not more than 5 days. You are required

to provide us with view-only access to your operating account, and you cannot have more than one operating account or change operating accounts without our consent. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon the experience of our principals to compile these estimates.

<sup>17</sup> Total. These figures are estimates for the development of 1 to 10 franchise territories, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility providers. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

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

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing, leasing, or subscribing to certain items or services according to our specifications or from approved suppliers. You may not deviate from these specifications without our prior written consent.

You must purchase, lease, or subscribe to the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this Item?	Is the franchisor or an affiliate the only approved supplier of this Item?
Startup Package	Yes	Yes
Technology Suite	Yes	Yes
Miscellaneous Software	No	No
Email Campaign Software	No	No
Demographic List with Leads	Yes	No
Marketing	Yes	No
Computers	No	No
Vehicle	No	No
Insurance	No	No
Smartphone	No	No

Insurance

You must maintain the following minimum insurance policies, which must be obtained from a company rated “A-” or better by A.M. Best & Company, Inc:

Type of Insurance	Minimum Required Amount(s)
General Commercial Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate or leasehold minimum, whichever is greater
General Commercial	At least \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Government Required Insurances	All workers' compensation and employment insurance on your employees as required under all federal and state laws.

These policies (excluding workers' compensation) will insure you, us, and our officers, directors, and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance, or operation of the franchise business. These policies will stipulate that we will receive a 30-day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of \$100 per hour for our time. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We recommend you consult with your insurance agent prior to signing the franchise agreement. We do not derive revenue from your purchase of insurance. We have the right to require that you obtain from your insurance company, and subsequently provide to us for our review, a report of claims made and reserves set against your insurance (commonly known as "loss runs").

If your premises are damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days of receiving the proceeds, unless we consent otherwise in writing.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from the approved suppliers.

All approved suppliers and specifications are made available to you before the beginning of operations. You must receive our prior written approval to deviate in any manner from our specifications.

Ownership in Approved Suppliers

One of our principal officers has ownership in Property Sellwise Franchising, LLC and in our affiliate Sellwise, LLC, which are approved suppliers.

### Revenue to Us and Our Affiliates from Required Purchases

We or our affiliates may derive income from required purchases or leases of goods or services made by our franchisees from approved sources. We currently receive \$0.75 from Red Door per hour of virtual assistants purchased by our franchisees; 15% of purchases made by our franchisees from 8020, a supplier of demographic lists with leads; and 20% of purchases made by our franchisees from one of our designated PPC (pay-per-click) providers. In the last fiscal year ending on December 31, 2024, neither we nor any of our affiliates derived revenues from the sale of these products and services to franchisees.

### Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 80% to 90% of your overall purchases in opening your franchise business and 80% to 90% of your overall purchases in operating your franchise business.

### Non-Approved Suppliers

Except for certain trademark and private label items and designated source items described above, if you desire to use a particular supplier, or if you would like us to consider alternative goods, and if that supplier or good meets the specifications and requirements of our system, at our discretion, we may approve that supplier to become an approved supplier or for that good to become an approved good in our system.

You may establish suppliers or products on the approved list by making an appropriate application to us. The following general criteria is used in considering whether a supplier will be designated as an approved source (or if an alternative good will be approved): the ability of the supplier to make the product to our standards and specifications; a willingness by the supplier to cooperate and work with you and other franchisees; the supplier's production and delivery capabilities; price and quality; reputation of the supplier; quality assurance systems; the financial condition of the supplier; the ability and willingness of the supplier to train on the effective and safe use of the product; and the supplier's professional competence and performance abilities. We will use our best judgment in setting and modifying specifications to maintain quality and integrity of the franchise system.

If you desire to purchase any of the items listed in this Item 8 from an unapproved supplier or to purchase an alternative good, you will submit to us a written request for this approval or request the supplier itself to do so. We may require you to submit sufficient information and data to permit us to ascertain whether a supplier or good meets our specifications. Before beginning our evaluation, you must pay a supplier evaluation fee of \$100/hr as well as other reasonable costs we incur associated with our review which is due upon our demand after completion of the evaluation. This fee also applies to evaluation of non-approved products. The evaluation fee is not refundable regardless of whether or not we approve of a supplier or product. We will notify you in writing, within 30 days of completing our evaluation as to whether the supplier or product has been approved or disapproved. We may make changes or alterations in the standards and specifications for approving suppliers and alternative products. At our discretion, we may revoke our approval from an approved supplier or product upon 30 days' written notice to you.

## Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to do so) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

## Negotiated Arrangements

At this time, there are no purchasing or distribution cooperatives. However, we currently do negotiate purchase arrangements with suppliers, including price and terms for the benefit of franchisees.

## Benefits Provided to You for Purchases

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises to franchisee's based on purchases).

## **ITEM 9 FRANCHISEE'S OBLIGATIONS**

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

	<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/lease	Sections 4.1 and 4.2	Item 11
b.	Pre-opening purchases/leases	Paragraphs 6.1.3, 6.1.10, and 6.1.12	Item 8
c.	Site development and other pre-opening requirements	Sections 4.2 and 4.3	Items 7 and 11
d.	Initial and ongoing training	Paragraph 6.1.4 and sections 7.4, 7.5 and 7.6	Item 11
e.	Opening	Section 4.4	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2 and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16
j.	Warranty and customer service requirements	Paragraphs 6.1.2 and section 8.6	Item 11
k.	Territorial development and sales quotas	Section 1.1	Item 12

l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.8	Item 11
n.	Insurance	Paragraph 6.1.10	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.6, 6.1.7, 6.1.9, 6.1.13 and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5	Item 6
s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iii)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Sections 4.1, 4.2, 16.1 and paragraphs 6.1.1 and 6.1.9	Item 12
z.	Guarantee of franchisee obligations	Section 6.3	Item 15

**ITEM 10  
FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

**Except as listed below, Property Sellwise Franchising, LLC is not required to provide you with any assistance.**

Pre-Opening Assistance

Before you open your franchise business, we will:

- 1) Designate your territory [franchise agreement section 1.1].
- 2) Approve of your office site which must be in your territory. However, we do not assist in locating an office site. That is your responsibility. You are required to begin operations no later than 1 week after training, so it may be that you begin operations without a finished commercial space, but you are ultimately required to acquire and work from commercial office site as soon as you have at least 4 people in your company, including your operating principal. We must approve your office site before a lease is entered into. Site approval or disapproval should be completed by us and notice provided to you in writing within 15 days or less after you have submitted a proposed site [franchise agreement section 4.1]. Our approval is based upon the following general criteria: rent, lease terms, access, appearance,

square feet, and general vicinity. If you do not work from a commercial office space (if you have less than 4 people in your company), then each member of your team must have a dedicated office space to work from with a door that closes that allows for a professional environment. If you enter into an area development agreement, we must approve of the site for each of your units. Our approval or disapproval of a proposed site will be based on our then-current standards for approving sites.

3) We do not evaluate or guarantee the potential success of your territory. However, we may provide the following demographic studies related to your territory: general real estate statistics, e.g., average house price, average sales price of a home, number of days homes are on the market, average age of the homes in the market, etc. [franchise agreement paragraph 4.1.1].

4) Make available general written specifications for necessary equipment, signs, fixtures, opening inventory, supplies and other items listed in Item 8. Unless we are an approved supplier of an item and you purchase the item directly from us, we do not provide these items to you directly, but we do provide you with the names of the approved suppliers for these items. We do not assist in the delivery or installation of any of these items [franchise agreement sections 7.2 and 8.5].

5) Provide you with the names of approved products and suppliers [franchise agreement section 7.2].

6) We do not provide you with preliminary design/layout plans for your office space. However, you must adapt your office space at your own expense, in accordance with local, state and federal laws, rules, and ordinances. You are responsible for obtaining any required licenses and permits. We do not assist in the construction, remodeling, or decorating of your office location [franchise agreement section 4.3 and 7.1].

7) Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with your Property Sellwise® franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents of the operations manual is included as Exhibit "F" to this disclosure document our operations manual is in electronic and video format and is equivalent to approximately 120 written pages [franchise agreement article IX].

8) We provide you initial training for your operating principal, qualified operator, and managers as discussed later in this Item [franchise agreement section 7.4].

#### Lease, Construction and Commencing Operations

1) You are required to acquire and work from commercial office site and have a lease in place within 60 days of you having at least 4 people in your company, including your operating principal. You are not required to have the landlord consent to an assignment of the lease before the lease agreement is signed [franchise agreement sections 4.1 and 4.2]. We do not lease properties to you, and we do not assist you in negotiating the purchase or the lease of your site [franchise agreement section 4.1].

### Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 1 to 2 months. Factors affecting this length of time usually include financing arrangements, hiring of qualified operator, managers and employees, local ordinance and regulatory compliance, completing initial training, and delivery of equipment and supplies.

Failure to meet these deadlines for any reason, including our disapproval of a proposed site location, or if we cannot agree on a site, may result in termination of the franchise agreement without a refund. However, if you can show a good faith effort to meet these deadlines, we may agree to extend a specific deadline at our discretion [franchise agreement section 4.6].

### Assistance During Operation

#### During the operation of your franchise business, we will:

- 1) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of products or services [franchise agreement section 9.1]. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify [franchise agreement paragraph 6.2.2(ii)].
- 2) At your reasonable request, and our availability, and in our discretion, provide additional training to you and your personnel. You will be charged a fee of \$1,000 per day, for this training [franchise agreement section 7.5].

#### During the operation of your franchise business, we may:

- 1) Upon our request, at all reasonable times, you will provide us with video and/or digital images of the interior and exterior of your office space as set forth in the manuals [franchise agreement paragraph 6.2.2(iii)].
- 2) Hold conferences to discuss improvements, new developments, mutual concerns, and business issues and conduct additional training or initial training for new qualified operators or managers. Your operating principal, qualified operator, and home buying specialist manager are required to attend these conferences, and your other managers must attend the first semi-annual conference after they are hired. We charge a conference fee, and you may be required to pay all your travel and living expenses. These conferences will be held at various locations chosen by us [franchise agreement paragraph 6.1.13].
- 3) Conduct additional seminars and trainings, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to provide training, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control, and performance standards. We may charge a seminar fee, and you may be required to pay all your travel and living expenses. In-person seminars are

normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.13].

4) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.5].

5) We do not replace defective products purchased directly from us. For items purchased through third parties, you must work directly with the supplier or manufacturer of those items regarding warranties, defective products, training, and support [franchise agreement section 8.5].

6) At your expense, require you to update and modernize your franchise business, including investing in new or updated equipment and technology. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement. You must complete all updates and changes within the time frames required by us but in no event more than 6 months from notice [franchise agreement paragraph 6.1.8].

7) Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(ii)].

8) Provide you with a designated technology suite. You will pay us a technology setup fee of \$2,000 to \$2,500 to get you and your team set up on our designated technology suite, depending on how many team members you have. You must use the assigned email addresses in all correspondence and communications involving your franchise business. We have the right to access your assigned email accounts. You are not allowed to use a non-approved email for business purposes involving the franchise business [franchise agreement section 5.10 and paragraph 6.2.2(i)].

### Employment Matters

We do not assist you with the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, work rules, or working conditions of your employees. That is your responsibility. We may provide you with a sample employee guide or manual, but if we do, it will only be an example of certain employment matters that you may adopt or not. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.9].

### Advertising and Promotion

You are required to participate in all marketing programs as directed by us and to use all materials, mediums, and other information made available to you in doing so.

You are required to spend 20% of gross sales or at least \$3,000 per month, per territory on local marketing. We must approve of your marketing [franchise agreement paragraphs 5.3.2 and 5.3.4].

You may not develop marketing materials for your use. You may only use pre-approved marketing materials produced by a source we designate. However, if we do allow you to create your own marketing materials, we must preapprove any marketing materials before your use. Any marketing materials or concepts you create become our property and will be considered a “work-made-for hire” that can be used by us and other franchisees. If you do not receive written approval or disapproval within 14 days of the

date we received your submission, the materials submitted are deemed unapproved. We can revoke our approval of any marketing materials at any time at our sole discretion [franchise agreement section 3.10 and paragraph 10.4.1].

### Brand Development Fund

Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system, or to spend any amount on advertising in your territory, we have the right to maintain and administer a regional and national marketing fund (referred to as the brand development fund) for local, regional, national marketing, or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We may utilize the brand development fund to develop and test various media and technologies for potential utilization and/or improvement of the system and marketing of the system [franchise agreement section 10.1].

You must contribute to the brand development fund if implemented by us. At this time, we and our affiliates contribute to this fund on the same basis as the franchisees. All franchisees are required to contribute to the fund, but contributions by our franchisees to the brand development fund may not be uniform [franchise agreement section 10.1].

We are responsible for administering the brand development fund, but we are not a fiduciary trustee of the fund. We will direct all uses of the fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (that may include television, Internet, radio, print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement and allocation of these programs (that may be local or regional); 4) the composition of all geographic territories and market areas for the development and implementation of these programs; and 5) all other uses of the fund for marketing purposes [franchise agreement paragraph 10.1.1].

We may use the brand development fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the brand development fund, commissions, market research, marketing development and creation, production costs, costs for developing and monitoring a home page on the Internet or an Internet-like service, and other costs relating to the brand development fund [franchise agreement paragraph 10.1.2].

We are not required to spend any amount on marketing directly in the area or territory where you are located. We do not guarantee that marketing expenditures from the brand development fund will benefit you or any other franchisee directly, on a pro rata basis, proportionally, or at all. We are not required to segregate the marketing fund from our general operating funds. We do not use the brand development fund to solicit additional franchisees, but we reserve the right to include a notation in any advertisement or website indicating “franchises available” or similar phrasing [franchise agreement paragraph 10.1.2].

### Advertising Expenditures in the Last Fiscal Year

We did not collect any brand development funds from franchisees in 2024, so we do not have an accounting of the use of the brand development fund fees in our prior fiscal year.

Any unused brand development funds in any calendar year will be applied to the following year's fund. The brand development fund is unaudited. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year. This report will be made available within 90 days of request [franchise agreement paragraph 10.1.2].

#### Brand Development Fund Council

No franchisee advertising council is anticipated at this time.

#### Advertising Cooperative

You are required to participate in a local or regional advertising cooperative when established or approved by us. The area of any cooperative marketing association will be based on regions determined by us. Your marketing area is defined as a market with multiple Property Sellwise® operations within a market, as determined by us. Upon the formation of an advertising cooperative, you will be deemed to be a member of that association as covers the area where your franchise is located, and you will be bound by any decisions made by the association upon a majority vote by voting members. You and other franchisees in the cooperative will be responsible for the administration of the association. Governing documents will be provided by us or by the cooperative and approved by us. At this time, these governing documents are not available. Voting will be on the basis of one vote per franchisee territory in good standing and one vote per affiliate owned territory in the cooperative. If we or an affiliate control the voting in a cooperative, we or our affiliate will not require individual contributions to be more than 20% of gross sales or \$3,000 per month (whichever is greater) unless otherwise agreed by all the members of the cooperative. You and other franchisees within the cooperative must make contributions pro rata based on the number of franchise and corporate operations in the cooperative. The timing and amount of contributions may vary according to the vote and rules of the advertising cooperative. This is in addition to your contributions made to the brand development fund, but all expenditures you make toward the advertising cooperative will be counted towards your local advertising requirement. We and our affiliates within the cooperative contribute to advertising cooperatives on the same basis as the franchisees. We have no franchise businesses that will not contribute to advertising cooperatives. The cooperative must prepare unaudited annual financial statements, and these will be available for review by all franchisees in the cooperative and us. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time. You are not required to join or contribute to more than one advertising cooperative for any single franchise business unit/territory. Leads from the advertising cooperative's joint marketing activities must be allocated on a rotating basis to each participating member of the advertising cooperative and/or campaign [franchise agreement section 10.2].

#### Other Marketing Funds

At this time, you are not required to participate in any other marketing funds.

#### Internet

You may create a website for your franchise business, but you must use our web designer and follow our specifications for websites. You must also use and pay for our designated provider for SEO and pay-per-click marketing for your website and marketing of your franchise business. Additionally, any website or

social media you are allowed to create must be ADA compliant. You must follow our directives for all online use of our brand. We have the right to remove or alter or require you to remove or alter any content we deem inappropriate or inconsistent with the Property Sellwise™ brand. You are required to provide us all usernames, passwords and account information and any other information related to any of your website, and/or provide us with administrator access, immediately upon our request. You may not claim any web listing on sites such as Yelp. If you have any web listing using our marks, you must assign such accounts to us and facilitate any transaction and assignment within 30 days of creating such a listing. We have the right, but not the obligation, to manage all online reviews for your franchise. We reserve the right to condition or restrict your use of the Internet in the future, including removing your right to use a separate website [franchise agreement section 10.5].

### Social Media

We will own the social media accounts related to the brand, but we may provide you with access to the social media account for your franchise for certain management responsibilities and functions. All social media for our brand must strictly comply with our policies and procedures. We can alter, remove, or require that you alter or remove a post. We reserve the right to restrict your use of social media in the future [franchise agreement section 10.6].

### Computer and Equipment/ Point of Sale System

You must have office computers and smartphones for your qualified operator and managers that meet our specifications and be capable of interfacing with our computer system and software. We estimate the cost of your computer system to be \$2,000 to \$6,000. All computers must be Apple computers that are 3 years old or newer. You do not need a point of sale system because all customer transactions will be handled through our designated customer relation management software.

We may require updates and upgrades to your computer hardware and software at your expense during the term of the franchise agreement. We estimate the annual costs to maintain, upgrade, and support your computer system above any sort of subscription fee to be \$1,000 or less. We are not required to maintain, repair, update and/or upgrade your computer system. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer system. All data collected or provided by you, downloaded from our customer relation management software system, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you [franchise agreement paragraph 6.1.12].

### Operational Software

You are required to use and pay for all software as designated by us in the operation of your franchise. This currently includes email campaign software, electronic signature software, and a CRM. We currently utilize a designated CRM (Customer Relation Management Software) that provides inbound and outbound calling, call records, data tracking, texting, customer transactions, and buyer and seller contact information. You must input all information as required by us into the CRM. We must have independent view-only access to your operational software accounts [franchise agreement paragraph 6.1.12 and 6.1.14].

## Accounting

You must use accounting software designated by us. We also reserve the right to require you to follow our accounting procedures and line items, including standardized profit and loss statement templates, balance sheet templates, and charts of account as we may designate. We must have independent view-only access to your accounting software account [franchise agreement section 5.10 and paragraphs 6.1.12 and 6.1.14.

## Initial Training

We provide you with initial training. The length of training depends on the prior experience of your attendees but should last approximately 2 to 3 days. The training program is held as needed and is held online. Your operating principal, qualified operator, and your home buying specialist, intake manager, and disposition/acquisition manager are required to attend and successfully complete initial training. These attendees do not have to attend the same training session, but they must attend the initial training the month following their hire date [franchise agreement paragraph 6.1.4].

Your “operating principal” is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 51% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us.

Successful completion of training must be completed to our satisfaction at least 1 week before you may open your franchise business. Successful completion will be determined by our trainers based on your attendees’ knowledge of the training materials and system and demonstration of competency in role-play scenarios [franchise agreement paragraph 6.1.4].

There is no training fee for up to 4 attendees. The fee is \$250 per person for additional trainees (up to 2 additional trainees – 6 people total). The training is held online, so we do not anticipate you incurring any costs other than payroll for your attendees.

Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

### **TRAINING PROGRAM<sup>1</sup>**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On – The - Job Training</b>	<b>Location</b>
Wholesaling 101	1-2	2-3	Online/Virtual
Sales (Acquisition/ Dispositions)	20-25	0	Online/Virtual
Operations and Marketing	2-3	2-3	Online/Virtual
Ongoing Sales Training	1 - weekly	0	Online/Virtual
<b>Totals:</b>	<b>24-30</b>	<b>4-6</b>	

<sup>1</sup> The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and your personnel may vary based on the experience of those people being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

<b>Trainers</b>	<b>Subject(s) Taught</b>	<b>Length of Experience in the Field</b>	<b>Length of Experience with the Franchisor</b>	<b>Experience Relevant to Subject(s) Taught and Franchisor's Operations</b>
Bryan Martineau	All	Since 2018	Since 2024	Completed over 500 real estate wholesale transactions during 6 years as the CEO of Utah House Buyers, LLC
Brandy Hoffman	All	Since 2020	Since 2024	Completed over 300 real estate wholesale transactions and previously owned Blink Homebuyers
Brenon Bollwinkel	All	Since 2018	Since 2024	Completed over 300 real estate wholesale transactions and previously owned Blink Homebuyers
Jerry Green	Sales	Since 1994	Since 2025	Over 31 years of real estate experience and more than 3,000 deals closed; has built multiple successful investment companies; has led the #1 sales training company in the nation; and has trained thousands of real estate professionals across the country

#### Materials Provided at the Initial Training

We will provide access to our manuals during training and other handouts to facilitate training. All attendees at any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement paragraph 6.1.4(iii)].

#### Ongoing Sales Training

Your disposition/acquisition manager will be required to attend our designated weekly sales training. This training will be held online unless otherwise determined by us.

### Replacement Training

After initial training, any replacement operating principal, qualified operator, or manager (disposition/acquisition manager, intake manager and/or home buying specialists), must complete the initial training program at our next available training after they are hired. We can hold trainings online or in person. If a training is held in person, you must also cover the travel, food, and lodging for your attendees or our representatives, as applicable.

### Additional Trainings

Depending on availability and advanced written notice, and at our discretion, if you would like additional training, we may provide this training to you. We can also require your operating principal and/or other key personnel to attend additional training if you are in default, or if we reasonably believe such training would be in the best interest of your franchise. We can limit these additional trainings to a certain number of days, attendees, if the training is held in person, and/or representatives at a time. You must also pay our training fee affiliated with these trainings. If a training is held in person, you will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives [franchise agreement paragraph 6.1.4(ii)].

## **ITEM 12 TERRITORY**

### Exclusive Territory

You will receive an exclusive territory for your franchise business meaning that we will not establish another franchise, affiliate or company owned unit using the Property Sellwise® trademark within your territory so long as you are in strict compliance with your franchise agreement.

### Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks solely within a specific geographic area, the boundaries of which will be designated prior to signing the franchise agreement and are described in the franchise agreement.

### Size of Your Territory

Each of your territories will have a population base of approximately 400,000 people. The written boundaries will be included in your franchise agreement. We may set the boundaries of your territory based on ZIP code, boundary streets, highways, county lines, designated market area, radius from a specific address, and/or other recognizable demarcations. In determining the total population within your territory, we generally consult the United States Census estimate, available via the Internet website located at [census.gov/quickfacts](http://census.gov/quickfacts).

### Adjustment of Territory Boundaries

We will not adjust the boundaries of your territory during the term of your franchise agreement.

## Territory Restrictions

You are restricted to operations from within your territory.

## Referrals

If you receive a lead for a real estate transaction located outside your territory, you must refer that lead to us, even if the lead is not in the designated territory of another franchisee. We will have the sole discretion whether to send leads for a real estate transaction outside the territory to our affiliate or another franchisee in or near that territory. If the referral is ultimately closed, the party that closes the transaction will be responsible to pay you a referral fee of 7% of any wholesale property transaction and \$3,500 for any other real estate transaction (e.g., purchase and hold, resell, flip, purchase as a rental, etc.). Likewise, if you close a transaction from a lead from us, our affiliate, or another franchisee, you must pay the referring party the same referral fee.

## Relocation

You do not have the automatic right to relocate your territory, and we have the right to deny any relocation request. You must obtain our prior written permission if you want to relocate your territory, and you must also be able to demonstrate to us that you have the financial ability to relocate. Approval to relocate is determined on a case-by-case basis and is based on factors such as your operational history, our then-current criteria used in approving a new franchisee's proposed territories, and other factors that are relevant to us at the time of the relocation request and paying us a \$10,000 relocation fee.

## Options to Acquire Additional Franchises

You do not have the automatic right to purchase additional franchises during the term of the franchise agreement. However, you may be allowed to purchase an additional franchise if there are franchise territories available, you meet our then-current criteria for new franchisees, you are current and not in default of your franchise agreement, and, in our sole discretion, we determine to sell you another franchise.

## Advertising Within and Outside the Territory

You may not market within another franchisee's territory or a territory operated by a corporate-owned unit. However, if you receive our prior written permission, you may market outside of your territory(ies) if such area is unassigned. However, at our discretion, we may revoke our approval to market outside your territory upon 30 days' prior written notice, and no course of conduct outside your territory will be construed as expanding your territory.

## Your Rights to Use Channels of Distribution

You are allowed to sell products or services through the following channels: digital marketing, direct marketing, telemarketing, mailers, and other approved marketing channels as we may designate.

### Our Right to Use Channels of Distribution in Your Territory

We and our parent and affiliates reserve the right to market, sell, and distribute products and services under Property Sellwise® marks and under other brands or trademarks, both within and outside your territory using distribution channels, such as through websites, television, radio, direct marketing, telemarketing, the Internet, social media, mailers, etc. We do not compensate you for real estate transactions (e.g., resell, flip, purchase as a rental, etc.) that we close within your territory.

### Our Previous Activities in Your Territory

In the past, we or an affiliate may have used one or more of the following distribution channels to sell and distribute products and services in your territory under the Property Sellwise® brand and other brands: websites, television, radio, direct marketing, telemarketing, the Internet, social media, mailers, and radio.

### Competition by Us Under Different Trademarks

Neither we, nor an affiliate operates, franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark, but we reserve the right to do so in the future.

## **ITEM 13 TRADEMARKS**

### Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use future trademarks in the operation of your franchise business, as we designate. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

### Agreements Regarding the Trademark

Under a license agreement entered into between Bryan Martineau and us in 2023, we were granted the right to use and sublicense the trademarks for 50 years, which license will automatically renew for one-year terms for up to 50 additional years. The license may be terminated for our default; however, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

### Registered Trademarks

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered or have been filed for registration with the United States Patent and Trademark Office on the Principal Register, or the mark has not been filed for registration, but we claim common rights in the mark. All required affidavits and renewals have been filed.

Registration/ Serial Number	Word or Design Mark	Registry	Registration/ Filing Date	Status
7,685,264	Property Sellwise	Principal	February 11, 2025	Registered
N/A		N/A	N/A	Common law rights

We do not have a federal registration for our principal logo. Therefore, our principal logo does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

#### Registered Domain Names

We have registered the following Uniform Resource Locators (“URL”) <https://propertysellwise.com>. You may not register or own a domain name, social media account, email account, etc., using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name, social media account, email account, etc., in connection with your franchise business or the franchise system without our prior written permission.

#### Use of the Trademark

You must promptly modify or discontinue the use of a trademark at your cost if we modify or discontinue it. You have no right to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark, or we require you to use a different trademark.

#### Government Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

#### Superior Prior Rights

We are unaware of any superior rights that could materially affect your use of the trademarks in your territory.

#### Infringing Uses

We are unaware of any infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

## Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We have the right to control any administrative proceedings or litigation involving the trademarks, and you must proceed in strict coordination and oversight by us. We will have the discretion to take the action we deem appropriate. The franchise agreement does not require us to take any affirmative action when we are notified of such uses or claims.

We are not obligated to protect any rights that you have to use the trademarks or to protect you against claims of infringement or unfair competition. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition. You may not act contrary to our rights in the marks. We are not required to defend or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the licensed trademark.

You may not contest, directly or indirectly, our rights or interest in our trademarks, names or service marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

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

### Patents

We do not give you the right to use an item covered by a patent, and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

### Copyrights

We have not registered our manuals with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent, or an affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we or our franchisees develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us. We or an affiliate may develop software or apps. If so, we claim copyright protection on all such items.

You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, at our reasonable discretion.

### Proprietary Information

You can use the proprietary information in our manuals in connection with the system and only during the term of your franchise agreement. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination of your franchise agreement. Portions of the

“system,” including certain processes, products, buyer lists, investor lists, customer lists, etc., are a trade secret or confidential and proprietary to us.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us; (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

#### Protection Against Infringement

You must also promptly tell us when you learn about unauthorized use of our copyrights, manuals, or challenge to your use of any of our other proprietary information. The franchise agreement does not require us to take any action when we are notified of such uses or claims, but we will respond to this information as we believe appropriate. We have the right to control any administrative proceedings or litigation.

We are not required to defend or indemnify you for any damages from any proceeding based on patents or copyright. You are given the right to protect yourself, at your sole cost, from any of these claims if we elect not to prosecute the claim of infringement or unfair competition; however, we have the right to control any administrative proceedings or litigation involving the patents or copyrights, and you will proceed in strict coordination and oversight by us. You may not act contrary to our rights in the patents or copyrights.

#### Government Determinations Regarding Patents and Copyrights

There are presently no effective determinations by the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding a patent or copyright. There are no agreements currently in effect that significantly limit our rights to use or license the use of any patent or copyright.

#### Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between Bryan Martineau and us in 2023, we were granted the right to use and sublicense the patents, copyrights, and other intellectual property for 50 years, which license will automatically renew for one-year terms for up to 50 additional years. The license may be terminated for our default; however, the license agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

#### Improvements to the System

Any improvements you make to the system will be owned by us and considered a “work-made-for-hire” or will otherwise be assigned to us.

### Superior Prior Rights

We are unaware of any superior rights that could materially affect your use of the copyrights or patents in your territory.

### Infringing Uses

There are presently no known infringements of the copyrights or patents.

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

### On-Premises Supervision

Your business must be managed by a qualified operator, who will oversee your managers. We recommend but do not require that your operating principal serve as the qualified operator.

### Required Positions

You are required to have a qualified operator, a home buying specialist, disposition/acquisition manager, and an intake manager. These positions may all be initially filled by your operating principal, but you will need to hire these separate managers as you grow. You must hire a separate home buying specialist and disposition/acquisition manager once you achieve an average of \$75,000 gross sales during a 3-month period. You must also hire a separate intake manager once you have 2 home buying specialists. Your qualified operator must supervise your managers. You may also use one of your managers to serve as the qualified operator until your business reaches at least \$1,000,000 in annual gross sales. At which time, you must hire a separate qualified operator within 90 days of notice.

### Participation by Your Operating Principal

Your operating principal must personally participate in the direct operation and supervision of the franchise business, but unless your operating principal will act as the qualified operator, your operating principal is not required to work a certain or minimum number of hours; however, your operating principal must work sufficient hours to operate your franchise or supervise your qualified operator, maintain sufficient inventory, supplies, and materials, and employ adequate personnel in order to operate the franchise business at maximum capacity and efficiency. You must have at least one manager on site during regular business hours.

Your operating principal must conduct frequent inspections of the franchise business office and operations to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods.

Although we do not require your operating principal to be involved in the day-to-day on-premises management, at all times during the term of your franchise agreement, your operating principal is required to participate in your franchise business as follows: (i) be directly responsible for all accounting, reporting, bookkeeping, and all financial components of the franchise business; (ii) attend and complete

all required training and ongoing training courses; (iii) attend all semi-annual or special meetings of franchisees; (iv) be directly involved with site selection, construction, remodeling; and (v) be directly involved in all personnel decisions affecting the franchise business.

#### Who Must Attend and Successfully Complete Training

Your operating principal(s), qualified operator, and each manager must attend the initial training program. These managers include your home buying specialist, disposition/acquisition manager, and intake manager. Your attendees do not have to attend the same training session, but they must attend the initial training the month following their hire date.

#### Restrictions on the On-Premises Supervisor

We do not put a limitation on whom you can hire as your qualified operator. Your qualified operator is not required to have an equity interest in the franchise business.

#### No Competing Enterprises

Neither you, your operating principal, qualified operator, nor your managers can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and operating principal must sign our standard principal brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 (franchise agreement, exhibit A-4). Your employees and personnel will also be required to sign a confidentiality agreement, and that agreement also imposes certain non-competition restrictions on management personnel that may be legally bound by non-competition agreements. Some states may impose certain restrictions on the terms of non-competition agreements as well as which employees can be bound by them. We provide you with this form, but it is your responsibility to conform it to the laws and regulations of your state (franchise agreement, exhibit A-5).

#### Required Operations

You must operate the franchise business at least 6 days per week, Monday through Saturday, throughout the year, at the hours designated by us and consistent with our brand.

#### Personal Guarantees

Any individual who owns a 20% or greater interest in the franchise business (and their respective spouse or domestic legal partner) must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement.

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

You can only service customers that are located within your territory, but we otherwise do not currently have any restrictions or conditions that limit access to customers you serve within your territory. You may provide and sell only those products and services specified and approved by us in writing. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify, or delete products and/or services that you may offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods, and techniques concerning all our products and services.

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

**THE FRANCHISE RELATIONSHIP**

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

	<b>Provision</b>	<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	Section 2.1	The term is 10 years. The franchise term will begin upon signing the franchise agreement.
b.	Renewal or extension of the term	Section 2.2	If you are in good standing at the end of the franchise term, you can enter into a new successor franchise agreement for an additional term of 10 years. Your successor agreement may also provide an option to enter into a subsequent successor franchise agreement.
c.	Requirements for franchisee to renew or extend	Section 2.2	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to the then-current standards, sign the then-current successor franchise agreement, and sign a release (subject to state law).  When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement. (Subject to state law).

			If at the time for renewal we are not offering franchises in the US or cannot by law offer a renewal franchise to you, your existing franchise agreement will be extended for a one-year period. If, at the end of the one-year extension we still are not or cannot offer a renewal franchise to you, the franchise agreement will automatically expire, and you will not have any further renewal or extension rights.
d.	Termination by franchisee	Section 11.4	There are no provisions in the franchise agreement that permit you to terminate the franchise agreement. However, some states may allow you to terminate as permitted by state law.
e.	Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f.	Termination by franchisor with cause	Section 11.1	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure (see (h) below).
g.	“Cause” defined – curable defaults	Paragraphs 11.1 M-W	You have between 24 hours and 30 days to cure certain material defaults of the franchise agreement.
h.	“Cause” defined - non-curable defaults	Paragraphs 11.1 A-L	Non-curable defaults include conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc.
i.	Franchisee’s obligations on termination/non-renewal	Section 12.1	Obligations include complete de-identification, payment of amounts due, compliance with the brand protection agreement, etc. (see also (r) below).
j.	Assignment of contract by franchisor	Section 14.1	There are no restrictions on our right to assign.
k.	“Transfer” by franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, ownership change, the sale of substantially all of your assets, etc.
l.	Franchisor approval of transfer by franchisee	Section 14.2	We must approve all transfers, but we will not unreasonably withhold our approval.
m.	Conditions for franchisor approval of transfer	Sections 14.3 - 14.8	Conditions to transfer include you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for new the transferee arranged, new franchisee signs the then-current franchise agreement, a release is signed by you, etc. These conditions

			are subject to state law (see state specific addenda).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 14.9	We can match any offer for your franchise business or business assets within 30 days of written notice to us of the offer.
o.	Franchisor's option to purchase franchisee's business	Sections 13.1 and 14.12	<p>Upon termination or expiration of the franchise agreement, we can elect to buy all or part of your business assets at fair market value within 30 days.</p> <p>Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all of your rights and interests in and under the franchise agreement and your franchise business at fair market value.</p>
p.	Death or disability of franchisee	Section 14.10	Within 160 days of death or disability of your majority owner, a personal representative must be approved, and a new operating principal must be trained, if applicable, or the franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained operating principal is in place. You will be charged our interim management fee, plus our costs, for us to manage your franchise business during this time. You will also be responsible for royalties and other fees during the time of our operation.
q.	Non-competition covenants during the term of the franchise	Section 16.1	No involvement in a competing business anywhere without our written consent. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the franchise are terminated, transferred or expires	Sections 16.3 – 16.4	<p>No competing business for 3 years within your former territory or within 50 miles of your territory or within 30 miles of another Property Sellwise franchise or corporate unit's territory.</p> <p>If you compete within the restricted time period, then this non-compete time period will be tolled for the period of your competition. Non-competition provisions are subject to state law.</p>

			For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you cannot divert or attempt to divert any business or customer from us, an affiliate, or our franchisees, or injure our goodwill.
s.	Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures are subject to change by us.
t.	Integration/merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). No provision in the franchise agreement is intended to disclaim the express representations made in this franchise disclosure document. Any representations or promises made outside of the franchise disclosure document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes, there must be a face-to-face meeting, mediation, and arbitration (see state specific addenda).
v.	Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Salt Lake County, Utah, or the county where our then-current headquarters is located (subject to applicable state law).
w.	Choice of Law	Sections 19.1 and 19.5	Utah law, the Federal Arbitration Act, and the United States Trademark Act apply (subject to applicable state law).

**ITEM 18  
PUBLIC FIGURES**

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

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

### Company-Owned Outlet

The tables below represents an historic financial representation of our company-owned Property Sellwise outlet from January 1, 2024 through December 31, 2024. There were no other company-owned outlets. We sold one franchise near the end of 2024, so they did not operate for the full 12 months in 2024, and therefore, we did not include their numbers in this Item 19.

### Gross Sales and Net Profit

The following table provides a breakdown of gross sales, expenses by category, net profit margin and net profit. We also provide franchisee adjustments as if this unit were a franchised unit paying the required royalties and tech fees.

2024 Corporate Unit	
<b>Total Revenue</b>	<b>\$1,606,091</b>
Revenue from Assigned Contracts	\$1,581,291
Revenue from Flips	\$24,800
<b>Expenses</b>	<b>\$1,016,024</b>
<i>Operations Overhead and Rent</i>	<i>\$137,283</i>
<i>Payroll Expenses</i>	<i>\$497,121</i>
<i>Training</i>	<i>\$8,828</i>
<i>Team Culture</i>	<i>\$25,516</i>
<i>Property Renovation Costs</i>	<i>\$24,367</i>
<i>Real Estate Dues</i>	<i>\$4,106</i>
<i>Insurance</i>	<i>\$1,734</i>
<i>Professional Services</i>	<i>\$4,026</i>
<i>Marketing</i>	<i>\$313,043</i>
<b>Net Profit Margin</b>	<b>36.7%</b>
<b>Net Profit</b>	<b>\$590,067</b>
<b>Franchisee Adjustments (with Option 1 Royalties on Assigned Contracts)</b>	
Royalties from Assigned Contracts	\$90,000
Royalties from 3 Flips	\$9,000
Tech Fees	\$6,000
Adjusted Net Profit	\$485,067
Adjusted Net Profit Margin	30.2%
<b>Franchisee Adjustments (with Option 2 Royalties on Assigned Contracts)</b>	
Royalties	\$120,690
Royalties from 3 Flips	\$9,000
Tech Fees	\$6,000
Adjusted Net Profit	\$454,377
Adjusted Net Profit Margin	28.3%

**Some territories have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

**Assignment Fees**

The following table provides a summary of the assignment fees received by our company-owned unit from January 1, 2024 to December 31, 2024. Assignment fees are the fees received from assigning real estate contracts for single family and multi-family properties.

