

FRANCHISE DISCLOSURE DOCUMENT



SVN INTERNATIONAL CORP. ("SVNIC")
a Delaware Subchapter S-Corporation
1309 Beacon Street, Suite 300
Brookline, Massachusetts 02446
(877) 697-0830
compliance@svn.com
www.svn.com



We offer a franchise to operate an SVN® office that provides commercial real estate brokerage services to the public.

The total investment necessary to begin operation of a new SVN franchise ranges from \$35,780 to \$129,310. This amount includes \$30,000 - \$31,800 that must be paid to the franchisor or an affiliate.

The total investment necessary to begin operation of a conversion SVN franchise ranges from \$33,780 to \$92,110. This amount includes \$30,000 - \$31,800 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Compliance Department at compliance@svn.com and at (877) 697-0830.

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

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

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

Issuance Date: March 1, 2024, as amended October 29, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

Business 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 B.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Massachusetts. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Massachusetts than in your own state.
2. **Mandatory minimum payments.** You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.

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

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “SVNIC,” “we” or “us” means SVN International Corp. (formerly known as Sperry Van Ness International Corporation), the franchisor. “You” means the person, persons, corporation, partnership, LLC or other legal entity (“Business Entity”) that signs the SVN Franchise Agreement (the “Franchise Agreement”). We refer to you as “Franchisee” and to our other Franchise Agreement holders collectively as “franchisees.”

The Franchisor

We are a Delaware Subchapter S-Corporation incorporated on May 18, 2001. We changed our name from Sperry Van Ness International Corporation to SVN International Corp. on May 31, 2016. We grant SVN Franchises (each, a “Franchise”) to operate SVN Franchise Businesses. We do business under the name “SVN” (formerly, “Sperry Van Ness”) and under our corporate name and do not do business under any other name. Our principal place of business is 1309 Beacon Street, Suite 300, Brookline, Massachusetts 02446. We have offered franchises for businesses similar to the SVN Franchise Businesses since March 2002 and offered Regional Developer Businesses from 2008 through 2011. We have not offered franchises for any other line of business and no longer offer regional developer agreements. We do not operate a commercial real estate services business.

Parents and Predecessors

R. Rand Sperry and Mark Van Ness are our founders. As a result of a stock sale, Mr. Sperry no longer holds an interest in us as of April 1, 2009, and has no affiliation of any sort with us. Shares held legally or beneficially by Mr. Van Ness as of that date, including those received in the sale, have been assigned and are held since November 3, 2009, by Premier Trust, Inc., a Nevada corporation, as Trustee of our parent, The ADVISERIAL 2009 Irrevocable Trust, with a principal place of business at 2700 West Sahara Ave., Suite 300, Las Vegas, NV 89102.

We have no predecessor.

Affiliates

In addition to our parent, we have three affiliates (also called “Related Parties”), Real Leaders, Inc., Sperry Van Ness Insurance Agency, LLC, and Real Impact Corporation.

Real Leaders, Inc. is a Nevada corporation, incorporated on September 17, 2010. Its principal business address is 2700 West Sahara Ave., Suite 300, Las Vegas, NV 89102. Real Leaders, Inc. provides publication and advertising services. It publishes magazines geared towards several industries, including commercial real estate. It has never offered or sold franchises in any business. Real Leaders is a Designated Supplier; however, purchases you make from this supplier are optional.

Sperry Van Ness Insurance Agency, LLC (“SVNIA”) is a wholly owned subsidiary of our parent, The ADVISERIAL 2009 Irrevocable Trust, and was formed on January 11, 2013, in Ohio. Its principal place of business is 5085 Rollman Estates Drive, Cincinnati, Ohio. SVNIA is an insurance referral agency

that refers SVN franchisees and property management clients to insurance providers. SVNIA does not underwrite or provide insurance. It has never offered or sold franchises in any business.

Our parent has an ownership interest in Real Impact Corporation (“RIC”), a U.S. Virgin Islands corporation, incorporated on February 24, 2014. Its principal place of business is #1 Estate Thomas, Yacht Haven Grande, Unit 15, Charlotte Amalie, St. Thomas 00802. On October 1, 2014, we entered into a support services agreement (“Support Services Agreement”) with RIC to assist us in providing support services to SVN Franchisees. RIC may assist us with accounting, compliance and related back-office services and programs, such as administration, marketing, and virtual assistance. RIC will provide support services to you. Such support services may include, but are not limited to, public relations and marketing support; access to advertising campaign materials, templates for proposals and brochures; training; accounting, administrative and financial; and any other support required to promote and expand the Franchise. RIC has never offered or sold franchises in any line of business. RIC has never offered or sold franchises in any line of business. RIC has made investments of 20% to 50% interest in SVN Franchise Businesses in the past and may do so in the future. In 2019, RIC developed a partnership program under which RIC may agree to make an investment in a new SVN franchisee and acquire a 20% to 50% interest in such franchisee. RIC will negotiate the investment details and percentage interest on a case-by-case basis with interested prospective SVN franchisees. This program is only available through a separate prospectus or private placement memorandum.

The SVN Franchise Business

The SVN Franchise Business (the “Franchise Business”) is an owner-developed and operated commercial real estate services business. The Franchise Business offers various services, which may include the listing, co-listing, offering, selling, purchasing, exchanging, leasing, or renting of commercial real property (including certain types of businesses conducted on the commercial real property), property management services, auction services and mortgage loan brokerage services, from a specific location using the trade name “SVN”. SVN franchisees use a system for the operation of a “Commercial Real Estate Services” business developed by us and/or our former Related Parties and which we continue to evolve (the “System”), which we license to you so long as you are a Franchisee. As used within the System, the term “Commercial Real Estate Services” means acting as a broker, salesperson, agent or finder for or on behalf of sellers, buyers, lessors, tenants or others in connection with the listing, co-listing, offering, selling, purchasing, exchanging, auctioning, leasing, renting, consulting, expert witness testimony, or managing of commercial real property, including vacant land transactions (excluding Residential Property, but including Approved Portfolio Sales) and related personal property, and providing mortgage loan brokerage services. We reserve the right to condition, further define and interpret the scope of the Commercial Real Estate Services from time to time through the SVNIC Confidential Operations Manual and the SVNIC Branding Guide (collectively, the “Manuals”) or other written instruction to you. Your SVN Franchise precludes transactions involving “Residential Real Property,” which is defined as real property that consists of four (4) or fewer residential units or individual residential lots. With our prior approval, you may offer and sell certain services in connection with multiple parcels or units of Residential Real Property in a common development (“Approved Portfolio Sales”).

With our consent and at our option, you may also offer and perform permitted ancillary services as part of your SVN Franchise. You can request that we permit a particular service you want to offer at your SVN Franchise. We determine if the requested service is ancillary in our judgment and sufficiently related to Commercial Real Estate Services such that we will permit the service to be offered and sold

under our Marks. Business brokerage could be an ancillary service, for example. You may not provide certain services, even independently of your SVN Franchise, except with our consent, and then only if you follow our policies for doing so. These excluded services are called “Outside Services” and include the following: insurance, title insurance or searches, real estate syndicating, mortgage banking, escrow or appraisal services. For example, if we consent to you performing a Permitted Outside Service, we may require you to use separate telephone number(s), business cards and letterhead to avoid any suggestion that you are conducting these services as part of your SVN Franchise.

You will sign a Franchise Agreement to operate a single SVN Franchise Business from a single location, which you choose, and we approve. If you are a Business Entity, each and every individual Owner with any interest in the Business Entity must execute the Franchise Agreement on behalf of the entity in his or her capacity as an officer, shareholder and/or member. We may waive this requirement at our sole discretion.

The commercial real estate services business is a mature industry. You will be competing with over 100,000 other independent and franchised commercial real estate brokers in the United States. Some of these real estate brokers may be SVN franchisees or employees of entities currently or formerly related to us. All segments of the commercial real estate services business are highly developed, competitive and may be affected by demographic changes and by local and national economic conditions. Typical purchasers of Franchises must be able to sustain the initial investment and ongoing expenses associated with the development of a real estate services establishment. You also will compete with other commercial real estate services franchises and related concepts.

If you were referred to us by one of our existing franchisees, we may award that franchisee a referral fee, vacation package, or other incentive for making the referral.

Special Industry Regulation

All states have laws and regulations governing the operation of real estate brokerage offices and the services you will provide in your SVN Franchise Business, and you must comply with the provisions in your state. You should consult with the appropriate state licensing authorities to determine which requirements apply to you before entering into a Franchise Agreement. A person (whether an individual or a Business Entity) must be licensed by the state as a real estate broker before that person provides real estate brokerage services. Therefore, you must be licensed as a real estate broker before you sign the Franchise Agreement. If there are multiple owners of the SVN Franchise Business, then at least one of the owners must be licensed as a real estate broker. You, your Broker in Charge, and your Authorized Salespersons must comply with all Applicable Laws and conform to the SVN Core Covenants.

The specific services that require or that may be performed under a real estate broker license vary from state to state. In some states, you may be required to obtain additional licenses to broker mortgage loans or to provide ancillary services. If so, you must be licensed by that state as a mortgage broker before providing mortgage brokering services or ancillary services. If you conduct business in one of these states, you must be appropriately licensed by the state before providing these services. Other laws and regulations also affect how you conduct business, including how you represent your clients and customers, the terms and conditions of the agreements you use, your real estate and other licenses, your relationship with salespersons or agents, whether they are properly characterized as independent contractors or employees, how you account for and handle your revenues and expenditures, how you handle funds received in trust for a client or customer, how you advertise and

market your services and particular transactions, how you hold yourself and your agents out to the public, and many other aspects of your business.

Agents for Service of Process

Our agents for service of process are listed in Exhibit B.

Item 2

BUSINESS EXPERIENCE

Director and Chief Executive Officer: Lukas Krause

Mr. Krause has been a member of our Board of Directors since October 2021 and has been our Chief Executive Officer, at our headquarters in Boston, Massachusetts, since August 2024. From July 2021 to August 2024, he was the CEO of SkyRun Vacation Rentals, LLC, in Boulder, Colorado. Prior to that, he was the President and COO of National Corporate Housing Inc., in Greenwood Village, Colorado, from February 2019 to July 2021.

Director: Cindy Bedard

Ms. Bedard has been a member of our Board of Directors since March 2018. She has been self-employed as a financial consultant since June 2017. All positions listed above for Ms. Bedard are or were located in Denver, Colorado.

Director: Samuel Freeman

Mr. Freeman has been a member of our Board of Directors since July 2024, at our headquarters in Boston, Massachusetts. In June 2024, he began serving as a Director for Whistle Express, a chain of car wash businesses, in Charlotte, North Carolina; prior to that, he was their Chief Data Officer, from June 2022 to June 2024. From May 2019 to July 2022, Mr. Freeman was the Vice President of Pep Boys, an auto parts and service chain, in Philadelphia, Pennsylvania.

Director: RJ Ryan

Mr. Ryan has been a member of our Board of Directors since August 2024, at our headquarters in Boston, Massachusetts. He is currently the Senior Vice President of Acquisitions at Getty Realty Corp, located in New York, New York, and has been employed at Getty Realty since March 2016.

Executive Vice President of Operations: Sarah Vincent

Ms. Vincent has been our Executive Vice President of Operations since June 2020. Prior to that, she was our Marketing Manager from January 2018 to June 2020, and our Events Coordinator from May 2016 to January 2018. All positions listed above for Ms. Vincent are or were located in Boston, Massachusetts.

Item 3

LITIGATION

Concluded Actions:

KOVA Commercial, LLC v. SVN International Corp.; Jerry Anderson; Ashley Bloom; Lotus 18, LLC; JDA Investments, LLC d/b/a SVNIC Florida Regional Developer (Case 11-2020-CA-003216-0001-XX, Collier County, Florida Circuit Court.) On October 7, 2020, in the Circuit Court of the Twentieth Judicial Circuit in and for Collier County, Florida, Civil Division, KOVA Commercial, LLC (“Plaintiff”), who is an SVNIC franchisee, filed a complaint against SVNIC, our Area Developer for Florida, and another SVNIC franchisee (collectively, “Defendants”). The complaint alleged that Defendants infringed on Plaintiff’s alleged geographical exclusivity and, also, induced Plaintiff’s Advisors to “defect” to another franchisee. Plaintiff brought claims for breach of contract, unjust enrichment, promissory estoppel, civil conspiracy, and tortious interference with contract and prospective business relationships, and is seeking in excess of \$100,000,000 in damages. The parties settled this matter before any court hearing was held. On April 1, 2021, the parties signed a confidential Settlement and Separation Agreement. Under the terms of the Settlement and Separation Agreement, Defendants agreed to pay a total of \$300,000 to Plaintiff and Plaintiff agreed to cease operations as an SVNIC franchisee no later than September 4, 2021, and to sign termination documents required by us to terminate their SVN Franchise Agreement. Defendant JDA Investments, LLC agreed to pay \$150,000, we agreed to pay \$75,000, and our franchisee Lotus 18, LLC agreed to pay \$75,000 to Plaintiff. Defendant Lotus 18, LLC will receive an expanded primary market area (“PMA”), which includes the PMA that belonged to Plaintiff, upon its payment to Plaintiff. We agreed to reduced Plaintiff’s royalty rate from 7% to 3% from the date of the Settlement and Separation Agreement until the termination date of their SVN Franchise Agreement. The parties also agreed to execute a Mutual Release including confidentiality and non-disparagement clauses, and releasing all claims against the other, whether known or unknown, and to bear their own costs and fees. As part of the voluntary resolution of the Lawsuit, no party admitted any fault or wrongdoing.

Other than the above action, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay us a lump sum, initial franchise fee (“Initial Franchise Fee”) in the amount of \$30,000 for a single SVN Franchise Business under a Franchise Agreement. The Initial Franchise Fee is payable upon execution of the Franchise Agreement. It is fully earned by us when paid and is not refundable, in whole or in part, under any circumstances.

U.S. Military Veterans Discount

To provide support to veterans of the U.S. military forces, we offer to all qualifying veterans the opportunity to purchase an initial franchise at a discount of 15% off the Initial Franchise Fee. This discount is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The discount is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company which owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If you are a partnership, corporation or limited liability company, your status as a participating veteran must be submitted to us before you sign the Franchise Agreement, and you must maintain a majority interest in the partnership, corporation or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement, or you will be required to pay us the initial savings of \$4,500.

Product Council Marketing Fund Fee

At the signing of the Franchise Agreement, we will collect a “Product Council Marketing Fund Fee” from you on behalf of the Product Council. The amount of the Product Council Marketing Fund Fee is currently \$1,800 per year and is prorated in your first year based on the month you sign your Franchise Agreement and the number of months remaining in the calendar year. The amount you pay for your first year will range between \$0 - \$1,800. The formula used to calculate the amount you pay will be \$150 multiplied by the number of months remaining in the year. For example: If you sign your Franchise Agreement in June, you will pay \$900 [\$150 x 6 months = \$900]. The Product Council Members decide on how this fee will be used and we approve the spending. It is anticipated that the funds will be spent on conferences and marketing-related activities. The Product Council Marketing Fund Fee is not refundable, in whole or in part, under any circumstances.

Item 6

OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Property Management Royalties	5% on Property Management Revenues	On or before the 10 th calendar day of the month following the calendar month in which the Property Management Revenues were received or receivable.	You will pay us this royalty on your revenues derived from Property Management Services. We refer to these revenues as “Property Management Revenues.” All Royalties begin 4 months from the effective date of the Franchise Agreement.

Type of Fee ¹	Amount		Due Date	Remarks
Production Royalties	<u>Percentage</u>	<u>Calendar Year Gross Receipts</u> ² 7% \$0 to \$2,000,000 5% Over \$2,000,000 to \$4,000,000 3% Over \$4,000,000	By the close of business on the 10 th calendar day following each Transaction Closing ³ (excluding rental and lease transactions), or if there is no Transaction Closing (including rental and lease transactions) by the 10 th day of the following month.	We will give you credit for your calendar year-to-date receipts before converting to an SVN Franchisee in determining the applicable Royalties percentage rate during the calendar year in which your Franchise Agreement is signed. All Royalties begin 4 months from the effective date of the Franchise Agreement.
Minimum Annual Royalty	\$50,000		By January 31 st of each year if you haven't paid the Minimum Annual Royalty in the prior year.	Royalties you pay in a calendar year must equal or exceed the applicable "Minimum Annual Royalty." We waive the Minimum Annual Royalty for the first year in which your Franchise Agreement is effective. We will adjust the Minimum Annual Royalty on a pro rata basis for any partial year under your Agreement. We have the right to elect to waive the imposition of a Minimum Annual Royalty for any length of time and enforce it at a later time.
Platform Fee ⁴	\$1,000 per month		By the 10 th day of the month.	This fee will be contributed to the Branding Program, which includes our platform system. (See Note 5 for details on what this fee covers.)
Advertising Materials	Our then-current fee for the particular advertising materials you obtain.		On demand.	We may make copies of advertising materials available to you with or without additional charge, at our option.

Type of Fee ¹	Amount	Due Date	Remarks
Product Council Marketing Fund Fee ⁵	Currently, \$1,800 per year.	January 1 st of each year.	We will collect this fee on behalf of the Product Council. The Product Council Members decide on how this fee will be used and we approve the spending. This fee may be changed to an amount determined by a vote of 51% of the franchisees.
Late and Non-Payment Charges; Interest on Unpaid Amounts ⁶	Interest at 10% per annum or the highest rate allowable under applicable law, whichever is less, plus our costs and expenses, including bank charges, arising from your non-payment. Plus, a late fee of 10% on any royalties not filed or paid within 10 days of the date due.	On demand - continues to accrue until paid.	Applies to all amounts not paid when due to SVNIC, until paid in full. (It also applies if there are insufficient funds for an electronic funds transfer.)
Default Reimbursement	Our costs and expenses to cure your default.	On demand.	Payable if we elect to cure your default.
Additional Services, Online Marketing and Tracking Systems	We do not currently charge for these services but may do so in the future.	On demand.	We can charge for the use and/or maintenance of services we provide to you such as the SVN Dashboard or Extranet, any online service, program, and/or tool.
SVN I Jumpstart ⁷	\$599 - \$949, plus travel and living expenses.	Prior to training.	This training is mandatory for new franchisees and recommended for renewing franchisees.
SVN Annual Conference ⁸	\$799 - \$1,009 (varies per location selected), plus travel and living expenses.	Prior to the conference.	You or your Managing Director must attend this conference each year. Attendance is recommended but optional for advisors, support staff and prospects.

Type of Fee ¹	Amount	Due Date	Remarks
Optional Training, Meetings and Conferences ⁹	\$399 - \$2,599	On demand.	We may charge you these fees if you or your employees (e.g., Advisors, support staff, etc.) choose to participate in our optional training programs, meetings, conferences, and other similar activities.
Administrative, Executive, Accounting, Consulting, and Marketing Support	Our then-current fee. Varies depending upon the type of support requested. (Currently, \$35 - \$300 per hour.)	On demand.	At your request we may, at our option, furnish administrative, executive, accounting and marketing support.
Audit / Inspection ¹⁰	Cost of audit / inspection plus interest at the highest compound rate authorized by law estimated to range from \$2,000 to \$5,000.	On demand.	Payable only if audit/ inspection shows an under-reporting, under-recording, or underpayment of 2% or more for any Transaction Closing or any relevant reporting period.
Indemnification	Will vary.	On demand.	You will have to reimburse us, our related companies and certain persons listed as "Indemnitees" in Section 15.2 of the Franchise Agreement if any losses or costs are incurred by us, including legal fees and/or settlement costs, related to your operation of the SVN Franchise.
Renewal Fee ¹¹	\$5,000	On expiration of Franchise Agreement.	The Renewal Fee is substituted for the Initial Franchise Fee with an agreement for an additional term. We will waive this fee if you attend each SVN Annual Conference during the term of your Franchise Agreement (i.e., 5 SVN Annual Conferences.)

Type of Fee ¹	Amount	Due Date	Remarks
Mitigation Fee	The greater of \$2,000 times the number of full or partial calendar months that would have been remaining in the Term as of the termination date, or the average royalties paid per month as of the termination date multiplied by the number of full or partial calendar months that would have been remaining in the Term.	Within 5 days of our demand.	If you breach the Franchise Agreement for certain causes described in Sections 12.2 and 12.3 of the Agreement, we can terminate the agreement and charge you this fee to offset our costs and resources used.
Google Suite Licensing Fee ¹²	\$40 per each active email account, per calendar quarter	Quarterly, upon receipt of invoice from us.	You will be charged for each active SVN email account at your Franchised Business at the end of each quarter.
Credit Card Fee ¹³	3.9% of the total amount charged.	At time charge is made to credit card.	We may charge you this fee if you use a credit card to pay any royalties or other fees due to us.
Advertising, Marketing, and Brand Protection Violation Fine ¹⁴	An amount equal to your monthly Platform Fee for a period of six (6) months.	Monthly.	You must pay this fine if you receive two (2) notices of any advertising, marketing, and/or brand violations from SVNIC within a 120-day period for failing to comply with SVNIC's Policies, as set forth in the Branding Guide, regarding advertising, marketing and promotion of the SVN Franchise Business. You will also receive a written notice of default from SVNIC.
Transfer and Processing Fee	\$25,000	Before the transfer.	Payable if you sell the Franchise Business. No charge if the Franchise Business is transferred to a corporation or other entity that you control. This fee, less any administrative costs incurred by SVNIC to review the proposed

Type of Fee ¹	Amount	Due Date	Remarks
			transfer and evaluate the prospective transferee, is refundable if the proposed transfer is not approved by SVNIC.
Royalty Fee for Relocating or Opening Offices without SVNIC's Prior Consent	25% of Gross Receipts earned at the location	Upon demand.	We may charge you this fee if you relocate the Franchised Business or open any additional offices related to the Franchised Businesses without our prior written approval.
Yardi Matrix Software Subscription (Optional Fee)	Regional Access: \$3,500 - \$8,500 per user account, per asset class National Access: \$5,000 - \$10,000 per user account, per asset class	Payment due before access. Paid annually. Prorated first year, based on date enrolled.	You may, but are not required, to purchase this property management software from us. The amount you pay will vary based upon the access tier you select, your user account and asset class.
Liquidated Damages for violating the "No Disparagement" provision in the Franchise Agreement ¹⁵	\$10,000 for each violation	Upon demand.	If you violate the No Disparagement provision in the Franchise Agreement, you must pay us this fee as damages, plus our attorneys' fees and costs to recover such damages.

Notes to Chart:

1. All Fees are payable to SVNIC and are non-refundable. If we have any fees, taxes, or other assessments imposed on us because of payments you make to us, then we can require that you pay us an additional amount so that the net amount we actually receive after the deduction, payment or withholding is the full amount of the royalty, fee or other amount we are entitled to be paid under the Franchise Agreement. We may charge you a processing fee if you pay your royalties by credit card. We can require you to participate in an electronic funds transfer and reporting program(s) if we, at our sole option, decide to collect amounts due to us by electronic transfer from you. Upon our request, you must complete and execute an "Electronic Funds Transfer Agreement" (attached as Schedule F to the Franchise Agreement) and any other form necessary to authorize and direct your bank or financial institution to transfer electronically, directly, to SVNIC's account from your account all amounts due to us by you. As to the SVN System, we have the right, at any time and at our sole option, to impose, eliminate, increase or decrease Initial Franchise Fees, training fees, technology fees, fees to participate in voluntary programs and specialty programs, late charges, returned check charges and access fees. We can elect to waive and/or credit, reduce or defer payment of any and all fees and charges of any

kind relating to a Franchise and/or the award of a Franchise. We can do so on a case-by-case basis, as we consider appropriate and as permitted by law, and particularly related to larger scale transactions, both in terms of geography and economics, and to transactions involving prior business relationships. We have occasionally agreed to modify fees, agreement duration, minimum payment or development obligations, guaranty provisions, territory rights, trademark rights and other terms so they were more favorable to the franchisee, but we have no obligation to do so. Transactions that do not generate Royalties or that do not follow the collaborative marketing principals of SVNIC, as set forth in the Manual and/or elsewhere by SVNIC, are excluded from calculating awards and rankings in our awards programs. Additionally, those transactions in which Royalties are not paid by the due date will be excluded from calculating awards and rankings.

2. Certain Defined Terms:

“Gross Receipts” under the Franchise Agreement, means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable* by Franchisee (directly or indirectly), whether in cash, equity position or for credit or for barter (and, if for credit or barter, whether or not payment is received), or any other consideration, for all Commercial Real Estate Services, whether transaction or fixed-fee based. Gross Receipts also include without limitation all revenues, project management fees, consulting fees, property management fees, finder fees, auction fees, and commissions received or receivable by or on behalf of Franchisee’s salespersons, agents and representatives in connection with any products or services that are promoted or sold under any of the Marks, including all Commercial Real Estate Services, whether transaction or fixed-fee based, Leasing Services, Property Management, approved Residential Portfolio Brokerage Services, Ancillary Services, multiple listing fees, taxes, commissions, overrides, bonuses and salaries, without deduction for your costs or expenses. Fees or price reductions generated by Franchisee acting as a principal in a transaction are construed and included as “Gross Receipts,” as are revenues received or receivable in connection with loan portfolio sales and sales of notes and note packages, to the extent a Franchisee is lawfully able to engage in those sales and subject to any applicable licensing requirements. Gross Receipts also include any fees and other compensation from all Leasing Services, as defined below, including Leasing Services for a building for which Franchisee provides Property Management Services. If you operate an Outside Service independent of your SVN Business, and you use any Marks and/or you use any proprietary System element, tool or resource of ours, then, regardless of whether or not we consented to a Permitted Outside Service, you must pay the applicable Royalties on the transaction.

“Auction Services” means providing services for online, sealed bids, and open cry bid auctions for clients that need to accelerate the disposition of single assets and portfolios of real estate and financial instruments.

“Auction Revenues” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable by Franchisee (directly or indirectly), whether in cash, equity position or for credit or barter (and, if for credit or barter, whether or not payment is received), or any other consideration for all Auction Services, including, Auction Services performed in connection with Approved Residential Portfolio Sale Services.

“Leasing Services” means and includes leasing and related lease marketing services you provide to a tenant or landlord, under a contract.

“Production Royalty” means the royalty fee that you must pay SVNIC on Gross Receipts other than Property Management Revenues.

“Property Management Services” means commercial property management services including Multi-family Properties consisting of five or more residential units you provide under a contract, including rent collection, contract service management, maintenance income, construction management or administration, project management, property accounting, asset management and lease administration.

“Property Management Revenues” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable* by Franchisee (directly or indirectly), whether in cash, equity position or for credit or barter (and, if for credit or barter, whether or not payment is received), or any other consideration in connection with Property Management Services (exclusive of Leasing Services).

“Royalties” means the combination of all royalty fees you must pay to SVNIC under the Franchisee Agreement, including Property Management Royalties and Production Royalties. We may pay RIC, our affiliate, who will provide support services to you, a service fee equal to a share of thirty to forty percent (30%-45%) of the Royalties you pay us, as a “Support Service Fee” to compensate RIC for providing support services to you. Currently, the Support Service Fee is 30% of the Royalties you pay us. Both Royalties and Support Service Fees will be pooled and shared between us and RIC proportionately to the rights and services provided to you.

**Receivable includes face value at the time of sale of any notes and the fair market value of any equity and other non-cash consideration that you may take in lieu of commissions. Example: You earn \$50,000 in commission but take \$25,000 cash and \$25,000 in the form of a note at closing – the Production Royalty at the applicable rate is due on the entire \$50,000 as if paid in cash. If you take a \$50,000 equity position or automobile instead of the cash payment, the Production Royalty is due and payable as if the commission was paid in cash.*

If you continue to use the Marks after expiration or termination of your Franchise Agreement with our consent, we consider you to be operating on a month-to-month basis under the terms of the expired or terminated Franchise Agreement and you must pay us 10% more Royalties than are required under the Franchise Agreement. If you continue to use the Marks after expiration or termination of your Franchise Agreement without our consent (“holding over”), we consider you to be operating on a month-to-month basis under the then-current form of Franchise Agreement and you must pay us 20% more Royalties than are generally required under the Franchise Agreement.

3. “Transaction Closing” means the closing of any sale, exchange, auction, rental, or lease of real property, including any escrow closing, for which you have performed Approved Services.

4. Platform Fee. We use this fee for the SVN Branding Program, which includes SVN Live, Buildout, social media, branded collateral, email campaigns, regional emails, and national email blasts. It also helps cover the costs of maintaining and enhancing our platform system, which grants access to services, tools, and resources tailored to facilitate property transactions, including listing properties, marketing tools, transaction management, and access to market and analytics.