Category	Year	Total Number of Deals	High Assignment Fee Received	Low Assignment Fee Received	Average Assignment Fee Received	Median Assignment Fee Received
Assignment Fees	2024	79	\$100,000	\$1,000	\$20,329	\$19,950

**Some territories have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

**Notes**

1. Gross Sales. Total revenue means the total revenue derived from assigned contracts, plus the revenue generated from 3 home flips in 2024.
2. Net Profit. Net profit means gross sales less expenses.
3. Net Profit Margin. Net profit margin is calculated by dividing the net profit by the gross sales.
4. Characteristics of the Outlet. Our company-owned outlet offers similar products and services to what our franchisees offer and follows the same Property Sellwise system. Our company-owned outlet is managed by its owners. The size of the territory serviced by our company-owned unit is equal to approximately 6.4 franchise territories, i.e., a population of ~2.56M people.
5. Franchisee Adjustments. Adjusted to account for the payment of royalties and tech fees. Our affiliate’s marketing expenses in 2024 were 19.5% of gross sales, approximately \$8,000 less than 20%.
6. Franchisees. We sold one franchise near the end of 2024, so they did not operate for the full 12 months in 2024, and therefore, we did not include their numbers in this Item 19.

Other than the preceding financial performance representation, Property Sellwise Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Bryan Martineau at franchise@propertysellwise.com and (801) 833-7129, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For Years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	+0
	2023	0	0	+0
	2024	0	1	+1
Company Owned	2022	0	0	+0
	2023	0	1	+1
	2024	1	1	+0
Total Outlets	2022	0	0	+0
	2023	0	1	+1
	2024	1	2	+1

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners  
(other than the Franchisor)  
For Years 2022 to 2024**

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

**Table No. 3  
Status of Franchised Outlets  
For Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Utah	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

**Table No. 4  
Status of Company-Owned Outlets<sup>2</sup>  
For Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Utah	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1

**Table No. 5  
Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Utah	0	2	0
Idaho	0	2	1
Texas	0	2	0
Total	0	6	1

List of Franchisees

Exhibit “C” contains a list of our current franchisees. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you invest in this franchise, your contact information and financial information may be disclosed in our disclosure document.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

### Confidentiality Agreements

During the last 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 our franchise system.

### Franchisee Organizations

We do not know of any trademark specific franchisee organization associated with our system that is required to be disclosed in this Item.

## **ITEM 21 FINANCIAL STATEMENTS**

Our audited balance sheet dated December 31, 2024, our unaudited opening balance sheet dated April 12, 2024, and our unaudited interim financials dated April 30, 2025 are attached as Exhibit "B." Our fiscal year ends on December 31 of each year. The franchisor has not been in business for 3 years or more and cannot include all the financial statements required by the Rule for its last 3 fiscal years.

## **ITEM 22 CONTRACTS**

We have attached the following contracts: Exhibit "A," the Franchise Agreement and its Exhibits; including Exhibit "A-9" as the Franchisee's Report; and Exhibit "G," the Form Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

## **ITEM 23 RECEIPT**

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this franchise disclosure document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt either by mailing it to us at 1055 West 10446 South, Suite 201, South Jordan, Utah 84095 or by emailing it to us at [franchise@propertysellwise.com](mailto:franchise@propertysellwise.com).

**ADDENDUM TO THE PROPERTY SELLWISE® FDD  
STATE REGULATIONS**

**SCHEDULE “A-1”  
TO THE FDD**

**STATE REGULATIONS  
FOR THE STATE OF CALIFORNIA**

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

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur in Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. Our website at [www.franchise.propertysewwise.com](http://www.franchise.propertysewwise.com) has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov)

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. **Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy.** Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

14. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

15. 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.

16. Franchisees owning 20% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

17. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

18. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

## INFORMATION FOR RESIDENTS OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Department of Commerce and Consumer Affairs  
Business Registration Division  
Commissioner of Securities  
335 Merchant St., 2<sup>nd</sup> Floor  
Honolulu, HI 96813

## SCHEDULE 2

### ADDENDUM TO THE DISCLOSURE DOCUMENT FOR THE STATE OF HAWAII

1. The Hawaii franchise investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.
2. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with Hawaii law, the law will control.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Hawaii law.
5. The franchise agreement requires application of the laws of the State of Utah. This provision may not be enforceable under Hawaii law.
6. The franchise agreement requires *you* to purchase certain goods from designated sources of supply. This provision may not be enforceable under Hawaii law unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds.
7. Upon termination or refusal to renew the franchise, Hawaii law requires that the franchisee be compensated for the fair market value of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any monies due the franchisor.

*Effective Date* \_\_\_\_\_

**ADDENDUM TO THE FDD  
FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement(s).

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

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

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

**STATE REGULATIONS  
FOR THE STATE OF INDIANA**

Notwithstanding anything to the contrary set forth in the disclosure document, the following provisions shall apply to all franchises offered and sold in the State of Indiana:

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

2. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the disclosure document and franchise agreement are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

“Notwithstanding any such termination, and in addition to the obligations of the Franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the Franchisee nevertheless shall be, continue and remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the Franchisee covenants to pay to Franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney’s fees) incurred by Franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the Franchisee’s right to a trial on any of the above matters.”

3. No release language set forth in the disclosure document or franchise agreement, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

4. To the extent required by the franchise laws of the State of Indiana, the franchise agreement will be construed in accordance with the franchise laws of the State of Indiana.

5. The provisions of the franchise agreement pertaining to litigation jurisdiction and venue shall be amended to be within the scope of the requirements of the Indiana Franchise laws.

**STATE FDD ADDENDUM  
FOR THE STATE OF MARYLAND**

ITEM 17 of the Disclosure Document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legal enforceable.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.
- 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.

**STATE REGULATIONS  
FOR THE STATE OF MINNESOTA**

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute ' 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. ' 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.

5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.
6. Any limitation of claims must comply with Minn. Stat. ' 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

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Franchisee (Signature)

**STATE REGULATIONS  
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity

as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## STATE REGULATIONS FOR THE STATE OF NORTH DAKOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Item 17 of the Disclosure Document is amended as follows:
  - No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law Section 51-19-09.
  - In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
  - The statute of limitations under North Dakota Law will apply.
  - Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
  - A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
  - In the event of a conflict of laws, North Dakota Law will control.
  - Franchisee may not assent to a waiver of rights to a jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.
  
2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise agreement 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.

**STATE REGULATIONS  
FOR THE STATE OF RHODE ISLAND**

The following language applies to any franchise agreement issued in the State of Rhode Island:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act dictates that, “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.”

Section 19-28.1-15 of the Rhode Island Franchise Investment Act states that, “A condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by a right provided by this Act or a rule or order under this Act is void. An acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act.”

**STATE REGULATIONS  
FOR THE COMMONWEALTH OF VIRGINIA**

By statute under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right give to him by any provision contained in the franchise. Accordingly, the Division requests that the franchisor add a Virginia Addendum to the FDD containing the following statements:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Property Sellwise Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h:

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

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the franchise agreement and area developer agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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

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

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

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

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

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

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

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

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

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise

agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

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

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

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

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

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

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

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

**16. Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

19. Paragraph 19.1 of the franchise agreement is amended to remove the following language, “but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.”

20. Paragraph 20.10 of the franchise agreement is amended to remove the following language, “You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us.”

21. Paragraph 20.11 of the franchise agreement is amended to clarify that for Washington franchisees, the Washington Addendum applies even if the Washington Addendum is not executed or not signed by the franchisor, franchisee, or both.

22. Sections 20.14, 20.18, and 20.22 of the franchise agreement do not apply in Washington.

The undersigned parties do hereby acknowledge receipt of this Addendum.

\_\_\_\_\_  
Signature of Franchisor Representative

\_\_\_\_\_  
Signature of Franchisee Representative

\_\_\_\_\_  
Title of Franchisor Representative

\_\_\_\_\_  
Title of Franchisee Representative

**ADDENDUM TO THE DISCLOSURE DOCUMENT  
FOR THE STATE OF WISCONSIN**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
  
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
  - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  
  - b. The Act’s requirements, including that in certain circumstances a Franchisee receive ninety (90) days’ notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

**EXHIBIT "A"**  
**TO THE FDD**

**FRANCHISE AGREEMENT**



# Property Sellwise

## FRANCHISE AGREEMENT

By and Between

PROPERTY SELLWISE FRANCHISING, LLC

and

---

(Franchisee)

© 2025, The Franchise & Business Law Group, LLC

This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC.

**Property Sellwise®  
FRANCHISE AGREEMENT**

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**PROPERTY SELLWISE®  
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into and made effective as of \_\_\_\_\_ (“Effective Date”) by and between PROPERTY SELLWISE FRANCHISING, LLC a Utah limited liability company (“Franchisor” or “We,” “Us” or “Our” as further defined in Article XXI below) and \_\_\_\_\_ (“Franchisee” or “You” or “Your” as further defined in Article XXI below).

WHEREAS, We have developed or have been licensed a system for the operation of a wholesale real estate business known as Property Sellwise®, utilizing the Marks and System focusing primarily on assigning real estate contracts for single family and multi-family properties and also with a lesser focus on flipping properties and purchasing rental properties and other related products and services (“Franchise Business”); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

**ARTICLE I  
AWARD OF FRANCHISE**

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable personal right to establish and conduct a Franchise Business as a Property Sellwise® franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only within the Territory(ies) listed on Exhibit “A-1” (“Territory(ies)”). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory(ies) Rights. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a company-owned outlet or grant to any person or entity a franchise within the Territory(ies) using the same or similar System as that licensed by this Agreement.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Property Sellwise® businesses outside and within the Territory(ies); 2) to operate and license others to operate businesses anywhere that do not operate under the Property Sellwise® brand name; and 3) to use the Marks and other marks in connection with the manufacture and sale of products at wholesale and at retail.

1.4 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and Our affiliates expressly reserve the right to Market in the Territory(ies) and elsewhere using Marketing strategies and distribution channels including websites, the Internet, television, radio, Social Media, apps, direct marketing, telemarketing, mailers, etc. We may also provide You the right to use such Marketing and distribution channels as further set forth in this Agreement and as otherwise directed and pre-approved by Us in writing.

1.5 Restriction of Territory(ies) Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business within the Territory(ies) and does not extend to the operation of a Franchise Business or any other use of the System from outside the Territory(ies), or in any other manner, except as may be allowed by this Agreement and Our Manuals. You may only service and Market to customers within the Territory(ies), except You may use and search for investors and buyers outside Your Territory(ies) for real estate transactions and properties that are within Your Territory(ies). You cannot operate any other business from Your designated office other than the Franchise Business.

## **ARTICLE II TERM AND SUCCESSOR FRANCHISE**

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of ten years unless terminated earlier pursuant to Article XI herein. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You have the right to be awarded a successor franchise (“Successor Franchise”) upon the expiration of the original term for an additional term of ten years if all the following conditions are met at the time You elect to renew: 1) You are not in default of this Agreement; 2) You have timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your Successor Franchise Agreement may also provide for a successive franchise term. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to sign a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election, You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days’ prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term, including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.

2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement (“Successor Franchise Agreement”). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us (existing at that time) arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement. You must sign and return to Us the Successor Franchise Agreement at least 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.**

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit “A-3,” payable in full at the time of execution of the Successor Franchise Agreement.

2.2.5 Upgrading Your Franchise Business. As a condition to Us approving You entering into a Successor Franchise Agreement, at Your expense, You are required to Update Your Franchise Business and Your business premises to the extent and in the manner specified by Us to conform with and bring it up to the standards, image, and capabilities of new Property Sellwise® businesses being opened at the time the Successor Franchise takes effect. Unless otherwise waived by Us, such Updates must be made within six months of signing the Successor Franchise Agreement.

2.2.6 Successor Franchise Training. As a condition to Us approving You entering into a Successor Franchise Agreement, Your Operating Principal, and/or other key Personnel may also be required to attend and successfully complete trainings, certifications, and other programs as We specify.

2.2.7 Unable to Offer Successor Franchise. Notwithstanding the preceding paragraphs of this Section, if at the time You provide Your notice of desire to enter into a Successor Franchise Agreement, We are no longer offering franchises in the United States, or We are not able by law to offer a successor agreement to You, then this Agreement will automatically be extended for a period of one year. If at the end of the one-year extension, We are not offering franchises in the United States, or We are unable by law to offer a successor franchise to You, this Agreement will automatically terminate unless further extended by mutual consent, which consent We can withhold for any reason.

### ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) as between You and Us, We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) as between You and Us, We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our

sole property. You acknowledge that Our Confidential Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.3.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.3.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.3.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify, or discontinue the Marks or to use one or more additional trademarks, service marks, logos, and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.3.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names, abbreviation, acronym, or phonetic or visual variation of the Marks, or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.4 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyright Materials except as allowed under this Agreement.

3.5 Infringement. We are not required to take any affirmative action when We are notified of such uses or claims, and We are not obligated to protect any rights that You have to use the Confidential Information and Intellectual Property, or to protect You against claims of infringement or unfair competition. However, in the event We do undertake the defense or prosecution of any litigation pertaining to any Confidential Information or Intellectual Property, You must execute any and all documents and do such acts and things as may, in the opinion of Our counsel, be necessary to carry out such defense or prosecution. If We fail to undertake action within a reasonable time after receipt of Your notice regarding any such claim, demand or suit, then You may, with Our prior written consent (but You will not have the obligation), undertake the defense of any such proceeding and will do so at Your sole cost and in strict coordination and oversight with Us. You shall not do any act or make any claim which is contrary to or in conflict with Our rights in Our Confidential Information or Intellectual Property. We are not required to defend or indemnify You for expenses or damages if You are party to an administrative or judicial proceeding involving the licensed trademarks.

3.6 Goodwill. All goodwill associated with the Marks and the System belongs exclusively to Us. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Your activities is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.6.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must also gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee, and transaction information, and do-not-contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, Including any anti-spam legislation.

3.7 Fictitious Business Name. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a “doing business as” name (“DBA”) using our Marks as designated by Us, and in the manner required by state law so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and must Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time.

3.8 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such

information to Your Personnel only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.9 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a “work-made-for-hire.” If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, including license rights, in the Innovation, and You agree to sign (or have the creator sign) any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.10 Association with Causes; Co-Branding. You cannot, without first receiving Our written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause, or position; or (ii) act in support of or against any such organization, cause, or position. You cannot “co-brand” or use the Marks or Your Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

3.11 Consent to Use of Likeness and Your Franchise Business. You agree that We have the right to use the likeness (including photographs or videos containing images) of: (a) You; and Your Franchise Business for any purposes relating to the Marketing of the System or Marks. You agree that no compensation will be due to You for such use.

#### **ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS, AND LEASE**

4.1 Location of Your Business Premises. You must select an office site within the Territory(ies) as soon as You have at least four people in Your company, which includes Your Operating Principal. If You start operations with less than four people, then each member of Your company must have a dedicated office space with a door that closes and allows for a professional environment. Any home office space must also be “quiet-equipped” with all the necessary equipment and technology to provide customers with the same quality services as if the franchisee were leasing a commercial space with no background noises or visual distractions that would not be present if You were leasing a commercial space. Although We must approve Your office site, We do not warrant or guarantee the success of the site. You must not commit to purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Your business premises must strictly comply with local zoning, state and federal laws, rules, and regulations.

4.1.1 Office Site Approval. We must approve Your proposed site before You enter a lease. However, it is Your responsibility, at Your sole cost and expense, to select the site within Your Territory(ies). Site approval or disapproval should be completed by Us within 15 days after You have submitted a proposed site to Us along with the site report and other needed information to evaluate the site.

4.2 Lease. A Lease must be in place within 60 days of having four people in Your company, including Your Operating Principal, and a Lease must remain in place for so long as you have at least four people in Your company. We have the right to review all leases relating to Your Franchise Business prior to execution. If We review Your lease, at Our discretion, the scope of Our review may be limited to adherence to Our requirements rather than a review of the underlying terms of the Lease. In no way does Our review of the Lease amount to any endorsement or warranty of the Lease. You must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.

4.3 Construction. Any construction of Your business premises that You do must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state, and local laws. We do not assist in the actual construction, remodeling, or decorating of Your Franchise Business.

4.3.1 Setting Up Your Business Premises. You shall arrange the signs and décor of Your business premises in strict compliance with any format or color schemes recommended by Us and to work with Our approved suppliers providing such items. We do not have specific standards for the furniture and fixtures that You use in Your office. However, it must be in good condition and create an overall professional image for Your office. You must fix any non-conforming specifications within 30 days of written notice from Us.

4.4 Commencing Operations. You are required to commence operations not later than one week after You complete Your initial training. We have the right to inspect and approve Your business premises and other aspects of Your operations relating to Your compliance with this Agreement prior to opening.

4.5 Relocation to Another Territory(ies). You are not allowed to relocate Your Territory(ies) without Our prior written approval. This option will only be available to You if there are franchise territories available, You meet Our then-current criteria for new franchisees, and You are current and not in default of this Agreement. Additionally, You must pay Us a relocation Fee. See Exhibit "A-3." We have the right to deny a request for relocation in Our sole discretion.

4.6 Failure to Meet Deadlines. If You fail to meet a deadline listed in this Article and fail to cure, or if We cannot agree on a site location, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article.

## **ARTICLE V FEES AND REPORTS**

5.1 Initial Franchise Fee. You shall pay Us an initial franchise fee based on the number of Territories that You purchase according to the following table:

Franchise Territory(ies)	Initial Franchise Fee	Total Initial Franchise Fee
1	\$49,500	\$49,500
2	\$40,000	\$89,500
3	\$35,000	\$124,500
4	\$30,000	\$154,500
5	\$30,000	\$184,500
6	\$30,000	\$214,500
7	\$30,000	\$244,500
8	\$30,000	\$274,500
9	\$30,000	\$304,500
10	\$30,000	\$334,500

The initial franchise fee is due in one lump sum at the time of execution of this Agreement. The initial franchise fee must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Veteran Discount. To honor those men and women who have served our country in the U.S. Armed Forces, We offer a 10% discount off the initial franchise fee for Your first Territory, contingent upon verification of honorable separation. Veteran ID cards, a DD-214, and other documentation are required to provide proof of honorable discharged status.

5.1.2 Additional Territory Fee. If you would like to add to the area of a Territory but do not want to purchase an additional Territory, You may add to Your Territory for an additional fee of \$0.25 per additional person population added to Your Territory.

5.2 Royalty. You shall pay Us royalties on all real estate transactions as set forth below and on Exhibit "A-3." All royalties You pay to Us is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement and not in exchange for any specific services We render.

5.2.1 Royalty on Assignment Fees. You shall pay a royalty on all assigned real estate contracts. You may choose from two different royalty options as set forth below. You are required to select Your royalty option on assignment fees for year 1 within one week of signing this Agreement. Thereafter, You may change Your election each year within 30 days of the end of the year. For the purposes of royalty election, year 1 begins upon signing this Agreement and ends on December 31 of that same year.

a. Royalty on Assignment Fees (Option 1). If You elect Option 1, You shall pay Us a non-refundable, on-going royalty as listed in Exhibit "A-3" for revenue generated from the assignment of real estate contracts. Royalties for Option 1 are due by the 10<sup>th</sup> of each quarter for the prior quarter's Gross Sales.

b. Royalty on Assignment Fees (Option 2). If You elect Option 2, You shall pay Us a non-refundable, on-going royalty as listed in Exhibit "A-3" for revenue generated from the assignment of real estate contracts. Royalties for Option 2 are due by the 10<sup>th</sup> of each month for the prior month's Gross Sales.

5.2.2 Royalty on Other Real Estate Transactions. You shall pay Us a royalty for other real estate transactions such as flips and purchase and hold as a rental and for closed listings. See Exhibit “A-3.” These royalties are due by the 10<sup>th</sup> of each month for the prior month’s activities. Additionally, because listing and closing real estate transactions is not part of Our core business model and System, You must receive Our written permission prior to listing or closing on a listed real estate transaction. If We grant You permission to list and close listed transactions, You must have all the necessary licensing and comply with all real estate laws and regulations in Your state.

5.2.3 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the calculation of royalties and other Fees due to Us in order to comply with the law. However, in no event will the modification of the the calculation of royalties or other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit “A-3.”

### 5.3 Marketing Fees.

5.3.1 Brand Development Fund. If implemented by Us, You shall pay Us a Brand Development fee listed in Exhibit “A-3” for Our Marketing programs as further described in Section 10.1 below. This fee is payable on the same terms as the royalty.

5.3.2 Local Marketing. You must also allocate and spend the amount listed in Exhibit “A-3” each month on local marketing in the Territory(ies).

5.3.3 Marketing Cooperative. In the event a local or regional Marketing cooperative is formed, You will be required to contribute to the Marketing cooperative as established and assessed by the Marketing cooperative. See Section 10.2 below.

5.4 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.2 Payments; Due Date. Brand Development Fund Fees are due on the 15<sup>th</sup> of each month, and royalties are due on the 10<sup>th</sup> of each month. All payments to Us Fees must be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Our current ACH agreement is attached hereto as Exhibit “A-6” and may be modified by Us at any time at Our sole discretion. You must have an active ACH agreement with Us at all times. Before terminating or canceling any active ACH agreement, You must provide a new ACH agreement to Us so that there is no time in which We do not have the ability to automatically withdraw or debit all payments and Fees due and owing to Us. You shall pay all service charges and fees charged to You by Your bank so that We may electronically debit Your bank account. We reserve the right to change the payment due date or require an alternative payment frequency for any or all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.

5.4.3 Operating Account. You may not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of \$20,000 in Your Operating Account or have at least a \$20,000 line of credit at all times for business

emergencies, provided that in any 30-day period unless You have the required line of credit, the Operating Account may have less than such amount for a period of not more than five days. You are required to provide Us with view-only access to Your Operating Account. You may not switch Your Operating Account without Our prior written permission.

5.4.4 Late Fees; Insufficient Funds Fee. You will be charged a late Fee if a required Fee or payment to Us or an affiliate, or report is not timely received by Us or an affiliate, and You will be charged per bounced check or insufficient funds transfer. See Exhibit “A-3.” These Fees are due with the next royalty payment to Us.

5.4.5 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amount be charged as interest or late fees that otherwise exceeds or violates any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.6 Sales or Use Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees that You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
Gross Sales Report	Same due date as royalties, or as otherwise designated by Us	This report must include the prior week's sales of the immediately preceding week showing all monies received or accrued, sales or other services performed, and such other information concerning Your financial affairs, as We may reasonably require.
Local Marketing Report	Quarterly, by the 15th day of the following quarter, or as otherwise designated by Us	This report must be submitted in the format We may require.
Operation Report Spreadsheet	Monthly by the 10 <sup>th</sup> day of the following month	This report must be submitted in the format We may require.
Profit and Loss Statement	The 15th day of the following quarter, or as otherwise designated by Us	Must be in the format and include the line items as required by Us.
Financial Statements	Within 30 days after the end of each fiscal year	Must be submitted in accordance with the standard profit and loss statement template and balance sheet template required by Us. This is a complete financial statement for the preceding calendar year, including profit and loss statement and balance sheet.

TYPE OF REPORT	DUE DATE	REMARKS
State Tax Return	Annually, within 15 days of submission	
Federal Tax Return	Annually, within 15 days of submission	
IRS Form 941 (Employer's Quarterly Federal Tax Return)	Quarterly, within 15 days of submission	
Other Reports	Upon request	Those additional reports that We may from time to time require, including sales and cost data and analyses, advertising budget, expenditures, etc.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require. We are not required to give You advanced written notice of an audit.

5.5.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and if the deficiency exceeds 2%, then You shall reimburse Us for the total expense of the audit or investigation, including the charges for the accountant and the travel expenses, room, board, and other costs incurred in connection with the audit. Your failure to report Gross Sales for any period, or Your failure to retain and have available, readable, and organized required records will be deemed an understatement by more than 2%.

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.7 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to placing You in default, as determined on a case-by-case basis, including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine or fines for certain violations of this Agreement and/or the Manuals. See Exhibit "A-3." If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. These fines are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation, are not a penalty or estimate of all damages arising from Your breach, and are not Our sole remedy. Our decision to impose or not to impose a fine for Your

non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

5.10 Technology Fee. You shall pay Us the Fee listed in Exhibit “A-3” for utilization of Our technology suite. We can designate You to pay all or a portion of this Fee directly to the supplier. This Fee will be updated periodically in Our manuals to account for increased costs and new or substituted technologies, platforms, software, etc. The first month of technology fees is included in Your payment of the startup package fee described below.

5.11 Startup Package Fee. You must also purchase from Us or an affiliate a startup package that Includes uniforms, books and manuals, Marketing materials and a technology setup fee to get You set up on Our designated CRM along with three branded email addresses. The estimated cost for these items is listed on Exhibit “A-3,” and the actual amount will be determined at the time of ordering. Payment is due in full at the time of ordering and is non-refundable. You must also purchase any replacement or additional items in the startup package from Us during the term of this Agreement based on Your needs and We may require You to make such purchases.

5.12 Referral Fees. If You receive a lead for a real estate transaction located outside Your Territory(ies), You must refer that lead to Us, even if the lead is not in the designated territory of another franchisee or corporate unit. We will have the sole discretion whether to send leads for a real estate transaction outside of Your Territory(ies) to Our affiliate or another franchisee near that lead. If the referral is ultimately closed, the party that closes the transaction will be responsible to pay You a referral fee (see Exhibit “A-3”), and any referral fees You receive will count towards Your total Gross Sales for calculating royalties as if that revenue were generated from assigned contracts. Likewise, if You close a transaction from a lead from Us, Our affiliate, or another franchisee, You shall pay the referring party a referral fee (see Exhibit “A-3”) in addition to other applicable Fees to Us from that transaction. You shall pay the applicable referral fee within 10 days of closing.

## **ARTICLE VI FRANCHISEE’S OPERATIONAL COVENANTS**

6.1 Business Operations. In addition to other obligations, requirements, and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You are solely responsible for ensuring compliance with all applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You agree that We have not made and You have not relied on any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

6.1.2 Appearance; Customer Service. You shall establish and maintain Your business premises in a clean, attractive, and repaired condition; perform work competently and in a workmanlike manner; give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices, and procedures contained in the Manuals or

otherwise communicated to You so as to preserve, maintain, and enhance the reputation and goodwill of Our System. You must promptly respond to all complaints received from Your customers or other individuals and to resolve the complaint in a reasonable business manner. If We are contacted by a customer of Your Franchise Business who lodges a complaint, We reserve the right (but are not required) to address the customer's complaint to preserve goodwill and prevent damage to the Marks. We may take action in Our sole discretion to resolve the complaint, and You shall reimburse Our costs to do so. Nothing in this Section or in any other provision of this Agreement is to be construed to impose liability upon Us to any third party for any of Your actions or obligations. We reserve the right to require that Your Personnel comply with any dress code, Mark, or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture, and décor Your office in strict compliance with the format recommended or required by Us.

6.1.3 Signage. You must have the number of interior and exterior signs as required by Us and according to Our specifications. All signs to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You shall maintain all signs in good condition and undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You understand and acknowledge that although You are required to purchase and display signage, including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal, Qualified Operator and Your designated managers, if other than Your Operating Principal, are required to attend and successfully complete Our initial training program at least one week prior to opening Your Franchise Business. Designated managers are Your home buying specialist, Your intake manager, and Your disposition/acquisition manager. Successful completion will be determined by Our trainers but may include demonstrating knowledge of basic techniques, knowledge of policies and procedures including competency in role-play scenarios. Failure to successfully complete training is a default of this Agreement. There is no training fee for up to four attendees. We also allow up to two additional persons to attend the initial training. The cost for additional trainees to attend the initial training is listed in Exhibit "A-3." If Your Qualified Operator or one of Your managers is unable to attend the initial training with Your Operating Principal, then they must attend the next month's training or the next available training.

(i) Replacement Training. Any new Operating Principal, Qualified Operator, or designated managers, including Your disposition/acquisition manager, intake manager, and/or home buying specialist, must complete the initial training program at Our next available training after they are hired. We can hold trainings online or in person. If a training is held in person, You must also cover the travel, food, and lodging for Your attendees or Our representatives, as applicable. The Fee for this training is listed on Exhibit "A-3."

(ii) Additional Trainings. Depending on Our availability and Your advanced written notice to Us, if You would like additional training, We may provide this training to You. We have the right in Our sole discretion to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key Personnel to attend additional trainings if You are in default, or if We reasonably believe such training would be in the best interest of Your Franchise Business. Our current Fee for additional training is listed in Exhibit "A-3." We can hold trainings online or in person. If a training is held in person, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

(iii) Ongoing Sales Training. Your disposition/acquisition manager is required to attend Our designated weekly sales training. This training will be held online unless otherwise determined by Us.

(iv) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending a training.

6.1.5 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.6 Management. Your Franchise Business must be managed by a qualified operator, who will oversee Your managers (“Qualified Operator”). We recommend but do not require that Your Operating Principal serve as the Qualified Operator. Your Qualified Operator is required to devote their full time (at least 40 hours per week), attention, and best efforts to the management and operation of Your Franchise Business. Your Qualified Operator is not required to have an equity interest with You. You are required to have a home buying specialist, disposition/acquisition manager and an intake manager for Your Franchise Business operations. These positions may all be filled by Your Operating Principal or Qualified Operator at inception, but You will need to hire these separate managers as You grow. You must hire a separate home buying specialist and a disposition/acquisition manager once you achieve an average of \$75,000 in Gross Sales during a three-month period. You must also hire a separate intake manager once You have two home buying specialists. You must have at least one trained manager on site during regular business hours once You have an office space. You must disclose the identity of Your Operating Principal and Qualified Operator to Us, and You must immediately notify Us in writing if Your Operating Principal or Qualified Operator is no longer acting in such capacity. We must approve of Your Operating Principal and Qualified Operator and any replacement Operating Principal or Qualified Operator.

(i) Unless Your Operating Principal acts as the Qualified Operator of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and work sufficient hours to operate Your Franchise Business or supervise Your managers and employ adequate Personnel to operate Your Franchise Business at its maximum capacity and efficiency. Your Operating Principal must be Your main point of contact with Us.

(ii) Although We do not require Your Operating Principal to be involved in the day-to-day, on-premises management, Your Operating Principal is required to participate in Your Franchise Business as follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping, and all financial components of the Franchise Business; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual, semiannual, or special meetings of franchisees called by Us; (iv) be directly involved with site selection, construction, and Updates; (v) be directly involved in all Personnel decisions affecting the Franchise Business; and (vi) conduct frequent inspections of the Franchise Business operations to ensure the highest standards of professionalism, cleanliness, and general pleasant appearance in compliance with Our approved methods.

(iii) Your Operating Principal must devote their primary attention to the Franchise Business, and You, Your Operating Principal, Qualified Operator, and Your manager(s) must keep free from

any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.7 Operational Hours. You shall operate Your Franchise Business at least six days per week, Monday through Saturday, throughout the year and at the hours We may designate.

6.1.8 Remodel and Upgrades. You are required to Update Your Franchise Business and Your business premises from time to time as We may reasonably direct, but not more often than every five years, and We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement (except for required changes to the Marks, or changes due to health or government mandates, guidelines, or public concerns, which We may require at any time). This can include structural changes, new flooring, wall treatments, signage, remodeling, redecoration, new furnishings, fixtures and décor, and such modifications to existing improvements as may be reasonably necessary, such that all Property Sellwise® locations will have a generally similar look, appearance, and capabilities. We may also require You to invest in new or updated equipment and technology at any time. You acknowledge that this obligation is reasonable and necessary to ensure continued public acceptance and patronage to Our brand and to avoid deterioration or obsolescence in connection with the operation of Your Franchise Business. You must complete all such Updates within six months of notice from Us. You shall also complete any day-to-day maintenance issues as they occur. In the event You relocate Your business premises to a new approved location, or sign a Successor Franchise Agreement, You must bring Your new business premises up to Our then-current standards.

6.1.9 Your Personnel. You, Your Principals, and Your Personnel are not Our employees or independent contractors. You are solely responsible for the hiring, firing, discipline, scheduling, management, compensation, supervision, assignment of duties, directions governing the manner, means, and methods of the performance of duties, work rules, safety, working conditions, and training of Your Personnel. Other than management training, We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your Personnel or their employment. The only training assistance We provide is the training of Your Qualified Operator, designated managers and Operating Principal. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters that You may choose to adopt or not. You must use Your own discretion on what policies to implement for Your Personnel based on Your own circumstances and management decisions. The sample manual is not edited or reviewed frequently to stay up to date with current or state specific employment laws and some policies may be outdated or conflict with current existing state or federal employment laws. You must seek Your own legal counsel to determine those policies that are legally compliant with current employment laws in Your state in order to draft Your own employee handbook. It is Your responsibility to comply with local and federal labor and employment laws.

Your Personnel must execute Our Personnel Brand Protection Agreement (see Exhibit “A-5”). (Although We provide You these forms, You are responsible to conform them to the laws and regulations of Your state.) You shall promptly deliver a copy of all such agreements to Us within 10 days of hiring of the respective Personnel. You must also have each of Your Personnel sign Our then-current form of the Franchise Relationship Acknowledgement attached as Schedule “A-5.1” to Exhibit “A-5.”

6.1.10 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A-” or better by A.M. Best & Company, Inc.

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate, whichever is greater
Commercial Auto	At least \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage)
Government Required Insurances	All workers’ compensation and employment insurance on Your employees that is required under all federal and state laws

(ii) Policy Requirements. Other than workers’ compensation, these policies must insure You and Us and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise Business wherever it may be located. These policies must include a waiver of the insurer’s right of subrogation against Us and provide coverage for Your indemnification obligations under this Agreement. Your insurance is primary and non-contributory. Any insurance obtained by Us is solely for Our benefit and not for the benefit of You or Your Franchise Business. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion, and You must reimburse Us the premium costs, plus an administration Fee for Our time (see Exhibit “A-3”). We may periodically increase the amounts of coverage required and/or require different or additional coverage. We have the right to require that You obtain from Your insurance company, and subsequently provide to Us for Our review, a report of claims made and reserves set against Your insurance (commonly known as “loss runs”). If Your business premises are damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition no later than 160 days from receiving the proceeds.

(iii) Continuation of Policy. Regardless of the amounts We state above, it is Your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, including any policies that are on a “claims made” basis, which through the purchase of an extended reporting endorsement (i.e., “tail” insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24-month period following the end of the policy period.

6.1.11 Pricing. You are allowed to negotiate purchase prices directly with Your customers.

6.1.12 Computer System. At Your expense, You must purchase or lease the computer and other computer hardware, smartphones and software systems designated by Us for Your company Personnel in strict accordance with Our specifications, and We can mandate the forms of payment that You can or must accept and capable of interfacing with Our computer system and software. At a minimum, all computers must be Apple computers that are three years old or newer. At this time, You do not need a point of sale system because all customer transactions will be handled through Our designated customer relation management software. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at Your sole expense. You must provide Us full 24-hour/7-day a week access, including online access, and the right to “upload” or “download” information to and from all POS, computer, and other systems, and to the information and data contained in them. We can require You to obtain a static IP address from Your internet provider. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability, or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, POS, hardware or software system (not related to Our or an affiliate’s acts or omissions).

(i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must have high-speed broadband Internet access at the levels required in the Manuals. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, including after the Termination of this Agreement. Any data collected or provided by You, downloaded from Your POS System, or otherwise collected from You by Us or provided to Us, is and will be owned exclusively by Us, and We have the right to use the data in any manner without compensation to You. During the term of this Agreement, You are licensed, without additional compensation, to use such data solely for the purpose of operating Your Franchise Business. This license will automatically and irrevocably expire, without additional notice or action by Us, when this Agreement Terminates.

(ii) Accounting Systems. You must use and pay for the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. You shall provide Us with independent, view-only access to Your account.

6.1.13 Conferences and Seminars. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, attendance is mandatory for Your Operating Principal, Qualified Operator, and Your home buying specialist, and You must pay the then-current registration Fees (see Exhibit “A-3”) and all travel, lodging, food, and other expenses for each of Your attendees.

6.1.14 Required Software; Technology. You must use and pay for all software and other technology and platforms as required by Us, which may be changed from time to time such as email campaign software, electronic signature software and customer management relation management software. You must timely input all required information into Our designated software and platforms as set forth in Manuals and You must give Us independent view-only access to any of Your operational software accounts. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

## 6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications, and that You must use as the only email accounts for Franchise Business-related communications and accounts. Any email account/address that We provide to You belongs to Us, and We have the right to access such email accounts at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts.

(ii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, and implement all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur higher operating costs. You must incorporate all such modifications within the time that We specify. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(iii) Inspections and Visits. We may conduct (and You must comply with) periodic evaluations, inspections, and audits of any or all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in-person or through remote access such as video or live video conferencing. We may conduct inspections without prior notice to You. Our inspections may include Your business premises, business records, bank accounts, Venmo (and the like), operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc., related to the Franchise Business. We also have the right to speak with and interact with Your Personnel, and customers, and to remove samples of products, supplies and materials. Immediately upon Our request, You must provide to Us video and/or images of the interior and exterior of Your business premises, and any specific pieces of equipment or other areas of Your business premises as may be more fully set forth in the Manuals.

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right at Our sole discretion (but not the obligation) to step in to manage Your Franchise Business for up to six months, as We deem advisable, for a Fee. See Exhibit "A-3." This Fee reflects the estimated fair market value of Our services. You shall also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees, and other applicable fees.

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal, Qualified Operator and Your managers, and We may require additional training for Your Operating Principal, Your managers, other Personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You hereby grant Us permission to speak directly with Your landlord, suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your Personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary, or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.3 Personal Guarantees. Each Owner of Your Franchise Business, respectively, who own 20% or greater interest, (and their respective spouse or domestic legal partner), must each personally sign the Guaranty and Assumption of Obligations attached as Exhibit "A-7" to this Agreement.

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You in the day-to-day operation of Your Franchise Business.

6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to Personnel.

6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors,

members, managers, representatives, agents, employees, the brand, the System, Our products and services, or other franchisees.

6.7 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, including to another franchisee, without Our prior written approval.

## **ARTICLE VII FRANCHISOR'S OPERATIONAL ASSISTANCE**

7.1 Layout and Design. We shall provide You with general specifications for Your business premises layout, signs, equipment, and interior décor.

7.2 Suppliers and Products. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We may add to or discontinue working with any of Our suppliers.

7.3 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business, and upon Your reasonable request, make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business.

7.4 Initial Training. We shall provide an initial training program for Your Operating Principal, Qualified Operator, and other attendees in the various practices, policies and procedures for operating a Franchise Business. This training will take place online. The training program is described in Paragraph 6.1.4.

7.5 Additional Training. Although We are not required to provide additional training to You, if You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of Personnel, and Your payment of a per day, per person Fee. See Exhibit "A-3." We can hold this training online or in person. If a training is held in person, You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.6 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials, or by consultation (in person or remote).

## **ARTICLE VIII PURCHASE OF PRODUCTS AND EQUIPMENT**

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, carry, and sell only those goods and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (including Us and affiliates) without prior notice at any time. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes.

A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No goods or services may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.

8.2 Supplier Compensation. We or Our affiliate will may derive revenue from the sale of required goods and services through mark-ups in prices We charge to You for goods and services purchased from Us or an affiliate, or We or an affiliate may receive compensation or discounts from the supplier for Your purchase of such goods and services. No compensation is due to You for compensation or discounts We receive from suppliers.