5. Product Council Marketing Fund Fee. The Product Council anticipates spending the funds on conferences and marketing-related activities.
6. Late Charges and Interest. Interest begins to accrue from the date payment is due and continues to accrue until the amount due is paid in full. These charges may be applied to any amount owed SVNIC, including, but not limited to, Royalties, Platform Fees, the Minimum Annual Royalty, and the Initial Franchise Fee. Any and all Royalties not filed or paid within 10 days of when due will also incur a late fee of 10% on the total amount of the Royalties overdue.
7. SVN I Jumpstart. This fee varies based upon the location and duration of the training, which is held at various hotel conference room locations throughout the United States and is 3 days in length. If you are a new SVN Franchisee, at least one of your owners must attend and complete the SVN I Jumpstart training program to our satisfaction within nine (9) months of signing the Franchise Agreement. If you are renewing your Franchise Agreement, we recommend at least one of your owners attend and complete SVN I Jumpstart. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we may conduct SVN I Jumpstart online, telephonically, or otherwise, or delay such training. (See Item 11 for more details on our SVN I Jumpstart training program.)
8. SVN Annual Conference. This conference is open to Franchise-owners, Managing Directors, advisors, support staff and prospects, and is mandatory for you or your Managing Director. The cost of the conference will vary based upon the selected location. The range disclosed includes some meals. If you or your Managing Director cannot attend the annual conference, you may apply for an exception or request a substitute representative from the Franchise Business to attend on your behalf. We will evaluate each request on a case-by-case basis and decide at our sole discretion whether to make an exception for your situation.
9. Optional Training, Meetings and Conferences. This range covers the estimated costs for our optional training programs, meetings and conferences. Currently, the costs for our optional training programs are as follows: SVN I Jumpstart for existing franchisees, employees of franchisees and others (\$599 - \$949, including some meals); Managing Directors Meeting for owners of Franchisee and Managing Directors only (\$399 - \$499, including some meals); and the SVN Annual Conference for employees of franchisees and others (\$799 - \$1,009, varies per location selected, includes most meals). You are responsible for your own air travel expenses, ground transportation, lodging and meals unless otherwise noted. (See Item 11 for more details on our training programs, locations, duration and content.)
10. Audit/Inspection. If an audit/inspection shows an under-reporting, under-recording, or underpayment of 2% or more for any Transaction Closing or any relevant reporting period, SVNIC may terminate your Franchise Agreement immediately, subject to applicable state law.
11. Renewal Fee. If you are signing the Franchise Agreement for a successor term following the expiration of an existing Franchise Agreement, you will also sign a Renewal Addendum in the form attached as Exhibit D and a General Release of Claims in the form attached as Exhibit H to this disclosure document.
12. Google Suite Licensing Fee. This fee covers a personal "svn.com" email address and G Suite account. You must use your personal "svn.com" email address and account for any and all

communications related to your SVN Franchise Business, and you may not use any other personal email accounts in connection with the operation of your SVN Franchise Business.

13. Credit Card Fee. This fee will be used to cover processing fees charged by our credit card processing vendor and related administrative costs. This service is offered solely for your convenience.

14. Advertising Violation Fine. This fine will be paid monthly for six (6) months, at the same time and in the same manner as your Platform Fee. Any and all fines collected by SVNIC will be contributed to a fund that benefits SVN Franchisees through marketing programs, conference registrations and other activities related to the SVN Franchise.

15. Liquidated Damages for violating the No Disparagement provision. Disparaging remarks or negative behavior are counter-productive, damage the flow of open communications, and, if sent to third parties (including other franchisees, vendors, customers, or the media), can damage the brand and System, and, consequently, negatively impact both us and you and your fellow franchisees. Therefore, you (or your respective officers, directors, shareholders, members, and owners) may not make any disparaging remarks, whether orally, in writing, or electronically, in any media, including without limitation via print publication or other writing, spoken communication, email, or social media, concerning us. This restriction does not apply to your right to communicate candidly with anyone as necessary in order to: (i) comply with a legal process; (ii) convey information to your business, legal, tax, or other similar advisers; or (iii) discuss your experience with the SVN franchise and System via one-on-one phone conversations initiated solely by a prospective franchisee who obtains your contact information through this disclosure document and not through an online electronic posting on X (formerly Twitter), Instagram, Snapchat, Facebook, or other smart phone app or social media site, or a similar posting made by you in violation of this policy.

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Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	CONVERTING AN EXISTING FIRM TO A SVN FRANCHISE	STARTING A NEW SVN FRANCHISE			
Initial Franchise Fee ¹	\$30,000	\$30,000	Lump Sum	When you sign the Franchise Agreement.	SVNIC
Product Council Marketing Fund Fee ²	\$0 - \$1,800	\$0 - \$1,800	Lump Sum	When you sign the Franchise Agreement.	SVNIC
Brokers License ³	\$10 - \$500	\$10 - \$500	As arranged	Before opening	State Authority
Insurance ⁴	\$0 - \$10,000	\$2,000 - \$10,000	As arranged	New Franchise: Before opening. Converting Franchise: Within 21 days of the date you sign your Franchise Agreement and before you conduct business under the SVN name.	Approved Insurance Company
Lease and Security Deposit ⁵	\$0	\$0 - \$5,000	As arranged	Before opening	Landlord
Leasehold Improvements ⁶	\$0	\$0 - \$5,000	As arranged	Before opening	Vendors
Utility Deposits	\$0 - \$300	\$0 - \$1,000	As arranged	Before opening	Utilities
Signage: Interior, Exterior, Property ⁷	\$50 - \$3,500	\$50 - \$3,500	As arranged	Before opening	Vendors
Initial Office Furniture	\$0	\$0 - \$5,000	As arranged	Before opening	Vendors

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	CONVERTING AN EXISTING FIRM TO A SVN FRANCHISE	STARTING A NEW SVN FRANCHISE			
Initial Office Supplies	\$0	\$0 - \$1,500	As arranged	Before opening	Vendors
Initial Office Equipment and Computer System ⁸	\$0 - \$3,500	\$0 - \$3,500	As arranged	Before opening	Vendors
Initial Business Cards, Stationery and other printed materials ⁹	\$500 - \$850	\$500 - \$850	As arranged	Before opening	Approved Vendors
Legal and Professional Fees and Expenses	\$0 - \$5,000	\$0 - \$5,000	As arranged	As incurred, varied times	Vendors
Initial Advertising ¹⁰	\$100 - \$1,000	\$100 - \$1,000	As arranged	At opening	Vendors
Training Expenses ¹¹	\$0 - \$12,300	\$0 - \$12,300	As arranged	After opening, at time of training	SVNIC and Vendors
Additional Funds ¹² (3 months)	\$3,120 - \$23,360	\$3,120 - \$43,360	As arranged	As incurred, varied times	SVNIC and Vendors
Grand Total¹³	\$33,780 - \$92,110	\$35,780 - \$129,310			

For new start-up SVN franchisees, the cost ranges provided in the above chart that include a \$0 in the low end of the range assume that the franchisee will begin the Franchise Business and conduct operations in its developmental stage from a virtual office.

For a conversion SVN franchisee, the costs noted relate to incremental expenses a converting franchisee could incur in making the transition to the SVN System and are in addition to those ordinarily incurred in the operation of Franchisee's existing commercial real estate services business.

Footnotes:

1. The Initial Franchise Fee for a single Franchise Business is \$30,000. This fee will be reduced by 15% if you qualify for our U.S. Military Veteran's Discount. You will pay the non-refundable Initial Franchise Fee in a lump sum at the signing of the Franchise Agreement.

2. We collect the Product Council Marketing Fund Fee on behalf of the Product Council. The amount of the Product Council Marketing Fund Fee is currently \$1,800 per year and is prorated in your first year based on the month you sign your Franchise Agreement and the number of months remaining in the calendar year. The low end of the range assumes you sign your Franchise Agreement in December, and the high end assumes you sign your Franchise Agreement on January 1.

3. You must be, or you must have secured for the SVN Franchise the services of a real estate broker, duly licensed under the laws of the State within which the SVN Franchise will be located.

4. Before you begin operating your SVN Franchise and throughout the term of your agreement (or for such longer period as may be specified in the Manuals), you must carry and maintain insurance as required under the Franchise Agreement and according to the coverage and other requirements that are specified in the Manuals. Our current coverage requirements are described below and are subject to change by us. Coverage changes are published in the Manuals, and you must comply with any mandatory changes that we make in the Manuals.

- a. An occurrence-based commercial general liability insurance policy with minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate;
- b. A professional liability (errors and omissions) insurance policy with minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate;
- c. An automobile insurance policy for each vehicle used in the SVN Franchise, which policy shall insure against public liability for bodily injury in the minimum amount of \$100,000 per person and \$300,000 per occurrence and for property damages in the minimum amount of \$100,000;
- d. Workers' compensation insurance (per local requirements) and any other insurance and/or coverage requirements established under applicable law; and
- e. Extended Reporting "Tail" Coverage with minimum limits of \$1,000,000 per claim for a period of three (3) years after this Agreement is terminated, transferred or expires.

All of these insurance policies, other than workers' compensation, must: (i) be subject to our approval, which shall not be unreasonably withheld; (ii) contain separate endorsements naming us as additional named insured or provide comparable coverage acceptable to us in our discretion; (iii) not be subject to cancellation or modification, except on thirty (30) days advance written notice to us; and (iv) contain an express waiver of any and all rights of subrogation against us. You must pay all premiums on the policies as they are due. If you do not have or maintain insurance as specified in the Manuals or fail to provide us with any certificates of required insurance, endorsements, or other evidence of insurance, we can, but are not obligated to, purchase the applicable coverage. In that case, you have to reimburse us for the cost of the premium and all other related costs within 10 days of receipt of invoice. We can, but are not required to, deviate from these requirements based on the then-current carrier or industry practices, substitute coverage acceptable to us or deviate for other reasons we consider commercially appropriate. You are required to give us certificates of such insurance within 21 days of signing your Franchise Agreement, but in no event later than the first day that you begin operating under the Marks, and at such other times as we may request.

Your insurance must name us as an additional insured and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by us. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

We strongly recommend that you obtain and maintain Cyber Liability Insurance, but we do not currently require you to do so.

The actual premiums for insurance will vary depending upon certain factors unique to each Franchisee. If you employ one or more additional Authorized Salespersons or Associate Advisors, your costs for insurance will likely increase correspondingly.

5. Although we may permit you to operate out of your home or virtually, typically an SVN Franchise Business operates out of an office location, which in some cases is an executive suite or co-working space. Locations vary in size and cost depending upon your particular needs. Lease rates and construction and remodeling costs vary widely, depending upon the location, design, configuration, and condition of the premises, the condition and configuration of existing services and facilities such as air conditioning, electrical, and plumbing, and the terms of your lease for your office location. Your office location must comply with any and all applicable laws, including any state and local regulations and licensing requirements. Additionally, your office location must comply with SVN Primary Market Area requirements.

6. We anticipate that an existing business converting to an SVN Franchise will retain its existing office space. A new SVN Franchise Business will need to incur some cost of developing an office space unless you lease a furnished executive suite, co-working space, or we approve a home office location.

7. You must obtain and maintain exterior and interior property signs required for your SVN Franchise that meet our Policies, provided that your lease or client agreement allows you to do so. In addition to meeting our specifications and standards for signage, you must comply with the local ordinances and restrictive covenants applicable to the SVN Franchise Business.

8. You must have certain office equipment including, a dedicated telephone line, a modem or high-speed data connection to the Internet (such as a digital subscriber line or DSL), a computer or tablet capable of communicating online, a video camera, microphone, speakers or comparable audio and video hardware, and other equipment described in the Manuals or otherwise required in writing. In addition, you must have or acquire other computer hardware and software sufficient to satisfy your other typical business needs. The actual cost of that equipment will vary depending on the quality and quantity of computer equipment you already have or have to acquire and whether the equipment is purchased or leased.

9. You must obtain an initial inventory of printed or online templates of collateral materials, stationery and business forms bearing the “SVN” name and Marks.

10. You must file for a fictitious business name in accordance with our Policies (e.g., SVN I Smith Group).

11. If you are a new SVN Franchisee, at least one of your owners must attend and complete to our satisfaction our mandatory SVN I Jumpstart training within nine (9) months of signing the Franchise Agreement. If you are an existing SVN Franchisee, this training is optional. If you are renewing your Franchise Agreement, we recommend that at least one of your owners attend and complete to our satisfaction SVN I Jumpstart, which is offered at various locations throughout the United States. This estimate covers the \$599-\$949 SVN I Jumpstart Training Fee paid to us, plus hotel accommodations, transportation, and food for 3 days for one trainee. The low end of the range (\$0) assumes that you are an existing franchisee and do not need to take this training, or that you choose to take this training after the first 3 months of operations. (See Item 11 for more information on our training programs.)

12. These estimates do not include any Royalties, employees' salaries, taxes, or managerial salaries or any payment to you. They also do not take into account the finance charges, interest and related costs you may incur if any portion of the initial investment is financed. These estimates do cover the first 3 months of Platform Fees and Google Suite Fees (1-3 email accounts) paid to us, and the minimum estimated levels to cover basic operating expenses for the first few months after signing the Franchise Agreement, specifically for up to 3 months, if you are converting an existing business, or 6 months, if you are starting a new business. If you are converting an existing business, you may have pending transactions, contracts or lease renewals (which we may permit you to exclude from the applicable Royalties) and revenues from those pending transactions may reduce the need for additional funds on hand.

13. All amounts are non-refundable unless otherwise noted. We do not offer any financing for your initial investments. We have prepared these estimates based on our experience and our former Related Parties' experience, which is primarily in the establishment and operation of offices larger than the SVN Franchise Business you will operate under the Franchise Agreement. Our experience in the establishment and operation of smaller SVN offices is limited. Except for the "Additional Funds" figure in the chart and Note 11 above, these estimates describe your initial cash investment up to the opening of, or converting your pre-existing operation to, an SVN Franchise. They do not provide for your cash needs to cover any financing incurred by you or your other expenses.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must purchase any services or products that we may require, and purchases are made from our approved suppliers to the extent we require you to do so. We can approve a single distributor or other suppliers (collectively, "supplier") for any product or service, and may approve a supplier only as to certain products or services. We can concentrate purchases with one or more suppliers to gain a commercial advantage. Our approval of a supplier can be conditioned on requirements relating to the concentration of purchases, payments or other consideration received by us, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our occasional continued evaluation of the supplier.

You can request the approval of a product/service by notifying us in writing and submitting information and/or materials as we request. We can require that you pre-pay any reasonable charges related to the review and evaluation of any proposal. We will notify you within a reasonable time of the decision. We can withdraw our approval of any product, service, or supplier by giving you notice.

We and/or our Related Parties (if any) may be an approved or exclusive supplier of certain products/services to be purchased by you and/or other SVN franchisees. SVNIC can receive marketing, administrative and other payments and allowances from third party suppliers on account of purchases made by SVNIC and any Related Parties, franchisees, and/or their respective clients. SVNIC and any Related Parties can charge a mark-up on goods and services supplied to you or your clients by SVNIC or its Related Parties. We are not required to remit any portion of any payments to you.

Specifications and Services. You must operate your SVN Franchise in compliance with our policies, which include standards, specifications, policies, procedures, protocols and restrictions established by us and revised from time to time (collectively, our "Policies") and the Manuals. We will

provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards and any restrictions on your purchase of products and services. We will furnish to you an approved list of suppliers that may be able to supply certain of your required products and services, which we may update periodically.

All business cards, brochure covers, graphics and stationery must be purchased from a supplier that we designate and must comply with our branding standards. At present there is only one designated supplier for each of these items; this supplier is not affiliated with SVNIC or any of its Related Parties. We do not plan to evaluate or approve any alternate supplier(s). We can change or eliminate this and other Policies.

We offer you access to a customized, third-party online tracking and marketing system that will take information you provide and allow you to generate custom brochures and proposals. To the extent we offer this or any other system/software application, we have a right to charge you a reasonable fee in connection with its use. As of the date of this Disclosure Document, no such fee is charged, but this policy is subject to change. We are an indirect supplier of the online tracking and marketing system in that we are an enterprise user of a customized third-party product, which permits franchisees to access the system under our license.

Other than the above-referenced tracking and marketing system, neither we nor any of our affiliates are currently a sole supplier of any products or services to you.

Neither we nor any of our officers have an ownership interest in any Approved Supplier.

From time-to-time various publications and other media may provide a discounted rate on advertising that we submit, whether on our behalf or on your behalf. We have the right to receive a reasonable mark-up on advertising placed through us.

You and our sales agents and the sales agents of our Related Parties may agree to a co-listing arrangement. In that case, you will split the commission you receive on account of a Transaction Closing of the co-listed property as agreed between you and the sales agent and you must pay us a Production Royalty on account of that Transaction Closing.

Equipment and Signs. You must purchase and install, at your expense, equipment and signs that meet our branding standards and specifications. You must display suitable signs that meet our standards and specifications at your business address, at listed properties, and at all properties for which you provide Property Management Services. We will waive this requirement for any property for which you provide Property Management Services if we receive written notice from the owner of the property refusing to allow the placement of a sign bearing our Marks.

Office Equipment; Computer Equipment; Internet. You must obtain and maintain dedicated telephone lines and broadband data connection(s) to the Internet (such as a digital subscriber line, DSL, Cable Internet or Fiber.) You must obtain and maintain during the term of the Franchise Agreement computer hardware and software meeting our specifications. The computer must be capable of accessing the internet at all times and must be equipped with camera, microphone, speakers or comparable audio and video hardware. You must maintain membership with a third-party network or internet service provider for the purpose of implementing software, transmitting and receiving data, and accessing the internet.

Advertising. You must conduct all advertising and promotion (including all electronic or written forms and stationery) according to our policies and Manuals and may not use or publish any advertising material that does not conform to our policies. Your advertising must adhere to any local laws and regulations. You must obtain prior approval from us of any vendor you propose to use to setup and maintain any website or websites on the Internet to advertise and promote your SVN Franchise Business. We must review and approve any such website prior to you launching it online.

Records. You must maintain accurate and complete bookkeeping and accounting records, financial statements, and submit periodic reports to us according to the Manuals.

Insurance. You must obtain and maintain insurance as specified by us periodically in the Manuals. Our affiliate, SVNIA, is an approved supplier offering insurance referral services to SVN franchisees and property management clients. You are not required to use the services of SVNIA, but they are provided to you at no charge. SVNIA will receive referral fees from insurance providers for referred franchisees. Our president and parent have an ownership interest in SVNIA.

Precise basis by which we may or will derive revenue or other material consideration from required purchases or leases:

We reserve the right to receive marketing, administrative, sponsorship or other payments and allowances from third-party suppliers on account of purchases made by SVNIC, and its Related Parties, and by you and other SVN franchisees, and their respective clients and to charge a mark-up on goods and services we or our Related Parties may supply. Currently, we receive rebates from five (5) of our preferred suppliers of software to our franchisees ranging from .05% to 30% of the franchisees' total purchases. You are not entitled to receive any portion of these payments or allowances from SVNIC.

In our fiscal year ending December 31, 2023, we received no revenue from franchisees directly purchasing or leasing required products and services from us.

In our fiscal year ending December 31, 2023, our affiliate RIC received \$2,991,835 from required support services supplied to SVN franchisees, which represents 100% of RIC's total revenues of \$2,991,835. The sources of this information are the financial books and records of Real Impact Corporation.

In the fiscal year ending December 31, 2023, our affiliate SVNIA received \$28,527.37 from insurance providers for the referral of our franchisees and property management clients, which represents 100% of SVNIA's total revenues of \$28,527.37. The sources of this information are the financial books and records of SVNIA.

The estimated proportion of required purchases and leases to all purchases and leases by you of goods and services in establishing and operating the SVN Franchise:

Currently, the only purchases Franchisee will make from suppliers that must be approved by us or that must meet our standards or specifications are insurance, advertising, signage, equipment and business cards, postcards, stationery, brochures and proposals, and other office supplies bearing our service marks, although this list is subject to change. For an existing business converting to an SVN Franchise, we estimate that these purchases will represent between 1% and 67% of your expenditures

for leases and purchases in establishing your SVN Franchise and 8% to 12% of your purchases on an ongoing basis. For a broker without an existing business, setting up a new business under an SVN Franchise, we estimate that these purchases will represent between 21% and 77% of your expenditures for leases and purchases in establishing your SVN Franchise and 8% to 12% of your purchases on an ongoing basis.

We negotiate some purchase arrangements with suppliers, including price terms, for the benefit of our franchisees. There are presently no purchasing or distribution cooperatives in which you must participate. We do not provide any material benefits to you based on your use of designated or approved suppliers.

Item 9

FRANCHISEE’S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a) Business site selection and acquisition/lease	Section 6.1 of the Franchise Agreement	Items 8, 11 and 16
b) Pre-opening purchases/leases	Sections 6.2, 6.4 and 14.1 of the Franchise Agreement	Items 5, 6, 7, 8 and 11
c) Site development and other pre-opening requirements	Sections 6.2 and 9.5 of the Franchise Agreement	Items 8 and 11
d) Initial and ongoing training	Section 5.1 of the Franchise Agreement	Items 6 and 11
e) Opening	Sections 9.5 and 14.1 of the Franchise Agreement	Item 11
f) Fees	Sections 4.1 - 4.9, 5.1, 6.4 and 12.6 of the Franchise Agreement; and Sections 1, 2, 3 and 6 of the Renewal Addendum.	Items 5, 6, 7, and 11
g) Compliance with standards and policies/Operating Manual	Sections 1.1, 2.1, 3.2, 4.3, 4.8, 6.2 - 6.10, 7.1, 7.3, 7.4, 8.1 - 8.3, 9.1, 9.3, 13.1, 14.1 and Schedule G of the Franchise Agreement; and Sections 2, 7, 10, and 11 of the Franchisee Intranet Services Agreement	Items 11, 14 and 15
h) Trademarks and proprietary information	Sections 2.2, 2.3, 7.4, 9.1, 9.3, 9.4 and 10.2 of the Franchise Agreement; and Sections 4, 5, 9, 10 and 11 of the Franchisee Intranet Services Agreement	Items 11, 13, and 14

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
i) Restrictions on products/services offered	Sections 6.3, 9.6 and Schedules D and E of the Franchise Agreement	Items 8 and 16
j) Warranty and customer service requirements	Section 13 of the Franchisee Intranet Services Agreement	None
k) Territorial development and sales quotas	Section 4.6 of the Franchise Agreement	Items 6, 12 and 16
l) Ongoing product/service purchases	Sections 5.3 and 6.4 of the Franchise Agreement	Items 6, 7 and 8
m) Maintenance, appearance and remodeling requirements	Sections 6.2 and 6.5 of the Franchise Agreement	Items 7 and 16
n) Insurance	Sections 8.3 and 14.1 of the Franchise Agreement; and Section 7 of the Renewal Addendum	Items 8 and 16
o) Advertising	Article 7 and Section 9.1 of the Franchise Agreement	Items 6, 8, 11, and 13
p) Indemnification	Section 15.2 of the Franchise Agreement; and Section 14 of the Franchisee Intranet Services Agreement	Item 6
q) Owner's participation/management/staffing	Sections 6.3, 6.9 and 8.3 of the Franchise Agreement	Item 15
r) Records and reports	Section 6.4, Article 8 and Section 9.1.3 of the Franchise Agreement	Items 6 and 8
s) Inspections and audits	Sections 6.3.7, 8.2 and 9.1.3 of the Franchise Agreement	Item 6
t) Transfer	Sections 11.2 and 11.4 of the Franchise Agreement; and Section 15 the Franchisee Intranet Services Agreement	Item 17
u) Renewal	Sections 3.2 and 3.3 of the Franchise Agreement	Item 17
v) Post-termination obligations	Sections 7.4.3, 7.4.4, 9.5, 9.7, 10.2, 13.1, 13.2 and Article 17 of the Franchise Agreement	Items 13 and 17
w) Non-competition covenants	Section 10.1 of the Franchise Agreement	Item 17
x) Dispute resolution	Article 17 of the Franchise Agreement	Item 17
y) Personal Guaranty	Section 11.3 and Schedule B of the Franchise Agreement	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, we are not required to provide you with any assistance.

Pre-Opening Obligations

We have the following obligations to you before you open your SVN Franchise for business:

1. If you do not already have a location, we will have the right to accept or reject the site you select. (Franchise Agreement Section 6.1.) You are solely responsible for the location of your SVN Franchise office. You will purchase or lease the office location from an independent third party. We try to approve or reject your proposed site within 30 days after you have submitted your proposed site. The factors that we consider in accepting SVN Franchise locations include the size of the market area, physical characteristics of the location and your evaluation of your needs, as well as your agreed upon Primary Market Area. Although we may permit you to operate out of your home or virtually, typically, an SVN Franchise operates out of an office location, which in some cases is an executive suite or co-working space. If we deny approval of a proposed site, you must submit a new location for approval. We will continue this process until you have located a site acceptable to us, which may include you being permitted to operate virtually.
2. Unless you are signing your Franchise Agreement in connection with the renewal of your relationship with us, we will loan you (or allow you electronic or other access to) 1 copy of the Manuals to use during the term of the Franchise Agreement. The Manuals contain our standard operational procedures, policies, rules and regulations. You must comply with any mandatory requirements that they contain. (See Sections 5.2.1 and 6.6 of the Franchise Agreement.) The Tables of Contents of our Manuals are attached as Exhibit F. Currently, the SVNIC Confidential Operations Manual contains 81 pages and the SVNIC Branding Guide contains 36 pages, for a total of 117 pages.
3. We will provide, at no additional charge, exemplar artwork for you to use in purchasing, at your cost, stationery, advertising, property signs and other marketing materials. (See Section 5.2.2 of the Franchise Agreement.)
4. We will provide you with a three-month onboarding training program called "Trello Board," which will guide you through all the features and software needed to launch your SVN Franchise. This training is conducted online and is mandatory for new franchisees or the Managing Director of the franchisee. We do not charge you for this onboarding program. (See Section 5.1.4 of the Franchise Agreement.)
5. We will also provide you with a training program called SVN | Jumpstart within 9 months of

signing the Franchise Agreement. SVN | Jumpstart is mandatory for new franchisees. You will pay us a fee for this training. (See Section 5.1.3 of the Franchise Agreement.)

Post-Opening Obligations

We have the following obligations to you after you open your SVN Franchise office for business:

1. We will provide you access to an online interactive software application (or other method we select) that will take information you provide and allow you to generate brochures, proposals and related marketing materials. We do not currently charge for this service or software application but may do so in the future. We will also make available to you at no additional charge electronic versions (if available) of various sales aids and marketing materials for use in connection with your Office. We can at our option make other versions (e.g., non-electronic versions) available to you at our then-current charge. (See Section 5.3.1 of the Franchise Agreement.)
2. Our staff or other designees will be available to you to the extent we determine appropriate during the Term by telephone and/or online interactive sessions or other methods selected by us to provide support and/or information to you. (See Section 5.3.7 of the Franchise Agreement.)
3. We will provide you access to other SVN franchisees in ways and using methods we choose, which can, but do not have to include, the Internet, our Intranet or Extranet, virtual meetings, email, conference calls and company meetings. We have the right to impose reasonable charges for these services and meetings. You will also bear your own costs of participation and attendance, including travel, lodging and meal expenses. (See Section 5.3.2 of the Franchise Agreement.)
4. We will conduct national and regional brand marketing to the extent and in the manner we choose. (See Section 5.3.5 of the Franchise Agreement.)
5. You will be granted the opportunity to participate in any sales contests offered and be eligible to qualify for any annual awards given. Additionally, we may offer SVN Franchisees and selected advisors the option to participate in extra-curricular company programs for a fee. Participation by you in any such extracurricular company program will be optional. (See Section 5.3.6 of the Franchise Agreement.)
6. You will have the right to sell your services at any price you determine and will in no way be bound by any price which we may recommend or suggest.

Other Current SVN Programs:

Intranet. We have established an Intranet through which SVNIC and SVN franchisees may communicate with each other, and through which we may disseminate the Manuals, updates and other confidential information. We will have sole discretion and control over all aspects of the Intranet, including the content and functionality. You will have the mere privilege, and not the right, to use the Intranet, subject to your compliance with our Policies. (See Sections 6 and 7 of the Franchise Agreement.) We have independent access to information and data that is collected electronically through the Intranet. We can require Franchisee and each user to whom we issue a password to sign our then current form of Intranet Services Agreement(s). The current form is attached to the Franchise Agreement as Schedule "G" and is subject to change. You are required to comply with our usage policies. We do not warrant the Intranet content or functionality.

SVN Branding Program. Franchisees are obligated to pay us a Platform Fee, which is used for the SVN Branding Program and related platform system. Currently, the Platform Fee is \$1,000 per month. We have the right to change the payment periods (e.g. quarterly, annually, etc.) and make corresponding pro rata adjustments in the amount of the Platform Fee payable at those intervals. The sums you and other franchisees pay to us as a Platform Fee will be deposited in our general operating account, segregated administratively on our books, but commingled with our general operating revenues. If we spend less than the total of all contributions to the Branding Program during any fiscal year, we will accumulate these sums for use in later years. We have no obligation to return any unused portions of Platform Fees not used in any calendar year to you. (See Section 7.2 of the Franchise Agreement.)

Neither we nor our Related Parties are obligated to contribute to the Branding Program.

At your request, we will furnish to you within 120 days after the end of each of our fiscal years, an unaudited report certified as correct by an officer of ours showing the calculations of Platform Fees that we actually spent during the preceding calendar year and the remaining balance or deficit at the end of the fiscal year end. (See Section 7.2.4 of the Franchise Agreement.)

The SVN Branding Program revenue from the Platform Fees will be used for national, regional, or local advertising, public relations, marketing and promotional campaigns, and for maintaining and enhancing the related SVN platform system, which grants access to services, tools, and resources tailored to facilitate property transactions, including listing properties, marketing tools, transaction management, and access to market and analytics. We decide how the funds are spent, including possibly marketing studies, the production and purchase of advertising art, commercials, print advertisements, web sites, media advertising, public relations, brochures and proposal materials, outdoor advertising art, and direct mail pamphlets and literature and other related costs. Funds can also be allocated to pay or reimburse us or our Related Parties for salaries, administrative costs, usage fees for online marketing services, overhead and other pay or expenses incurred in marketing program-related activities, including but not limited to “in-house advertising agency” services, creative concepts, research, production, placement, and media purchasing, as well as collection, legal and accounting expenses related to the Branding Program and associated activities. We determine all matters relating to advertising, public relations and promotional campaigns and we are not required to allocate or expend Branding Program revenues for the benefit of any particular franchisee or group of franchisees on a pro rata or proportional basis. (See Section 7.2.3 of the Franchise Agreement.)

We presently anticipate that our advertising programs will be developed both through our internal resources and through outside advertising consultants.

During our fiscal year ended December 31, 2023, we disbursed Branding Program revenue as follows:

<u>Category</u>	<u>Percentage</u>
Online and Print Media Placement ¹	30%
Tradeshows ²	5%
Administrative ³	12%
Marketing & Multimedia Collateral and Outreach ⁴	53%
<hr/>	
Total	100%

Notes to Branding Program Expenditures:

1. Online and Print Media Placement is online and print ads.
2. Tradeshows at events sponsored by professional organizations, such as ICSC, CCIM and SIOR.
3. Administrative is internal SVNIC costs.
4. Marketing & Multimedia Collateral and Outreach is Buildout, SVN|Live call, website, lead generation, public relations, and online ads.

No Branding Program funds will be used for advertising to solicit new franchisees, although we may include references on our Internet web site and in our general advertising that SVN Franchises are available. These advertisements will not, however, be principally for attracting franchisees.

In addition, some or all franchisees may form a local, regional or national franchisee association or group at their sole expense, in which you may have an opportunity to participate. We will not object to any participation by you if you respect and comply with the obligation to keep information in your Franchise Agreement, addenda, and related documents confidential, and do not use the Marks in any association or group activities or materials.

We can form advertising/marketing councils based upon industry segments or property types, geography, transaction type or volume, or other criteria, as we consider appropriate. We have the right to form and administer any council or allow a council to self-govern. In either case, you must participate in any applicable council.

In 2024, we established a marketing council made up of franchisees called the "Product Council." The Product Council was formed to increase the productivity, visibility and presence of all participants while elevating the SVN brand and specialized expertise. The Product Council members are elected by the franchisees; however, we select the final Chair(s) and/or Co-Chair(s). The Product Council is self-governing and has decision-making power over how the Product Council Marketing Fund Fees that we collect from you are spent, subject to our approval. The Product Council is not a franchisee collective or association and may not be administered as one. We have the power to change, merge or dissolve the Product Council or establish other marketing councils, at our sole discretion.

You will pay us a Product Council Marketing Fund Fee in the amount of \$1,800 each year, which we will hold in an account and administer for the Product Council. We will disburse the fees in the amounts and at the times requested by the Product Council. All expenditures of the Product Council Marketing Fund are subject to our approval. The Product Council anticipates spending the Product Council Marketing Fund on conferences and marketing-related activities. The Product Council Marketing Fund Fee may be increased or decreased to an amount determined by a vote of 51% of the franchisees.

Neither we nor our Related Parties are obligated to contribute to the Product Council Marketing Fund. We are not required to audit the fund. At your request, we will furnish to you within 120 days after the end of each of our fiscal years, an unaudited report certified as correct by an officer of ours showing the calculations of Product Council Marketing Fund Fees that were spent by the Product Council during the preceding calendar year and the remaining balance or deficit at the end of the fiscal year end. The Product Council was recently formed in 2024 and, therefore, no funds were spent in our last fiscal year ended December 31, 2023.

Internet. We have registered the Internet domain: *www.svn.com* and have established a site using this domain name. The domain name is our sole property, and you will not register or use any domain name or URL that contains the word or initials “SVN” or any other words or symbols we designate, except to the extent we permit you to do so in our Policies. You must obtain our prior written approval for any domain name or URL you (and your Authorized Salespersons, if you are a Franchisee) propose to use in connection with the operation of your SVN Franchise. We may post your listings as our Franchisee and those of SVNIC and those of its Related Parties, and others, including other franchisees, on one or more internet or intranet web sites. We will do so in accordance with our policies. We may exclude from the site(s) or other publicity real properties that fail to meet our standards. We may establish policies which control posting of listings and other information regarding approved services and/or any SVN Franchise on internet websites not sponsored or approved by us. (See Section 7.4 of the Franchise Agreement.) We have independent access to information and data that is collected electronically through *www.svn.com*. You also must follow policies and requirements we establish regarding Internet key word purchases, social network pages, videos or any other publication on the Internet in which the Marks are used.

Local Advertising. The format, content and media of all of your advertising must meet our Policies as stated in the Manuals. (See Section 7.1 of the Franchise Agreement.) Additionally, you must maintain, at your own expense, one or more telephone numbers. You must conduct all telephone directory advertising under our then-current standards and specifications, as stated in the Manuals, and all advertising, including telephone directory advertising, is subject to our prior written approval. (See Section 7.3 of the Franchise Agreement.) If we give you written permission to conduct Permitted Outside Services independently of your SVN Franchise, you must follow our policies for doing so. For example, we will require you to use separate telephone number(s), business cards and letterhead to avoid any suggestion that you are conducting these services as part of your SVN Franchise.

Training. Our current training programs for franchisees are described below and are subject to change. Topics may be added or deleted in our discretion, or instructors changed without notice. Classes will be taught by members of the Franchise Services Team (see chart below) and various franchisees we select with expertise in a particular subject area.

Name of Trainer	Years of Experience with SVN Operations	Years of Experience with Subjects Taught
John McDermott	20 years	49 years
Mike Gallegos	4 years	19 years
Brian McCririe	6 years	22 years
Cameron Williams	1.5 years	8 years

If you are a new SVN Franchisee, at least one of your owners must attend and complete to our satisfaction our SVN I Jumpstart training program within 9 months of signing the Franchise Agreement. SVN I Jumpstart is optional for existing franchisees and the staff of franchisees; however, it is recommended for existing franchisees that are renewing their Franchise Agreement. All of our other training programs, with the exception of our online onboarding program, are optional.

We anticipate offering the training programs described here in this fiscal year when we believe they are warranted, considering demand and other factors. We can offer them less frequently than we have in the past, which may create scheduling concerns or inconvenience and could limit your ability to participate in any of them. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we may conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or cancel or delay any and all such training, classes, courses, meetings, and conferences.

We can modify, expand, or discontinue any of our training programs at our option and can charge a reasonable fee for participation in any of them. Currently, we charge fees ranging from \$399 to \$2,599 for the training programs, conferences and meetings, including SVN I Jumpstart, the Managing Directors Meeting, and the SVN Annual Conference. You are responsible for all costs associated with participation/attendance, including travel-related expenses (if any). Fees charged to earlier franchisees (if any) for the same programs and various other services may differ from fees you may incur.

Onboarding; Business Start-Up Training. Onboarding is a three-month process in which we will guide you through integrating your business into the SVN platform. We have developed a structured online program through Trello, called “Trello Board” that guides new franchisees through all the features and software needed to launch their SVN Franchise. This training is required for all new franchisees or the Managing Director of the franchisee. There is no charge for this program.

SVN I Jumpstart. If you are a new SVN Franchisee, at least one of your owners must attend and complete the SVN I Jumpstart training program to our satisfaction within 9 months of signing the Franchise Agreement. If at least one of your owners does not attend and satisfactorily complete SVN I Jumpstart within 9 months of executing the Franchise Agreement, SVNIC may, at its sole discretion, grant you additional time to satisfactorily complete SVN I Jumpstart or terminate the Franchise Agreement. If SVNIC elects to terminate the Franchise Agreement, you will not receive a refund, in whole or in part, of the Initial Franchise Fee paid to SVNIC. SVN I Jumpstart is optional for existing franchisees and the staff of franchisees; however, if you are renewing your Franchise Agreement, we recommend at least one of your owners attend and complete this training program to our satisfaction at the time of renewal. We generally offer this at various hotel conference room locations across the United States. SVN I Jumpstart is typically held 3 times a year but may be held at other intervals we select. You are responsible for any travel, accommodations, living and other expenses associated with your attendance at any training program.

TRAINING PROGRAM
(SVN I Jumpstart)

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Building the SVN Culture	1	0	Various hotel conference room locations throughout the United States, as determined by us.
Recruiting & Retention	.75	0	Various hotel conference room locations throughout the United States, as determined by us.

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Deployment & Onboarding	1	0	Various hotel conference room locations throughout the United States, as determined by us.
Managing Expenses	1	0	Various hotel conference room locations throughout the United States, as determined by us.
Office Leadership	1	0	Various hotel conference room locations throughout the United States, as determined by us.
Revenue Projections	1	0	Various hotel conference room locations throughout the United States, as determined by us.
The Model Office	.75	0	Various hotel conference room locations throughout the United States, as determined by us.
The SVN Brand	.75	0	Various hotel conference room locations throughout the United States, as determined by us.
Managerial Time Management	1	0	Various hotel conference room locations throughout the United States, as determined by us.
Marketing Your Franchise Office	1	0	Various hotel conference room locations throughout the United States, as determined by us.
SVN Pro (Buildout) Fundamentals & Advanced Skills	2	0	Various hotel conference room locations throughout the United States, as determined by us.
Buildout Reporting	.5	0	Various hotel conference room locations throughout the United States, as determined by us.
Create Your Marketing Plan	1	0	Various hotel conference room locations throughout the United States, as determined by us.
Core Covenants	.5	0	Various hotel conference room locations throughout the United States, as determined by us.
Enterprise Value	1	0	Various hotel conference room locations throughout the United States, as determined by us.
On-boarding Deep Dive	.75	0	Various hotel conference room locations throughout the United States, as determined by us.

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
How to Implement an Effective Property Campaign	1.25	0	Various hotel conference room locations throughout the United States, as determined by us.
Total	16.25	0	

Online Training Program. We currently provide a remote, online training program via the Internet and/or telephonic conference call to all SVN franchisees, consisting of a variety of topics (“Training Modules”) and incorporating components of courses previously offered in years past. Participation in any of the Online Training Program modules is optional. We currently offer SVN franchisees 13 online training courses covering commercial real estate elements. Each course contains 4-7 videos with a duration of 4-15 minutes per video. The current Training Module content and topics are described in the chart below. The topics are subject to change and new topics may be added and others deleted without notice, as we may determine. There is no separate training charge for the Online Training as of the date of this Disclosure Document, although this can change. You will bear the cost of any Internet and telephone access fees and related costs and charges required to participate in the Online Training.

TRAINING PROGRAM
(Online Training Program)

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Welcome to SVN	.75	N/A	Virtual
Introduction to Commercial Real Estate	.75	N/A	Virtual
Encyclopedic Market Knowledge	.75	N/A	Virtual
Introductory Sales Skills	.75	N/A	Virtual
The Introductory Call	1	N/A	Virtual
The Meeting	1	N/A	Virtual
Introduction to Underwriting	1	N/A	Virtual
Advisor Track: <ul style="list-style-type: none"> • Intro to Leasing – 2 Parts • The Model Proposal • Thriving in Interesting Times • Fixing Stuck Listings • Beyond Cap Rates • Tactical Business Planning 	5.5	N/A	Virtual

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
MD Track: <ul style="list-style-type: none"> • New Advisor Onboarding/Mentoring • Franchise Business Planning • Leadership in the SVN Culture • Manager vs. Producer • Recruiting for Managing Directors • Market Sizing and Deployment 	7.5	N/A	Virtual
SVN Platform & Technology: <ul style="list-style-type: none"> • Calendar - Google Applications • Gmail - Google Applications • Google Drive - Google Applications • Buildout • SVN Tools 	4	N/A	Virtual
Total	23	N/A	

We may offer additional training programs via the SVN Dashboard or in person at various hotel conference room locations across the United States, regional events or conferences for which we may charge you a fee. There are no mandatory additional training programs required that Franchisees must attend as of the effective date of this disclosure document. However, SVNIC has the right to establish these requirements in the future.

Conferences and Meetings. We plan to hold several conferences and meetings throughout the year, including the following: (i) the SVN Annual Conference, typically held in March each year, which will last approximately 2.5 days, is mandatory for you or your Managing Director; and (ii) an annual meeting for Franchise-owners and Managing Directors only (the “Managing Director Meeting”), which will last approximately 1 day. These conferences and meetings will focus on the current commercial real estate market and marketing strategies to increase productivity under current market conditions using the SVN System. They will be held at various hotel conference room locations designated by us. The fees for these conferences and meetings range from \$399 to \$2,599. Some of the conferences/meetings include travel, lodging and meals, while others do not. You are responsible for your travel, lodging and meals if not covered in the conference/meeting fee. Except for the SVN Annual Conference, attendance is optional for all SVNIC conferences and meetings but is highly recommended by us.

Computer System. Unless already owned, you must purchase the office equipment we specify, including a computer system, printer/scanner, a high-speed connection for Internet/computer communications, and one standard voice line. We do not specify the brands or minimum requirements of the computer system other than it must be capable of accessing the Internet and the SVN Dashboard while running Google Applications on the Google Chrome web browser. We recommend the following computer and applications for use in your SVN Franchise: any computer capable of running the Google Chrome browser; standard office-computing applications; either Windows 10 or later or Mac 10.15 (Catalina) or later; a broadband Internet connection; Microsoft Office; and a video camera, microphone, speakers or comparable audio and video hardware. We also provide some marketing materials in formats that work with Adobe Creative Cloud applications, such as Acrobat, Illustrator, InDesign and Photoshop.

We estimate the cost of purchasing such a computer system to be approximately \$3,000. We also recommend that you implement the latest security software to protect your computers and/or network and have a system to back up files regularly on either an external hard-drive or an online system.

Maintenance, support and/or update/upgrades to the hardware and software may be available from the manufacturer and/or vendor and you should research the cost when you purchase the hardware and software. Since we do not require you to purchase specific hardware or software, we are not able to estimate the cost of maintenance, updating, upgrading or support of the hardware or software. You must update and maintain as reasonably necessary a computer and Internet browser to enable you to participate on our Intranet.

We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for a new SVN Franchise.

We have the right under the Franchise Agreement and Franchisee Intranet Services Agreement to access the information generated and stored in your computer system and in all cases have access to the Intranet content. (Section 6.7 of the Franchise Agreement.)

Length of Time to Open the SVN Franchise. We estimate the typical length of time between signing a Franchise Agreement and opening an SVN Franchise office is between 10 and 90 days. Some factors that may affect the time period for the opening of your Franchise office include your ability to obtain a lease, financing or building permits, zoning and local ordinances, state real estate brokerage licensing requirements, weather conditions, shortages, or delayed installation of equipment fixtures and signs. The above is not an exhaustive list but does describe the most common factors experienced by our franchisees.

As with all System resources and tools, Property Management Services and Auction Services programs and features are subject to change, replacement or elimination over time.

Item 12

TERRITORY

You do not receive a territory under the Franchise Agreement, so you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We may establish other licensed or SVNIC-owned or related businesses that may compete with your SVN Franchise. Without limiting the generality of the preceding sentence, we will assign to you a "Primary Market Area" typically consisting of a metropolitan area. As of the effective date of this Disclosure Document, our minimum Primary Market Area is generally a county, but we may change the size of a minimum Primary Market Area in the future. "Primary Market Area" contemplates the area in which you will conduct more than 50% of your business. The Primary Market Area and the license granted to you are nonexclusive, and we reserve all rights in the Primary Market Area, including the right to license other franchisees and our Related Parties to open offices and serve customers within the Primary Market Area. We and any of our Related Parties have the right to market, offer, sell, and license the sale of any products and services of

any kind under the Marks or other trademarks and service marks, within and outside of the Primary Market Area, in any manner or medium, including the Internet. We do not have to compensate you.

Neither we nor any affiliate has established, or has plans to establish, other Franchises or outlets or another channel of distribution selling or leasing similar products or services under a different trademark, but there is no contractual restriction on our right to do so.

Except for Special Accounts, no restrictions exist on you or us or on any of our franchisees, licensees or Related Parties as to customers (including those in or outside their respective primary market areas) that may be solicited or from whom business can be accepted, and we and our franchisees, licensees and Related Parties are free to advertise and solicit business from any area desired, subject to our general standards for advertising and our policies regarding co-listing of properties outside your Primary Market Area. However, to competitively attract and effectively service any potential or existing client that owns, manages or controls multiple commercial real properties located within and outside of any single marketing area, we may establish policies governing the manner in which those clients are solicited and serviced.

You may offer, sell and provide Approved Services in any geographic area or jurisdiction where you are licensed and have qualified to do business if required, and are otherwise legally entitled to do so, subject to our rights involving Special Accounts as described below in this Item. You will be permitted to operate your SVN business only at a specific location which we accept, as described in the Franchise Agreement, unless otherwise approved by us in writing.

No compensation is paid to you if we or a franchisee, licensee or Related Party solicits or accepts business from within your or any other market area, except for any co-listing or fee sharing arrangements you may have with that person. To provide the highest degree of service to clients, if you perform Commercial Real Estate Services in connection with real property or businesses located outside your non-exclusive Primary Market area, you must co-list with a qualified SVN franchisee having an office in the market area in which the real property or business is located, if one is available, according to SVNIC's co-listing Policies, as provided in the Manuals or other written instruction published by us occasionally. If there is no qualified SVN Advisor at a Franchise located in the Primary Market Area in which the subject property is located, you can, with our prior consent, co-list with an unaffiliated commercial real estate broker close to the property or business or, if feasible due to PMA proximity and preference of the client, you may service the listing directly, provided you alert SVN Franchises in the area in advance of publicizing the listing. We have an unrestricted right to deny any consent if we determine that a qualified SVN Advisor is available for the co-listing. We suggest that the share of the listing to a local franchisee be at least 10% of the list side fee. In any event, our current policies provide that the local franchisee should be brought in on a co-listing basis before or promptly after the primary franchisee secures the listing agreement with the client and according to any timeframe specified in the Manuals. These recommendations and policies are subject to change by us.

For purposes of this co-listing provision, an SVN franchisee includes SVNIC, its Related Parties, and other SVN franchisees identified by us as authorized to offer and sell Commercial Real Estate Services. You may offer, sell and provide Approved Services outside of your Primary Market Area using other channels of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing as long as you comply with our Policies.

We and our Related Parties can market, offer, sell and distribute Commercial Real Estate Services and other services through independent contractor relationships and/or an internal and/or corporate sales force to entities/organizations/retail chains having multiple, commonly branded or similarly associated outlet facilities, which typically, but not necessarily, operate nationally or regionally and have outlets located over multiple Franchisee Primary Market Areas (“Special Accounts”). Under the Franchise Agreement, you cannot solicit or service Special Accounts clients that are parties to agreements with us or a Related Party. However, we do not have any Special Accounts as of the date of this Disclosure Document.

There are no minimum sales quotas that apply to you as a Franchisee, although you are subject to a minimum annual royalty, as described in Item 6.

You receive no rights of first refusal, right to renew, or options to acquire additional franchises under your Franchise Agreement.

Franchise Location

If you do not already have a location, you must find an office location for your SVN Franchise which must be approved by us in advance. Franchisees are licensed to operate their Franchise solely at or from the approved Franchisee Address, unless we give written permission for you to do otherwise. We will not be liable for any losses that you sustain or may sustain as a result of your executing documents to lease or purchase property for an office that is ultimately not approved by us. If you desire to relocate your SVN Franchise or to establish and operate your SVN Franchise at an additional location, you must first apply for our consent to relocate at a new business address and sign any related amendments or addenda. Additionally, you must sign a general release of all claims, and submit any other information and documentation as is then required by us. Any new Franchisee Business Address must be located in your Primary Market Area and must meet the standards and requirements as set forth in the Manuals. We have the right to grant, condition, or deny any relocation request.

Item 13

TRADEMARKS

The Franchise Agreement grants you the right to use certain of our trademarks as a trade name. You are licensed to use them only in the manner we authorize and permit, and only to operate the SVN Franchise at and from the location specified in your Franchise Agreement. Without our express permission, you cannot use SVNIC’s Marks or trade name, or any words or symbols which are confusingly similar to the Marks, as all or part of your formal Business Entity name. You may not use any geographic names to identify your SVN Franchise Business without our consent. If you must, under applicable law, include your trade name with our trademarks and your trade name contains a geographic name, you must first change your trade name to remove any geographic name or area.

The following principal trademarks are registered with the U.S. Patent and Trademark Office (“USPTO”) and listed on the Principal Register. All required affidavits have been filed.

DESCRIPTION OF MARK	REGISTRATION NUMBER	REGISTRATION DATE
SVN	3677169	September 1, 2009 Renewed September 27, 2019
SVN	4190585	August 14, 2012 Renewed February 28, 2023
SVN AUCTIONS	4529002	May 13, 2014
SVN SYSTEM FOR GROWTH	4813843	September 15, 2015
	5113296	January 3, 2017
	5080655	November 15, 2016
	5054706	October 4, 2016
SVN LIVE	5085451	November 22, 2016
SHARED VALUE NETWORK	5210419	May 23, 2017

Agreements

No agreements limit our rights to use the Marks or Franchisee's right to use the Marks, as provided in the Franchise Agreement. We do have agreements with certain former Related Parties with respect to their continued use of names. SCY Equities, LLC (formerly SVN Equities, LLC), a former affiliate, is a commercial real estate investment company involved in the acquisition and disposition of commercial properties throughout the United States. SCY Equities, LLC has various affiliates using "SVN" in their business names. Pursuant to an October 2012 agreement, these former Related Parties have rights to continue using their respective names, subject to limitations, although they are no longer affiliated in any manner with us. Similarly, Mr. Sperry has an exclusive license from us to use his name, subject to certain limitations regarding our Marks. Mr. Sperry also is no longer affiliated with us. Sperry Commercial, Inc. (formerly SVN Management, Inc.) is also a former Related Party that is no longer affiliated with us. It was engaged in the business of asset management and leasing of commercial properties and investment sales under a Franchise Agreement with us until December 31, 2012.

Determinations

No presently effective determinations of the USPTO or any trademark administrator of any state or any court proceedings limit or restrict our right to use or your use of the Marks.

Trademark Protection

If you learn of any alleged infringement of the Marks or challenge to your use of the Marks under the terms of the Franchise Agreement you must notify us immediately. We will take action as we deem necessary to protect and defend you against any claim based upon your use of the Marks, provided that we are not obligated to take any action. You may not settle or compromise any claim relating to your use of the Marks by a third party without our prior written consent. We and our Related Parties have the sole right to defend, compromise or settle any claim and at our cost and expense. You must cooperate fully with us and our Related Parties in connection with the defense of the claim. You may participate at your own expense in the defense or settlement of the claim, but our decisions about the matter will be final.

You cannot do or permit any act or thing to be done in derogation of any of the rights of SVNIC or its Related Parties in the Marks, either during the term of the Franchise Agreement or thereafter, and you can use the Marks only for the uses and in the manner authorized under the applicable agreement. You cannot interfere in any manner with, or attempt to prohibit, the use of the Marks by any other franchisee of the SVN System.

Common Law Rights

We also have common law rights in the Marks by virtue of using it in interstate commerce. We may have the right, as a matter of common law, to exclude other users from using the same or confusingly similar marks for similar products or services within the area of geographical influence of our company and/or our affiliates. The specific legal rights which you and we have in a particular dispute would depend upon all the facts and circumstances surrounding the dispute.

Infringing Uses

As of the date of this Disclosure Document, we know of no infringing uses that would materially affect your use of the Marks.

Modification

Periodically, in the Manuals or by written notice to you, we may add to, delete, or modify the Marks, or other trademarks or service marks. You must modify or discontinue the use of a Mark, at your expense, if we modify or discontinue it. We will not compensate you for any modification or discontinuation of any Mark. You must adopt any new Mark or Marks that we adopt.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights material to the SVN Business. However, you must operate your business in accordance with our standards, specifications, Policies and procedures described in the Manuals or otherwise communicated to you. You must treat the information contained in the Manuals and any other manuals or supplemental material supplied by us as confidential. Also, our marketing concepts, franchising techniques and concepts, proprietary and/or customized software and templates,

SVNIC support sites (“SVNIC Technology Systems”), inclusive of any online tracking system, online publisher and/or other software/technology platform or system tools SVNIC may implement over time, knowledge of sales and profit performance of any one or more SVN Franchises, operating methods, technology platforms and techniques, and trade secrets are all confidential information. The Manuals and other confidential information are our property, and you may not duplicate, copy, disclose or disseminate the contents of the Manuals at any time, without our prior written consent. You are licensed only to use the Marks and the System to operate an SVN Franchise under and in compliance with the Franchise Agreement. You are not authorized to modify, enhance, reverse engineer, create any derivative works from or otherwise manipulate or interfere with the Marks, the System, the Confidential Materials and Practices or any element of any of them or any other information or items proprietary to or licensed from or through SVNIC.

We may modify or supplement the Manuals at any time upon notice or delivery to you (*e.g.*, Intranet updates) and you will be bound by all modifications. You must keep the Manuals current at all times, and upon the termination or non-renewal of your Franchise Agreement return all Manuals to us. If there is any discrepancy between the terms of the Manuals and the terms of the Franchise Agreement, the terms of the Franchise Agreement control and prevail.

You may not communicate, divulge or use any confidential information concerning our methods or procedures during or after the term of the Franchise Agreement. You may not use any confidential information concerning our methods or procedures in any business or endeavor other than in connection with your SVN Franchise. Information we make available to you may not be divulged to any person other than your employees or financial advisors who reasonably require access to such information for purposes of fulfilling their employment or contractual responsibilities.

You must inform your employees to whom the information, or any of it, is made available of this obligation of confidence and implement restrictions and limitations on disclosure to employees and independent contractors and use non-disclosure and non-competition agreements with your employees and independent contractors who may have access to confidential materials.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are solely responsible for all your business operations, including all employment and employment-related practices, and you must personally supervise your SVN Franchise. You may delegate the day-to-day operations of the SVN Franchise to an individual, who may be your Broker in Charge or another individual to whom you have provided explicit written authorization to act on your behalf in managing the SVN Franchise (the “Managing Director”). You must inform us of any Managing Director and notify us immediately of any change in the position. You, your Broker in Charge and each of your Authorized Salespersons must continuously remain throughout the term of the Franchise Agreement a Licensed Person under applicable laws. You are required to have a licensed Broker in Charge of the Franchise Business at all times. You must notify us immediately of any change or update to the Broker in Charge associated with your Franchise Business. If you do not have a licensed Broker in Charge of the Franchise Business at all times, you will be in default of your Franchise Agreement. You must agree and affirm that throughout the term of your Franchise Agreement, the majority of your time and your primary focus will be dedicated to the operation of an SVN Commercial Real Estate Services Business. Failure to do so constitutes an abandonment of the Franchise and may subject you to

termination of the Franchise Agreement. You and your associates must comply with the SVN Core Covenants. We can implement Policies that preserve quality assurance for services delivered under the Marks or for other purposes we consider significant to the preservation or development of the System, which can impact your operating practices. You must comply with all mandatory Policies. For example, we can establish a Policy that precludes any use or display of the “SVN” name or Mark at an agent’s workspace located outside of your Business Address and other related restrictions.

If you are a Business Entity, each and all of your owners must sign the Franchise Agreement on behalf of the Business Entity and, also, sign a Guaranty in the form attached as Schedule B to the Franchise Agreement. By executing the Guaranty, the shareholders, members, or limited partners unconditionally guarantee your full performance of all of your obligations under all agreements between you and us. We reserve the right to require a Broker in Charge to provide a guaranty if an owner/guarantor is not the Broker in Charge. We may, at our sole discretion, waive the requirement for any one of your owners to sign the Franchise Agreement and/or Guaranty.