8.3 Unapproved Suppliers. If You desire to purchase any goods or services from an unapproved supplier, or if you would like Us to consider alternative goods, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, and other data to permit Us to ascertain whether any such supplier or good meets Our specifications. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier or good has been approved. You will be required to pay a supplier or good evaluation fee of \$100 an hour per person, plus Our reasonable costs and expenses associated with the testing whether or not the requested supplier or good is approved. Within 30 days of the completion of Our evaluation, You shall reimburse Us Our costs and expenses of testing. A supplier or good that is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier (or good). We may make changes in the standards and specifications for approved suppliers and/or goods. At Our discretion, We may revoke Our approval of an approved supplier and/or good upon 30 days’ prior written notice.

8.4 Maintenance. You shall maintain all inventory, tools, equipment of Your Franchise Business in good working order. If You fail to replace equipment, inventory, signs, furniture, tools, etc., that We reasonably feel is outdated, damaged, in need of repair, obsolete, etc., at Our sole discretion, We may replace those items for You, and You would be required to reimburse Us Our costs, plus \$100 per hour for Our time within 15 days of invoicing.

8.5 Vehicle. You must purchase or lease at least one vehicle for the operation of Your Franchise Business. Your vehicle, which must be approved by Us, must be maintained in good condition and repair with no external damage or unreasonable wear and tear, must not be more than 10 years old, must be kept clean and well-maintained at all times. You are solely responsible to provide the required licenses, insurance, maintenance, and upkeep for all vehicles used in Your Franchise Business.

8.6 Warranties; Support. You must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any third-party goods purchased for Your Franchise Business. We do not provide any warranty for items purchased from Us.

## ARTICLE IX MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. Our Manuals may

consist of a series of online videos, webpages, online drives, or other forms designated by Us. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will control in the event of a dispute relative to the contents of the Manuals.

## **ARTICLE X MARKETING**

10.1 Brand Development Fund. We have the right to institute, maintain and administer, and You shall contribute to, Our national Marketing and brand development fund (“Brand Development Fund”) for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market the System. The Fees for the Brand Development Fund are listed in Exhibit “A-3.” We can terminate, suspend, or postpone the Brand Development Fund at any time. Upon termination of the Brand Development Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds.

10.1.1 Brand Development Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing, and allocation of such programs; 4) the composition of all geographic territories and market areas for the development and implementation of such programs; and 5) all other uses of the fund for Marketing purposes. The Brand Development Fund can be operated through an entity separate from Us that has all Our rights and duties relating to the Brand Development Fund. We are not liable for any act or omission with respect to the Brand Development Fund or otherwise that is consistent with this Agreement, or which is done in subjective good faith. The Brand Development Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Brand Development Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Brand Development Fund to cover any deficits. The Brand Development Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

10.1.2 Use of Marketing Fund Fees. We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the Brand Development Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in Brand Development Fund activities. We may receive payment for providing goods or services to the Brand Development Fund. We reserve the right to use fees from the Brand Development Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory(ies), and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent or proportionate to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We will not use the Marketing Fund contributions for Marketing that is principally a solicitation for the sale of franchises, but We reserve the right to Include a notation in any Marketing or website indicating “franchises available” or similar phrasing. Any unused Marketing funds in any calendar year will be applied to the following year’s fund. You may request (in writing) an unaudited annual report of the previous year’s Marketing expenditures once each calendar year. We will provide the report within 90 days of request.

10.2 Marketing Cooperative. We may form a local and/or regional Marketing cooperative covering such areas as We, at Our discretion, deem appropriate, and We may disburse such funds as We believe appropriate from the Marketing Fund to any such local and/or regional Marketing cooperative for local and/or regional Marketing. We have the power to require cooperatives to be formed, changed, dissolved or merged at any time. You are not required to join or contribute to more than one advertising cooperative for the same Franchise Business.

10.2.1 Governing Documents and Financial Statements. We will develop or approve the governing documents and make them available to all franchisees within the cooperative area. The cooperative will be required to prepare annual unaudited financial statements, and these will be available to all franchisees in the Marketing cooperative for review. No changes may be made to the governing documents without Our prior written approval.

10.2.2 Membership and Voting. Upon the formation of a local or regional Marketing cooperative, You will automatically be deemed to be a member of such association as covers the area in which Your Franchise Business is located and will be bound by any decisions made by the Marketing cooperative upon a majority rule by members voting. Voting will be one vote per company or affiliate owned location or franchise unit in good standing in the Marketing cooperative. If We or affiliates have a company or affiliate owned unit in the cooperative area, We or Our affiliate will also become a member of the association.

10.2.3 Contributions. All franchisees and corporate units within the Marketing cooperative area will be required to join and contribute to the fund pro rata based on the number of units in the cooperative. Contributions to the Marketing cooperative will be credited toward Your local Marketing obligation. The cost of Marketing programs will be allocated among the members in the cooperative area, and each member must contribute equally to the local cooperative fund based on a per corporate-owned unit or per franchise unit basis in the cooperative area. You will be required to contribute to the Marketing cooperative in the amounts and frequency as determined by its voting members, but such Fees and costs will not exceed Your local Marketing requirement unless all voting members of the cooperative decide to exceed the limit. We can require that contributions be made at a different frequency. This contribution amount is in addition to Your Brand Development Fund fee, but all expenditures You make toward the advertising cooperative will be counted towards Your local advertising expenditure requirement. Leads from the advertising cooperative's joint Marketing activities must be allocated on a rotating basis to each participating member of the advertising cooperative and/or campaign.

10.2.4 Audit. We and our designated agents will have the right to examine, copy, and audit, at Our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Marketing cooperative.

10.3 Sample Marketing Materials. We may provide You samples of Marketing materials developed by Us from time to time. Additional copies will be made available at cost, plus 10%, plus shipping and handling.

10.4 Your Obligations to Market. You shall participate in all Marketing programs as directed by Us and use all materials, mediums, and other information made available to You in doing so. Additionally, You are required to Market locally as set forth in Section 5.3.2. Neither We nor You are restricted from Marketing in the Territory(ies). You may not Market within another franchisee's territory or a territory

operated by a corporate-owned unit. However, if You receive Our prior written permission, You may Market outside of Your Territory(ies) if such area is unassigned. However, at Our discretion, We may revoke Our approval to Market outside Your Territory(ies) upon 30 days' prior written notice, and no course of conduct outside Your Territory(ies) will be construed as expanding Your Territory(ies).

10.4.1 Approval of Marketing. You may not develop Marketing materials for Your use. You may only use pre-approved Marketing materials produced by a source We designate. However, if We do allow You to create Your own Marketing materials, We must preapprove any Marketing materials before Your use. You must submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published, and such other information as may be reasonably requested by Us. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed unapproved if You do not receive Our written approval or disapproval within 14 days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time. Any Marketing materials or concepts You create become Our property and will be considered a "work-made-for hire" that can be used by Us and other franchisees.

10.4.2 Marketing Compliance. All Your Marketing activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You shall participate in all Marketing, email, texting, and other programs as developed by Us, including the collection of Customer Data and participation in using and promoting apps, as developed by Us.

10.4.3 Marketing Plan. You are required to provide Us an initial Marketing plan at least 30 days prior to the opening of Your Franchise Business. In addition, You are required to annually update Your Marketing disbursement plan and submit the updated plan to Us by December 31 of each year for the following year's local Marketing expenditures.

10.5 Internet. You may create a website and engage in Marketing on the Internet. However, You must use Our approved web designer and follow Our specifications for websites. You must also use and pay for Our designated provider for SEO and pay-per-click Marketing for Your website and Franchise Business. You are responsible to ensure Your website is ADA compliant. Notwithstanding this, You are prohibited from obtaining or using a domain name or subdomain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks. We have the right to remove or alter or require You to remove or alter any content We deem inappropriate or inconsistent with the Property Sellwise® brand. You are required to provide Us all usernames, passwords and account information and any other information related to any of Your websites, and/or provide Us with administrator access, immediately upon Our request. Additionally, You must sign the Digital and Social Media and Listings Assignment Authorization attached as Exhibit "A-8." You may not claim any web listing on sites such as Yelp. You must strictly comply with the policies and procedures established by Us regarding websites and Internet Marketing. We can prohibit or condition any use by You of the Internet at Our discretion, including removing Your right to use a separate website.

10.6 Social Media. We will own and control all Social Media related to the brand, but We may allow You to manage certain aspects of Social Media related to Your Franchise Business. In all cases, We will have administrative access, and access to account information, and any other information related to Your Social Media activities related to the Property Sellwise® brand. You cannot change any login/password

information without Our prior written approval, and You must supply Us with all changed/updated login/password information. We have the right to remove or alter or require You to remove or alter any content We deem inappropriate or inconsistent with the Property Sellwise® brand. We reserve the right to restrict Your use of Social Media in the future.

## **ARTICLE XI BREACH AND TERMINATION**

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure all defaults within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default and Termination.

No Cure Period:

A. Insolvency; Receivership; Levy or Foreclosure. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization, or a bill in equity or other proceeding for the appointment of a receiver of: (1) You; (2) Your Franchise Business; or (3) another custodian for Your Franchise Business or Operating Assets, is filed or consented to by You, or if a receiver or other custodian (permanent or temporary) of Your Operating Assets or property, or any part of them, is appointed by any court of competent jurisdiction, or the real or personal property of Your Franchise Business is sold after levy by any sheriff, marshal, or constable, or a suit is filed to foreclose a lien or mortgage against any of Your Operating Assets and it is not dismissed within 30 days.

B. Repeated Breaches. You repeatedly breach (three or more times) the same or different conditions of this Agreement or the Manuals within a 12-month period and as authorized by Us.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, including deception relating to the source, nature, or quality of goods sold or services provided.

E. Abandonment. You abandon Your Franchise Business or You state or clearly demonstrate any intent not to continue to operate the Franchise Business.

F. Unauthorized Transfer. You Transfer or attempt to make an unapproved Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

G. False Reporting. You knowingly or intentionally conceal revenues, maintain false books or records, (including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

H. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, or any crime involving moral turpitude and or dishonesty, or physical violence, or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Our interest therein.

I. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

J. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.

K. Unauthorized Modification. You modify in any degree by adding to or taking from or changing Our products or services or procedures in violation of the Manuals or this Agreement.

L. Termination of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your incurable breach of such agreement.

24-Hour Cure Period:

M. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety, or You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable governmental agency.

5-Day Cure Period:

N. Unauthorized Closure or Relocation. Your Franchise Business is closed for a period of three or more consecutive business days or not open for the business hours as required under this Agreement for three or more business days in any 30-day period without Our prior written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your business premises without Our prior written approval.

O. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account(s).

P. Failure to Obtain or Maintain Insurance. You fail to obtain or maintain all required insurance.

Q. Breach of Non-Disparagement. You make a negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Us, Our officers, owners, partners, directors, members, managers, representatives, agents, employees, the brand, the System, Our products and services, or other franchisees.

15-Day Cure Period:

R. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

S. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

T. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

U. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

V. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

W. Owner Deadlock. Your Owners are engaged in a Dispute with one another (deadlock) that materially affects the operation of Your Franchise Business or that We reasonably believe will materially affect the operation of Your Franchise Business if left unresolved.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement. Our pursuit of any one remedy will not be deemed an election or waiver by Us to pursue any other additional remedies:

11.3.1 Our Pre-Termination Options. We have the right to 1) suspend all services provided to You under this Agreement or otherwise, including training, Marketing assistance, access to Our software platforms and accounts, and the sale of products and supplies; or 2) eliminate listing You in any Marketing materials, including any directory listings, approved or published by Us, and Our principal website or Social Media platforms. We may continue taking these actions until You comply with the requirements of any default notice that We have sent to You, and We acknowledge Your compliance in writing. The options in this Section 11.3.1 will have no effect on, and will not release You from, any obligation You owe to Us or to Our affiliates.

11.3.2 Actionable Claim. Bring an action or claim against You for the balance of any monies due hereunder, including penalties and interest as provided for in this Agreement and for all other damages

sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action against You for the balance of any outstanding installment obligation due hereunder.

11.3.3 Injunctive Relief. Bring an action against You for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.4 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.5 Other Remedies. Seek any other remedy available to Us at law or in equity, including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement. However, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

## **ARTICLE XII TERMINATION AND EXPIRATION**

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees, and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Property Sellwise® franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information, provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Disassociation. Within 10 days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon Termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing accounts, email addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in

and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.4 Cancel DBA. Within 10 days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.5 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.

12.1.6 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail (Including originals and any copies), physical copies of Our Manuals, all training materials, Marketing materials, and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your

12.1.7 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data of the Franchise Business.

12.1.8 Evidence of Compliance. Otherwise furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.9 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for 12 months following the date of Termination.

12.1.10 Pay Damages and Costs. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations, We may hire a third party or use Our own Personnel to de-identify Your business premises and/or to carry out any other post-termination obligations on Your behalf, for which costs You will be responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. Your reimbursement of Our costs will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete.

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property, or goodwill of the Franchise Business.

12.3 Survival of Provisions. All provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Your Business Premises Available to Us. In addition to those obligations set forth above, upon Termination, You shall make Your business premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at Your business premises (see Paragraph 13.1.1(i) below) if We, at Our sole discretion, choose to do so.

12.5 Liquidated Damages. If this Agreement is Terminated, other than for an approved Transfer, non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the following formula as a compromise on the calculation of such damages. Liquidated damages will be equal to the average royalty payment from the previous 12 months multiplied by the lesser of 24 months or the remaining term of this Agreement.

12.6 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

### **ARTICLE XIII PURCHASE OPTION**

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later (“Option Period”), by giving written notice to You of Our intent to exercise Our option to purchase. We have the right to offset any amounts You owe to Us against the

purchase price. If We have not notified You of Our election to exercise this option within the Option Period, it will be conclusively presumed that We have elected not to exercise Our option, and You are then free to sell or transfer such assets to any person or entity on such terms as You may so choose, so long as the Operating Assets have been de-identified as set forth herein. If any of the Operating Assets are subject to liens or taxes, We may also withhold a portion of purchase price to pay off such lien or taxes. We may also withhold 25% of the purchase price for 90 days to ensure that all other liabilities affecting the Operating Assets are paid.

(i) Interim Management During Option Period. We have the right, but not the obligation, to use Your Operating Assets and Your business premises (if the Lease is still in effect, and in such case, We will obtain this right from the landlord as applicable), and to hire Your Personnel to operate the business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but We will be using Your Operating Assets and Your business premises to operate Our own, separate Property Sellwise® business (“New Business”) in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the Operating Assets as agreed, but not to exceed fair market rental value, and if We use Your business premises, We may pay rent directly to the landlord for Our use of Your business premises. For any inventory or other items sold or consumed by Us during the Option Period, We will reimburse You the actual price You paid for such items. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations, and We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, Including attorney’s fees, of or related in any way to the Franchise Business prior to Us operating the New Business at Your business premises, and We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, We have the right to change the locks and exclude You from Your business premises during this Option Period.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

## **ARTICLE XIV SALES OR TRANSFERS OF THE FRANCHISE**

14.1 Our Right of Assignment. You acknowledge that We maintain a staff to manage and operate the System and that staff members can change as Our owners, directors, officers, and Personnel come and go. You represent that You have not signed this Agreement in reliance on any shareholder, director, officer, or Personnel remaining with Us in that capacity. This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns, and We will no longer have any performance or other obligations under this Agreement. We may be sold, or We may sell

any part or all of Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (including using the System or Marks); or 2) the System is converted to another format or brand, maintained under the System or a different system. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing. However, We will not re-brand any such businesses that are located inside Your Territory(ies) by allowing them to use the Marks.

14.2 No Assignment by You Without Our Approval. This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained and consummated by signing a consent agreement as approved by Us. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers. Any Transfer without Our written approval is considered void ab initio.

14.3 Qualifications of Transferee. In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, including providing a proposed transferee with corrected information or information in addition to what You have provided.

14.4 Application for Transfer. You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Deposit and Transfer Fee. In consideration of Our reviewing the proposed Transfer, You shall pay to Us a non-refundable deposit (see Exhibit "A-3"). Additionally, if the Transfer is approved, You shall pay Us the non-refundable Transfer Fee listed in Exhibit "A-3" at the time the consent agreement to approve of the Transfer is fully executed by all applicable parties. If the Transfer is approved, the deposit will be applied towards the Transfer Fee.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable Personnel are required to complete the necessary training as required by Us. Any new owner, along with their spouse or legal

domestic partner, with a direct or indirect ownership of 20% or more in Your Franchise Business or Your entity is required to sign Our then-current form of the Guaranty and Assumption of Obligations attached as Exhibit "A-8" hereto. Furthermore, all applicable provisions of Section 14.8 below apply to minority interest Transfers as well.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements, and other documents.

14.8.2 Franchisee Application; Written Proposal. The transferee must complete and submit all application documents required by Us from prospective franchisees at the time of Transfer and be approved in writing by Us. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, negatively impact the future viability of the Franchise Business. If any part of the sale price is financed, You must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Fees owing to Us and our affiliates pursuant to this Agreement.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, including assuming Your Lease obligations, if applicable, in a form acceptable to Us, and the transferee(s) must provide personal guarantees approved by Us.

14.8.4 New Franchise Agreement; Updates; Consent. At Our discretion, the transferee must sign the then-current form of the franchise agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement, or for minority interest transfers, You and We must amend this Agreement and its exhibits as necessary to reflect the change in ownership, and You must also fully Update the Franchise Business and business premises to the level required of new franchisees. Additionally, You shall sign the appropriate paperwork to consummate Our consent to the Transfer.

14.8.5 Training. Unless We have previously trained the transferee, the transferee must pay for and complete the training or certification program required of new franchisees. See Exhibit "A-3." If this training is held in person, the transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee's attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.

14.8.6 Transfer Fee. You shall pay the Transfer Fee set forth on Exhibit “A-3” or reimburse Our legal fees for minority interest Transfers as set forth in Section 14.6 above.

14.8.7 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.8 Pre-paid Services. If applicable, You must provide Us and the proposed transferee with an accounting of all outstanding Prepaid Services as of the date of Termination, which must be taken into account and handled as a part of the transfer agreement.

14.8.9 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

#### 14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer concerning Your Franchise Business, financials, Personnel information, lease information, etc. We will have 30 days to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, We or Our designee may provide promissory notes with the same terms as those offered by the proposed transferee). Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing, and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third party. We have no obligation to purchase Your Franchise Assets.

**14.10 Death or Incapacity and Interim Management.** In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (the term “incapacity” means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; for no more than 160 days after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Principals, designated managers, or franchisees, including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

**14.11 Assumption of Obligations.** The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all the terms and conditions concerning Transfers set forth herein above.

**14.12 Acquisitions.** If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

**14.13 Transfer for Convenience of Ownership.** If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership, provided You: 1) give Us at least 15 days’ prior written notice of the proposed Transfer; 2) send Us copies of the entity’s charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; to verify ownership and control of the entity; and 3) own all equity and voting securities of the corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in the form required by Us, whereby the transferee assumes all obligations of this Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer. Any owner with a direct or indirect ownership of 20% or more in Your entity is required to signing Our then-current form of the Guaranty and Assumption of Obligations attached as Exhibit “A-7” hereto. There is no Fee for this kind of Transfer, but You must reimburse Our legal fees to complete the Transfer the amount of which is due upon Our demand of the incurred expenses.

**14.14 Use of a Broker.** If a broker is used in the transfer of Your franchise (whether representing You or the buyer), You will be required to cover the broker fees.