If an individual owner acquires an interest in you after the signing of the Franchise Agreement, such owner must pass a background check and assume all your obligations under the Franchise Agreement by signing an assumption agreement in a form satisfactory to us. Additionally, such owner must sign our standard form of Guaranty. Any change in ownership requires our prior written approval, which will not be unreasonably withheld.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer, provide and sell all, and only, Approved Services, and you and other Restricted Persons cannot engage in any unapproved Competitive Activities during the term of your respective agreement.

You must offer, sell, solicit and provide only Commercial Real Estate Services from or through the SVN Business. Commercial Real Estate Services consist of acting as a broker, salesperson, agent or finder for or on behalf of sellers, buyers, lessors, tenants or others in connection with the listing, co-listing, offering, selling, purchasing, exchanging, auctioning, leasing, renting, consulting (including testifying as an expert witness) on or managing of commercial real property, including vacant land transactions (including certain types of businesses conducted on the commercial real property), including loan brokerage services. You are not permitted to engage in transactions involving residential real property, which is defined as real property which consists of four or fewer residential units or individual residential lots. However, you may offer and sell certain services in connection with “Approved Portfolio Sales” consisting of multiple parcels or units residential real property in a common development. We have the right to further define and interpret the scope of what constitutes approved Commercial Real Estate Services (a component of Approved Services) periodically by establishing supplemental definitions to the Manuals and Policies. We also can condition your offer or sale of specific Approved Services on your compliance with then-current Policies.

Other than Commercial Real Estate Services, you may not offer and perform additional services as part of your SVN Franchise until or unless you have our consent. We are not required to authorize you to provide or sell any additional service through your Franchise Business. If you wish to offer any services that are ancillary to the Franchise Business, you must request our written approval. If we have

approved any ancillary services when you sign the Franchise Agreement, they will be identified on Schedule C to your agreement. You will not be permitted to provide certain types of services (“Outside Services”) as part of your SVN Franchise, including the following: insurance; title insurance or searches; real estate syndicating; mortgage banking, escrow or appraisal services.

You are required to follow certain policies and practices we establish for coordinating Auction Services activities and for working with any designated facilitating company. We can change our policies over time.

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.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a) Length of the franchise term	Section 3.1 of the Franchise Agreement	5 years.
b) Renewal or extension of the term	Section 3.2 and 3.3 of the Franchise Agreement	You have no right to a renewal of your Franchise. You may request we renew your Franchise if you are in compliance with the Franchise Agreement and meet our requirements. Any renewal of the Franchise shall be at our sole discretion. The renewal period is 5 years; however, we may, in our sole discretion, allow you to renew for a shorter or longer period, up to 10 years.
c) Requirements for franchisee to renew or extend	Section 3.2 of the Franchise Agreement	You must be in compliance with your current Franchise Agreement; have satisfied all monetary obligations to us; bring the Franchise into compliance with our current standards; give us written notice of your intent to renew at least 6 months prior to expiration; sign our then-current form Franchise Agreement (which may contain materially different terms and conditions than your original agreement); sign a General Release of all claims against us and any then applicable form of renewal addendum; and pay a \$5,000 renewal fee.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
d) Termination by franchisee	Section 12.1 of the Franchise Agreement	You may terminate the Franchise Agreement for cause if you are in compliance and we materially breach the Franchise Agreement and fail to cure within 30 calendar days of receiving your written notice. These provisions are subject to applicable state law.
e) Termination by franchisor without cause	Section 8.3 of the Franchisee Intranet Services Agreement	Intranet Services can be changed, suspended or discontinued at any time.
f) Termination by franchisor with cause	Sections 12.2 and 12.3 of the Franchise Agreement	SVNIC can terminate only if you default.
	Sections 8 and 12.2 of the Franchisee Intranet Services Agreement	If you are no longer a Franchisee or default under the agreement.
g) "Cause" defined – curable defaults	Section 12.2 of the Franchise Agreement	You have 5 days to cure non-payment of fees, 10 days to cure any default not listed in Section 12.3 (e.g., failure to have a licensed Broker in Charge) or any default under any other agreement between SVNIC (or any Related Party) and you (or any related party). A default by you under the terms and conditions of the Franchise Agreement, or any other such agreement, will, at our option, constitute a default under all such agreements.
	Section 12.2 of the Franchisee Intranet Services Agreement	You have 30 days to cure default.
h) "Cause" defined – non-curable defaults	Section 12.3 of the Franchise Agreement	Non-curable defaults: (a) abandonment including a lack of active participation in the Franchise; (b) bankruptcy or foreclosure; (c) your receipt of two or more written notices of default from SVNIC (whether cured or uncured, or for the same or different breaches) within any 12 month period or you incur a royalties deficiency regarding an applicable Minimum Annual Royalty (whether any such deficiency is paid or unpaid); (d) misrepresentations in acquiring the Franchise; (e) failure to cure any noncompliance with Applicable Law within 10 days after notification; (f) violation of the

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Section 12.2 the Franchisee Intranet Services Agreement	<p>non-competition and confidentiality provisions; (g) false or misleading information submitted on application for Franchise, or maintenance of false books or records, submission of false reports to SVNIC, knowingly understated its Gross Receipts or withheld the reporting; (h) conviction of a felony or any other offense which adversely affects the System, Marks, or associated goodwill or reputation; (i) Franchisee (or any Owner) is found to be civilly liable for commercial fraud; (j) trademark misuses or unauthorized use; (k) failure to respond or communicate with SVNIC during any 30-day period after SVNIC has sent 3 or more emails, letters, or phone messages; (l) failure to purchase and maintain required insurance coverages; or (m) failure to comply with any material provision of the Franchise Agreement.</p> <p>Non-curable defaults: you are no longer a Franchisee (or Franchisee/owner); you breach the non-disclosure, terms of use conditions of agreement; you attempt an unauthorized transfer; not cured or incurable default under Franchise Agreement.</p>
i) Franchisee's obligations on termination/nonrenewal	Sections 3.3, 7.4.3, 7.4.4, 9, 10.2, 12.6, 13.1, 13.2, 17, 18.3 of the Franchise Agreement	<p>If we have authorized you to register any of the Marks (alone or in connection with other names) as part of a domain name, you must take all actions required by us to dissociate you from using that name and transfer the domain name to us.</p> <p>You may not do or permit any act or thing to be done in derogation of any of our rights (or our Related Party's rights) in the Marks.</p> <p>You must cancel any assumed name registration.</p> <p>You must maintain the confidentiality and secrecy of our confidential information. You must not use any of our confidential</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>information.</p> <p>You must cease to use the Marks and any name confusingly similar to any of the Marks, and pay all amounts owed to us and our Related Parties. You pay Royalties on all pending transactions and agreements entered into within 45 days after termination/expiration which are replacements for agreements regarding the same property and with the same parties and which pre-dated the termination/expiration.</p> <p>Complete post term requirements in the timeframe specified, including:</p> <p>You must remove all signage within 3 days of expiration or termination. You must deliver to us all materials on which the Marks are displayed, or at our election, destroy and otherwise remove all use of the Marks from any and all materials in your possession and/or control. You must also take the steps as we request to make a record with Governmental Authorities indicating that you no longer have a right to use or display the Marks.</p> <p>You must cease all use of the Marks in all media, including websites, web pages and social media. You must instruct in writing all online directories, search engines, and other advertising publishers as necessary to take down and remove any directory listings and advertisements for the Franchise Business containing the Marks and will deliver copies of such instructions to us within 3 days of the termination or expiration of the Agreement.</p> <p>If you continue to use the Marks after expiration or termination of your Franchise Agreement, you will be deemed to be operating on a month-to-month basis under the Franchise Agreement then being offered</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		<p>to prospective Franchisees, except that your Production Royalties and Property Management Royalties payable to us will be subject to a 10% fee (with our consent) and a 20% fee (without our consent) over and above the Royalties you would normally pay on your Brokerage Revenues, Property Management Revenues and Auction Revenues.</p> <p>If terminated for cause, pay mitigation fee of up to an amount equal to \$2,000 times the number of full or partial calendar months that would have been remaining in the Term as of the termination date, if your breach had not resulted in such termination.</p>
j) Assignment of contract by franchisor	<p>Section 11.1 of the Franchise Agreement</p> <p>Section 15 of Franchisee Intranet Services Agreement</p>	No restriction on our right to assign.
k) "Transfer" by franchisee – definition	<p>Section 11.2 of the Franchise Agreement</p> <p>Section 15 of Franchisee Intranet Services Agreement</p>	Includes any direct or indirect transfer or assignment of the agreement or change in ownership of the entity which owns it.
l) Franchisor approval of transfer by franchisee	Section 11.2.1 of the Franchise Agreement	Transfers or Assignments require our approval, which we can grant, condition or deny as we think best, but we won't unreasonably withhold our consent.
m) Conditions for franchisor approval of transfer	Section 11.2.3 of the Franchise Agreement	Conditions can include you paying all you owe us; being in compliance with your agreements; the transferee's total net worth meeting our criteria for approval; the transferee meeting our then-current criteria for new franchisees, including passing a background check; the transferee completing any required training; paying our then-current transfer and processing fee; and the transferee signing our then-current form of Franchise Agreement, and you signing a General Release (subject to applicable state law). No Assignment may be made by Franchisee if the remaining term of

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		the Franchise Agreement is six (6) months or less.
n) Franchisor's right of first refusal to acquire franchisee's business	Section 11.2.2 of the Franchise Agreement	We have a right of first refusal on any proposed transfer, upon the same terms and conditions offered by the proposed transferee.
o) Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p) Death or disability of franchisee	Section 11.4 of the Franchise Agreement	Transfer to a third party within 6 months; however, the SVN Franchise must at all times be managed by a Broker in Charge and operate according to Applicable Law, including commercial real estate licensing requirements. Subject to all transfer requirements and restrictions.
q) Non-competition covenants during the term of the franchise	Section 10.1 of the Franchise Agreement	<p>No Restricted Person may, without our prior written consent, own, operate, lend to, advise, be employed by, or have any financial interest in any business that engages in the offer, sale or provision of Commercial Real Estate Services or Ancillary Services (as defined in the Agreement).</p> <p>"Restricted Persons" are you, each officer, director (including each of the officers, directors, and managers of any general partner of a Partnership and of any Related Party of you), manager (if you are a limited liability company), Owner (if you are a Business Entity), and the spouse and family members who live in the same household of each of the these persons, and your Broker in Charge, Authorized Salespersons, office managers, secretaries, assistants and other staff you may hire.</p> <p>These provisions are subject to applicable state law.</p>

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
r) Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s) Modification of the agreement	Sections 6.5 and 18.8 of the Franchise Agreement and definitions of “Manuals” and “Policies”	The Manuals are subject to change periodically. Once signed, the Franchise Agreement may not be amended, except by written instrument signed by you and us.
t) Integration/ merger clause	Sections 18.8 and 19.3 of the Franchise Agreement	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and the Franchise Agreement may not be enforceable.
u) Dispute resolution by arbitration or mediation	Section 17 of the Franchise Agreement	Except for actions for injunctive or other provisional relief, any controversy or claim between you and SVNIC arising out of or relating to the Franchise Agreement must first be submitted to general judicial reference. If judicial reference is not enforceable, the controversy or claim will be arbitrated in Norfolk County, MA. Both SVNIC and you waive the right to a trial by jury. Please see the State-Specific Addenda at Exhibit A to this Disclosure Document.
v) Choice of forum	Sections 17.1 and 17.2 of the Franchise Agreement	Norfolk County, MA is the venue for all proceedings arising out of the National Franchise Agreement (unless prohibited by laws of the state where the franchise is located.) Please see the State-Specific Addenda at Exhibit A to this Disclosure Document.
w) Choice of law	Section 18.7 of the Franchise Agreement	The Franchise Agreement is governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (unless prohibited by laws of the state where the franchise is located.) Please see the State-Specific Addenda at Exhibit A to this Disclosure Document.

The provision in the Franchise Agreement which provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101, et seq).

Item 18

PUBLIC FIGURES

We do not use any public figure to promote Franchise Businesses or our Franchise program.

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.

Historic Gross Commission Income Information

The charts below include data derived from the actual historical performance of 53 SVN Franchisees who, during the ten-year period from 2011 to 2020, joined the System, and had three consecutive years of revenue reported in "Buildout," a third-party software used in the commercial real estate industry to win, track and close leads.

The data from these 53 SVN Franchisees are included below. We did not include data from the year that any Franchisee joined the System, but rather the first three full years after they joined. For example, if a Franchisee executed a Franchise Agreement in 2011, we included the data from 2012 to 2014 which represents three (3) consecutive years' worth of information. We also did not include Franchisees who joined the System prior to 2010, when the franchise business model and relationship were different than the franchise and model offered now. More recent Franchisees, who joined the System in 2021 to 2023, are not included because they do not yet have three consecutive years of results that we could measure.

Some SVN Franchisees have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

The 53 Franchisees that were analyzed were sorted by growth rates and put into four quartiles in the table below. Each quartile was analyzed to show the median and average growth rate of the offices in that respective quartile. For Example: If the median office in the 1st Quartile generated \$1,000,000 in Gross Commission Income in their first full year, they grew to \$8,900,000 within the next 2 years. If the median office in the 4th Quartile generated \$1,000,000 in gross income in their first full year, they grew to \$1,090,000 within the next 2 years.

Years 2011 - 2020	Average GCI¹ Growth Rate²	Median GCI¹ Growth Rate²	# of Franchisees³	% of Franchisees³
1st Quartile	1158.5%	890%	13	10%
2nd Quartile	302.5%	299%	13	10%
3rd Quartile	166.2%	166%	13	10%
4th Quartile	112.6%	109%	14	11%
Total:	428.9%	200%	53	42%

Notes to Chart:

1. GCI = Gross Commission Income that was reported in Buildout, and that was categorized as received in the Buildout functionality. For franchisees with “satellite” offices, revenue was combined into the main office. GCI was not sorted by product sold (i.e., commercial, industrial, residential, multi-unit apartments and other real estate listings).
2. Increase was measured by comparing the first full calendar year’s GCI against the highest year of GCI in the three-year period.
3. 125 franchisees joined the system from 2011 to 2020 that qualify for the current offering under this Disclosure Document, and 68 franchisees from this time period are still operational. 53 of the 68 reported their revenue through Buildout. Individual agents are no longer eligible to become franchisees, so they were excluded from this representation.

Written substantiation for the financial performance representation will be made available to prospective franchisees upon request.

This Item 19 was prepared based on an unaudited analysis by an international CPA firm.

You should conduct an independent investigation of the costs and expenses you will incur in operating your SVN Franchise. Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information.

Other than the preceding performance representation, SVN International Corp. 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 Sarah Vincent, Executive Vice President of Operations, SVN International Corp., 1309 Beacon Street, Suite 300, Brookline, MA 02446, (802) 238-5550, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF YEAR	OUTLETS AT THE END OF YEAR	NET CHANGE
Franchised	2021	140	138	-2
	2022	138	137	-1
	2023	137	136	-1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	140	138	-2
	2022	138	137	-1
	2023	137	136	-1

**TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2021 TO 2023**

State	Year	Number of Transfers
Colorado	2021	1
	2022	0
	2023	0
Oregon	2021	1
	2022	0
	2023	0
Total	2021	2
	2022	0
	2023	0

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2021 TO 2023**

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR
Alabama	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Arizona	2021	3	0	0	1	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Arkansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	16	1	1	0	0	1	15
	2022	15	0	2	0	0	0	13
	2023	13	1	0	0	0	0	14
Colorado	2021	3	0	0	1	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	12	0	1	1	0	0	10
	2022	10	1	0	0	0	0	11
	2023	11	0	0	1	0	0	10
Georgia	2021	6	0	0	0	0	0	6
	2022	6	0	1	0	0	0	5
	2023	5	1	0	1	0	0	5
Hawaii	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Idaho	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Illinois	2021	3	1	0	0	0	0	4
	2022	4	0	1	0	0	0	3
	2023	3	1	0	0	0	0	4

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR
Indiana	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	1	0	0	0	1
Kentucky	2021	2	1	0	1	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Maine	2021	2	0	0	1	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Michigan	2021	4	0	0	1	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR
Nevada	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Hampshire	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
New Mexico	2021	3	0	1	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	1	0	0	0	0	9
North Carolina	2021	4	2	0	0	0	0	6
	2022	6	0	1	0	0	0	5
	2023	5	0	0	0	0	0	5
Ohio	2021	7	1	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	1	0	0	8
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oregon	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Pennsylvania	2021	6	0	0	1	0	0	5
	2022	5	0	0	1	0	0	4
	2023	4	0	0	0	0	0	4
South Carolina	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Tennessee	2021	3	0	0	0	0	0	3
	2022	3	2	0	0	0	0	5
	2023	5	0	0	0	0	0	5

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR
Texas	2021	10	3	1	0	0	0	12
	2022	12	1	0	0	0	0	13
	2023	13	0	0	2	0	0	11
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	4	0	0	1	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	1	0	0	3
Washington	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
West Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
TOTAL	2021	140	11	4	8	0	1	138
	2022	138	6	5	1	0	1	137
	2023	137	7	1	7	0	0	136

* Twenty-four franchisees have a single Franchise Agreement, but collectively operate 36 satellite locations under applicable addenda (which we no longer offer). The satellite locations are not reflected in these charts. These 24 franchisees are identified on Exhibit G along with the locations for their satellite offices.

**TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2021 TO 2023**

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

**TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Georgia	1	1	0
Minnesota	1	1	0
Total	2	2	0

Attached as Exhibit G is a list of our franchisees, together with a list of those franchisees who had a Franchise Agreement terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily had ceased to do business under a Franchise Agreement during our last fiscal year, or have failed to communicate with us within 10 weeks of the date of this Disclosure Document.

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

During the past 3 fiscal years, some franchisees have signed confidentiality agreements or clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the SVN Franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We may periodically assemble an informal group of franchisees to solicit input from the group. These groups are not decision-making bodies, but advisory only in nature. There are no independent trademarked franchisee organizations incorporated as of the date of this Disclosure Document or which have been created, sponsored or endorsed by us and have asked to be included in this Disclosure Document.

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit E are our audited financial statements for our fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, and our unaudited financial statements for the period ended July 31, 2024.

Item 22

CONTRACTS

The following agreements are exhibits to this Disclosure Document:

State Specific Addenda – Exhibit A

Franchise Agreement and Schedules – Exhibit C

- Schedule A Franchisee Information
- Schedule B Guaranty
- Schedule C Permitted Ancillary Service(s)
- Schedule D Permitted Outside Service(s)
- Schedule E SVN Core Covenants
- Schedule F Electronic Funds Transfer Agreement
- Schedule G Franchisee Intranet Services Agreement

Renewal Addendum to Franchise Agreement – Exhibit D

General Release of All Claims – Exhibit H

Item 23

RECEIPTS

Exhibit J contains detachable documents acknowledging your receipt of this Disclosure Document.

**EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT**

STATE SPECIFIC ADDENDA

**ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF
SVN INTERNATIONAL CORP.**

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provisions in the Franchise Disclosure Document (“Disclosure Document”) and Franchise Agreement will be amended as follows:

No Waiver or Disclaimer in Certain States

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

Our website, www.svn.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at <https://dfpi.ca.gov>

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 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.

SECTION 31125 OF THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

1. The following RISK FACTOR is added to the State Cover Page of the Disclosure Document:

YOU WILL BE ENTERING INTO A FRANCHISE AGREEMENT WITH US. ANY APPLICABLE AREA SERVICES REPRESENTATIVE AND ANY APPLICABLE REGIONAL DEVELOPER IS NOT A PARTY TO YOUR CONTRACT. FRANCHISOR IS RESPONSIBLE FOR MEETING ITS COMMITMENTS UNDER THE FRANCHISE AGREEMENT.

2. The following language is added to the end of Item 3 of the Disclosure Document:

Neither SVN International Corp., nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516.) Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043.)

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

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.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

The Franchise Agreement requires application of the laws of the State of Massachusetts. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Norfolk County, Massachusetts, with the costs being borne by the non-prevailing party. The prevailing party shall be entitled to recover reasonable compensation for expenses, costs and fees in connection with arbitration, including reasonable attorney's fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

4. 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.

5. 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.

6. **Franchise Agreement Provisions Void as Contrary to Public Policy:** In accordance with California Corporations Code **Section 31512.1:**

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.

CALIFORNIA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of California Corporations Code sections 31512 and/or 31512.1, the parties to the attached Franchise Agreement (“Agreement”) agree as follows:

1. The following language found at the end of Section 18.8 is removed/deleted from the Agreement:

“No officer or employee or agent of SVNIC has any authority to make any representation or promise not contained in this Agreement or in any Disclosure Document for prospective Franchisees required by applicable law, and Franchisee agrees that it has executed this Agreement without reliance upon any such representation or promise.”

2. The following Section 19.1 is removed/deleted from the Agreement:

“Franchisee, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.”

3. The following Section 19.3.1 is removed/deleted from the Agreement:

“FRANCHISEE ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF SVNIC’S OPERATIONS AND THE MARKET AREA IN WHICH FRANCHISEE WILL OPERATE THE FRANCHISE. FRANCHISEE UNDERSTANDS AND AGREES THAT SVNIC DOES NOT FURNISH OR ENDORSE, OR AUTHORIZE ITS SALESPERSONS OR OTHERS TO FURNISH OR ENDORSE, ANY ORAL, WRITTEN OR OTHER INFORMATION CONCERNING ACTUAL OR POTENTIAL SALES, COSTS, INCOME, EXPENSES, PROFITS, CASH FLOW, OR OTHER FINANCIAL INFORMATION, OR FROM WHICH SUCH ITEMS MIGHT BE ASCERTAINED, (“FINANCIAL PERFORMANCE REPRESENTATIONS”) ABOUT SVN FRANCHISES OR ANY OTHER COMMERCIAL REAL ESTATE SERVICES BUSINESSES.”

4. The following Section 19.3.2 is removed/deleted from the Agreement:

“FRANCHISEE REPRESENTS AND ACKNOWLEDGES THAT IT HAS RECEIVED SVNIC’S DISCLOSURE DOCUMENT, INCLUDING ALL EXHIBITS THERETO, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE EARLIER OF THE DATE ON WHICH THIS AGREEMENT, AND ALL OTHER AGREEMENTS, WERE EXECUTED, OR ANY CONSIDERATION WAS PAID. FRANCHISEE REPRESENTS IT HAS READ ALL AGREEMENTS, SVNIC’S FRANCHISE DISCLOSURE DOCUMENT, EXHIBITS, ADDENDA AND OTHER DOCUMENTS, ALONG WITH ANY ADDITIONAL INFORMATION FRANCHISEE DEEMS RELEVANT, IN ITS ENTIRETY.”

5. The following Section 19.3.3 is removed/deleted from the Agreement:

“FRANCHISEE FURTHER REPRESENTS THAT IT UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, COVENANTS AND OBLIGATIONS OF THIS AGREEMENT AND ALL SCHEDULES AS BEING REASONABLY NECESSARY TO (1) MAINTAIN SVNIC’S HIGH STANDARDS OF QUALITY AND SERVICE; (2) MAINTAIN UNIFORMITY OF THOSE STANDARDS AT FRANCHISED LOCATIONS; AND (3) PROTECT AND PRESERVE THE GOODWILL OF THE MARKS, AND THAT FAILURE TO MAINTAIN SVNIC’S STANDARDS CAN RESULT IN TERMINATION OF THIS AGREEMENT.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

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 an 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.

A. (1) This registration (or one substantially similar) is presently on file or will shortly be on file in the States of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

(2) The registration is exempt from the registration requirements of the States of Florida, Kentucky, Nebraska, Texas and Utah.

(3) No states have refused, by order or otherwise, to register these franchises.

(4) No states have revoked or suspended the right to offer these franchises.

(5) The proposed registration of these franchises has been withdrawn in no states.

B. No release language set forth in the franchise agreement shall relieve us or any other person, directly or indirectly, from liability imposed by laws concerning franchising in the State of Hawaii.

C. As a result of our financial condition, for each franchise sold in Hawaii, the State of Hawaii has required us to defer receipt of initial franchise fees and other payments to us or our affiliates until we have met all of our pre-opening obligations and you have opened your franchise business.

D. The following risk is added to the "Special Risks to Consider About *This Franchise*" page:

Accumulated Deficit. Franchisor has an accumulated deficit of \$1,582,815, as of December 31, 2023.

HAWAII

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following language is added as the last paragraph in Sections 4.1 of the Franchise Agreement:

DEFERRAL OF INITIAL FEES: As a result of Franchisor’s financial condition, for each franchise sold in Hawaii, the State of Hawaii has required Franchisor to defer receipt of initial franchise fees and other payments to Franchisor or its affiliates until Franchisor has met all of Franchisor’s pre-opening obligations and Franchisee has opened its franchise business.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

1. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.
2. Illinois law governs the Franchise Agreement.
3. 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.
4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. 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.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987 (as amended), the parties to the attached Franchise Agreement ("**Agreement**") agree as follows:

1. Illinois law governs the Franchise Agreement.
2. 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.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or **any other law of Illinois** is void.
5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

INDIANA

ADDENDUM TO DISCLOSURE DOCUMENT

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 Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or any other agreements, if such provisions are in conflict with Indiana law.
2. No release language set forth in the Disclosure Document or Franchise Agreement, including but not limited to Item 17 or Section 18.6 thereof, respectively, shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

KANSAS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the requirements of Kansas law (K.S.A. Chapter 16, Article 1, Section 16-121), the parties to the attached Franchise Agreement ("**Agreement**") agree as follows:

1. Any litigation, arbitration or other dispute resolution proceeding arising from the Agreement shall be conducted in Kansas.

2. In the event of a conflict of laws, the provisions of the laws of the State of Kansas shall apply to and govern every franchise agreement to be performed in Kansas (K.S.A. Chapter 16, Article 1, Section 16-121).

3. A provision in a franchise agreement is not enforceable to the extent it requires the promisor to indemnify the promisee for the promisee's negligence or intentional acts or omissions.

4. A provision in a franchise agreement is not enforceable to the extent it requires a party to provide liability coverage to another party, as an additional insured, for such other party's own negligence or intentional acts or omissions.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

1. The “**Summary**” section of Item 17(c) entitled **Requirements for you to renew or extend**, and the “Summary” section of Item 17(m) entitled **Conditions for our approval of transfer**, is amended by adding 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.

2. The “**Summary**” section of Item 17(h) entitled “**Cause**” **defined (defaults which cannot be cured)**, is amended by adding the following:

The Franchise Agreement provides for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The following are added to the end of the chart in Item 17:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim 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 general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

MARYLAND

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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.

Termination upon bankruptcy of the Franchisee might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but Franchisor intends to enforce it to the extent enforceable.

A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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.

Section 19.3, "**Representations by Franchisee,**" under Article 19 "**Acknowledgment**" is deleted in its entirety.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

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

- a. A prohibition of your right to join an association of Franchisees.
- b. A requirement that you consent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude you, after entering into a Franchise agreement, from settling any and all claims.
- c. A provision that permits us to terminate your Franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of you to comply with any lawful provision of the Franchise agreement and to cure such failure after being given written notice and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- d. A provision that permits us to refuse to renew a Franchise without fairly compensating you by re-purchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us 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) you are prohibited by the Franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least 6 months advance notice of our intent not to renew the Franchise.
- e. A provision that permits us to refuse to renew 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 of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside of Michigan.
- g. A provision that permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then current reasonable qualifications or standards; (ii) the fact that the proposed transferee is a competitor of ours or our sister companies; (iii) the unwillingness of

the proposed transferee to agree in writing to comply with all lawful obligations; and (iv) the failure of you or proposed transferee to pay any sums owing to us or to cure any default in the Franchise agreement existing at the time of the proposed transfer.

- h. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of your 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 us the right to acquire the assets of your Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise agreement and have failed to cure the breach in the manner provided in Subdivision (c) above.
- i. A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provisions have been made for providing the required contractual service.

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

(3) ANY QUESTIONS REGARDING OUR NOTICE TO THE STATE OF MICHIGAN OF OUR INTENT TO OFFER AND SELL FRANCHISES CAN BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE UNIT, 670 LAW BLDG., 525 WEST OTTAWA STREET, LANSING, MICHIGAN 48913 (517) 373-7117.

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

In accordance with the requirements of the state of Minnesota the following disclosure should be read in conjunction with the Disclosure Document. Any inconsistency with the information contained in the Disclosure Document will be resolved in favor of this Minnesota Addendum.

1. Item 13 **Trademarks** is amended by adding the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are 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.

2. Item 17 **Renewal, Termination, Transfer and Dispute Resolution** is amended by adding the following:

- A. **Renewal and Termination**

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

- B. **Choice of Forum**

Nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- C. **Releases**

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.22.

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 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 Disclosure Document, together with a copy of all proposed agreements relating to 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 an understanding of all rights and obligations of both the franchisor and the franchisee.

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et seq., the parties to the attached Franchise Agreement (“Agreement”) agree as follows:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as 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.

A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Section 80C.22.

“Minn. Statutes §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor 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 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. The following paragraphs are added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK, 10271-0332.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to 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 Item 4:

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of ours held this position in such company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. The following language replaces the “Summary” section of Items 17(d), titled “**Termination by franchisee**”:

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

7. The following language is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following language 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 forgoing 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.

NORTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

Item 17 (c) of the Disclosure Document requires the franchisee to sign a general release upon renewal of the franchise agreement. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in North Dakota.

Item 17 (i) of the Disclosure Document requires the franchisee to consent to liquidated damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in the State of North Dakota.

Item 17 (u) of the Disclosure Document provides that the franchisee must agree to the arbitration of disputes in Norfolk County, Massachusetts. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in the State of North Dakota, and therefore Item 17 (u) of the Disclosure Document is amended to provide the site of arbitration or mediation be agreeable to all parties.

Item 17 (v) of the Disclosure Document provides that the franchisee must consent to the jurisdiction of courts in the state, county or judicial district encompassing Franchisor's headquarters. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Item 17 (w) of the Disclosure Document provides that the agreement shall be construed according to the laws of the State of Massachusetts. The Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The Franchise Agreement shall be construed according to the laws of the State of North Dakota.

NORTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

1. Section 3.2 requires the franchisee to sign a general release upon renewal of the franchise agreement. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in North Dakota.

2. Section 17.2.4 requires the franchisee to consent to a waiver of trial by jury. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in the State of North Dakota.

3. Section 17.4 requires the franchisee to consent to a limitation of damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in the State of North Dakota.

4. Section 17.2.3 provides that the franchisee must agree to the arbitration of disputes in Norfolk County, Massachusetts. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is unenforceable in the State of North Dakota. Section 17.2.3 of the Franchise Agreement is amended to provide the site of arbitration or mediation be agreeable to all parties.

5. Section 17.1.2 provides that the franchisee must consent to the jurisdiction of courts in the state, county or judicial district encompassing Franchisor’s headquarters. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Section 18.7 provides that the agreement shall be construed according to the laws of the State of Massachusetts. The Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The Franchise Agreement shall be construed according to the laws of the State of North Dakota.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

The following provision supersedes the Disclosure Document and applies to all franchises offered and sold in the State of Rhode Island:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides 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.”

RHODE ISLAND

AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act (Section 19-28.1-14), the parties to the attached Franchise Agreement agree as follows:

Section 17.1.2, "**FORUM**" is amended by adding the following:

§19-24.1-14 of the Rhode Island Franchise Investment Act provides 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."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

SOUTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following provisions shall apply and supersede any provision in the Franchise Agreement to the contrary:

1. Franchise registration, employment, covenants not to compete and other matters of local concern will be governed by the laws of the State of South Dakota. As to contractual and all other matters, the Franchise Agreement will be and remain subject to the construction, enforcement and interpretation of the laws of the State specified in Article 18 of this Agreement. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota, is deleted from any Franchise Agreement issued in the State of South Dakota.

2. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, or consequential damages or any provision that provides that parties' waive their right to a jury trial may not be enforceable under South Dakota law.

3. No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of South Dakota.

4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make Royalty payments contained in the Franchise Agreement shall afford you thirty (30) days written notice with an opportunity to cure the default before termination.

5. To the extent this Amendment is inconsistent with any terms or conditions of the Franchise Agreement, schedules or attachments thereto, or the Disclosure Document, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

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

The following statement is added to Items 17. h.:

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 DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall 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 the franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, 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 SVN International Corp.'s reasonable estimated or actual costs in effecting a 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.

The following disclosure is added to Item 1 of the Disclosure Document, as the last paragraph under the heading, "The SVN Franchise Business":

"Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State. At this time, we do not pay any referral fees or award any type of incentive for referrals by existing franchisees in the State of Washington."

WASHINGTON

ADDENDUM TO THE FRANCHISE AGREEMENT

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 a 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.

Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington State.

The following language found in the last sentence of Section 18.2, "**Waiver and Delay**," is deleted from the Agreement:

“SVNIC makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee by providing any waiver, approval, consent, assistance, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

WISCONSIN

ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of the Franchise Agreement.
2. The Act's requirement, including that in certain circumstances a franchisee or member 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 the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

WISCONSIN

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the “Act”), shall apply to and govern the provisions of the Franchise Agreement.

2. The conditions under which this Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes, 1981-82, Title XIV-A, Chapter 135.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

**EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT**

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE FRANCHISE LAW ADMINISTRATORS

California:

Commissioner of Financial Protection and
Innovation
DFPI Main Office – Sacramento
2101 Arena Boulevard
Sacramento, CA 95834
Tel: (415) 972-8559
Fax: (415) 972-8590
Toll Free: (866) 275-2677
Website: <https://dfpi.ca.gov>
Email: Ask.DFPI@dfpi.ca.gov

Connecticut:

Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

Florida:

Tom Kenny, Regulatory Consultant
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

Hawaii:

Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
Tel: (808)586-2722
Fax: (808) 587-7559

Illinois:

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

Indiana:

Securities Commissioner
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington Street, Room E-111
Indianapolis, IN 46204
Tel: (317) 232-6681

Iowa:

Dennis Britson
Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
Tel: (515) 281-4441
Fax: (515) 281-3059
email: iowasec@iid.state.ia.us

Maryland:

Office of the Attorney General
Division of Securities
200 Saint Paul Place
Baltimore, MD 21202-2020
Tel: (410) 576-6360

Michigan:

Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 West Ottawa
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933
Tel: (517) 373-7117

Minnesota:

Minnesota Dept. of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Tel: (651) 539-1500

New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, New York 10005
Tel: (212) 416-8222

North Dakota:

North Dakota Department of Securities
600 East Boulevard, 5th Floor, Dept. 414
Bismarck, North Dakota 58505
Tel: (701) 328-4712

Oregon:

Department of Consumer and Business Services
Division of Finance and Securities
Labor and Industries Building
Salem, Oregon 97310
Tel: (503) 378-4387

Rhode Island:

Division of Securities
State of Rhode Island
Department of Business Regulation
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920-4407
Tel: (401) 462-9582

South Dakota:

Director, Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

Virginia:

State Corporation Commission
Division of Securities and
Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Tel: (804) 371-9051

Washington:

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

Wisconsin:

State of Wisconsin
Office of the Commissioner of Securities
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703
Tel: (608) 266-1064

AGENTS FOR SERVICE OF PROCESS

The Franchisor has not appointed the agent identified below unless it has registered in that state, as noted on the page following the State Cover page.

California:

Commissioner of Financial Protection and
Innovation
DFPI Main Office – Sacramento
2101 Arena Boulevard
Sacramento, CA 95834
Tel: (415) 972-8559
Fax: (415) 972-8590
Toll Free: (866) 275-2677
Website: <https://dfpi.ca.gov>
Email: Ask.DFPI@dfpi.ca.gov

Connecticut:

Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

Florida:

Tom Kenny, Regulatory Consultant
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

Hawaii:

Hawaii Commissioner of Securities
Department of Commerce &
Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
Tel: (808) 586-2722

Illinois:

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

Indiana:

Indiana Secretary of State
201 State House
Indianapolis, Indiana 46204
Tel: (317) 232-6531

Maryland:

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

Michigan:

Michigan Department of Commerce
Corporations & Securities Bureau
PO Box 30054
Lansing, Michigan 48909
Tel: (517) 241-6345

Minnesota:

Minnesota Dept. of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Tel: (651) 539-1500

New York:

Secretary of State
99 Washington Street
Albany, New York 12231

North Dakota:

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol
Fifth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
Tel: (701) 328-4712

Oregon:

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Rhode Island:

Director, Securities Division
Department of Business Regulation
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, Rhode Island 02920
Tel: (401) 462-9582

South Dakota:

Director, Department of Labor & Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

Virginia:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, Virginia 23219
Tel: (804) 371-9733

Washington:

Director of the Department of
Financial Institutions
150 Israel Rd. S.W.
Tumwater, Washington 98501
Tel: (360) 902-8760

Wisconsin:

Securities and Franchise Registration
Wisconsin Securities Commission
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703
Tel: (608) 266-1064

For All States Not Listed Above:

CT Corporation System
155 Federal St, #700
Boston, Massachusetts 02110

EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT & SCHEDULES

SVN FRANCHISE AGREEMENT

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SVN FRANCHISE AGREEMENT

This SVN Franchise Agreement (“Franchise Agreement” or this “Agreement”) is made this ___ day of _____, 20__ (“Effective Date”) by and between SVN International Corp., a Delaware corporation, hereinafter known as “Franchisor,” “SVNIC,” “we” or “us,” and _____, [an individual, as sole proprietor] [individuals] [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as “Franchisee” or “you”, with reference to the following facts:

A. WHEREAS, SVNIC owns certain proprietary and other property rights and interests in and to the SVN® trademark and service mark and such other trademarks, service marks, logo types, insignias, trade dress, designs, and commercial symbols as SVNIC may from time to time authorize or direct Franchisee to use in connection with the operation of an SVN® Franchise (collectively, the “Marks”).

B. WHEREAS, SVNIC and/or a Related Party of SVNIC developed, and SVNIC owns or has the right to sublicense, a system for the operation of a commercial real estate business operated under the Marks (a “SVN Franchise” or “Franchise”). The system includes various operating methods; SVNIC support sites (“SVNIC Technology Systems”), inclusive of any online tracking system, online publisher and/or other software/technology platform or system tools SVNIC may implement over time; certain support services; techniques; Policies; distinctive signs; Confidential Materials and Practices; record-keeping and marketing techniques (collectively, the “System”).

C. WHEREAS, Franchisee desires to obtain a Franchise and operate fully an SVN commercial real estate business under the Marks and in accordance with the System established by, and as modified from time to time by, SVNIC, and SVNIC is willing to grant Franchisee such a Franchise under the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1

DEFINITIONS & APPLICABLE INFORMATION

1.1 Certain Definitions and Applicable Information

Unless otherwise defined herein or if the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth in this Section 1.1 and in Appendix 1:

“Authorized Salesperson” means and includes each Senior Advisor, Advisor, and Associate Advisor and each of the following Licensed Persons employed by the Franchisee or Broker in Charge, and such additional Licensed Persons as may be subsequently engaged by Franchisee, unless and until terminated by such Broker in Charge, or until such time as the person fails to be a Licensed Person under Applicable Law or to meet SVNIC’s reasonable qualification criteria, as set forth in the Manuals.

“Broker in Charge” means the following Licensed Person, unless and until changed by mutual written agreement of the parties, or until such time as the person fails: (1) to devote substantial full time and best efforts to the supervision and conduct of the Commercial Real Estate Services Franchise,

as licensed herein; (2) to be a licensed real estate broker under Applicable Law; or (3) otherwise to meet SVNIC’s reasonable qualification criteria as set forth in the Manuals:

“Broker in Charge:” _____

SVNIC requires that there must be a licensed Broker in Charge of the Franchise at all times. Franchisee agrees to notify SVNIC immediately of any change or update to the Broker in Charge associated with the Franchise. If at any time during the Term of this Agreement, Franchisee does not have a licensed Broker in Charge of the Franchise, Franchisee will be in default of this Agreement.

SVNIC reserves the right to require the Broker in Charge to be a Guarantor under this Agreement if at any time Franchisee (or an Owner/Guarantor of Franchisee, if Franchisee is a Business Entity) is not the Broker in Charge.

“Senior Advisor,” meaning a Broker in Charge or Authorized Salesperson who has been working as a Licensed Person providing Commercial Real Estate Services on a full-time basis i) for a minimum of each of the five (5) immediately preceding calendar years, and/or ii) whose 3-year median annual income exceeds \$149,999, based on the three (3) immediately preceding calendar years;

“Senior Advisor Name(s):”

“Advisor” meaning a Broker in Charge or Authorized Salesperson whose 3-year median annual income is \$149,999 or less based on the three (3) immediately preceding calendar years.

“Advisor Name(s):”

“Associate Advisor” meaning an Authorized Salesperson who is new to the commercial real estate business (less than three (3) years) and whose average income in the commercial real estate business is \$50,000 or less based on the three (3) immediately preceding calendar years.

Associate Advisor Name(s):

“Property Manager” means each of the following persons employed or contracted by Franchisee in the role of Property Manager as of the Effective Date:

“Franchisee Business Address:”

“Franchisee Mailing Address (if different from Business Address):”

“Franchisee d/b/a” means the assumed or Fictitious Name under which you will be operating your Franchise business as outlined in Section 9.5.

Franchisee d/b/a: _____

“Effective Date” means the date stated in the opening paragraph of this Agreement and is the date that this Agreement becomes binding on Franchisee. All of Franchisee’s Gross Receipts on and after the Effective Date will be subject to Royalties, fees and other payments, as provided in Sections 4.2 through 4.11, below. If you identify the Franchise as an SVN Office or operate the Franchise using the Marks before the Effective Date without our express written consent, then, in addition to our remedies under Article 12, you will pay us the fee payments as specified in Sections 4.2 and 4.5 from the date you identify or operate the Franchise using the Marks.

“Managing Director,” means the Franchisee/Owner or other individual who is responsible for the day-to-day operations of the SVN Office if Franchisee chooses to delegate such responsibility to another. The Managing Director may be the Broker in Charge or another individual designated by Franchisee for whom Franchisee has provided to SVNIC explicit written authorization for such individual to act on behalf of Franchisee in managing the SVN Office. Franchisee may authorize the Managing Director to receive communications from SVNIC and to attend certain required events on behalf of Franchisee.

“Managing Director:” _____

Franchisee agrees to notify SVNIC immediately of any change in the Managing Director(s) associated with the Franchise.

ARTICLE 2

RECITALS

2.1 Franchise Grant

Upon the terms and conditions contained herein, SVNIC hereby grants Franchisee a non-exclusive right to own and operate an SVN Franchise and to use the Marks and System according to SVNIC's Policies and the Manuals in connection therewith. This Agreement does not include any promise or assurance that SVNIC may or will authorize Franchisee to operate or obtain any additional Franchise(s).

2.2 No Sublicensing or Other Rights to SVNIC Property

Franchisee is permitted under this Agreement to operate the Franchise solely at or from the Franchisee Business Address, unless otherwise expressly authorized by SVNIC in writing. Franchisee shall not subdivide, sublicense, subcontract, sublease, or enter any management agreement providing for the right to operate the Franchise that is the subject of this Agreement, or to use the Marks or System or any System components licensed to Franchisee pursuant to this Agreement. Franchisee is permitted only to use the Marks and the System to operate the Franchise in compliance with this Agreement and is not authorized to modify, enhance, reverse engineer, create any derivative works from or otherwise manipulate or interfere with the Marks, the System, the Confidential Materials and Practices or any element of any of them or any other information or items proprietary to SVNIC. Franchisee will enter into such user licenses, sublicenses or similar agreements as SVNIC may request from time to time to meet any third-party licensing requirements in connection with tools or systems licensed to Franchisee for use in the operation of the SVN Franchise.

2.3 Market Area

Primary Market Area ("PMA"): _____

Franchisee acknowledges that (a) a PMA will typically be described as a metropolitan area or other geographic area in SVNIC's discretion, and (b) the area comprised by the PMA represents a geographical area in which a majority (greater than 50%) of Franchisee's Commercial Real Estate Services is performed as of the Effective Date. Franchisee further acknowledges and agrees that Franchisee may offer, sell and provide Approved Services pursuant to this Agreement in any geographic area or jurisdiction where Franchisee is licensed and has qualified to do business if required, and is otherwise legally entitled to do so; provided, that to the extent Franchisee performs Commercial Real Estate Services in connection with real property or businesses located outside of Franchisee's non-exclusive PMA, then Franchisee shall co-list with a qualified SVN Advisor at a Franchise having an office in the market area in which the real property or business is located, if one is available and to the extent permitted under Applicable Law, in accordance with SVNIC's co-listing requirements, as provided in the Manuals, Policies or in other written instruction published by SVNIC from time to time. If there is no qualified SVN Advisor at a Franchise located in the PMA in which the subject property is located, Franchisee may, with SVNIC's prior consent, co-list with an unaffiliated commercial real estate broker close to the property or business to the extent permitted under Applicable Law, or, if feasible due to

PMA proximity and preference of the client, Franchisee may service the listing directly, provided Franchisee notifies SVN Franchises in the area in advance of publicizing the listing. SVNIC reserves the right to deny any such consent if SVNIC determines in its sole discretion that a qualified SVN Advisor is available for such co-listing.

2.4 No Exclusivity

The Primary Market Area granted to Franchisee under this Agreement is nonexclusive. SVNIC reserves all rights, including the right to permit others to open SVN Franchises within the Primary Market Area. SVNIC and each of its Related Parties have the right to market, offer, sell and license the sale of any products and services of any kind under the Marks or other trademarks or service marks, within and outside of the Primary Market Area, in any manner or medium, including through electronic communications, the use of the Internet, or other channels of distribution; to operate other outlets or franchises located anywhere and to engage in any lines of business anywhere.

ARTICLE 3

TERM

3.1 Term

The "Term" of this Agreement shall begin on the Effective Date and end on a date corresponding with five (5) years from the Effective Date, which date shall be _____ (the "Franchise Expiration Date"), unless earlier terminated pursuant to Article 12 of this Agreement. Franchisee agrees to operate the Franchise Business for the entire Term of this Agreement, unless Franchisee receives Franchisor's prior written approval to transfer its interest in the franchise pursuant to Article 11, or unless this Agreement is terminated pursuant to Article 12.

3.2 Renewability of Agreement

3.2.1 Franchisee has no right to a renewal of this Agreement. Any renewal of the Franchise shall be at the sole discretion of SVNIC. Franchisee must satisfy the following conditions to be considered for a successor Franchise Agreement with a term of five (5) years:

(a) Both, at the time of the request and on the Franchise Expiration Date, Franchisee must be in full compliance with all of the terms of this Agreement and all mandatory requirements in SVNIC's Policies and in the Manuals;

(b) Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

(c) Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any required System modifications such that the Franchise Business reflects SVNIC's then-current standards and specifications;

(d) Franchisee has satisfied all monetary obligations owed by Franchisee to SVNIC, any affiliate of SVNIC, any supplier, and all other creditors, and has timely met these obligations throughout the term of this Agreement;

(e) Franchisee is not in default of any provision of this Agreement, any other agreement between Franchisee and SVNIC, or any other agreement entered into with a party, the subject matter concerning matters relating to the Franchise;

(f) Franchisee has given written notice of its intent to operate a successor SVN Franchise to SVNIC not less than six (6) months nor more than twelve (12) months prior to the end of the term of this Agreement;

(g) Franchisee or its Broker in Charge must have a real estate broker's license in good standing within the state(s) where Franchisee operates; and

(h) Franchisee has complied with SVNIC's then-current qualifications for a new SVN franchisee and has agreed to comply with any training requirements and certification/licensing requirements.

3.2.2 Under certain circumstances SVNIC may, in its sole discretion, allow Franchisee to renew for a shorter or longer period of time up to ten (10) years. Factors SVNIC will consider in determining whether to grant a longer renewal term include, but are not limited to: (a) whether Franchisee has fully complied with all terms of this Agreement; (b) whether Franchisee has consistently paid in full and on a timely basis all fees, dues and other amounts owed under this Agreement throughout the Term; (c) whether Franchisee attends and participates in scheduled SVN events, such as annual conferences, meetings, training and other similar activities; and (d) whether Franchisee has demonstrated a spirit of cooperation with SVNIC and with the SVN System that, in SVNIC's sole discretion, merits consideration for a longer renewal term.

3.2.3 If SVNIC grants Franchisee's request to renew the SVN Franchise, Franchisee shall (i) pay to SVNIC a "Renewal Fee" in the amount of \$5,000; (ii) execute a new franchise agreement in the then-current form generally being offered by SVNIC to new franchisees (which may contain terms substantially different from this Agreement); and (iii) execute a General Release and any then applicable form of renewal addendum. SVNIC will waive the Renewal Fee if the owner of Franchisee attends each SVN Annual Conference during the term of this Agreement (i.e., 5 SVN Annual Conferences.)

3.3 Franchisor's Refusal to Renew Franchise

SVNIC may, at its sole discretion, refuse to renew the franchise for any reason, subject to applicable state law. Reasons that SVNIC may elect not to renew the Franchise, include, but are not limited to, the following: (i) Franchisee is in default under this Agreement, or any other agreement with SVNIC or an affiliate of SVNIC; (ii) Franchisee has had two or more defaults, whether cured or not, during the term of this Agreement; or (iii) Franchisee fails to satisfy any of the foregoing conditions set forth in Section 3.2.

3.4 Month-to-Month Option

With the prior written approval of SVNIC, Franchisee may continue to operate its office as an SVN Franchise after the Franchise Expiration Date on a month-to-month basis under the terms and conditions of this Agreement except that the Production Royalties and Property Management Royalties payable to SVNIC shall be subject to a 10% fee over and above the Royalties Franchisee would normally pay on the Brokerage Revenues and Property Management Revenues. Either party shall have the right

to terminate such a month-to-month agreement by providing at least sixty (60) days' prior written notice to the other party.

ARTICLE 4

PAYMENTS

4.1 Initial Franchise Fee

You must pay SVNIC a lump sum Initial Franchise Fee, in the amount of \$30,000, at the signing of this Agreement. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to initial training, establishment of suppliers, an online marketing interactive software application, as well as Franchisor's other costs in helping Franchisee open the franchise. The Initial Franchise Fee is fully earned upon the signing of this Agreement and is non-refundable, in whole or in part.

SVNIC may from time to time and in its sole discretion choose to offer more favorable fee structures to Franchisees in connection with a second or additional Franchise Agreement or addendum granted to them by SVNIC. Any such policies are subject to change by SVNIC, and the policy in effect at the time Franchisee may be granted an additional Franchise Agreement will control.

U.S. Military Veterans Discount: To provide support to veterans of the U.S. military forces, Franchisor offers to all qualifying veterans the opportunity to purchase an initial franchise at a discount of 15% off the Initial Franchise Fee. This program is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The program is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company which owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If Franchisee is a partnership, corporation or limited liability company, Franchisee's status as a participating veteran must be submitted to Franchisor prior to signing this Agreement, and Franchisee must maintain a majority interest in the partnership, corporation or limited liability company for a minimum of three consecutive years after executing this Agreement, or Franchisee will be required to pay Franchisor the initial savings of \$4,500.

4.2 Royalties

In consideration of SVNIC granting Franchisee a franchise under this Agreement, Franchisee agrees to pay continuing Royalties to SVNIC, as set forth below in this Section 4.2.

4.2.1 For purposes of this Agreement, "Gross Receipts" means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable by Franchisee (directly or indirectly), whether in cash, equity position, credit or for barter (and, if for credit or barter, whether or not payment is received), or for any other consideration, in connection with all Commercial Real Estate Services, whether transaction or fixed-fee based. Gross Receipts also include without limitation all revenues, Property Management Revenues, project management fees, consulting fees, Auction Revenues, finder fees, and commissions received or receivable by or on behalf of Franchisee's salespersons, agents and representatives in connection with any products or services that are promoted or sold under any of the Marks, including Commercial Real Estate Services, whether transaction or fixed-fee based, Leasing Services, Property Management,

approved Residential Real Estate Portfolio Brokerage Services, Ancillary Services, multiple listing fees, taxes, commissions, overrides, bonuses and salaries, without deduction for Franchisee's costs or expenses.

In this Agreement, "receivable" includes the face value of any notes at the time of sale and the fair market value, as reasonably determined by SVNIC, of any equity or non-cash consideration you may take in lieu of commissions. Example #1: You earn \$50,000 in commission and accept \$25,000 cash and \$25,000 in the form of a note at closing – the Royalties calculated at the applicable rate are due on the entire \$50,000, as if the full amount was paid in cash. Example #2: You accept a \$50,000 equity position or automobile instead of the cash payment – Royalties are due and payable on fair market value as if paid in cash.

4.2.2 Commercial Real Estate Services fees or price reductions generated by Franchisee acting as a principal in a transaction are construed and included as "Gross Receipts," as are revenues received or receivable in connection with loan portfolio sales and sales of notes and note packages, to the extent Franchisee is lawfully able to engage in such sales and subject to any applicable licensing requirements.

4.2.3 "Gross Receipts" also shall include any fees and other compensation from all Leasing Services, including Leasing Services for a building for which Franchisee provides Property Management Services and any and all Property Management Revenue. If Residential Real Estate Brokerage Services or any other activity/service is approved by SVNIC as a Permitted Outside Service under this Agreement (See Schedule "D") and you or your Related Party use the Marks and/or any SVN proprietary System, tool or resource in connection with such service(s) or activity(ies), any Commercial Real Estate Services fees or other amounts generated by you, your Related Party or your respective agents from such service(s)/activity(ies) shall be included in Gross Receipts and subject to Royalties. Payment of Royalties in such an event is not an exclusive remedy.

4.2.4 If Franchisee or any of its Broker in Charge or Authorized Salespersons desires to offer and sell, exchange, lease or rent commercial real property in which they or any of them own a twenty-five percent (25%) or greater interest (excluding Residential Property, but including Approved Residential Portfolio Sales) or owns a controlling interest, and provided Franchisee has the authority to do so, Franchisee shall cause such property to be listed and sold through Franchisee in accordance with this Agreement; provided that the foregoing obligation shall not apply to sales or leases in response to entirely unsolicited offers. No Royalties shall be payable by Franchisee on Gross Receipts from such transactions as listed in this Subsection 4.2.4, and, as provided in Section 4.2.6 below, such transactions do not count towards our awards programs or rankings.

4.2.5 Property Management Royalties and Production Royalties are collectively referred to as "Royalties." Franchisee must pay Royalties to SVNIC in the applicable amount as specified below in Subsections 4.2.7 through 4.2.9, below. Franchisor may charge Franchisee a processing fee if Franchisee pays the Royalties by credit card.

4.2.6 Transactions that do not generate Royalties or that do not follow the "collaborative marketing principals" of SVNIC, as set forth in the Manual and/or elsewhere by SVNIC, are excluded from calculating awards and rankings in our awards programs. Additionally, those transactions in which Royalties are not paid by the due date will be excluded from calculating awards and rankings.

4.2.7 **Property Management Royalties.** Franchisee shall pay a flat 5% royalty on Property Management Revenues (the “Property Management Royalty”). Property Management Revenues are not included in your Gross Receipts for purposes of calculating the Royalties percentage on other Commercial Real Estate Services, unless we give our express written consent to do so. We have an unrestricted right to grant, condition or withhold such consent. Property Management Revenues in which a royalty is paid to us will count towards calculating awards and ranking in our awards programs. Franchisee agrees to pay the Property Management Royalties to SVNIC in the time and manner as set forth in Section 4.8, herein.

4.2.8 **Production Royalties.** Franchisees shall pay to SVNIC the following Production Royalties, monthly, throughout the term of this Agreement:

Production Royalties Percentage	Calendar Year Gross Receipts
7%	\$0 to \$2,000,000
5%	Over \$2,000,000 to \$4,000,000
3%	Over \$4,000,000

Franchisee agrees to pay the Production Royalties to SVNIC in the time and manner as set forth in Section 4.8, herein.

4.2.9 Franchisee's obligation to pay Royalties shall commence four (4) months from the Effective Date of this Agreement. All Pre-Conversion Sales that close more than (4) months from the Effective Date of this Agreement shall be included in the payments of the Royalties.

4.3 Special Accounts

4.3.1 SVNIC and our Related Parties have the right to market, offer, sell and provide Commercial Real Estate Services and other services through independent contractor relationships and/or an internal and/or corporate sales force to entities/organizations/retail chains having multiple, commonly branded or similarly associated outlet facilities, which typically, but not necessarily, operate nationally or regionally and have outlets located over multiple Franchisee Primary Market Areas (individually and collectively, “Special Accounts”). We and/or Related Parties can solicit, service and/or administer Special Accounts wherever located and may request related assistance from Franchisees and/or from independent third party commercial real estate brokerages, according to processes and procedures we can establish as we consider appropriate in the Manuals or through other written instruction. If you accept such a request from us, you will be required and agree to participate in the applicable Special Account project/transaction on terms that we have negotiated. You are free to negotiate your own fees on a client-by-client basis, except as to Special Accounts. Notwithstanding any other term of this Agreement, you may not solicit or service Special Accounts clients that are parties to agreements with us or a Related Party of ours without our written approval. You agree to comply with any Policies we establish in the Manuals or other written communication relating to such restrictions, to franchisees’ co-operative Franchise practices/conduct and/or to matters and/or disputes with or among franchisees relating to Special Accounts or other client matters.