**ARTICLE XV**  
**RELATIONSHIP OF THE PARTIES**

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including its daily operations, managing and directing Personnel, contractors, and salespersons, and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your Personnel will be deemed to be Our Personnel and each Personnel will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees, arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your Personnel, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. You are not required to indemnify Us for liability caused by Our willful misconduct, gross negligence, strict liability, or fraud. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

**ARTICLE XVI**  
**COVENANT NOT TO COMPETE**

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, Territory(ies), or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit "A-4."

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable

procedures to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to Our Intellectual Property or Confidential Information.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives, and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You shall not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders, advisors, and government authorities.

16.3 Post-Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of three years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, Territory(ies), or location within the Territory(ies) or within 50 miles of the Territory(ies) or within 30 miles of the territory of another Property Sellwise franchisee or corporate-owned territory in operation at the time of Termination of this Agreement.

16.4 Non-Solicitation of Customers. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement) for the purpose of soliciting any such customer to a Competing Business. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System.

16.7 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then We have the right in Our sole discretion to reduce the scope of any covenant set forth above or any portion thereof, without Your consent, effective immediately upon receipt by You of written notice thereof; which modified covenant will be fully enforceable notwithstanding any other provision of this Agreement.

16.8 Breach of Non-Competition. You and We recognize the difficulty of calculating damages caused by Your breach of Your non-competition obligations and agree that such damages could arise, and You and We hereby agree to the following as a compromise on the calculation of such damages. If You operate a Competing Business in violation of this Agreement, in addition to any other remedy We may have under this Agreement and under law, You shall pay Us the liquidated damages Fee listed on Exhibit “A-3.”

16.9 Additional Equitable Remedies. The amount contemplated under Section 16.8 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Section 16.8 does not preclude recovery for damages for other breaches of this Agreement and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Additionally, We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for the amounts payable to Us under Section 16.8.

16.10 Immediate Family. You acknowledge and agree that the restrictions on Your Immediate Family is necessary because Your disclosing Our Confidential Information or Intellectual Property to Immediate Family or assisting Immediate Family in a Competing Business could potentially circumvent the purpose of this Agreement, and You also acknowledge that it would be difficult for Us to prove whether You disclosed Our Confidential Information or Intellectual Property to Immediate Family or assisted Immediate Family in a Competing Business. You agree to make Your Immediate Family aware of the non-compete, non-solicitation and confidentiality provisions in this Agreement.

## **ARTICLE XVII DISPUTE RESOLUTION**

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in South Jordan, Utah, or at Our then-current headquarters, within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services (“FAM”) or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters. Mediation will not defer or suspend Our exercise of any right, including termination right under Article XI. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and may not be offered or admissible in any other proceeding or legal action

whatsoever. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this Agreement, and the Dispute may proceed directly to arbitration without mediation.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties or at the discretion of the arbitrator if petitioned by either party. Any procedural or evidentiary issues that are not covered by the federal arbitration act or this Agreement, will be supplemented by the federal rules of civil procedures and evidence, limited to the arbitration restrictions and procedures. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You hereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive, or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained, except for breach of the Intellectual Property covenants set forth in Article III herein. Additionally, notwithstanding the above, nothing shall be construed to limit Our ability to collect liquidated damages.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above. The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party that requests such appeal must pay all costs and fees of the arbitrators and arbitration proceedings, subject to reimbursement as set forth below.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, that party will be in default of this Agreement, and the non-defaulting party will have the following options: 1) to proceed directly to arbitration without mediation or proceed to litigation if the failure is to pay arbitration fees; or 2) to cover the costs of the mediator or arbitrator. Nonetheless, the prevailing party in arbitration, including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

**ARTICLE XVIII  
NOTICES**

18.1 **Notices.** All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	FRANCHISEE:
Property Sellwise Franchising, LLC 1055 West 10446 South Suite 201 South Jordan, Utah 84095 (or Our then-current headquarters) Email: <a href="mailto:FRANCHISE@PROPERTYSELLWISE.COM">FRANCHISE@PROPERTYSELLWISE.COM</a>	_____ _____ _____ Email: _____
With a courtesy copy to (which will not act as notice or service to Property Sellwise Franchising, LLC): The Franchise & Business Law Group Attn: Christian Thompson 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email: <a href="mailto:CTHOMPSON@FBLGLAW.COM">CTHOMPSON@FBLGLAW.COM</a>	

18.2 **Delivery.** If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 **Listed Addresses.** The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

**ARTICLE XIX  
CONSTRUCTION AND JURISDICTION**

19.1 **Governing Law.** Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of

registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal and subject matter jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We agree that Salt Lake City, Utah, will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

## **ARTICLE XX MISCELLANEOUS**

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding, or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, government shutdown or mandate, or other similar causes which are beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further, or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this or Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable

as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change, or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or Territory(ies) will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises, or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our franchise disclosure document ("FDD") for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit "A-2" are all owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting; Rules of Construction. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and to suggest changes to this Agreement and contribute to its substance and form, and have agreed to all its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

## **ARTICLE XXI DEFINITIONS**

"Competing Business" means a real estate business, at wholesale or retail or a business offering products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System during the term hereof or at the time of Termination. Such products and services include wholesale real estate transactions and assignments, real estate flipping, rental acquisitions, listing and closing real estate listings as well as other related real estate transactions as well as Marketing for such transactions. This includes the use of the same or similar system or network of finding potential customers and clients or using any third-party financiers or buyers to complete a real estate transaction.

"Confidential Information" means any non-public information (through no fault of Yours) relating to Our products or services, or operation of a Property Sellwise® business, the System, or relating to the System as a whole, including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Property Sellwise® businesses; (v) knowledge of, specifications for, and suppliers of, certain Property Sellwise® products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Property Sellwise® businesses; (vii) strategic plans and concepts for the development, operation, or expansion of Property Sellwise® businesses; (viii) the contents of the Manuals; (ix) all Customer Data and Customer lists or potential clients and potential client lists, any third-party buyers or financiers used or that could potentially be used for real estate transactions; (xi) login, passwords, access information, etc., to email accounts, Social Media, Manuals or other internal sites or shared documents; (xii) Intellectual Property that is generally deemed confidential; (xiii) all Innovations;

and (xiv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.

“Copyright Materials” means, even if it is not federally registered, writings, manuals, designs, blueprints, schematics, drawings, artwork, Marketing materials, agreements, contracts, scripts, pamphlets, instructions, books, literary works, documents, photographs, images, audio, music and jingles affiliated with the brand, videos, recordings, Social Media posts, software, websites and website data, apps, or any other work We, You, other franchisees, or Our affiliates make that is in a fixed tangible medium as part of the Property Sellwise® franchise system and authorized for use under the System.

“Customer” and “Client” whether or not capitalized have interchangeable meanings in this Agreement which includes buyers, sellers and investors related to the real estate transactions with Property Sellwise®.

“Customer Data” means any and all customers and investors, and customer, investors and prospective customer and investor data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key Personnel of the customer or investor, Social Media followers’ information, etc., even if maintained by You or deemed to have arisen through Your activities as well as payment activity, demographic information, product and services purchases and use, and their frequency as well as any feedback and reviews and any other information You or We may collect on such customers through Our system and processes either electronically or on paper or other means that You are legally allowed to collect and share with Us under state or federal law and under this Agreement. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

“Dispute” means any claim, controversy, disagreement, or dispute of any type whatsoever.

“Fees” refers to those fees, payments, and costs that You are required to pay to Us, as more fully set forth on Exhibit “A-3.”

“Gross Sales” Includes the total of all revenue generated from the assignment of real estate contracts and referral fees received, Including the value of a trade or other bartering, arising from the assignment of a real estate contract by You during the term of this Agreement.

“Franchise Assets” means this Agreement, or any of the rights or privileges associated with this Agreement, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all Your assets.

“Immediate Family” means spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

“Innovation” means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyright Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas, or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

“Including” or “Includes” means “including but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

“Intellectual Property” means all Marks, trade dress, names, Copyright Materials, systems, patents, patent applications, and trade secrets.

“Interim Management Period” refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

“Internet” means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

“Manuals” means one or more guides or manuals, including an operations manual, brand standards manual, training manuals, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format.

“Marketing” or “Market” includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research, and other related processes.

“Marks” means the federally registered and common law names, trade names, trademarks, slogans, catchphrases, service marks, colors, font schemes, logos and/or other commercial property or symbols owned by Us or licensed to Us, whether now or later developed and We specifically approve and designate Your use of the Mark We develop used in connection with the System. “Marks” also includes any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System. This includes the word mark Property Sellwise.

“Operating Account” means that account into which all receipts of Your Franchise Business must be deposited.

“Operating Assets” means Your assets, contracts, databases, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

“Operating Principal” is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

“Owner” means a shareholder, member, partner, general partner, limited partner, and the like.

“Participant” means an Owner, operator, director, manager, consultant, agent, employee (management-

level or higher), contractor, advisor, officer, lessor, lessee, licensor, or licensee.

“Personnel” means employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, volunteers, and other similar positions, whether compensated or uncompensated.

“Prepaid Services” means deposits, prepaid services, etc., sold at or through Your Franchise Business for which We allow You to manage the accounting and pooling on such deposits, prepaid services, etc.

“Principal” means Owners, directors, managers, officers, and principal employees and contractors.

“Shall” when used in this Agreement (even if not capitalized) means must, mandatory, or other similar affirmative obligation, as the context requires.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

“System” Includes the Franchise Business, specific Marks, Manuals, processes, services, know-how, operating procedures and Marketing concepts in the real estate wholesale industry, business formats, specifications for and the use of certain equipment or software, and the use of proprietary and Confidential Information and other Intellectual Property.

“Termination” or “Terminate” Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, Transfer, or any other means by which this Agreement is no longer in effect, and You are no longer a franchisee of the System.

“Transfer” Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

“Update” Includes renovations, remodeling, redecorating, redesigning, refixturing, upgrading, refurbishing, modernizing, etc.

“We,” “Our(s)” or “Us” only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 3.1, 3.5, 6.6, and 16.4, and Articles XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, Owners, shareholders, members, managers, Personnel, agents, development agents, or others with whose conduct We are chargeable, as applicable.

“You” or “Your” Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current Owners, Operating Principals, managers, directors, officers, agents, affiliates, principal Personnel and with those whose conduct You are chargeable.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

**FRANCHISOR:**

PROPERTY SELLWISE FRANCHISING, LLC

By: \_\_\_\_\_  
(Signature)

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

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

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

If the franchisee is not an entity, each person must sign personally.

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_, personally

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_, personally

[Signature Page to the Franchise Agreement]

**EXHIBIT "A-1"**  
**TO THE FRANCHISE AGREEMENT**

1. Territory or Territories. Your Territory or Territories consists of the following:

- Territory 1 : \_\_\_\_\_
- Territory 2 : \_\_\_\_\_
- Territory 3 : \_\_\_\_\_
- Territory 4 : \_\_\_\_\_
- Territory 5 : \_\_\_\_\_
- Territory 6 : \_\_\_\_\_
- Territory 7 : \_\_\_\_\_
- Territory 8 : \_\_\_\_\_
- Territory 9 : \_\_\_\_\_
- Territory 10 : \_\_\_\_\_

2. Population of Your Territory or Territories. The population of Your Territory or Territories is as follows:

- Territory 1 : \_\_\_\_\_
- Territory 2 : \_\_\_\_\_
- Territory 3 : \_\_\_\_\_
- Territory 4 : \_\_\_\_\_
- Territory 5 : \_\_\_\_\_
- Territory 6 : \_\_\_\_\_
- Territory 7 : \_\_\_\_\_
- Territory 8 : \_\_\_\_\_
- Territory 9 : \_\_\_\_\_
- Territory 10 : \_\_\_\_\_

[Exhibit "A-1" continues on the following page]

3. Initial Franchise Fee. You shall pay Us an initial franchise fee based on the number of Territories You purchase according to the following table:

Franchise Territory(ies)	Initial Franchise Fee	Total Initial Franchise Fee
1	\$49,500	\$49,500
2	\$40,000	\$89,500
3	\$35,000	\$124,500
4	\$30,000	\$154,500
5	\$30,000	\$184,500
6	\$30,000	\$214,500
7	\$30,000	\$244,500
8	\$30,000	\$274,500
9	\$30,000	\$304,500
10	\$30,000	\$334,500

Your total initial franchise fee is \$\_\_\_\_\_.

4. Multiple Territories. The various provisions of the Franchise Agreement referring to a single Territory will be applicable to each Territory purchased by You.

**APPROVED BUSINESS PREMISES LOCATION:**

The business premises located at:

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**Our approval of the Territory(ies) or Your Business Premises is not a guarantee or a warranty of the potential success of a Territory(ies) or a site.**

\_\_\_\_\_  
Franchisee Initial and Date

\_\_\_\_\_  
Franchisor Initial and Date

**EXHIBIT "A-2"**  
**TO THE FRANCHISE AGREEMENT**

**COMPANY REPRESENTATIONS AND WARRANTIES**

You make the following additional warranties and representations:

You are a (check one):

- |  |  |
|--|--|
| <input type="checkbox"/> Partnership         | <input type="checkbox"/> Corporation               |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Limited Liability Company |

Name of your entity: \_\_\_\_\_

The state in which your entity was formed: \_\_\_\_\_

Date of formation: \_\_\_\_\_

EIN: \_\_\_\_\_

The names and addresses of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	Address	Percentage of Ownership*

- \*Corporation: Percentage owned of outstanding voting stock.
- \*Partnership: Percentage owned in voting and in capital and profits.
- \*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type the information and add extra lines if necessary):

Name	Title

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The address where Your corporate records are maintained is:

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The name and address of the person who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make decisions relating to the operations of the Franchise Business:

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

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

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

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below. Your entity documents must state that Your entity will be used solely for the purpose of operating the Franchise Business.

Dated \_\_\_\_\_.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

**EXHIBIT "A-3"**  
**TO THE FRANCHISE AGREEMENT**

**FEE CHART<sup>1</sup>**

The following Fees are more fully described in the Franchise Agreement.

Type of Fee	Amount	Section Reference
Successor Franchise Fee	\$5,000	See Paragraph 2.2.4
Relocation Fee	\$10,000	See Section 4.5
Initial Franchise Fee	\$49,500 to \$334,500	See Section 5.1, Exhibit A-1
Additional Franchise Unit Territory(ies) Fee	\$0.25 per additional population	See Paragraph 5.1.2
Royalty on Assignment Fees (Option 1)	<p>\$10,000 per quarter for the first \$500,000 in annual Gross Sales</p> <p>You shall also pay an additional \$10,000 for every additional \$250,000 in annual Gross Sales generated between \$500,001 and \$2,000,000.</p> <p>You shall also pay an additional \$5,000 for every additional \$250,000 in annual Gross Sales over \$2,000,000.</p>	<p>See Paragraph 5.2.1(a)</p> <p>By way of example, if You had gross sales of \$1.3M, You would pay \$80,000 in annual royalties as follows:</p> <p>\$0 to \$500,000 = \$40,000                      \$500,001 to \$750,000 = \$10,000                      \$750,501 to \$1,000,000 = \$10,000                      \$1,000,001 to \$1,250,000 = \$10,000                      \$1,250,001 to \$1,300,000 = \$10,000</p> <p>Total = \$80,000</p>
Royalty on Assignment Fees <sup>1,7</sup> (Option 2)	<p>8% on \$0 to \$1M of annual Gross Sales;</p> <p>7% on \$1M+ to \$2M of annual Gross Sales;</p> <p>6% on \$2M+ of annual Gross Sales</p>	See Paragraph 5.2.1(b)
Royalty on Other Real Estate Transactions	\$3,000 flat fee for real estate transactions like flips and purchase and hold as a rental and a \$1,500 flat fee for closed listings	See Paragraph 5.2.2
Brand Development Fund Fee	2% of Gross Sales if implemented by Us	See Paragraph 5.3.1
Local Marketing Requirement	20% of Gross Sales or \$3,000 per month, per Territory, whichever is greater	See Paragraph 5.3.2 and Section 10.3
Marketing Co-Operative Fee	Up to 3% of Gross Sales if	See Paragraphs 5.3.3 and 10.2.3

	implemented by Us, which will be counted toward local Marketing requirement	
Non-Sufficient Funds Fee	\$50 per bounced check or draft, or the maximum allowed by state law	See Paragraph 5.4.4
Late Fees <sup>1</sup>	\$25 per day, up to a maximum of 2x the total amount owing per instance, per late payment and up to \$500 per late report	See Paragraph 5.4.4
Interest	18% interest, or the maximum interest allowed by state law	See Paragraph 5.4.5
Sales or Use Tax	Sum equal to tax imposed	See Paragraph 5.4.5
Audit Charge	Cost of audit	See Paragraph 5.5.2
System Non-Compliance Fines and Charges <sup>1</sup>	\$250 per violation	See Section 5.9
Technology Fee <sup>1</sup>	Currently, \$500 per month	See Section 5.10
Startup Package Fee	Estimated at \$3,900 to \$8,100	See Section 5.11
Referral Fee	You shall pay the referring party (or receive from the referring party) 7% of the earned assignment fee;  Or if the referral is related to another type of real estate transactions like flips and purchase and/or hold as a rental, the referral fee is a \$3,000 flat fee and a \$1,500 flat fee for closed listings	Section 5.12
Additional Trainees at Initial Training <sup>1</sup>	\$250 per person	See Section 6.1.4
New Operating Principal or Management Training <sup>1</sup>	\$750 to \$1,200/per team	See Paragraph 6.1.4(i)
Additional Training Assistance <sup>1</sup>	\$1,000 per person/per day	See Paragraph 6.1.4(ii)
Insurance Reimbursement Fee	Reimbursement of the premium amount	See Paragraph 6.1.10(ii)
Administrative Fee <sup>1</sup>	\$100 per hour	See Paragraph 6.1.11(ii)
Conference or Seminar Fee <sup>1</sup>	\$750 to \$1,200/per team	See Paragraph 6.1.13
Interim Management Fee <sup>1</sup>	20% of earned assignment fee for a wholesale property transaction; and  \$10,000 for any other real estate transaction (e.g., resell, flip, purchase as a rental, etc.)	See Paragraph 6.2.3 and Section 14.10

Supplier or Product Evaluation Fee <sup>1</sup>	\$100 plus actual costs	See Section 8.3
Replacement Costs	Our costs, plus \$100 per hour for our time	See Section 8.4
Additional Copies of Marketing Materials	Our reasonable costs, plus 10%, and the costs for shipping and handling	See Section 10.3
Fees on Default	Our costs associated with Your default	See Section 11.3
Post-Termination Non-Compliance Fee	Any of Our incurred post-termination expenses, including attorneys' fees and costs to enforce Your post-term obligations	See Section 12.1.10.
Early Termination Liquidated Damages	\$8,500 multiplied by the lesser of 24 months or the remaining term of your franchise agreement	See Section 12.5
Transfer Review Deposit	\$1,500	See Section 14.5
Transfer Fee	\$5,000	See Section 14.5
Minority Interest Transfer Fee	Legal and corporate fees and costs incurred	See Section 14.6
Transferee Training Fee <sup>1</sup>	\$3,000	See Paragraph 14.8.5
Indemnification	Varies	See Section 15.2
Liquidated Damages for Non-Compete Violations <sup>1</sup>	\$600 per day for each Competing Business	See Section 16.8
Dispute Resolution Fees	Varies	See Section 17.2 and Section 19.3

<sup>1</sup> We may increase this Fee by up to 10% per year during the term of the Franchise Agreement (cumulative) to adjust to increased costs and other inflation-related factors. Costs charged by third parties are subject to change at any time and do not have an annual cap.