4.4 No Referral Fees

Franchisee shall not offer or make any gift, referral fee or other payment or gratuity to any SVNIC employee (not including any bona fide co-listing fee, or other payment required hereunder, which is payable to SVNIC or its Related Party by or through such employee), nor shall Franchisee solicit, offer or make any gift, referral fee or other payment or gratuity to or from any other franchisee of SVNIC or its Related Party for the purpose, or having the effect, of evading or reducing the Royalties payable by Franchisee or such other franchisee. The term “Related Party” is not intended to include Franchisee or other persons or Franchise Entities merely because they have executed Franchise Agreements with SVNIC.

4.5 Branding Program Fees; Franchisee Councils and Co-operatives and Related Payments

4.5.1 Franchisee shall pay, or cause to be paid, to SVNIC a Platform Fee (the “Platform Fee”) in amount of \$1,000 per month. SVNIC shall expend the Platform Fees under its branding program in accordance with Section 7.2. We reserve the right to adjust the payment period (e.g., from monthly to annually, quarterly or other payment period) as we deem appropriate with a minimum ninety (90) calendar day written notice to you, and the Platform Fee payment amount shall be adjusted accordingly on a pro rata basis.

4.5.2 We reserve the right to form and/or implement one or more franchisee groups (individually and collectively referred to as “Council”) to conduct various marketing-related activities. Such Council may be established based upon industry segments or property types, geography, transaction type or volume, or other criteria, as we consider appropriate. We have the right to form and administer any such Council or allow a Council to self-govern by adopting its own bylaws, rules, regulations and procedures, subject to our consent. In either case, you are required to participate in any applicable Council.

4.5.3 We collect a “Product Council Marketing Fund Fee” in the amount of \$1,800, per year, from all SVN Franchisees on behalf of a certain product council established by us and made up of SVN Franchisees (the “Product Council”). Franchisee agrees to pay SVNIC the Product Council Marketing Fund Fee beginning at the execution of this Agreement, in a prorated amount for the first year, and on January 1st of each year thereafter. The Product Council was formed to increase the productivity, visibility and presence of all participants while elevating the SVN brand and specialized expertise. The Product Council members are elected by the franchisees; however, SVNIC selects the final Chair(s) and/or Co-Chair(s). The Product Council is self-governing and has decision-making power over how the Product Council Marketing Fund Fees are spent, subject to our approval. We will hold the Product Council Marketing Fund Fees in an account (“Product Council Marketing Fund”) and administer such funds for the Product Council. We will disburse the funds in the amounts and at the times requested by the Product Council. All expenditures of the Product Council Marketing Fund are subject to our approval. The Product Council anticipates spending the Product Council Marketing Fund on conferences and marketing-related activities. The Product Council Marketing Fund Fee may be increased or decreased to an amount determined by a vote of 51% of the franchisees. The Product Council is not a franchisee collective or association and may not be administered as one. We have the power to change, merge or dissolve the Product Council or establish other marketing councils, at our sole discretion.

4.6 Minimum Annual Royalty

4.6.1 Except as may be provided in Section 4.6.2, below, Franchisee agrees to pay to SVNIC the Royalties, as provided in Section 4.2, and further agrees that, commencing with Franchisee's first full calendar year under this Agreement, Royalties paid by Franchisee in any calendar year shall not be less than the Minimum Annual Royalty of \$50,000.

4.6.2 Beginning with the first full calendar year following the Effective Date of this Agreement, if the Royalties Franchisee paid to SVNIC in a calendar year total less than the applicable Minimum Annual Royalty, Franchisee shall pay SVNIC by January 31 of the following calendar year an amount equal to the deficiency between the Royalties paid and the required Minimum Annual Royalty. Such a Royalties deficiency is good cause for termination of this Agreement, as provided in Section 12.3, below. Except for the year in which this Agreement becomes effective, the applicable Minimum Annual Royalty will be adjusted on a pro rata basis for any partial year under the Agreement.

4.6.3 Notwithstanding any other provision of Section 4.6, SVNIC has the unrestricted right to elect to waive the imposition of a Minimum Annual Royalty for any chosen time period without limiting or diminishing its right to enforce such term at a later time.

4.7 Allowances and Other Payments

4.7.1 In addition to all other payments provided herein, Franchisee shall pay all amounts due to SVNIC and its Related Parties and salespersons and brokers, and to all other SVN franchisees with whom Franchisee co-lists or otherwise conducts business, as applicable, promptly when due.

4.7.2 Franchisee acknowledges and agrees that (a) SVNIC may receive marketing, administrative and other payments and allowances from third-party suppliers on account of purchases made by SVNIC and its Related Parties, Franchisee and other SVN franchisees, and their respective clients; and (b) that SVNIC and its Related Parties may charge a mark-up in connection with goods and services supplied to Franchisee by SVNIC or its Related Parties. SVNIC shall have no liability, duty or obligation to Franchisee on account thereof, including any obligation to remit any portion of any such amounts to Franchisee.

4.7.3 SVNIC has the right, at any time and at its sole option, to impose, eliminate, increase or decrease Initial Franchise Fees, training fees, technology fees, fees to participate in voluntary programs, referral fees, late charges, returned check charges and access fees.

4.8 Time and Manner of Payments

4.8.1 Franchisee shall pay SVNIC the Production Royalty and any ancillary services payments, as applicable, in good funds by Electronic Payment or by check, or as otherwise determined by SVNIC, by the close of business on the tenth (10th) calendar day after the funds are received from each Transaction Closing (excluding rental and lease transactions). If requested by Franchisor, Franchisee agrees to submit a true and correct copy of any closing statement or Production Royalty Statement, at the time of payment for each Transaction Closing, together with such related information as may be required under the Manuals.

4.8.2 Franchisee shall pay SVNIC the Property Management Royalty on all Property Management Revenues and the applicable Royalty on all Gross Receipts not involving a Transaction Closing (but including rental and lease transactions) in good funds by Electronic Payment or by check, or as otherwise determined by SVNIC, on or before the tenth (10th) calendar day of the month following the calendar month in which such Property Management Revenues and such Gross Receipts were received or receivable. SVNIC reserves the right to designate the manner of payment, whether by Electronic Payment or other method, and Franchisee shall comply with all applicable requirements.

4.8.3 Franchisee shall pay SVNIC the Platform Fee on or before the tenth (10th) calendar day of each calendar month. Any annual deficiency in an applicable Minimum Annual Royalty due from Franchisee shall be payable as provided in Sections 4.6.1 and 4.6.2, above. SVNIC reserves the right to designate the manner of payment, whether by Electronic Payment or otherwise, for the Platform Fee and all other fees owed under this Agreement and Franchisee shall comply with all applicable requirements.

4.8.4 Late Charges and Interest. Franchisee agrees to pay to SVNIC the entire amount of any and all sums owed to SVNIC by Franchisee promptly when due. If Franchisee fails to pay any amount owed to SVNIC when due, including, but not limited to, Royalties, Platform Fees, the Minimum Annual Royalty and the Initial Franchise Fee, Franchisee shall pay to SVNIC, in addition to all other amounts which are due but unpaid and in addition to any other remedies SVNIC may have, (i) interest on the unpaid amounts from the due date thereof at a rate of 10% per annum, or the highest rate allowable under Applicable Law, whichever is less, and (ii) any and all other related charges and expenses incurred by SVNIC, including, but not limited to, reasonable attorney's fees, and bank charges and fees (and interest on such fees and charges.) Additionally, any and all Royalties not filed or paid within 10 days when due will incur a late fee of 10% on the total amount of the Royalties overdue. As provided in Section 4.2.6, transactions in which Royalties are not paid when due do not count towards awards and rankings. If SVNIC is ever deemed to have contracted for, charged or received late fees or late payment charges on any overdue sums in an amount that exceeds the amount permitted under applicable law, then such excess amount shall be deemed intended for, and will be applied as, payment of outstanding fees or other amounts due under this Agreement and, if no such amounts remain outstanding, such excess shall be returned to Franchisee.

4.8.5 At the request of Franchisor, Franchisee agrees to complete and execute an "Electronic Funds Transfer Agreement" (attached as Schedule F to this Agreement) and any other form necessary to authorize and direct Franchisee's bank or financial institution to transfer electronically, on a monthly basis, directly to SVNIC's account and to charge to Franchisee's account all amounts due to SVNIC. Franchisee agrees to maintain a balance in its account sufficient to allow SVNIC to collect the amounts owed when due. Franchisee is responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph.

4.9 Intranet Services Agreements

4.9.1 Franchisee agrees to sign SVNIC's current form of "Franchisee Intranet Services Agreement," attached hereto as Schedule G, and pay the applicable "Google Suite Licensing Fee" for each active "svn.com" email account, as specified in the Franchisee Intranet Services Agreement, in exchange for the right to use the Intranet Services provided by SVNIC and to receive a personal "svn.com" email address and account. Franchisee must use its unique "svn.com" email address and account for any and all communications related to its SVN Franchise and Franchisee may not use any other personal email accounts in connection with the operation of its SVN Franchise. Franchisee

additionally agrees to ensure that all of its employees, independent contractors and representatives, who will have access to SVNIC's Intranet Services and/or an SVNIC email account, execute SVNIC's current form of "Authorized User Intranet Services Agreement," which includes non-disclosure and non-competition provisions for Authorized Users who are not Franchisees; such form of agreement will be provided to Franchisee by SVNIC.

4.9.2 SVNIC is not responsible for any information, software, photographs, audio and video clips, graphics and other material (collectively, "Content") posted on any message board, list serve, blog or otherwise distributed through the Intranet Services by Franchisee or Franchisee's employees, independent contractors and representatives. Franchisee agrees to indemnify, defend and hold SVNIC and its Related Parties, and all of their respective officers, directors, members, employees, owners, agents, information providers, affiliates, licensors and approved suppliers (collectively, the "SVNIC Representatives") harmless from and against any and all liability, losses, costs and expenses (including attorneys' fees, and interest on such fees, costs and expenses) arising out of any use of the password and/or the Intranet Services by Franchisee, and Franchisee's employee, independent contractor or representative if Franchisee, including but not limited to any violation of this Agreement or placement on or over, or retrieval from or through, the Intranet Services of any software, file, information, communication or other content. In the event of a dispute between you and your employee, an independent contractor, or representative, or another individual or entity, SVNIC will only produce related emails, attachments to emails and/or email history in response to a legal request in writing, signed by an authorized official of the requesting agency and issued under an appropriate law (e.g., a subpoena, court order, warrant, etc.) If we believe a request is overly broad, we will seek to narrow it. We will attempt to notify you via email before any information is disclosed. SVNIC reserves the right to voluntarily produce (e.g., without a subpoena, court order, etc.) any and all documents, including, but not limited to, yours, your employees, independent contractors and representatives' emails and any attachments thereto, in order to defend SVNIC and its Related Parties.

4.10 Taxes or Other Assessments

4.10.1 Notwithstanding any other term of this Agreement, if any amount or fee of any kind to be paid by Franchisee to SVNIC under this Agreement is subject to any gross receipts taxes, value added taxes, sales taxes, use taxes, personal property taxes or similar taxes imposed on or required to be collected or paid by SVNIC, then SVNIC reserves the right to require Franchisee to pay SVNIC an additional amount so that the amount of Franchisee's payment actually received by SVNIC after such deduction, payment or withholding is equal to the full amount due from Franchisee under this Agreement. If Franchisee is legally required to withhold tax on any payments that Franchisee must make to SVNIC, then Franchisee must timely remit to the appropriate authorities all withholding and/or other such amounts due. Franchisee will deliver to SVNIC proof of payment within ten (10) calendar days of the date made. Franchisee also will take such other steps as may be reasonably required to enable SVNIC to obtain any available tax credit.

4.10.2 Credit Card Fee. If Franchisee uses a credit card to pay obligations under this Agreement, SVNIC may collect a credit card fee ("Credit Card Fee") equal to 3.9% of the total amount charged to such credit card. The Credit Card Fee will be used to cover processing fees charged by SVNIC's credit card processing vendor and related administrative costs. This service is offered solely for Franchisee's convenience.

4.11 Right to Waive

Notwithstanding any other term of this Agreement, including the fee structures or payment requirements outlined above in this Article 4, SVNIC reserves the right to waive, reduce, change or offer any and all such fee structures or payment requirements, based on circumstance and such criteria as it deems appropriate and as permitted by law.

ARTICLE 5

OBLIGATIONS OF SVNIC

5.1 Training and Guidance

5.1.1 SVNIC can elect to develop any training and other instructional programs as it considers appropriate, which programs can be optional or mandatory. SVNIC reserves the right upon not less than sixty (60) calendar days advance written notice to Franchisee to require Franchisee (and/or Brokers in Charge, Authorized Salespersons, agents and/or staff) to participate in any training program designated by SVNIC as mandatory at Franchisee’s expense, including any training fees, travel, lodging and incidental expenses of attendance.

5.1.2 SVNIC reserves the right to charge a reasonable fee for Franchisee’s participation in any or all training programs, meetings, conferences or other similar activities. Any such fees will be published in the Manuals or other written communication from SVNIC. Franchisee is responsible for any such fees, as well as travel, lodging, and incidental expenses incurred by Franchisee (and/or Brokers in Charge, Authorized Salespersons, agents and/or staff) in connection with attendance/participation.

5.1.3 SVN I Jumpstart Training. If Franchisee is a new SVN Franchisee, at least one owner of the SVN Franchise must attend and complete to SVNIC’s satisfaction a training program called “SVN I Jumpstart” within 9 months of executing this Agreement. SVN I Jumpstart is optional for existing SVN franchisees; however, upon renewal, Franchisor recommends that at least one owner of the renewing SVN franchisee attend and complete to SVNIC’s satisfaction the training program. The training is typically 3 days in duration and is held at various hotel conference room locations throughout the United States, as determined by SVNIC. Franchisee agrees to pay SVNIC the then-current fee for this training (“SVN I Jumpstart Fee”). SVNIC reserves the right to increase or decrease the SVN I Jumpstart Fee, at its sole discretion. Franchisee is responsible for any travel, lodging and incidental expenses incurred by Franchisee during training. If Franchisee is a new SVN Franchisee and at least one owner of Franchisee does not attend and satisfactory complete SVN I Jumpstart training within 9 months of executing this Agreement, SVNIC may, at its sole discretion, grant Franchisee additional time to satisfactory complete SVN I Jumpstart or terminate this Agreement. If SVNIC elects to terminate this Agreement, Franchisee will not receive a refund, in whole or in part, of the Initial Franchise Fee paid to SVNIC.

5.1.4 Onboarding Training Program. If Franchisee is a new SVN Franchisee, at least one owner of the SVN Franchise or the Managing Director must attend and complete to SVNIC’s satisfaction a three-month onboarding training program called “Trello Board” that guides Franchisee through the process of integrating its business into the SVN platform. This training is currently conducted online. Franchisor does not charge a fee for this program.

5.1.5 SVN Annual Conference. Franchisee or its Managing Director must attend the SVN Annual Conference offered by Franchisor each year. Franchisee must pay Franchisor a fee to attend this conference, which fee will vary depending upon the selected location. The conference is typically 2.5 days in duration. Franchisee is responsible for any travel, lodging and incidental expenses incurred by Franchisee or its Managing Director in attending the conference. If Franchisee or its Managing Director cannot attend the annual conference, Franchisee may apply for an exception or request a substitute representative from the Franchise Business to attend the conference on behalf of Franchisee. Franchisor will evaluate each request on a case-by-case basis and decide at Franchisor's sole discretion whether to make an exception for Franchisee's particular situation.

5.1.6 If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

5.2 Pre-Opening Services

5.2.1 SVNIC will make available to Franchisee a copy of the Manuals and will provide updates, supplements and revisions as may be implemented from time to time.

5.2.2 SVNIC will provide, at no additional charge, exemplar artwork for Franchisee to personalize and use to purchase, at Franchisee's cost, stationery, advertising, property signs, and other marketing materials.

5.2.3 Notice of Completion of Pre-Opening Obligations. After Franchisor has completed its pre-opening obligations to Franchisee under this Agreement, Franchisor may require Franchisee to sign and deliver to Franchisor confirmation that Franchisor has performed its pre-opening obligations in a form Franchisor reasonably requests ("Notice of Completion"). If Franchisor asks Franchisee to provide Franchisor with such Notice of Completion, Franchisee must sign and deliver it to Franchisor within five (5) days after Franchisor's request. The term "pre-opening obligations" means the obligations Franchisor has provided to Franchisee under this Agreement that must be performed before the date that the Franchised Business starts its operations. If Franchisee reasonably believes that Franchisor has not completed its pre-opening obligations to Franchisee, Franchisee must provide Franchisor with a notice in writing, within that same five (5) day period, specifying those pre-opening obligations that have not been performed ("Remaining Obligations"). Within five (5) days following our completion of the Remaining Obligations, Franchisee must execute and deliver to Franchisor the Notice of Completion notwithstanding that Franchisor's performance of such obligations was concluded after the time of performance required by this Agreement. In the event Franchisee fails to timely sign and deliver to Franchisor a Notice of Completion (or notice of Remaining Obligations) Franchisee will be deemed to have confirmed that all of Franchisor's pre-opening obligations have been met.

5.3 Continuing Services

5.3.1 SVNIC will, at no additional charge, provide through online technology selected by SVNIC, proposal templates and brochure templates for Franchisee's use in creating its own customized packages. Franchisee is required to use the "svn.com" website template in the operation of the Franchise. SVNIC will make available to Franchisee at no additional charge electronic versions (if available), of various sales aids and marketing materials for use in connection with the Franchisee's

Commercial Real Estate Services, developed at the times and in the amount that SVNIC elects. SVNIC may at its option make other versions of such materials, such as non-electronic versions, available at the then-current charge.

5.3.2 As a Franchisee, you will be provided access to other SVN franchisees through such means and methods as SVNIC selects from time to time, which can, but are not required to, include the Internet, Intranet/SVN Dashboard or Extranet, virtual meetings, e-mail, conference calls and company meetings. SVNIC reserves the right to impose reasonable fees for such access, services and meetings. Franchisee shall bear its own costs of attendance/participation, including travel, lodging and meal expenses.

5.3.3 Pursuant to Section 6.7, SVNIC may provide various assistance and/or tools to assist Franchisee in the operation of its Franchise via the SVN Dashboard and Internet website to the extent and in the manner SVNIC chooses.

5.3.4 SVNIC may (but is not required) to negotiate discounts with national vendors that may include advertising, real estate research and/or statistics.

5.3.5 Pursuant to Section 7.2, SVNIC will conduct brand marketing to the extent and in the manner that SVNIC chooses.

5.3.6 Franchisee will be granted the opportunity to participate in sales contests and qualify for annual awards in accordance with SVNIC's Policies. Additionally, SVNIC may offer SVN Franchisees the option to participate in extracurricular company programs for a reasonable fee. Participation by Franchisee in any such extra-curricular company program will be optional.

5.3.7 SVNIC's staff or other designees, including, but not limited to, approved suppliers of support services, will be available to you to the extent SVNIC considers necessary or appropriate during the Term in person, by telephone and/or online interactive sessions, or other methods selected by SVNIC to provide support services and/or information to you.

5.3.8 SVNIC may provide regular consultation and advice to Franchisee in response to inquiries from Franchisee regarding administrative and operating issues that Franchisee brings to Franchisor's attention. SVNIC may make recommendations that it deems appropriate to assist Franchisee's efforts. The rendering of any consultation, advice, assistance, consent, approval or services by SVNIC, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of your SVN Franchise. Any Franchisor services set forth in this Agreement may be provided by SVNIC and/or representative(s) or designee(s) of SVNIC.

ARTICLE 6

COMMERCIAL REAL ESTATE SERVICES AND OPERATING THE FRANCHISE

6.1 Franchisee Business Address

The Franchise shall be located at the Franchisee Business Address set forth in Section 1.1. If Franchisee is establishing a new business and has not determined the address on the Effective Date, Franchisee shall notify SVNIC of said address as soon as the office location is determined by Franchisee,

subject to acceptance by SVNIC. Franchisee's office location must comply with any and all applicable laws, including, but not limited to, any state and local regulations and licensing requirements. SVNIC, at its sole discretion, may waive the requirement that Franchisee have a physical business office location from which to operate the Franchise Business and instead allow Franchisee to operate from home or a virtual office. If Franchisee desires to relocate the Franchise or to establish and operate the Franchise at an additional location, Franchisee must first apply for and receive prior written consent from SVNIC to relocate at a new Franchisee Business Address and sign any related amendments or addenda. Additionally, Franchisee must execute a General Release and submit any other information and documentation as is then customarily required by SVNIC at the time the request is made. Any new Franchisee Business Address must be located in Franchisee's Primary Market Area and must meet the standards and requirements as set forth in the Manuals. SVNIC has an unrestricted right to grant, condition, or deny any relocation. If Franchisee wishes to open an office at a location outside its Primary Market Area, Franchisee must apply for a separate SVN Franchise and execute a separate Franchise Agreement for the new location. Any relocation of the Franchise or the opening of any additional offices related to the Franchise, whether inside Franchisee's Primary Market Area or outside its Primary Market Area, without Franchisor's prior written approval shall be a breach of this Agreement and Franchisor, at its sole discretion, may (i) refuse to recognize the new office or location and prohibit any listings from the new office or location; (ii) charge Franchisee a royalty fee equal to 25% of the Gross Receipts earned at such location; and/or (iii) terminate this Agreement.

6.2 Maintenance of the Franchise, Computer System, and Telephone Number

6.2.1 Unless already owned, Franchisee shall purchase the office equipment specified in the Manuals, including a computer system and printer, and establish at least one telephone line, one broadband data connection for Internet/computer communications, in accordance with SVNIC's Policies, all of which shall be used exclusively to operate the Franchise pursuant to this Agreement. Franchisee shall complete the transition to the SVN Marks and System within ninety (90) calendar days following the Effective Date in accordance with SVNIC's Policies, including changing Franchisee's fictitious business name (d/b/a) filings, state and local business and real estate licenses, business cards, stationery, telephone and voicemail, office signs and property signs.

6.2.2 Franchisee and SVNIC acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that SVNIC shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by SVNIC as if this Section 6.2 was periodically revised by SVNIC for that purpose.

6.2.3 Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims Franchisee may have against SVNIC as the direct or indirect result of such disruptions, failures, or attacks.

6.2.4 Franchisee agrees to take all reasonable and prudent steps necessary to ensure that its and its customers' data is protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

6.2.5 Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies SVNIC periodically may establish. Franchisee must notify SVNIC immediately of any suspected data breach at or in connection with the SVN Franchise.

6.2.6 Franchisor will have independent access to information Franchisee generates and stores in the Computer System, including full and unrestricted administrative access to the business, tax, and accounting information.

6.3 Approved Services and Listings

6.3.1 Except as SVNIC may otherwise expressly agree in writing, Franchisee and each of its Broker in Charge and Authorized Salespersons shall (a) devote its full time and best efforts exclusively to the Franchise, (b) offer, sell, solicit and provide only Approved Services from or through the Franchise, (c) not conduct any other business, unless such other business is authorized by SVNIC as a “Permitted Outside Service,” pursuant to Section 6.3.7 and set forth in Schedule D attached hereto, and (d) not use the Marks or System in connection with any other goods, services, or business or in connection with any non-exclusive listings of your SVN Franchise.

6.3.2 Franchisee acknowledges that (a) Commercial Real Estate Services and Approved Services may differ among SVN franchises and may vary depending on the geographic location of the Franchise and the qualifications of the Licensed Persons associated with the Franchise, and (b) SVNIC can condition Franchisee’s offer or sale of specific Approved Services on Franchisee’s compliance with then-current Policies. All Policies are subject to change or elimination by SVNIC.

6.3.3 Franchisee shall not offer, sell, solicit or provide any Residential Real Estate Brokerage Services under the SVN Marks, except Approved Residential Portfolio Sales.

6.3.4 Ancillary Services may only be offered and provided by Franchisee under the Marks and through the Franchise and only to the extent that such services are identified on the attached Schedule C, as it may be amended by the parties in writing from time to time. If Franchisee desires to offer any Ancillary Service under the Marks and pursuant to this Agreement that is not already identified on Schedule C, then Franchisee shall deliver written notice to SVNIC of its desire to offer an Ancillary Service, which notice shall (i) identify the proposed type(s) of Ancillary Service(s); (ii) specify the licenses required by Applicable Law and the license or registration numbers held by Franchisee or its Licensed Person permitting Franchisee to perform such Ancillary Service(s); and (iii) provide such other information as may be required by SVNIC. If SVNIC does not approve Franchisee’s request within forty-five (45) calendar days after SVNIC’s receipt of Franchisee’s request for approval, then the request shall be deemed denied. Nothing in this Section 6.3.5 shall require SVNIC to authorize Franchisee to provide or sell any Ancillary Service. If SVNIC shall authorize Franchisee to provide or sell any Ancillary Service, then Franchisee shall do so in accordance with any authorization provided by SVNIC and in accordance with all SVNIC’s Policies.

6.3.5 Without limiting the generality of Section 2.3, Franchisee acknowledges that to competitively attract and effectively service potential or existing clients that own, manage or control multiple commercial real properties located within and outside of the Primary Marketing Area, SVNIC may need to establish Policies governing the manner in which such clients shall be solicited and serviced, and Franchisee agrees to follow any such Policies. Franchisee acknowledges that SVNIC makes no representation or warranty that any such clients will be provided within the Primary Marketing Area.

6.3.6 Franchisee is prohibited from offering or selling any goods or services other than Approved Services. If Franchisee wishes to offer any services other than the Approved Services, Franchisee must obtain prior written approval from SVNIC before offering any such service. SVNIC may in its sole discretion permit Franchisee to offer certain goods or services independently of the Franchise ("Permitted Outside Services"), subject to Franchisee's compliance with various conditions, which include requirements that Franchisee use separate telephone number(s), business cards and letterhead for Permitted Outside Services, omitting the Marks and otherwise avoiding any perception that the Permitted Outside Services are provided by, through or in connection with the SVN Franchise. Permitted Outside Services may only be offered and provided by Franchisee to the extent that such services are identified on the attached Schedule D, as it may be amended by the parties in writing from time to time. SVNIC reserves the right, at any time, without prior notice to Franchisee, to inspect, copy and audit all books and records relating to any Permitted Outside Service so as to ensure that there is no diversion of Royalties or other fees owing to SVNIC.

6.4 Approved Suppliers; Business Cards, Stationery and Business Signs

6.4.1 You agree to purchase any required services or products, as we may designate in the Manuals or through other written instruction. You must purchase products and services for your Franchise from our approved suppliers to the extent we require you to do so. We can approve a single distributor or other suppliers (collectively, "supplier") for any product or service (including, but not limited to, support services, which may be provided by RIC,) and may approve a supplier only as to certain products or services. We can concentrate purchases with one or more suppliers to gain a commercial advantage. Approval of a supplier can be conditioned on requirements relating to the concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

6.4.2 We may designate a supplier to provide support services to you. Such support services may include, but are not limited to, public relations and marketing support; access to advertising campaign materials, templates for proposals and brochures; training; accounting, administrative and financial; and any other support required to promote and expand the Franchise.

6.4.3 You can request the approval of a product/service by notifying us in writing and submitting such information and/or materials as we request. We can require that you pre-pay any reasonable charges connected with the review and evaluation of any proposal. You will be notified within a reasonable time of the decision.

6.4.4 We and/or our Related Parties may be an approved or exclusive supplier of certain products/services to be purchased by you and/or other SVN franchisees. Franchisee acknowledges and agrees that (a) SVNIC may receive marketing, administrative and other payments and allowances from third party suppliers on account of purchases made by SVNIC and its Related Parties, Franchisee and other SVN franchisees and their respective clients; and (b) that SVNIC and its Related Parties may charge a mark-up in connection with goods and services supplied to Franchisee or Franchisees' clients by SVNIC or its Related Parties. SVNIC shall have no liability, duty or obligation to Franchisee on account thereof, including any obligation to remit any portion of any such amounts to Franchisee, unless you and we otherwise mutually agree in writing.

6.4.5 Franchisee shall purchase (at the prices set forth from time to time in the Manuals) its business cards, stationery and postcards solely through a supplier designated by SVNIC,

unless otherwise expressly permitted by SVNIC in writing. Franchisee may purchase signs and other advertising materials from any vendor so long as such signs and other materials conform in all respect to SVNIC's branding Policies. Franchisee shall display suitable signs at the Franchise Address, at listed properties, and at all properties for which Franchisee is providing Property Management Services, which shall conform in all respects to SVNIC's signage Policies and restrictions imposed by Applicable Law; provided, however, that SVNIC shall waive this requirement for any property for which Franchisee is providing Property Management Services if SVNIC receives written notice from the owner of such property refusing to allow the placement of a sign.

6.4.6 Franchisee must obtain prior approval from SVNIC of any vendor Franchisee proposes to use to setup and maintain any website or websites on the Internet to advertise and promote the SVN Office. SVNIC must review and approval any such website prior to Franchisee launching the website online.