**EXHIBIT "A-4"**  
**TO THE FRANCHISE AGREEMENT**

**BRAND PROTECTION AGREEMENT FOR PRINCIPALS**

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the "Agreement") is entered into and made effective as of the effective date listed below by PROPERTY SELLWISE FRANCHISING, LLC ("Franchisor") and the undersigned (individually and collectively, the "Principals").

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to operate a Property Sellwise® Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor ("Franchise Agreement"); and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor's entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information and made available to Principals that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, Principals and any of a Principal's Immediate Family, shall not during the term of the Franchise Agreement and any time thereafter, in perpetuity, directly or indirectly, use, or disclose to any third party, or authorize any third party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also make its Immediate Family aware of this Agreement as well as the non-compete, non-solicitation and confidentiality provisions in the Franchise Agreement. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, Including restrictions on disclosure to Personnel and other third parties.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all Personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals

knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.2 No Reverse Engineering. Principals shall not, either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Confidential Information, and shall not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so.

2.3 Limited Use. Principals shall limit their use of the Confidential Information Including, their recollection of any part of the Confidential Information, to the performance of their duties as described in the Franchise Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Confidential Information for any personal use or gain.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions or Successor Franchise Agreements thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of three years thereafter, Principals, and Principal's Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, Territory(ies), or location within the Territory(ies) or within 50 miles of the Territory(ies) or within 30 miles of another Property Sellwise franchise or corporate owned territory. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

3.3 Non-Solicitation of Customers. During the term of the Franchise Agreement and for three years after the Termination of the Franchise Agreement, Principal and each of Principal's Immediate Family shall not, directly or indirectly, contact any former or then-current customer or investor of the Franchise Business, or any former, then-current customer of Franchisor or an affiliate of the Franchisor (with whom the Principal had contact during the term of the Franchise Agreement), or prospective customer for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor. For clarity, a "prospective customer" does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4. Violation of Non-Competition, Non-Solicitation Provisions; Tolling of Covenants. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of that Principal's violation. Principal shall also pay Franchisor liquidated damages of \$600 per day

for each Competing Business for violation of Sec. 3.1 or 3.2. These liquidated damages do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. This Section does not preclude and is not inconsistent with a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal's disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Property Sellwise® Manuals and any and all Confidential Information.

6. Non-Disparagement. Principals shall not, during and after the term of this Agreement, make any negative, disparaging, false or misleading statements, published or made orally, in any form or medium about Franchisor, Franchisor's officers, owners, partners, directors, members, managers, representatives, agents or Personnel, the brand, the System, Franchisor's products and services, or other franchisees.

7. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

8. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action. Principals acknowledge and agree that the restrictions related to Immediate Family is necessary because a Principal's disclosing the Confidential Information or Intellectual Property to Immediate Family could potentially circumvent the purpose of this Agreement and that it would be difficult for Us to prove whether a Principal disclosed Our Confidential Information or Intellectual Property to Immediate Family in a Competing Business.

9. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise

Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Salt Lake County, Utah.

10. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

11. Binding Agreement. This Agreement will bind each parties' respective heirs, personal representatives, successors and assigns. No rights under this Agreement are assignable by any Principal without Franchisor's written approval, and any purported assignment will be null and void and of no force or effect.

12. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

13. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

15. Prior Disclosures. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement as if such information had been disclosed following the execution of this Agreement.

[Signatures on the Following Page]

**PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.**

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED \_\_\_\_\_.

**FRANCHISOR:**

PROPERTY SELLWISE FRANCHISING, LLC

By: \_\_\_\_\_  
(Signature)

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

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

**PRINCIPALS:**

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

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

[Brand Protection Agreement for Principals Signature Page]

**EXHIBIT "A-5"**  
**TO THE FRANCHISE AGREEMENT**

**PERSONNEL BRAND PROTECTION AGREEMENT**

This PERSONNEL BRAND PROTECTION AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, between \_\_\_\_\_ ("Franchisee") and \_\_\_\_\_ ("Disclosed Party"), residing \_\_\_\_\_ at \_\_\_\_\_.

A. Franchisee is the holder of a Property Sellwise® franchise developed by Property Sellwise Franchising, LLC ("Franchisor").

B. Franchisor has developed certain confidential and proprietary information for the operation of a Property Sellwise® franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, customer data and lists which includes buyers, sellers, investors, etc., manuals, marketing techniques, and procedures ("Proprietary Information").

NOW, THEREFORE, in consideration of the employment of Disclosed Party by Franchisee, the parties hereto agree as follows:

1. Acknowledgement. Disclosed Party acknowledges that during the course of his or her employment or contracted labor by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Property Sellwise® franchise. Disclosed Party further acknowledges that such Proprietary Information was not known to him or her prior to its association with Franchisee or a Property Sellwise® franchise.

2. Non-Use, Non-Disclosure. Except as may be authorized and only in the performance of duties for Franchisee, Disclosed Party shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third party, or authorize any third party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all or any part of the Proprietary Information at any time.

3. Duty to Notify. Disclosed Party agrees to notify Franchisor or Franchisee or Disclosed Party's immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Disclosed Party knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Disclosed Party agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Disclosed Party agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the

Proprietary Information.

4. Return of Materials. Immediately upon the termination of employment or its contracted labor, Disclosed Party agrees to deliver to Franchisee or to destroy at Franchisee or Franchisor's instruction and to provide evidence of such destruction (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, customer information, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information to which Disclosed Party has in its possession whether in hard or electronic soft copy.

5. Management and Supervisor Personnel/Contractors. Subject to applicable law, this Section 5 will only apply if Disclosed Party is in a management position with Franchisee and/or acts in a supervisory role over other Personnel. "Personnel" in this Agreement means any individual or entity engaged by the Franchisee to perform work or services in connection with the Property Sellwise® franchise businesses, including but not limited to employees, independent contractors, temporary workers, consultants, agents, subcontractors, interns, and volunteers, whether compensated or uncompensated.

5.1 Non-Competition. Disclosed Party shall not, during the course of his or her employment or contracted labor by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become an owner, officer, director, shareholder, partner, associate, Personnel (management-level or higher), agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Property Sellwise® business (collectively, a "Competing Business"). Without limiting the generality of the foregoing, the minimum area of competitive nature will be within 30 miles of where Franchisee operates. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

6. Non-Solicitation of Customers. Disclosed Party shall not, during the course of his or her employment or contracted labor and for two years thereafter, directly or indirectly, contact any customer or former customer of Franchisee or Franchisor for the purpose of soliciting such customer to be a customer of a Competing Business.

7. Non-Disparagement. Disclosed Party shall not make any negative, disparaging, false or misleading statements, published or made orally, in any medium about Franchisee and/or Franchisor (including their respective owners, officers, and Personnel), or the Property Sellwise® brand.

8. Irreparable Harm. In addition to other remedies available to Franchisee and/or Franchisor, in the event Disclosed Party violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Disclosed Party's violation. Additionally, Disclosed Party hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 7 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee and/or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Disclosed Party of any of the terms of Section 1 through 7 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

9. Modification. Disclosed Party hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Disclosed Party, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Property Sellwise® system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Disclosed Party hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

10. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative.

11. Survival of Covenants. All covenants made in this Agreement by Disclosed Party survive the termination of Disclosed Party's employment with Franchisee or the assignment or termination of this Agreement.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

13. Attorneys' Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

15. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

16. Prior Disclosures. Disclosed Party acknowledges and agrees that prior to the execution of this Agreement, Disclosed Party may have received information Franchisee, Franchisor and/or their representatives, and that any such Proprietary Information obtained or received is subject to the protection and restrictions of this Agreement.

[Signature Page follows]

**DISCLOSED PARTY ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.**

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the dated listed below.

Effective as of \_\_\_\_\_.

FRANCHISEE:

\_\_\_\_\_

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

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

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

DISCLOSED PARTY (if a minor, see next page):

\_\_\_\_\_

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

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

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

Age (if under 18): \_\_\_\_\_

**For persons under 18 years of age, a parent or legal guardian must sign and complete the following section.**

I, \_\_\_\_\_ (Parent/Guardian), the undersigned and the parent and natural guardian of \_\_\_\_\_ (minor's name), hereby acknowledge that I have executed the foregoing Personnel Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assigns to the obligations and liabilities of the foregoing Personnel Brand Protection Agreement.

DATED: \_\_\_\_\_.

Signature of Parent/Guardian: \_\_\_\_\_

Name of Parent/Guardian: \_\_\_\_\_

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

\_\_\_\_\_

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

[Personnel Brand Protection Agreement Signature Page]

**SCHEDULE "A-5.1"**  
**FRANCHISE RELATIONSHIP ACKNOWLEDGEMENT**

Because you are becoming a part of the Property Sellwise® franchise system, it is important that you understand and acknowledge who is your employer (or the party that hired you as an independent contractor), and who is not.

You have been hired by \_\_\_\_\_ (Legal Name of Franchisee) ("Franchisee"), which is an independent franchise owner in the Property Sellwise® franchise system (which we call the "System"). Although Franchisee looks the same, has the same name, and is operated the same way as other Property Sellwise® outlets in the System, Franchisee is not part of the same company as those other Property Sellwise® outlets in the System. Property Sellwise Franchising, LLC is a completely separate company that owns the name and created the System. Property Sellwise Franchising, LLC has devised rules, systems of operation, and policies and procedures that all of its franchisees must follow, including Franchisee, which makes each independent franchise Property Sellwise® outlet look and operate the same way as one another. This way, Property Sellwise Franchising, LLC manages a System composed of many different franchisee owners, each of whom is independently responsible for operating its own Property Sellwise® outlet.

It is important that you understand that Franchisee is your **only** employer (or is the only party associated with the Property Sellwise® franchise system that hired you as an independent contractor). If you are an employee of Franchisee, then Franchisee gives you your paycheck, establishes your hours, and is responsible for all decisions relating to your employment relationship. If you are an independent contractor, then Franchisee compensates you, hires you for certain hours or tasks, and provides you with the job description for your services to Franchisee. Property Sellwise Franchising, LLC is **not** your employer and has not hired you to provide services related to the Property Sellwise® franchise system. If Property Sellwise Franchising, LLC's representatives ever give you direction, training, or advice, it is intended only to ensure that the experience of all customers of Property Sellwise® is the same at or through your place of work as it is at other Property Sellwise® outlets in the Property Sellwise® system. The fact that you are trained, or given direction or advice, by Property Sellwise Franchising, LLC representatives does not mean that Property Sellwise Franchising, LLC is your employer.

If you have any questions about your employment relationship or your contracted relationship or about this Franchise Relationship Acknowledgement, please direct them to your employer (or the party that hired you as an independent contractor), Franchisee.

I have read this Franchise Relationship Acknowledgement, and I understand it. I have had the opportunity to ask any questions that I have about this Franchise Relationship Acknowledgement, and those questions have been answered fully to my satisfaction.

SIGNED: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT "A-6"**  
**TO THE FRANCHISE AGREEMENT**

**AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)**

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

I hereby authorize Property Sellwise Franchising, LLC hereinafter called ("Company"), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called ("Depository"), and to debit the same to such account on a recurring basis, commencing as of the date below, continuing for the term of my franchise agreement with the Company. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: \_\_\_\_\_ Branch: \_\_\_\_\_

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

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

Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

Type of Account: Checking/Savings: \_\_\_\_\_

I agree to provide accurate banking information and authorize the Company to verify account ownership through a test deposit or other verification methods as required by NACHA rules.

I understand that this authorization will remain in full force and effect through the term of my franchise agreement until I notify the Company in writing that I wish to revoke this authorization. I understand that the Company requires at least 15 days' written notice prior to the proposed effective date of termination to cancel this authorization. Notice shall be provided to the Company at both [FRANCHISE@PROPERTYSELLWISE.COM](mailto:FRANCHISE@PROPERTYSELLWISE.COM) and 1055 West 10446 South, Suite 201, South Jordan, Utah 84095.

I consent to the use of electronic records and signatures for the purposes of entering into and executing this agreement and any related transactions.

Name: \_\_\_\_\_  
(please print)

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

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

**NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.**

**EXHIBIT "A-7"**  
**TO THE FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

This GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is entered into and made effective as of \_\_\_\_\_ by and between PROPERTY SELLWISE FRANCHISING, LLC ("We," "Us" or "Our") and the undersigned Guarantor(s) ("Guarantor(s)") who are the owners of \_\_\_\_\_ (the "Business Entity") and their spouses or legal domestic partner (collectively and individually referred to as "spouse").

**1. Scope of Guaranty.** In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement"), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees that no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Us and the Business Entity will affect the enforcement or validity of this Guaranty. Each Guarantor agrees that upon the death of a Guarantor, the estate of such Guarantor will be bound by the obligations of this Guaranty.

**2. Waivers.** Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)' execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)' capacity as guarantors.

**3. Consents and Agreements.** Each Guarantor consents and agrees that: (a) Guarantor(s)' direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)' liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)' liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

**4. Enforcement Costs.** If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees,

costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

**5. Disputes.** Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity, or between Us and another Guarantor, or any other determination made pursuant to this Agreement will be binding upon the Guarantor(s).

**6. Spouse's Signature.** By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Franchise Agreement and Guarantor(s)' performance under this Guaranty.

**7. Counterparts.** This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature	Spouse Signature	Contact Information for Notice
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____

**EXHIBIT "A-8"**  
**TO THE FRANCHISE AGREEMENT**

**DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION**

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION ("Assignment") is made and entered into as of the Effective Date (listed on the signature page below), by and between the undersigned Franchisee and Property Sellwise Franchising, LLC ("Franchisor").

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with Franchisor of even date herewith ("Franchise Agreement"); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Property Sellwise® trademarks, trade names, trade dress, and other associated intellectual property (collectively, the "Marks") in conjunction with Franchisee's Franchise Business; and

WHEREAS, all capitalized terms used but not defined herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including, Franchisee's Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively the "Social Media Accounts"). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, Including providing all passwords and administrative access to such Social Media Accounts.
2. Franchisee hereby assigns and transfers (or in Franchisor's sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL's, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (individually a "Listing" and collectively the "Listings").
3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:
  - a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.
  - b. Franchisee shall not, after Termination of the Franchise Agreements attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.

- c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts and/or Listings.
  - d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and/or Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.
4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and/or Listings to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts and Listings. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.
5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.
6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.
7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.
8. This Assignment is governed, construed, and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.
9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have respectively signed this Assignment effective as of the Effective Date written below.

Dated effective as of \_\_\_\_\_.

**FRANCHISOR:**

Property Sellwise Franchising, LLC

By: \_\_\_\_\_  
(Signature)

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

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

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

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

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

[Signature Page to the Digital, Social Media, and Listings Assignment Authorization]

**EXHIBIT "A-9"**  
**TO THE FRANCHISE AGREEMENT**

**FRANCHISEE REPORT**

**We will not ask You to complete the Franchise Report, and We will disregard any answers from You, if You live or plan to operate Your Franchise Business in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin. Washington Franchisees cannot complete, fill out, or sign this Franchisee Report.**

Please review each of the following questions carefully and provide honest responses to each question.

1. If You have received any oral, written, visual or other claim, guarantee or representation of any sort by Us which stated or suggested any specific level or range of actual or potential sales, income, expenses, profits, cash flow, by any person or entity, except for information (if any) expressly set forth in Item 19 of the Franchisor's disclosure document (or an exhibit referred to therein), please describe what You received and if known, from whom You received the information. If none, please write "none."

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2. If You have received any information or representations inconsistent with the statements in the FDD or Franchise Agreement, please list those below. If none, please write "none."

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**FRANCHISEE:**

\_\_\_\_\_

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

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

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

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

**EXHIBIT "A-10"**  
**TO THE FRANCHISE AGREEMENT**

**STATE SPECIFIC ADDENDA**

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF CALIFORNIA**

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

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur in Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Investment law and the California Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
10. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
  - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

11. Franchisees owning 20% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse’s marital and personal assets at risk, perhaps including your house, if your franchise fails.

12. Late Fees in Exhibit “A-3” is amended to include the following: “The highest interest rate allowed in California is 10% annually.”

13. Paragraph 4.1 is amended to remove the following language, “Although We must approve of Your site, We do not warrant or guarantee the success of the site.”

14. Paragraph 20.10 is amended to remove the following language, “You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us.”

15. Paragraphs 20.14 and 20.18 are not enforceable in the state of California.

16. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

17. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

FRANCHISOR:  
**PROPERTY SELLWISE FRANCHISING, LLC**

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

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement.

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

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

**IN WITNESS WHEREOF**, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of \_\_\_\_\_.

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

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

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

**FRANCHISOR:**

Property Sellwise Franchising, LLC

By: \_\_\_\_\_  
(Signature)

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF INDIANA**

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the "Agreement") between Property Sellwise Franchising, LLC ("Franchisor") and \_\_\_\_\_ ("Franchisee").

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

**2. Certain Provisions Deleted.** Any provision of the Agreement which would have any of the following effects is hereby deleted:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the Franchisor or sources designated by the Franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the Franchisor. However, the publication by the Franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the Franchisor does not constitute designation of a source nor does a reasonable right of the Franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the Franchisor.

(2) Allowing the Franchisor to establish a Franchisor-owned outlet engaged in a substantially identical business to that of the Franchisee within the exclusive territory granted the Franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the Franchisor to compete unfairly with the Franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the Franchisor without the consent in writing of the Franchisee.

(4) Allowing the Franchisor to obtain money, goods, services, or any other benefit from any other person with whom the Franchisee does business, on account of, or in relation to, the transaction between the Franchisee and the other person, other than for compensation for services rendered by the Franchisor, unless the benefit is promptly accounted for, and transmitted to the Franchisee.

(5) Requiring the Franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the Franchisee and the Franchisor to be referred to any person, if referral would be binding on the Franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the Franchisor which the Franchisee had ordered for private retail consumers prior to the Franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this

subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the Franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the Franchisee meets certain conditions specified in the agreement.

(9) Requiring a Franchisee to covenant not to compete with the Franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the Franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the Franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the Franchisee may be required to pay.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

FRANCHISOR:

Property Sellwise Franchising, LLC

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF MARYLAND**

This Addendum dated \_\_\_\_\_, by and between Property Sellwise Franchising, LLC, a Utah limited liability company, hereinafter referred to as “Franchisor” and \_\_\_\_\_, LLC/Inc., hereinafter referred to as “Franchisee.”

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. 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.

7. Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

**FRANCHISOR:**

**FRANCHISEE:**

**PROPERTY SELLWISE FRANCHISING, LLC**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF MINNESOTA**

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

---

Franchisee (Signature)

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF NORTH DAKOTA**

This Addendum to the Franchise Agreement is agreed to this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, between PROPERTY SELLWISE FRANCHISING, LLC and \_\_\_\_\_ to amend and revise said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 et seq. Such provisions in the Agreement are hereby amended as follows:

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorney's fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchise may not assent to a waiver of exemplary or punitive damages.
- Franchisee may not assent to a waiver of jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum understands and consents to be bound by all of its terms.

Property Sellwise Franchising, LLC

Franchisee: \_\_\_\_\_

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE COMMONWEALTH OF VIRGINIA**

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

**WASHINGTON ADDENDUM TO THE  
FRANCHISE AGREEMENT  
AND RELATED AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

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.

The franchisee’s obligations to indemnify, defend, reimburse, and hold harmless referenced in Section 15.2 of the franchise agreement do not extend to liabilities caused by the Franchisor’s or the indemnitees’ negligence, willful misconduct, strict liability, or fraud. Franchisee will not indemnify, defend, reimburse, and hold harmless the Franchisor and the indemnitees for claims, causes of action, lawsuits, demands, proceedings, investigations, or hearings related to the Franchisor’s or the indemnitees’ violation of state or federal franchise laws.