6.5 Manuals and Policies

Franchisee shall operate the Franchise in compliance with SVNIC's Policies and the Manuals, as they may be amended from time to time by SVNIC. The Manuals will contain mandatory and suggested specifications, standards and operating procedures developed by SVNIC. All mandatory obligations of Franchisee as contained in the Policies and Manuals are incorporated herein by reference. Any required specifications, standards, and/or operating procedures exist to protect SVNIC's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. Franchisee shall not make, or allow to be made, any copies of the Manuals in whole or part. Unless Franchisee is already a party to another SVN franchise agreement, SVNIC shall loan Franchisee (or allow Franchisee electronic or other access to) one copy of the Manuals for use by Franchisee during the Term. All or part of the Manuals and/or other specifications, standards or operating procedures may be posted on the Intranet or other website, and you agree that it is your responsibility to monitor the applicable Intranet or other site for any changes, additions or deletions in the information provided. The Manuals and any updates thereto may be distributed or provided to Franchisee by hard copy or by electronic means in electronic form. In the event of any dispute regarding the Manuals content, the master version maintained by SVNIC shall control. Following the expiration or termination of this Agreement, Franchisee shall return the Manuals to SVNIC and, if the Manuals, or any parts thereof, are in electronic form, permanently delete the same. Should an ambiguity or conflict exist with respect to this Agreement and the Manuals and/or Policies, the terms of this Agreement shall control and prevail.

6.6 Compliance with Applicable Law

Franchisee and its Broker in Charge and Authorized Salespersons shall comply with all Applicable Laws and conform to the SVN Core Covenants. Additionally, Franchisees must sign the SVN Core Covenants annexed as Schedule E to this Agreement. Franchisee is solely responsible for ensuring that all licensing and other legal requirements applicable to Franchisee's SVN Franchise and to Franchisee's agents and representatives are met. Franchisee shall in all dealings with its clients, suppliers, and public officials adhere to highest standards of quality, honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action that will cause Franchisee or SVNIC to be in violation of any Applicable Law. Franchisee shall promptly send SVNIC a copy of any notice, report, fine, or the like which Franchisee may receive from any Governmental Authority.

6.7 Intranet

SVNIC has established an Intranet (or Extranet), sometimes referred to as our resource portal, through which SVNIC and SVN franchisees may communicate with each other, and through which SVNIC may disseminate the Manuals, updates thereto and other Confidential Materials and Practices. SVNIC shall have sole discretion and control over all aspects of the Intranet, including the content and functionality thereof. Franchisee shall acquire, maintain and update as reasonably necessary a computer and Internet browser to enable Franchisee to participate on SVNIC's Intranet. Franchisee shall have the mere privilege, and not the right, to use the Intranet, subject to Franchisee's compliance with SVNIC's Policies.

6.8 Titles

Franchisee shall not use any title or name to identify Franchisee's Senior Advisors, Advisors or Associate Advisors, Authorized Salespersons, Approved Brokers or Property Managers other than such titles as are provided in the Manuals, required by Applicable Law or otherwise approved in writing by SVNIC in advance.

6.9 Operating Expenses

Franchisee shall be responsible for maintaining its own Franchise and staff and shall bear its own expenses incurred in connection with the performance of its obligations under this Agreement and in connection with all transactions subject hereto, including telephone expenses, bank fees for Electronic Payments, copying costs, office rent, furnishings, equipment, secretarial services and office supplies. Franchisee and each of its Brokers in Charge and Authorized Salespersons shall continuously remain throughout the Term a Licensed Person under Applicable Laws of the state in which the Franchise is conducted, at Franchisee's sole cost and expense, including all necessary professional and business license fees and dues. SVNIC shall not be liable to Franchisee for any expenses incurred by Franchisee or for any of Franchisee's act or the acts of Franchisee's agents and representatives.

6.10 Franchisee Acting as Principal

Franchisee may participate in a real estate syndication as a principal provided that Franchisee complies with all Applicable Laws and SVNIC's Policies, which include requirements that Franchisee distribute to all potential investors a written offering statement containing prescribed disclosures and indemnify and hold SVNIC harmless from all claims, loss or damage (including reasonable costs and attorney's fees), which SVNIC may incur by reason of Franchisee's acts or omissions in connection with any syndication in which Franchisee participates as a principal. Franchisee shall not use the Marks in connection with any such activities and shall not create any public perception that such syndication activities are provided by, through or in connection with the SVN Franchise.

6.11 Media Inquiries and Crisis Situations

Franchisee shall immediately notify Franchisor upon the occurrence of any situation that may have a material impact on Franchisee, Franchisor, the Franchise Business, or which could have a deleterious effect on the Brand, Marks, or System. Franchisee shall also notify Franchisor immediately when Franchisee receives any media inquiries concerning the Franchise Business or Location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee and Franchisee shall direct all media inquiries to Franchisor. Neither Franchisee, Franchisee's

employees nor anyone on Franchisee’s behalf may comment to any broadcast medium about the System, except as directed by Franchisor. Franchisee shall follow all of Franchisor’s policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor or as specified in the Manuals, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Franchisor acknowledges that in certain cases Franchisee may be approached by media during, for example, an incident involving a fire or other disasters, and such impromptu comments are not intended to be prevented by this Section. Franchisee agrees that it will behave in a professional and courteous manner in any such impromptu interviews and will not discuss the System, but only the incident. Franchisee shall notify Franchisor at the first possible opportunity following the interview. Franchisee may not disseminate any press release unless it has been reviewed and approved in advance in writing by Franchisor.

6.12 No Disparagement

Franchisee agrees not to publicly disparage SVNIC, nor any affiliates, officers, directors, or employees of SVNIC, except that this requirement will not apply to any statements or information required to be disclosed pursuant to any law or order of any court or government authority. For purposes of this Section, “disparage” shall mean any negative statement, whether written or oral. SVNIC and Franchisee each agree and acknowledge that the reputation of SVNIC and the SVN System is of a unique character and value and that any disparaging remarks would cause reputational harm that would be impossible, impractical or extremely difficult to measure; therefore, if Franchisee violates the provisions of this Section, Franchisee shall pay to SVNIC as liquidated damages, and not as a penalty, the sum of \$10,000 for each such violation, and attorneys’ fees and costs for any action taken by SVNIC to recover such damages. SVNIC may choose to terminate this Agreement without notice, subject to applicable state law, for one or more violations of this provision by Franchisee.

ARTICLE 7 ADVERTISING

7.1 General Requirements

7.1.1 Franchisee shall conduct all advertising, marketing and promotion in accordance with the Policies set forth in the most current edition of SVNIC’s Branding Guide, including participation in any required marketing programs or sessions and compliance with SVNIC’s listings publication processes and procedures. Franchisee shall not use or publish any advertising material which does not conform to required Policies.

7.1.2 If Franchisee receives two (2) notices of violation from SVNIC within a 120-day period, without remedy, for violating any part of Section 7.1.1, above, Franchisee will receive a written notice of default from SVNIC and Franchisee must pay SVNIC a fine equal in amount to the monthly Platform Fee for a period of six (6) months. Such fine will be paid monthly, at the same time and in the same manner as the Platform Fee. Any and all fines collected by SVNIC will be contributed to a fund that benefits SVN Franchisees through marketing programs, conference registrations and other activities related to the SVN Franchise. SVNIC’s right to payment under this Section is in addition to any and all rights and remedies available to it under this Agreement, at law or in equity, as a result of Franchisee’s breach or otherwise.

7.2 Platform Fees and Branding Program

7.2.1 SVNIC shall administratively segregate on its books and records all Platform Fees received from Franchisee and all other SVN franchisees, as provided in Section 4.5.1. Nothing herein shall require SVNIC to establish or maintain a trust fund, and SVNIC may commingle Platform Fees with its general operating funds and expend such sums in the manner herein provided.

7.2.2 If SVNIC expends less than the total of all Platform Fees contributed by SVN franchisees during any fiscal year, such excess shall be accumulated for use during the subsequent year (s), as SVNIC deems appropriate.

7.2.3 SVNIC will use all Platform Fees contributed by SVN franchisees for costs and expenses related to national, regional, or local, advertising, public relations, marketing or promotional campaigns or programs as SVNIC considers appropriate, and for maintaining and enhancing the related SVN platform system, which grants access to services, tools, and resources tailored to facilitate property transactions, including listing properties, marketing tools, transaction management, and access to market and analytics (collectively, the “Branding Program”). SVNIC will determine how the Platform Fees are spent, which may include expenditures on marketing studies, the production and purchase of advertising art, commercials, print advertisements, web sites, media advertising, public relations, brochures and proposal materials, outdoor advertising art and signage, and direct mail pamphlets and literature and other related costs. The cost, media, content, format, style, timing, allocation of funds for any such activities and all other matters relating to any such activities or marketing programs will be determined by SVNIC as it chooses. SVNIC has the unrestricted right to compensate and/or reimburse itself and/or any of its Related Parties for salaries, administrative costs, overhead and other expenses incurred in marketing program-related activities, including but not limited to “in-house advertising agency” services, creative concepts, research, production, placement, and media purchasing, as well as collection, legal and accounting expenses related to the marketing programs and associated activities. SVNIC is not obliged to allocate or expend Platform Fees to benefit any particular SVN franchisee or group of franchisees on a pro rata or proportional basis or otherwise. SVNIC may make copies of advertising materials available to Franchisee with or without additional reasonable charge.

7.2.4 Upon written request, SVNIC shall furnish to Franchisee within one hundred twenty (120) calendar days after the end of each calendar year, a report for the preceding year, prepared and certified correct by an officer of SVNIC containing the calculations of the Platform Fees which SVNIC actually expended during such calendar year and the amount remaining, if any, which shall be carried over for use during the following year(s).

7.3 Internet Usage

7.3.1 SVNIC may post Franchisee’s exclusive property listings, and those of SVNIC, its Related Parties, and others, including other SVN franchisees, on one or more Internet or Intranet websites, in such manner and in accordance with such Policies as SVNIC may establish and revise from time to time. Without limiting the generality of the foregoing, SVNIC reserves the right not to list or otherwise market real property that fails to meet SVNIC’s then current requirements. SVNIC may also establish, and Franchisee shall abide by, Policies under which Franchisee may post its property listings, and other information regarding the Franchise and Franchisee’s Approved Services on internet websites not sponsored by or affiliated with the SVN System.

7.3.2 The domain name www.svn.com is SVNIC's sole property, and Franchisee shall not register or use any domain name or URL that contains, uses or displays the word or initials "SVN" or any Marks, or other words or symbols related or confusingly similar thereto, except as in accordance with the Policies. Franchisee must seek the advance written approval of SVNIC when selecting and using a domain name(s) for the Franchise contemplated under this Agreement.

7.3.3 Franchisee will comply with all Policies and requirements established by SVNIC regarding Internet key word purchases, social network pages, videos or any other publication on the Internet in which the Marks are used. Upon termination or expiration of this Agreement, Franchisee will cease all use of the System and all use of the Marks in all media, including, but not limited to, websites, webpages and social media. Franchisee will instruct in writing all online directories, search engines, and other advertising publishers as necessary to take down and remove any directory listings and advertisements for Franchisee containing the Marks and will not use or authorize the use of links or similar reference devices associated with any use of the Marks. Franchisee will deliver copies of such instructions to SVNIC within three (3) calendar days of the termination or expiration of this Agreement. Franchisee agrees that electronic commerce is a rapidly developing field and that SVNIC may impose conditions and requirements in addition to the provisions of this Section 7.3 and may establish and modify Policies concerning use of the Internet and Franchisee will comply with all such Policies.

7.3.4 On termination or expiration of this Agreement any previous consent or approval given by SVNIC to use a domain name and/or URL as provided under Section 7.3.2, if any, shall automatically terminate, and Franchisee shall take all actions that SVNIC requires to disassociate Franchisee from the website and the domain name, including transferring any such domain name and/or URL to SVNIC, or alternatively, canceling any such domain name and/or URL at SVNIC's request. Franchisee shall bear all costs associated with any such transfer or cancelation of any domain name and URL.

ARTICLE 8

REPORTS, BOOKS AND RECORDS, INSPECTIONS

8.1 General Reporting

8.1.1 Franchisee shall submit periodic reporting forms (at the times and on forms prescribed by SVNIC from time to time) and, without limiting the generality of the foregoing, such other financial, operational and statistical information, and supporting documentation, as SVNIC may require, including, but not limited to, settlement statements that itemize all charges imposed upon the borrowers and sellers at the Transaction Closings. Franchisee hereby authorizes SVNIC to use and disclose such information for general business purposes or as may be required by law. By the last day of each calendar month during the Term, Franchisee shall submit to SVNIC, electronically or in other form required by SVNIC, a report covering the preceding month, which shall include a list of all properties which have been listed with Franchisee, a list of all purchase contracts executed by Franchisee's clients, and all such related information as is reasonably required under the Manuals. At the same time as Franchisee is required to submit the foregoing information, Franchisee shall report information regarding Property Management Services rendered by Franchisee in such month in such form and with such content as SVNIC may require. Additionally, upon request by SVNIC, Franchisee agrees to submit any and all supporting documentation, including, but not limited to, information on transactions, such as

the closing price, date, and commission amounts. Additionally, Franchisee shall submit annual business plans and budgets with quarterly updates in the manner prescribed by SVNIC.

8.1.2 If and to the extent SVNIC, at its option, offers an online listing, marketing and tracking system, and/or any other online commercial real estate listing tools, software programs and databases, Franchisee shall implement and participate therein in accordance with SVNIC's Policies, including executing a software license agreement(s) on request and ensuring that all contractors and staff associated with the SVN Franchise comply with the terms of any license. SVNIC reserves the right to charge reasonable technology fees in connection with any online listing, marketing and tracking system, software programs, and access to applicable databases.

8.1.3 Franchisee hereby authorizes all escrow agents and other third parties charged with issuing commissions to the brokers in connection with Transaction Closings involving the Franchise or any of Franchisee's Broker in Charge or Authorized Salespersons to provide copies to SVNIC of all 1099 and other similar tax filings which confirm the amount of commissions paid to Franchisee, its Broker in Charge and Authorized Salespersons, and Franchisee shall cooperate with SVNIC to obtain said 1099 forms and tax filings upon request. Franchisee hereby authorizes suppliers to Franchisee's Franchise to release upon SVNIC's request such data and information as SVNIC shall require regarding Franchisee's operations and purchases/usage of such supplier's goods/services for the Franchise. Franchisee shall confirm such authorization in writing from time to time upon request by SVNIC and/or the applicable supplier.

8.1.4 Franchisee shall notify SVNIC in writing immediately, but not more than twenty-four (24) hours following any incident that may adversely affect the operation or financial condition of Franchisee's Franchise, SVNIC or its Related Parties, including any actual or threatened lawsuit or potential claim or demand, or other legal action, issuance of any writ, order, injunction, award, decree citation, or fine or penalty by any court, agency or Government Authority, and shall provide SVNIC with copies of all related correspondence and other communications and information relating thereto.

8.2 Under-Reporting

Franchisee shall maintain accurate and complete Financial Records. SVNIC shall have the right, during and after the Term, to audit and inspect such records with Franchisee's full cooperation, including permitting SVNIC and its representatives to copy and examine the records physically or by electronic or other methods, at any time, without prior notice to Franchisee. If any audit or other investigation reveals an under-reporting, under-recording, or underpayment error of two percent (2%) or more for any Transaction Closing or any relevant reporting period, then Franchisee shall reimburse SVNIC upon demand for its costs and expenses of the audit/inspection plus interest at the highest compound rate authorized by law until paid. If an audit/inspection shows an under-reporting, under-recording, or underpayment of 2% or more for any Transaction Closing or any relevant reporting period, SVNIC may terminate this Agreement immediately, subject to applicable state law. Financial Records, tax returns and other records relating to the operation of Franchisee's Franchise shall be maintained by Franchisee for such periods as may be prescribed in the Manuals or as provided under Applicable Law, whichever period is longer. Franchisor shall have the right to conduct an audit and/or review of all information pertaining to the Franchise at any time, without prior notice to Franchisee, during the Term and upon termination or expiration of this Agreement.

8.3 Employment Practices

8.3.1 Franchisee acknowledges and agrees that it is solely responsible for the operation of the Franchise, including keeping of Franchisee's accounting system; for any and all labor relations, including wage and hour regulation compliance, hiring, firing, supervising and disciplining Franchisee's employees; for setting work schedules; for compensation of such employees and the correct processing thereof; and for obtaining all necessary business licenses and employment insurance, regardless of whether Franchisee has received advice from SVNIC on these subjects or not.

8.3.2 Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws.

8.3.3 Franchisee shall make all necessary filings with, and to pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Any guidance Franchisor may give Franchisee regarding employment policies should be considered merely examples. Franchisee will be responsible for establishing and implementing its own employment policies and should do so in consultation with local legal counsel experienced in employment law.

8.3.4 Franchisee further acknowledges and agrees that SVNIC can implement Policies from time to time to preserve quality assurance of services delivered under the Marks, or for other purposes deemed by SVNIC to be significant to the preservation or development of the System, and that such Policies can impact Franchisee's operating practices. Franchisee agrees to comply with all such Policies.

8.4 Personnel

All employees Franchisee hires or employs at the SVN Franchise will be Franchisee's employees and Franchisee's employees alone, and will not, for any purpose, be deemed to be Franchisor's employees or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. Franchisee will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations.

ARTICLE 9

MARKS

9.1 Use of Marks

9.1.1 Subject to Section 9.3 and to any Applicable Law requiring Franchisee's Business Entity name to be included with the Marks, the Franchisee herein licensed is authorized to do Business only under the d/b/a identified in Section 1.1 of this Agreement and as provided in Section 9.5 of this Agreement. Franchisee shall use and display such of the SVN Marks and only such signs, advertising and slogans as SVNIC may from time to time prescribe or approve and in accordance with SVNIC's Policies. SVNIC will not approve any d/b/a which references a geographic name or area. If Applicable Law

requires Franchisee to include the Marks in or with its Business Entity name, Franchisee must first change its Business Entity name to remove any such geographic name or area reference. Upon expiration or sooner termination of this Agreement, SVNIC may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf, any and all documents necessary in SVNIC's judgment to end and cause the discontinuance of Franchisee's use of the Marks, and SVNIC is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so. During the Term, Franchisee shall identify its business as an independently owned and operated Franchise of the SVN System, with the tagline, "All SVN Offices Independently Owned and Operated," clearly displayed on, but not limited to, all invoices, letterhead, order forms, receipts, checks, business cards, posted notices located on the premises of the Franchise and in other media and advertisements as SVNIC may direct from time to time. If Franchisee is a Business Entity, it shall not use SVN Marks, or SVNIC's trade name, or any words or symbols which are confusingly similar to the Marks, as all or part of Franchisee's separate Business Entity name. Franchisee shall not display the trademark, service mark, trade name, insignia or logotype of any other person or Business Entity in connection with the operation of the Franchise without the express prior written consent of SVNIC. Nothing herein shall give Franchisee any right, title or interest in or to any of the Marks, except a mere privilege and license during the Term, to display and use the same according to the terms and conditions herein contained. All use of the Marks anywhere shall inure solely to the benefit of SVNIC. All goodwill accrued by, and due to, Franchisee's use of the Marks anywhere shall be the sole and exclusive property of SVNIC. Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

9.1.2 Franchisee agrees that it will: (i) maintain the highest standard of quality in the provision, operation, promotion, marketing and advertising of any Approved Service provided in connection with the Marks; (ii) provide high quality services to the public similar, and at least equal to, the type, quality, and distinguishing characteristics of the services being offered by SVNIC and its Related Parties and franchisees; and (iii) display the Marks in accordance with all SVNIC's Policies.

9.1.3 SVNIC may from time-to-time request from Franchisee (i) samples of any and all materials exhibiting, indicating or otherwise showing how the Marks are being used by Franchisee; and (ii) written reports describing in detail how the Marks are being used by Franchisee. Franchisee shall supply said samples and reports to SVNIC within fifteen (15) calendar days after Franchisee has received SVNIC's request.

9.2 Defense of Marks

If Franchisee receives notice, or is informed, of any claim, suit or demand against Franchisee on account of any alleged infringement, unfair competition, or similar matter on account of its use of the Marks in accordance with the terms of this Agreement, Franchisee shall promptly notify SVNIC of any such claim, suit or demand. Thereupon, SVNIC shall take such action as it may deem necessary and appropriate to protect and defend Franchisee against any such claim by any third party; SVNIC shall not be obligated to take any such action, however. Franchisee shall not settle or compromise any such claim by a third party without the prior written consent of SVNIC. SVNIC and its Related Parties have the sole right to defend, compromise or settle any such claim, in its discretion, and at their cost and expense, using attorneys of their own choosing, and Franchisee shall cooperate fully with SVNIC and its Related Parties in connection with the defense of any such claim. Franchisee may participate at its own expense in such defense or settlement, but SVNIC's decisions with regard to defense and settlement shall be final.

9.3 Modification or Substitution of Marks

From time to time, in the Manuals or in directives or bulletins supplemental thereto, SVNIC may add to, delete, modify or substitute any or all of the Marks. Franchisee shall, within sixty (60) calendar days and at its cost and expense, use, or cease using, as may be applicable, the Marks, including but not limited to, any such modified or additional trade names, trademarks, service marks, logotypes and commercial symbols, in strict accordance with SVNIC's Policies, as though they were specifically set forth in this Agreement.

9.4 Acts in Derogation of the Marks

Franchisee agrees that the Marks are the exclusive property of SVNIC and/or its Related Parties and Franchisee now asserts no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of Franchisee's licensed use thereof, or otherwise. Franchisee shall not do or permit any act or thing to be done in derogation of any of the rights of SVNIC or its Related Parties in connection with the same, either during the Term of this Agreement or thereafter, and shall use the Marks only for the uses and in the manner licensed hereunder and as herein provided. Without limiting the foregoing, Franchisee shall not interfere in any manner with, or attempt to prohibit, the use of the Marks by any other franchisee or licensee of SVNIC. Franchisee shall not alter or change the Marks, unless such proposed change is first approved in writing by SVNIC.

9.5 Name Registration

Unless otherwise agreed in writing by SVNIC, Franchisee shall promptly following the Effective Date file with the applicable Governmental Authority a notice of its intent to conduct its Franchise under the Franchisee d/b/a specified in Section 1.1 (subject to Section 9.3). Franchisee shall not do business under any d/b/a name other than the Franchisee d/b/a/ specified in Section 1.1 without the prior written consent of SVNIC. Upon the expiration or termination of this Agreement for any reason, Franchisee shall promptly execute and file such documents as may be necessary to revoke or terminate such assumed name registration. If Franchisee shall fail promptly to do so, Franchisee hereby irrevocably appoints SVNIC as its attorney-in-fact to do so on Franchisee's behalf.

9.6 Other Business

The System and Marks may not be used or displayed in connection with any other business, or any goods or services that are not Approved Services. If Franchisor allows Franchisee to engage in any Permitted Outside Service, which would be identified on the attached Schedule D, Franchisee must use separate signs, business cards, voice, data and fax telephone numbers clearly indicating that such services are being offered separately from and independently of Franchisee's Franchise business. The SVN Marks shall not be combined or displayed in any manner in combination with any other trademarks, service marks, logos or other commercial identifiers without SVNIC's express written consent, or unless required under Applicable Law.

9.7 Use of Franchisee d/b/a, SVN Logo Type, and Permitted URL

Franchisee agrees to comply with SVNIC's Policies on the use of the Franchisee d/b/a, which is specified in Section 1.1 (subject to Section 9.3), the SVN logo type, and Franchisee's permitted URL address authorized by SVNIC. Examples of a Franchisee d/b/a, the SVN logo and a permitted URL are all shown below:

At Franchisee's request, SVNIC may, at its sole discretion, authorize Franchisee to use the "SVN" Mark without the Franchisee d/b/a name; such that, Franchisee would operate the Franchise Business simply under the name "SVN". If SVNIC chooses to allow Franchisee to use the name "SVN" in place of the Franchisee d/b/a, specified in Section 1.1, herein, the following conditions apply: (i) SVNIC's consent must be in writing; (ii) Franchisee must sign SVNIC's then-current form of General Release; and (iii) Franchisee agrees to obtain such fictitious or assumed name registrations as may be required under applicable law. SVNIC may withdraw its consent for Franchisee to use the name "SVN" without the Franchisee d/b/a name if SVNIC determines, at its sole discretion, that Franchisee is not in compliance with any term, condition, and/or obligation under this Agreement.

9.8 Survival

The terms of this Article shall survive termination, expiration or cancellation of this Agreement.

ARTICLE 10

NON-COMPETITION AND CONFIDENTIALITY COVENANTS

10.1 Non-Competition

During the Term, no Restricted Person shall in any capacity, either directly or indirectly, through one or more subsidiaries or affiliated Business Entities, engage in any Competitive Activities at any location, whether within or outside the Primary Market Area, unless Franchisee has obtained the prior written consent of SVNIC.

10.2 Confidential Materials and Practices

SVNIC may disclose to certain Restricted Persons through training programs, guidance and management assistance, or in the Manuals or other confidential communications, certain of SVNIC's proprietary and confidential information, which may include its Policies and the contents of the Manuals, marketing concepts, any SVNIC Technology System, financial results, sales and profit information, transactions data, Special Accounts information and relationships, and operating methods, technology platforms and techniques (the "Confidential Materials and Practices"). No Restricted Person shall acquire any interest in the Confidential Materials and Practices other than the right to use them to operate the Franchise pursuant to and in accordance with this Agreement, during the Term, and Franchisee shall take all reasonable steps to insure that each Restricted Person, Broker in Charge and Authorized Salesperson shall: (i) not use the Confidential Materials and Practices in any Franchise or other endeavor other than in connection with the Franchise; (ii) maintain absolute confidentiality of the Confidential Materials and Practices during and after the Term of this Agreement; and (iii) make no unauthorized copy of any portion of the Confidential Materials and Practices. Franchisee shall operate and implement all reasonable procedures prescribed from time to time by SVNIC to prevent unauthorized use and disclosure of the Confidential Materials and Practices, including without limitation, implementing restrictions and limitations as SVNIC may prescribe on disclosure to employees and independent contractors and use of non-disclosure and non-competition agreements with Franchisee's employees and independent contractors who may have access to the Confidential Materials and Practices, and delivering executed copies of such agreements to SVNIC. If any court of

competent jurisdiction should deem the non-disclosure of Confidential Materials and Practices requirement of this Section to be overbroad, and reduces the scope herein, you agree to comply with the revised, reduced Section during and for a period of five (5) years (or less if reduced by a court ruling) following the expiration, termination or transfer of this Agreement.

ARTICLE 11
ASSIGNMENT

11.1 Assignment by SVNIC

This Agreement is fully transferable by SVNIC, in whole or in part, without the consent of Franchisee and shall inure to the benefit of any transferee or their legal successor to SVNIC's interests herein; provided, however, that such transferee and successor shall expressly agree to assume SVNIC's obligations arising under this Agreement following such transfer or assignment. SVNIC shall have no liability for the performance of any obligations contained in this Agreement after the effective date of such transfer or assignment. Notwithstanding the foregoing, SVNIC may delegate and assign all or some of its obligations and rights under this Agreement to a regional representative or agent assigned by SVNIC to a geographic area that includes Franchisee's Primary Market Area.

11.2 Assignment by Franchisee

11.2.1 Approval Required by SVNIC. The rights and duties created by this Agreement are personal to Franchisee. Franchisee and any Owner may make any direct or indirect Assignment only with SVNIC's prior written consent. If Franchisee is a corporation, limited liability company, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the percentage of ownership interest reflected in Schedule A to this Agreement must promptly be reported to SVNIC. SVNIC reserves the right to grant, condition or deny a request for consent, but shall not unreasonably withhold such consent. No Assignment may be made by Franchisee if the remaining term of this Agreement is six (6) months or less. Any purported assignment contrary to the provisions of this Agreement shall be void and of not force or effect.

11.2.2 Right of First Refusal. No Assignment by Franchisee shall be permitted nor be binding on SVNIC unless a written offer has first been made to SVNIC of the proposed Assignment. Franchisee shall provide SVNIC with the following: (i) a purchase agreement or letter of intent signed by the proposed assignee and by Franchisee specifying all the terms and conditions of the offer; (ii) the name, address and telephone number of the proposed assignee; (iii) a copy of the most recent income statement and the income statement for the SVN Franchise's last fiscal year end, (iv) financial statements of the proposed assignee; and (v) any other information or documents as may be reasonably be requested by SVNIC. SVNIC shall have thirty (30) days from receipt of all of the above information to accept the offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed assignee. In the event that SVNIC does not exercise its right of first refusal and the offer changes in any way, or another offer is made to Franchisee, this new offer must also be presented to SVNIC before Franchisee may consummate the new offer. SVNIC has thirty (30) days to accept the new offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed assignee. Any offer that SVNIC does not match must be transacted within ninety (90) days from the date that SVNIC informs Franchisee of its intent not to exercise its right of first refusal. If the transaction

does not take place within ninety (90) days, SVNIC has the right to re-evaluate and match the offer if it elects to do so by notice to Franchisee.