The time limit provision in Section 17.2.3(iii) does not apply to claims by Washington franchisees.

Paragraph 19.1 is amended to remove the following language, “but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.”

Paragraph 20.10 is amended to remove the following language, “You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us.”

Paragraph 20.11 is amended to clarify that for Washington franchisees, the Washington Addendum applies even if the Washington Addendum is not executed or not signed by the franchisor, franchisee, or both.

Sections 20.14, 20.18, and 20.22 of the franchise agreement do not apply in Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISOR:  
**PROPERTY SELLWISE FRANCHISING, LLC**

FRANCHISEE:  
\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

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

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

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

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

INDIVIDUALS:

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT  
FOR THE STATE OF WISCONSIN**

The following shall apply to Franchise Agreements in the State of Wisconsin:

- a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  
- b. The Act's requirements, including that in certain circumstances a Franchisee receive ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of Section VIII of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

**EXHIBIT "B"**  
**TO THE FDD**

**FINANCIAL STATEMENTS**  
**(Attached)**

Audited Balance Sheet Dated December 31, 2024

Unaudited Opening Balance Sheet Dated April 12, 2024

Unaudited interim financial statements dated April 30, 2025



# PROPERTY SELLWISE FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF DECEMBER 31, 2024 AND FOR THE PERIOD

FROM INCEPTION (MARCH 24, 2024)

TO DECEMBER 31, 2024



# PROPERTY SELLWISE FRANCHISING, LLC

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## *Independent Auditor's Report*

To the Members  
Property Sellwise Franchising, LLC  
South Jordan, UT

### *Opinion*

We have audited the accompanying financial statements of Property Sellwise Franchising, LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, member's deficit, and cash flows for the period from inception (March 24, 2024) to December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Property Sellwise Franchising, LLC as of December 31, 2024, and the related statements of operations, member's deficit and cash flows for the period from inception (March 24, 2024) to December 31, 2024 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 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 Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

***Restrictions on Use***

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas <sup>1</sup>/<sub>3</sub> Dunlavy

St. George, Utah  
April 30, 2025

# PROPERTY SELLWISE FRANCHISING, LLC

## BALANCE SHEET

As of December 31, 2024

	<u>2024</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 33,541
Accounts receivable	1,320
Total current assets	<u>34,861</u>
Total assets	<u>\$ 34,861</u>
<b>Liabilities and Members' Deficit</b>	
Current liabilities	
Credit card payable	\$ 4,069
Related party payable	39,610
Total current liabilities	<u>43,679</u>
Total liabilities	<u>43,679</u>
Members' deficit	
Members' deficit	<u>(8,818)</u>
Total members' deficit	<u>(8,818)</u>
Total liabilities and member's deficit	<u>\$ 34,861</u>

The accompanying notes to the financial statements are integral part of these financial statements

**PROPERTY SELLWISE FRANCHISING, LLC**  
**STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT**  
For the Period From Inception (March 24, 2024) to December 31, 2024

	<b>2024</b>
Operating revenue	
Franchise fee	\$ 35,000
Royalties and other fees	1,320
Total operating revenues	36,320
Operating expenses	
General and administrative	2,966
Advertising and marketing	5,075
Professional fees	37,097
Total operating expenses	45,138
Net loss	\$ (8,818)
Beginning member's deficit	\$ -
Net loss	(8,818)
Ending member's deficit	\$ (8,818)

The accompanying notes to the financial statements are integral part of these financial statements

**PROPERTY SELLWISE FRANCHISING, LLC**  
**STATEMENT OF CASH FLOWS**  
For the Period From Inception (March 24, 2024) to December 31, 2024

	<b>2024</b>
Net loss	\$ (8,818)
Cash flows from operating activities:	
Accounts receivable	(1,320)
Credit card payable	4,069
Related party payable	39,610
Net cash provided by operating activities	33,541
Net change in cash and cash equivalents	33,541
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	\$ 33,541
Supplemental disclosures of cash flow	
Cash paid for interest and taxes	\$ -

The accompanying notes to the financial statements are integral part of these financial statements

PROPPERTY SELLWISE FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

(1) Nature of Business and Summary of Significant Accounting Policies

*(a) Nature of Business*

Property Sellwise Franchising, LLC (the "Company") was organized in the State of Utah on March 24, 2024 as a limited liability company. The Company was formed for the purpose of marketing and supporting real estate investing franchise business

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The members' liability is limited to their equity.

*(b) Accounting Standards Codification*

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

*(c) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

*(d) Cash and Cash Equivalents*

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, the Company had cash and cash equivalents of \$33,541.

*(e) Accounts Receivable*

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, technical assistance fees, and upon provision/shipment and invoicing of products or services from the Company's offices or suppliers. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

When determining the allowance for doubtful receivable, the Company has adopted ASC 326, Financial Instruments—Credit Losses. This standard requires that Management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, Management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received.

As of December 31, 2024, the Company had accounts receivable of \$1,320 and had no allowance for doubtful accounts.

PROPPERTY SELLWISE FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

*(f) Income Taxes*

The Company is structured as a limited liability company under the laws of the state of Utah. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, no tax years were subject to examination.

*(g) Revenue Recognition*

The Company adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalty and technology fees, based on a percentage of gross revenues, and product sales.

*Royalties and technology fees*

Upon evaluation of the five-step process, the Company has determined that royalty and technology fees are to be recognized in the same period as the underlying sales.

*Initial franchise fees*

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the company has elected to adopt.

These pre-opening services include the following services (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control program

PROPPERTY SELLWISE FRANCHISING, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the fair value of pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to pre-opening services, which is then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

*(h) Advertising Cost*

The Company expenses advertising costs as incurred. Advertising expenses for the period from inception (March 24, 2024) to December 31, 2024, was \$5,075.

*(i) Financial Instruments*

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities.

*(j) Concentration of Risk*

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Related Party Transactions

The Company is affiliated with Property Sellwise, LLC through common ownership. As of December 31, 2024, the Company had an outstanding balance of \$39,610 payable to this affiliate. The balance is non-interest bearing and is expected to be repaid once the Company begins generating profits.

(3) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through April 30, 2025, the date on which the financial statements were issued.

# Property Sellwise Franchising

## Balance Sheet

As of April 12, 2024

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase Ckg (7505)	10,916.00
<b>Total Bank Accounts</b>	<b>\$10,916.00</b>
<b>Total Current Assets</b>	<b>\$10,916.00</b>
<b>TOTAL ASSETS</b>	<b>\$10,916.00</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to/from Sellwise LLC	25,000.00
<b>Total Other Current Liabilities</b>	<b>\$25,000.00</b>
<b>Total Current Liabilities</b>	<b>\$25,000.00</b>
<b>Total Liabilities</b>	<b>\$25,000.00</b>
Equity	
Owner's Investment	11,000.00
Retained Earnings	
Net Income	-25,084.00
<b>Total Equity</b>	<b>\$ -14,084.00</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$10,916.00</b>

# Property Sellwise Franchising

## Balance Sheet

As of April 30, 2025

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase Ckg (7505)	40,792.96
<b>Total Bank Accounts</b>	<b>\$40,792.96</b>
Accounts Receivable	
Accounts Receivable (A/R)	3,300.00
<b>Total Accounts Receivable</b>	<b>\$3,300.00</b>
Other Current Assets	
Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$44,092.96</b>
<b>TOTAL ASSETS</b>	<b>\$44,092.96</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
AMEX (21007)	4,197.21
<b>Total Credit Cards</b>	<b>\$4,197.21</b>
Other Current Liabilities	
Due to/from Sellwise LLC	39,610.00
<b>Total Other Current Liabilities</b>	<b>\$39,610.00</b>
<b>Total Current Liabilities</b>	<b>\$43,807.21</b>
<b>Total Liabilities</b>	<b>\$43,807.21</b>
Equity	
Retained Earnings	-10,138.62
Net Income	10,424.37
<b>Total Equity</b>	<b>\$285.75</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$44,092.96</b>

# Property Sellwise Franchising

## Profit and Loss

January - April, 2025

	TOTAL
Income	
Franchise Income	10,720.00
<b>Total Income</b>	<b>\$10,720.00</b>
GROSS PROFIT	<b>\$10,720.00</b>
Expenses	
Accounting Services	127.50
QuickBooks Payments Fees	168.13
<b>Total Expenses</b>	<b>\$295.63</b>
NET OPERATING INCOME	<b>\$10,424.37</b>
NET INCOME	<b>\$10,424.37</b>

**EXHIBIT "C"  
TO THE FDD**

**SCHEDULE OF FRANCHISEES:**  
(as of December 31, 2024)

CURRENT FRANCHISES:

<b>State</b>	<b>Location</b>	<b>Franchisee</b>	<b>Address of Outlet</b>	<b>Phone</b>
Utah	Eagle Mountain	Tyler Raso	8857 N Suffolk Lane, Eagle Mountain, UT 84005	(801) 860- 3256

FORMER FRANCHISEES:

None. No franchisees transferred, were terminated, did not renewed, were reacquired, or left the system in 2024.

**EXHIBIT “D”  
TO THE FDD**

**LIST OF AGENTS FOR SERVICE OF PROCESS**

If a state is not listed, Property Sellwise Franchising, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Property Sellwise Franchising, LLC has appointed an agent for service of process.

<b>STATE</b>	<b>CONTACT</b>	<b>DEPARTMENT</b>	<b>ADDRESS</b>	<b>PHONE NUMBER</b>
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677 <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> <a href="mailto:ask.DFPI@dfpi.ca.gov">ask.DFPI@dfpi.ca.gov</a>
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 <sup>th</sup> Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General’s Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117

Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280, St. Paul, MN 55101	(651) 539-1600
New York	New York Department of State		99 Washington Avenue, 6 <sup>th</sup> Floor, Albany, NY 12231	(518) 473-2492
North Dakota	Securities Commissioner		600 East Boulevard Ave., State Capital Fourteenth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 <sup>nd</sup> Floor, Pierre, SD 57501-3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 <sup>st</sup> Floor, Richmond, VA 23219	
Washington	Department of Financial Institutions	<u>Securities Division</u>	1200 <u>150 Israel Rd SW Tumwater, WA 98501</u>	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

**EXHIBIT "E"  
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR  
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> <a href="mailto:ask.DFPI@dfpi.ca.gov">ask.DFPI@dfpi.ca.gov</a>	Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee Road Suite 315, San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 <sup>th</sup> Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205  <u>San Diego:</u> (619) 525-4233  <u>San Francisco:</u> (415) 972-8559  <u>Los Angeles:</u> (213) 576-7500  <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681

Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 <sup>th</sup> Floor, Baltimore Maryland 21202-2020	(410) 576-6360
Michigan	Michigan Attorney General's Office	Consumer Protection Division ; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 <sup>th</sup> Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 <sup>th</sup> Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 <sup>st</sup> Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 <sup>th</sup> Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 <sup>nd</sup> Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and	1300 East Main Street, 9 <sup>th</sup> Floor, Richmond, VA 23219	(804) 371-9051

		Retail Franchising		
Washington	Securities Division	Department of Financial Institutions	<u>150 Israel Rd. SW,</u> <u>Tumwater, WA</u> <u>98501</u> P.O. Box 903341200,	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 <sup>th</sup> Street, NW, Washington DC 20580	(202) 326-3128

**EXHIBIT "F"  
TO THE FDD**

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**EXHIBIT "G"  
TO THE FDD**

**RELEASE AGREEMENT (FORM)**

**PROPERTY SELLWISE®**  
**RELEASE AGREEMENT**  
**(Form)**

This RELEASE AGREEMENT (“Agreement”) is made and entered into as of \_\_\_\_\_ by and between **Property Sellwise Franchising, LLC/INC.** (“Franchisor”) and \_\_\_\_\_, **LLC/INC.**, \_\_\_\_\_, **AND** \_\_\_\_\_ (jointly and severally “Franchisee”). The above will collectively at times be referred to as “Parties” and individually as “Party.” Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Property Sellwise® franchise agreement on \_\_\_\_\_ with Franchisor (“Franchise Agreement”); and

WHEREAS, the Franchise Agreement was personally guaranteed by \_\_\_\_\_ and \_\_\_\_\_ (“Personal Guarantor(s)”); and

WHEREAS, the Franchise Agreement has been terminated effective as of \_\_\_\_\_.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor, fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the state of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah or any other jurisdiction and venue.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah, and the laws of the state of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators

will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such

prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

**IN WITNESS WHEREOF**, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

FRANCHISEE:

**Property SELLWISE FRANCHISING, LLC**

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

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

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

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

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

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

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

PERSONAL GUARANTOR(S):

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

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

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

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

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

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

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

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

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

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

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

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

**EXHIBIT "H"  
TO THE FDD**

**SIGNING CHECKLIST**



# Property Sellwise

## Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated

### 1. When you receive the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt Pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must sign and date <u>both</u> copies. You will keep the copy labeled “Franchisee Copy” and return the other copy (“Franchisor Copy”) to the franchisor (“Property Sellwise Franchising, LLC”).	_____

### 2. When you sign the Franchise Agreement and other documents.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Franchise Agreement (Cover Page)	(page 1)	Fill in the franchisee name	_____
Franchise Agreement (Preamble)	(page 3)	1. In first paragraph fill in the date. 2. In the first paragraph fill in the franchisee name.	_____ _____
Franchise Agreement (Notice Section)	(page 43)	Fill in the franchisee name, address, and email	_____
Franchise Agreement (Signature Page)	(page 51)	1. If the franchisee is an entity, (1) fill in the entity name on the line before LLC/INC., and have the president, manager, etc. sign on behalf of the entity. 2. If there is no entity, the franchisee will sign on the lower lines and print his or her name on the line before “personally.” 3. If franchisee lives in or buys in an area in a state listed below the signature line, check that state box.	_____ _____ _____

		4. Make sure and verify Property Sellwise Franchising, LLC is registered in that state or other registration states not listed on that page and authorized to sell a franchise for that year before the agreement is executed.	
Territory	Exhibit A-1 (page 52-53)	If the premises is not already known, this will be filled out and initialed later. Make sure to follow-up and fill out the premises section once it becomes known.	_____
Company Reps. and Warranties	Exhibit A-2 (page 54-55)	The franchisee must fill in the appropriate fields, date, and sign.	_____
Brand Protection Agreement for Principals	Exhibit A-4 (page 59-63)	Each owner and principal manager of the franchisee must fill out and sign this agreement.	_____
Employee Brand Protection Agreement	Exhibit A-5 (page 64-68)	To be filled out and signed by each one of franchisee's employees.	_____
ACH Agreement	Exhibit A-6 (page 69)	This must be filled out with all the appropriate bank information and signed.	_____
Guaranty of Assumption of Obligations	Exhibit A-7 (page 70-71)	Franchisee must fill in the date, the name of its entity and the date of the franchise agreement on the first page. The owners of the franchisee and their spouses must sign and fill out the signature page.	_____
Digital and Social Media Authorization for Assignment	Exhibit A-8 (page 72-74)	Franchisee and franchisor must sign this.	_____
Franchisee Report	Exhibit A-9 (page 75)	Franchisee must fill out relevant information, sign, and date.	_____
State Addenda	Exhibit A-10	Depending on your state, you may be required to fill out and sign a state specific addendum.	_____

### 3. Exhibits to the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Form Release Agreement <b>(Signed upon termination, non-renewal or transfer)</b>	Exhibit – G	This does <b>not</b> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise.	_____

**4. Items to complete after you sign the franchise agreement.**

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED
Proof of insurance	The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this <b>annually</b> .	_____
Franchisee's d.b.a.	In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "Property Sellwise." The blank line will be the city or neighborhood where your franchise is located or as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be "Property Sellwise – Irvine." The franchisor must approve your dba before you file it. You must send a copy of the dba filing to the franchisor after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that also you <u>cannot</u> use the name "Property Sellwise" as part of your company name.	_____
Franchisee's entity documents	Articles of incorporation/organization along with bylaws or operating agreement sent to franchisor.	_____
Franchisee site approval	Once franchisee has more than four employees or selects an office location, it must send its proposed office site to you for your approval which you should be complete within 15 days of franchisee's submission.	_____
Copy of lease agreement	1. The franchisee must provide a copy of the lease agreement to the franchisor. For your review prior to their signing. 2. The franchisee must deliver an executed copy to you of the lease within 15 days of signing.	_____ _____
Reports	1. The Franchisee must provide a quarterly marketing report by the 15th following the previous quarter. 2. The Franchisee must provide a profit and loss statement by the 15th month following the previous quarter. 3. Financial statements must be submitted within 30 days of each fiscal year. 4. Tax returns must be submitted within 15 days of submission to the tax authority.	_____ _____ _____ _____

### State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<u>State</u>	<u>Effective Date</u>
California	_____
Hawaii	_____
Illinois	_____
Indiana	July 1, 2025
Maryland	_____
Michigan	July 7, 2025
Minnesota	_____
New York	_____
North Dakota	_____
Rhode Island	_____
South Dakota	_____
Virginia	_____
Washington	_____
Wisconsin	July 14, 2025

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.

**RECEIPT**  
(Franchisee’s Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Property Sellwise Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Property Sellwise Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit “E.” Property Sellwise Franchising, LLC authorizes the respective state agencies identified on Exhibit “D” to receive service of process for it in the particular state.

The issuance date of this disclosure document is June 30, 2025.

Property Sellwise Franchising, LLC is located at 1055 West 10446 South, Suite 201, South Jordan, Utah 84095. Its telephone number is (801) 833-7129. The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
Bryan Martineau	1055 West 10446 South, Suite 201 South Jordan, Utah 84095	(801) 878-6303
Brenon Bollwinkel	1055 West 10446 South, Suite 201 South Jordan, Utah 84095	(801) 878-6303

If your franchise seller’s name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

\_\_\_\_\_

I received a disclosure document dated June 30, 2025 that included the following Exhibits:

- |  |  |
|--|--|
| A. Franchise Agreement and Its Exhibits  | F. Table of Contents for Operations Manual |
| B. Financial Statements  | G. Release Agreement (Form)                |
| C. Schedule of Franchisees   | H. Signing Checklist                       |
| D. List of Agents for Service of Process   |  |
| E. List of State Agencies Responsible for Franchise Disclosure and Registration Laws |  |

Date: \_\_\_\_\_  
(Do not leave blank)

By: \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_  
(If signing on behalf of a company)

Name: \_\_\_\_\_  
(Print name)

Please keep this copy for your records.

**RECEIPT**  
(Franchisor’s Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Property Sellwise Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Property Sellwise Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator listed in Exhibit “E.” Property Sellwise Franchising, LLC authorizes the respective state agencies identified on Exhibit “D” to receive service of process for it in the particular state.

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Property Sellwise Franchising, LLC is located at 1055 West 10446 South, Suite 201, South Jordan, Utah 84095. Its telephone number is (801) 833-7129. The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
Bryan Martineau	1055 West 10446 South, Suite 201 South Jordan, Utah 84095	(801) 878-6303
Brenon Bollwinkel	1055 West 10446 South, Suite 201 South Jordan, Utah 84095	(801) 878-6303

If your franchise seller’s name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

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- |  |  |
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| C. Schedule of Franchisees   | H. Signing Checklist                       |
| D. List of Agents for Service of Process   |  |
| E. List of State Agencies Responsible for Franchise Disclosure and Registration Laws |  |

Date: \_\_\_\_\_  
(Do not leave blank)

By: \_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_  
(If signing on behalf of a company)

Name: \_\_\_\_\_  
(Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to Property Sellwise Franchising, LLC at 1055 West 10446 South, Suite 201, South Jordan, Utah 84095, or by emailing a copy of the signed and dated receipt to [franchise@propertysellwise.com](mailto:franchise@propertysellwise.com).