11.2.3 Conditions for Approval. SVNIC shall not unreasonably withhold its approval of a proposed Assignment, provided that the following conditions are met: (i) Franchisee must be in full compliance with this Agreement; (ii) Franchisee must be current in all payments due to SVNIC; (iii) the assignee's total net worth must meet SVNIC's criteria for approval; (iv) the assignee must meet the then-current criteria for new franchisees, including, but not limited to, passing a background check; (v) the assignee must execute a new Franchisee Agreement in the then-current form generally being offered by SVNIC to new franchisees (which may contain terms substantially different from this Agreement); (vi) the assignee must successfully complete any then-required training; (vii) the execution of a General Release by Franchisee; and (viii) Franchisee must pay SVNIC a "Transfer and Processing Fee" in the amount of \$25,000. The Transfer Fee, less any administrative costs incurred by Franchisor to review the proposed transfer and evaluate the prospective transferee, is refundable if the proposed transfer is not approved by Franchisor. If SVNIC shall not consent to such a written request within thirty (30) calendar days after its receipt of Franchisee's request, the proposed Assignment shall be deemed disapproved. Franchisee represents and warrants that the information set forth in Schedule A, hereto, is accurate and complete in all material respects and Franchisee shall notify SVNIC in writing within ten (10) calendar days of any change therein and provide such additional information as SVNIC may from time-to-time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

11.2.4 Assignment to a Corporation, LLC or Other Entity. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation, limited liability company or other legally formed entity that is wholly-owned by Franchisee and formed for the convenience of ownership, it may do so, subject to the prior written consent of SVNIC, and without payment of a transfer fee, so long as the terms and conditions of the this Agreement remain unchanged, and the Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company or other legally formed entity. If Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation, limited liability company, or other legally formed entity as he or she had in Franchisee prior to the transfer.

11.3 Guaranty by Owners and Broker in Charge

11.3.1 If Franchisee is an entity, each and every Owner of Franchisee must execute this Agreement on behalf of Franchisee in his or her capacity as an officer, shareholder and/or member of Franchisee. Concurrently with the signing of this Agreement, each and every Owner of Franchisee must execute a written guaranty in a form prescribed by SVNIC, personally, irrevocably and unconditionally guaranteeing, jointly and severally, the full payment and performance of Franchisee's obligations to SVNIC and to SVNIC's Related Parties. SVNIC reserves the right to require the Broker in Charge to sign such a guaranty if at any time Franchisee (or an Owner/Guarantor of Franchisee, if Franchisee is a Business Entity) is not the Broker in Charge. SVNIC may, at its sole discretion, waive the requirement for any Owner of Franchisee to sign this Agreement and/or a guaranty. SVNIC's current form of Guaranty is attached hereto as Schedule B.

11.3.2 If an Owner acquires an interest in Franchisee after the execution of this Agreement, such Owner must pass a background check and execute an assumption agreement, in a form satisfactory to SVNIC, whereby such Owner assumes all obligations of Franchisee under this

Agreement and agrees to be bound by all of the terms and provisions of this Agreement. Additionally, such Owner must execute SVNIC's current form of Guaranty, attached hereto as Schedule B.

11.4 Death or Disability of Franchisee

11.4.1 If Franchisee, or if the Owner of Franchisee with a controlling interest, dies or is permanently disabled, then his or her interest in this Agreement and/or Franchisee may be Assigned to a third party, subject to SVNIC's right to consent to any such proposed Assignment, as provided in Section 11.2, above, and to all of the provisions of this Article 11. A "permanent disability" occurs if the applicable individual is not able to personally, actively participate in the management of the SVN Franchise for six (6) consecutive months. An Assignment under this Section shall be completed within six (6) months from the date of death or permanent disability, provided that at all times the SVN Franchise must be managed by a Broker in Charge and operate according to Applicable Law, including commercial real estate licensing requirements. If no Assignment occurs within the six (6) month period, this Agreement will automatically terminate at the expiration of such six (6) month period, unless SVNIC grants a written extension in its sole discretion or in compliance with local law.

11.4.2 If SVNIC determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Franchise Business upon the death, incapacitation, incarceration, deportation or other extended absence of Franchisee, SVNIC shall have the right, but not the obligation, to immediately appoint a Broker in Charge and commence operating the Franchise Business on behalf of Franchisee. Franchisee shall be obligated to and shall pay to SVNIC all reasonable costs and expenses for such management assistance, including without limitation, the salary, room and board, travel expenses and all other related expenses of the Broker in Charge appointed by SVNIC. Operation of the Franchise Business during any such period shall be for and on behalf of Franchisee, provided that SVNIC shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, losses or obligations incurred by the Franchise Business, or to any creditor of Franchisee for any supplies, inventory, or services purchased by the Franchise Business during any period in which it is managed by a Broker in Charge appointed by SVNIC. If SVNIC elects to temporarily operate the Franchise Business on behalf of Franchisee, Franchisee agrees to indemnify and hold SVNIC harmless from any and all claims arising from acts and omissions of SVNIC.

ARTICLE 12

DEFAULT AND TERMINATION

12.1 Termination by Franchisee

If Franchisee is in full compliance with all of the terms and provisions of this Agreement and SVNIC materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within thirty (30) days after receiving written notice identifying the claimed breach, Franchisee may elect to terminate this Agreement unless the breach cannot reasonably be cured within such thirty (30) days. If the breach cannot reasonably be cured in such thirty (30) days, Franchisee may elect to terminate this Agreement only if Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts.

12.2 Termination by SVNIC with Notice and Opportunity to Cure

Subject to Section 12.3, or as otherwise expressly provided in this Agreement, Franchisee shall have ten (10) calendar days, or five (5) calendar days in the case of any default in the timely payment of sums due to SVNIC or any of its Related Parties, after SVNIC's written notice of default within which to remedy any default under this Agreement and to provide evidence of such remedy to SVNIC. If any such default is not cured within that time period, or such longer time period as Applicable Law may require or as SVNIC may specify in the notice of default, this Agreement and all rights granted under it shall, at SVNIC's option, thereupon automatically terminate without further notice or opportunity to cure.

12.3 SVNIC's Option to Terminate without Notice

Franchisee shall be deemed to be in material breach and SVNIC may, at its option, terminate this Agreement and all rights granted hereunder effective immediately without notice or opportunity to cure:

(a) If Franchisee shall abandon the Franchise, including its failure to actively maintain and continuously answer Franchisee's telephone with the SVN name or to fail to actively participate in the operation of the Franchise or to operate the Franchise for any period after which it is not unreasonable under the facts and circumstances for SVNIC to conclude that Franchisee does not intend to continue to operate the Franchise;

(b) Subject to Applicable Laws to the contrary, if: (i) Franchisee shall be adjudicated bankrupt or judicially determined to be insolvent, shall admit to its inability to meet its financial obligations as they become due, or shall make a disposition for the benefit of its creditors; or (ii) the Franchise business is seized, taken over or foreclosed by any Governmental Authority or by a creditor;

(c) If Franchisee shall receive two (2) or more written notices of default from SVNIC (whether cured or uncured, or for the same or different breaches) within any twelve (12) month period, or shall incur a Royalties deficiency with respect to an applicable Minimum Annual Royalty, as provided under Section 4.6 of this Agreement (whether any such deficiency is paid or unpaid);

(d) If Franchisee makes any material misrepresentations in acquiring this Agreement;

(e) If Franchisee fails to cure any noncompliance with Applicable Law within ten (10) calendar days after notification by SVNIC or any Governmental Authority;

(f) If Franchisee violates Article 10;

(g) If Franchisee has submitted any false or misleading application or other information to SVNIC in connection with Franchisee's acquiring this Agreement, or if Franchisee shall have maintained false books or records, submitted false reports to SVNIC, or has knowingly understated its Gross Receipts or withheld the reporting of same, as required herein;

(h) If Franchisee (or any Owner) is convicted or pleads guilty or "nolo contendere" to a felony, involving moral turpitude, or any other crime or offense that SVNIC believes, in its judgment, is injurious to the System, the Marks, or the goodwill associated therewith, or if Franchisor has proof that Franchisee has committed such a felony, crime or offense;

(i) If Franchisee (or any Owner) is found to be civilly liable for commercial fraud;

(j) If Franchisee misuses or makes any unauthorized use of the Marks or otherwise conducts itself in a manner which, in SVNIC's judgment, reflects materially and unfavorably upon the goodwill or reputation associated with the Marks, or upon SVNIC, or the good name or reputation of the Franchise or System;

(k) If Franchisee directly or indirectly, in any forum: (i) attacks, challenges, or otherwise calls into question the validity or enforceability of any of the Marks, or SVNIC's sole and exclusive ownership of the Marks; (ii) disparages, injures, brings into disrepute, or otherwise damages any of the Marks, and/or the goodwill associated with any of the Marks, whether intentionally or inadvertently; (iii) attempts to do any of the foregoing; or (iv) encourages or aids any others to do any of the foregoing;

(l) If Franchisee fails to respond or communicate (or properly respond or communicate) with SVNIC, during any 30-day period, after SVNIC has sent 3 or more email correspondences, letters, and/or telephone messages to Franchisee, in which, SVNIC is requesting information, participation, or some act from Franchisee pursuant to this Agreement;

(m) If Franchisee fails to purchase and/or provide proof of the required insurance as set forth in Section 14.1, in the amounts and with the coverages described therein or as they may be modified, or fails to name SVNIC as additional insured, as provided in Section 14.2;

(n) If an audit or inspection shows an under-reporting, under-recording, or underpayment of 2% or more for any Transaction Closing or any relevant reporting period; or

(o) If Franchisee fails to comply with any material provision of this Agreement.

12.4 Cross-Default

Any material default by Franchisee under the terms and conditions of this Agreement or any other agreement between SVNIC (or its Related Party), and Franchisee (or its Related Party), shall be deemed to be a material default of each and every said agreement. Upon termination, for any cause, of this Agreement or any other agreement between the parties hereto, SVNIC may, at its option, terminate any or all said agreements.

12.5 Notice Required by Law

Notwithstanding anything to the contrary contained in this Article 12, in the event any valid, Applicable Law of a competent Governmental Authority having jurisdiction over this Agreement and the parties hereto shall limit SVNIC's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. SVNIC shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or dispute relating to this Agreement or the termination thereof.

12.6 SVNIC's Right to Assess Fee on Termination for Cause

If this Agreement is terminated by SVNIC under Section 12.2, 12.3 or 12.4, above, SVNIC reserves the right to charge Franchisee a fee, not as a penalty or as liquidated damages, but as a means of helping to mitigate internal and outside costs, efforts and expenses incurred by SVNIC in terminating the Agreement as a result of the material breach by Franchisee. Such fee shall be payable by Franchisee

within five (5) calendar days of demand by SVNIC and shall be an amount equal to the greater of: (i) \$2,000 times the number of full or partial calendar months remaining in the Term at the date of termination by SVNIC ("Termination Date"), or (ii) the average Royalties paid per month as of the termination date multiplied by the number of full or partial calendar months that would have been remaining in the Term at the Termination Date. SVNIC's right to payment under this Section is in addition to any and all rights and remedies available to it under the Agreement, at law or in equity, as a result of Franchisee's breach or otherwise. This provision shall survive the termination of this Agreement.

ARTICLE 13

RIGHTS AND OBLIGATIONS UPON TERMINATION

13.1 General

Upon the expiration or termination of Franchisee's rights granted under this Agreement:

(a) Franchisee shall have no further license and shall immediately cease to use SVNIC's System and any components of the System, as well as the Marks, and any name or mark confusingly similar thereto and shall ensure that all exterior and interior signage bearing the SVN Marks is removed within three (3) calendar days of the termination or expiration of this Agreement, or, if removal is not possible within such time frame due to lease or similar constraints outside of Franchisee's control, then Franchisee shall ensure that such signs are covered up within the three (3) calendar day period so that the Marks are not visible to the public until removal can be obtained;

(b) Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any of the Marks, including, but not limited to, the "SVN" Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, expiration or non-renewal of this Agreement;

(c) Franchisee shall transfer any and all domain names and URLs containing the SVN name to SVNIC or, alternatively, at SVNIC's request, cancel any such domain name and/or URL. Franchisee is solely responsible for any costs associated with the transfer or cancellation of any and all such domain names and URLs in order to comply with this provision.

(d) Franchisee shall immediately pay any and all amounts owed to SVNIC or its Related Parties (including all sums due pursuant to Article 4 and, specifically, but not by way of limitation, outstanding balances for expenses incurred by the Franchisee and/or on account of (i) Gross Receipts received or receivable by Franchisee on or before the effective date of such termination/expiration, or (ii) Gross Receipts received or receivable after the date of termination/expiration on account of any verbal or written purchase agreement or letter of interest, or any listing agreement or representation agreement entered into by Franchisee (or any of its Brokers in Charge or Authorized Salespersons), and effective before the termination/expiration date (including any successor agreement executed within forty-five (45) calendar days after the termination/expiration date and replacing a substantially similar agreement relating to the same persons/properties);

(e) Franchisee shall within three (3) calendar days of the termination or expiration of this Agreement deliver to SVNIC all materials on which the Marks are displayed, or, at SVNIC's election, destroy, obliterate, delete, and otherwise remove all use of the Marks from any and all materials in

Franchisee's possession and/or control, including any and all use of the Marks on all documents or things (including those in an electronic format) that are used, marketed, promoted, advertised, offered for sale, displayed, broadcast, transmitted, or in any other way shown, used or disseminated by or on behalf of Franchisee;

(f) Franchisee shall within five (5) calendar days of receipt of the request of SVNIC, and without charge to SVNIC, execute, acknowledge and deliver to SVNIC a General Release, as well as any and all documents as may be necessary to make a record with any and all Governmental Authorities indicating that Franchisee no longer has any license or other right of any kind to use or display any of the Marks anywhere or for any purpose; and

(g) if any Franchisee insurance obligation required under the Manuals or this Agreement imposes coverage requirements applicable to any period beyond the transfer, termination or expiration of this Agreement, such obligation shall survive the termination, transfer or expiration of this Agreement, and Franchisee shall provide evidence of such coverage within five (5) calendar days of any request for the same from SVNIC. If Franchisee fails to maintain any such applicable coverage SVNIC can, but is not obligated to, obtain such coverage for Franchisee and shall be reimbursed by Franchisee as provided in Section 14.1, below, within ten (10) days of receipt of invoice.

13.2 Holding Over

If you continue to use the Marks after the expiration or termination of this Agreement, you will be deemed to be operating on a month-to-month basis under the form of Franchise Agreement then being offered to prospective franchisees, except that the Production Royalties and Property Management Royalties payable to us shall be subject to a 20% fee over and above the Royalties you would normally pay on your Brokerage Revenues, Property Management Revenues, and Auction Revenues. Acceptance by SVNIC of Royalties from you after the expiration or termination of this Agreement shall not constitute a consent to a hold over hereunder or result in an extension of this Franchise Agreement.

ARTICLE 14

INSURANCE

14.1 Insurance

Franchisee shall provide SVNIC with certificates of the insurance, insurance policy endorsements and any other evidence of compliance required by SVNIC before operating under the SVN Marks, but in no event later than twenty-one (21) days after the Effective Date, and at such other times as SVNIC may request. Franchisee shall maintain in force insurance policies covering various risks, as specified by SVNIC from time to time in the Manuals. The Manuals shall contain the types and amounts of coverage required under such policies, as well as other policy/coverage requirements. SVNIC has the right to require different and/or additional kinds of insurance, including, without limitation, commercial general liability, errors and omissions, automobile liability, and workers compensation as required by law. All such insurance-related requirements are subject to change by SVNIC. Franchisee shall pay all premiums on the policies as they become due. If Franchisee fails to have or maintain insurance as specified in the Manuals or fails to provide any certificates of insurance, endorsements, or other evidence of insurance required by this Agreement or the Manuals, SVNIC can, but is not obligated to, purchase the applicable coverage for Franchisee, and Franchisee shall reimburse SVNIC for all costs so incurred within ten (10)

days of receipt of invoice. If any insurance obligation specified in the Manuals or this Agreement imposes coverage requirements applicable to any period beyond the termination, transfer or expiration of this Agreement, such obligation shall survive the termination, transfer or expiration of this Agreement. SVNIC coverage requirements as of the Effective Date are as follows and are subject to change by SVNIC:

- a. An occurrence-based commercial general liability insurance policy with minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate;
- b. A professional liability (errors and omissions) insurance policy with minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate;
- c. An automobile insurance policy for each vehicle used in the SVN Franchise, which policy shall insure against public liability for bodily injury in the minimum amount of \$100,000 per person and \$300,000 per occurrence and for property damages in the minimum amount of \$100,000; and
- d. Workers' compensation insurance (per local requirements) and any other insurance and/or coverage requirements established under applicable law.
- e. Extended Reporting "Tail" Coverage with minimum limits of \$1,000,000 per claim for a period of three (3) years after this Agreement is terminated, transferred, or expires.

All of these insurance policies, other than workers' compensation, must: (i) be subject to our approval, which shall not be unreasonably withheld; (ii) contain separate endorsements naming us as additional named insured or provide comparable coverage acceptable to us in our discretion; (iii) not be subject to cancellation or modification, except on thirty (30) days advance written notice to us; and (iv) contain an express waiver of any and all rights of subrogation against us. You must pay all premiums on the policies as they are due. If you do not have or maintain insurance as specified under this Agreement and in the Manuals or fail to provide us any certificates of required insurance, endorsements, or other evidence of insurance acceptable to us, we can, but are not obligated to, purchase the applicable coverage. In that case, you shall reimburse us for the cost of the premium and all other related costs within 10 days of receipt of invoice. We can, but are not required, to deviate from any insurance related requirements we establish based on then current carrier or industry practices, substitute coverage acceptable to us or for other reasons we consider commercially appropriate.

SVNIC strongly recommends that Franchisee obtain and maintain Cyber Liability Insurance but does not currently require Franchisee to do so.

The insurance policies described above are minimum requirements and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. Franchisee's obligation to obtain and maintain the foregoing insurance policy or policies in the amounts specified shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement. Franchisee's insurance procurement obligations under this Section 14.1 are separate and independent of Franchisee's indemnity obligations.

14.2 Additional Insured Endorsement

All insurance shall name Franchisor as an additional insured, waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change or cancellation to any such policy. The “Additional Insured Endorsement” must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the term of this Agreement.

ARTICLE 15

RELATIONSHIP OF PARTIES

15.1 Independent Contractor

It is expressly agreed by the parties that the only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor, that the business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and that nothing in this Agreement shall create a fiduciary relationship between them or constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, servant or fiduciary of the other party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party. Neither party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either party that would create an implied or apparent agency or other similar relationship by and between the parties.

15.2 Indemnity by Franchisee

We will not assume any liability or be deemed liable for any agreements, representations, or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchise you conduct pursuant to this Agreement, including, but not limited to, any of Franchisee’s transactions pending as of the Effective Date, with respect to which SVNIC shall not be or become a party or broker of record, and whether or not caused by any negligent or willful action or failure to act by you or your Owners, officers, directors, employees, independent contractors, agents, or successors or assigns. You will defend and indemnify SVNIC and all of its past, present and future partners, shareholders, members, direct and indirect parent companies, subsidiaries, affiliates, Related Parties, officers, directors, employees, attorneys, agents and representatives (individually and collectively, the “Indemnitees”) and hold Indemnitees harmless against and from all fines, suits, proceedings, claims,

demands, actions, losses, damages, costs, fees (including attorneys' and accountants' fees and court/arbitration costs and related expenses, and interest on such fees, costs and expenses) and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with your Franchise and/or related to any act, error and/or omission of yours, your Owner(s), or your employees, including, but not limited to, the offer/sale of any product or service, the ownership and/or operation of your Franchise and/or any transfer of any interest in this Agreement or the Franchise (the "Claims"). The obligation to defend herein will be triggered as soon as any third-party demand is made upon the Indemnitees, or by the initiation of litigation or arbitration against the Indemnitees, in accordance with applicable Massachusetts law. Unless you agree to defend and indemnify the Indemnitees without any reservation of rights (in which case Indemnitees will agree to be represented by legal counsel chosen or selected by you), then Indemnitees have the right to select and retain their own legal counsel and conduct their own defense as they deem appropriate. Payment of reasonable legal fees and costs incurred by Indemnitees will be paid for, or immediately reimbursed, by you, within ten (10) days of receipt of request or invoice from the Indemnitees. In such instances Indemnitees can control the disposition including litigation of any such Claims to the extent they deem appropriate and settle any such matter, and you agree to indemnify Indemnitees for the full amount of the loss or settlement incurred by them in the disposition of all such Claims. You may appoint separate independent counsel to represent your interests in such Claims, all at your expense. Indemnitees are entitled to the indemnification and other rights provided herein, regardless of whether or not punitive damages are awarded against any Indemnitees. Your indemnification and defense obligations under this Section shall survive the termination, expiration or transfer of this Agreement.

15.3 Indemnity by SVNIC

SVNIC shall indemnify (but will have no separate duty to defend) Franchisee, and all of its past, present and future partners, shareholders, direct and indirect parent companies, subsidiaries, Related Parties, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person or Business Entity or to any property caused solely by SVNIC's intentional wrongdoing or gross negligence. Furthermore, any such duty to indemnify only arises after applicable legal proceedings to which SVNIC is a party are completed and in which there is an express finding of intentional wrongdoing or gross negligence by SVNIC.

15.4 No Recourse Against Nonparty Affiliates

All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to this Agreement, but not including separate undertakings such as guarantees of performance, personal guaranties, or corporate guarantees), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No Person who is not a Contracting Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection

with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates, unless such liabilities, claims, causes of action, and obligations arise from deliberately fraudulent acts. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Nothing herein is intended to prevent a Contracting Party from pursuing any distinct legal rights it may have against a Nonparty Affiliate which arise from a separate document, such as a guaranty of performance, personal guaranty, corporate guaranty or similar agreement. Notwithstanding any other provision of this Agreement which limits the right of prospective third-party beneficiaries, any Nonparty Affiliate may rely on this provision and enforce it against any Contracting Party or other Person or entity.

ARTICLE 16
NOTICES

16.1 General

16.1.1 All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be given by any of the following methods: (1) personally delivered; (2) mailed by certified or registered mail, return receipt requested, postage paid; (3) by reliable overnight delivery service; or (4) by electronic transmission, including email and facsimile. "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

The addresses for the parties are as follows:

If to SVNIC: SVNIC
 309 Beacon Street, Suite 300
 Brookline, Massachusetts 02446
 Attn: Sarah Vincent, EVP of Operations
 Email: Sarah.vincent@svn.com and contracts@svn.com

If to Franchisee: _____

 Attention: _____
 Email: _____

16.1.2 The above addresses given for notice may be changed at any time, by either party, by giving ten (10) calendar days prior written notice to the other party, as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand. Notices sent by electronic transmission shall be deemed to have been given on the next business day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email or facsimile has not been delivered.

ARTICLE 17

DISPUTE RESOLUTION

17.1 Dispute Resolution

17.1.1 **Resolution by Judicial Reference** Except as provided in Section 17.3, any dispute, controversy, action or proceeding of any type, including any claim for which you are acting as a “private attorney general,” suing pursuant to a statutory claim or otherwise (individually and collectively, a “Claim”) between SVNIC, its Related Parties, Owners, directors, officers, members, agents and/or employees, on the one hand, and Franchisee and/or its Related Parties, Owners, guarantors, directors, officers, members, agents and/or employees, on the other hand, shall be submitted to general judicial reference if the court so provides. The referee shall decide all issues in such action, whether of fact or law, and the referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, provided that if the parties cannot agree upon a referee, the referee will be appointed by the court. If this Section 17.1.1 is unenforceable or inapplicable for any reason, then any such Claim shall be resolved as provided Section 17.2, below.

17.1.2 **Forum** The state court for the judicial district in which SVNIC then-current headquarters is located (currently Brookline Massachusetts) or, if federal jurisdiction exists, the U.S. District court (currently the U.S. District Ct. of Massachusetts), shall be the exclusive venues for any Claim brought under this Section 17.1, with each party hereto submitting personally and consenting to the exclusive jurisdiction of such courts.

17.2 Arbitration if Judicial Reference Not Enforceable

17.2.1 **General** Except as provided in Section 17.3 and except as precluded by Applicable Law, any Claim, as defined in Section 17.1.1, above, between SVNIC, its Related Parties, Owners, directors, officers, members, agents and/or employees, on the one hand, and Franchisee and/or its Related Parties, Owners, guarantors, directors, officers, members, agents and/or employees, on the other hand, shall be resolved by binding arbitration as provided in this Section 17.2. Arbitration shall be conducted before and in accordance with the then-prevailing Arbitration Rules of Procedure of Judicate West (“Judicate”) or its successor, or, if Judicate is not able or willing to conduct the arbitration, before and in accordance with the then prevailing Commercial Arbitration Rules of the American Arbitration Association (“AAA”). An arbitration shall be conducted by one arbitrator, who must be a lawyer substantially experienced in franchising. Any award must be in writing and judgment upon any award rendered may be entered in any court having jurisdiction thereof. Upon request by either party, the arbitrator shall provide a reasoned opinion with findings of fact and conclusions of law and the party

so requesting shall pay the arbitrator's fees and costs connected therewith. The parties shall hold arbitration proceedings, awards, and related discussions confidential and shall sign confidentiality agreements. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for mediation or arbitration, including but not limited to percipient witnesses and expert witnesses. Claims which would constitute a compulsory counterclaim if brought in court under the state law selected in Section 18.7 must be filed in an arbitration proceeding brought under this Agreement or be barred. The substantive law applied in such arbitration shall be as provided in Section 18.7. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against such party despite said failure to appear. The arbitral decision shall be binding and conclusive on the parties. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration. Notwithstanding any allocation made by the arbitral body or the arbitrators, Franchisor and Franchisee agree that, subject to the final award, each party will contribute equally to all charges or assessments of an arbitrator's compensation, administrative expenses or fees of the arbitral body and deposits with respect thereto. In the event a party defaults in timely payment, the other party shall have the option of paying the full amount of such charge, assessment or fee and proceeding with the arbitration or of voiding this arbitration agreement and proceeding in a court of law in the seat of the arbitration with the defaulting party hereby submitting to the jurisdiction of said courts and the service of process by courier or ordinary mail at the address where notices are to be sent under this Agreement.

17.2.2 Arbitrator's Authority The arbitrator shall decide any questions relating in any way to the parties' agreement to arbitrate, including but not limited to arbitrability, applicability, subject matter, timeliness, scope, remedies, and any alleged fraud in the inducement, claimed unconscionability or purportedly void or voidable provisions of the Agreement. The arbitrator can issue summary orders disposing of all or part of a Claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, and other relief by any court having jurisdiction. The subpoena powers of the arbitrator with respect to witnesses to appear at the arbitration proceeding shall not be subject to any geographical limitation. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration. Arbitrators in any proceeding under Section 17.2 will apply all applicable law, and a failure to apply the applicable law in accord with Section 18.7 will be deemed an act in excess of authority and reviewable by the courts.

17.2.3 Location Any arbitration will be conducted exclusively at a neutral location in Brookline, Massachusetts. You and we agree that the provisions of this Article will control, notwithstanding any language included in our franchise disclosure documents due to state requirements suggesting that the provisions of any section might be unenforceable due to a failure to have a meeting of the minds or otherwise. Neither you nor we have any expectation that the provisions of this (or any other) section will be unenforceable or that they will not be enforced. You understand and agree that one effect of this paragraph may be that arbitration and other related costs may be greater, and it may be more difficult for you to proceed, than if those proceedings took place in a location near your residence or Franchise. If this provision is unenforceable for any reason, arbitration will be conducted at a neutral location reasonably near your franchised location.

17.2.4 **Intention to Arbitrate** You and we expressly agree that, notwithstanding any contrary provisions of state, province, or other law, and/or any statements in any disclosure document required by a state/province as a condition to franchise registration or for some other purpose in any proceeding under this Section 17.2:

(i) all issues relating to the enforcement of arbitration-related provisions will be decided by the arbitrator and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including, but not limited to, those provisions relating to arbitration, venue, and choice of law;

(iii) you and we intend to rely upon federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to their terms;

(iv) you and we each **knowingly waive all rights to a court or jury trial**, except as expressly provided in this Agreement; and

(v) in the Claim process, you and we agree that each may bring claims against the other only in your or our individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both you and we agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff or consolidated proceeding.

17.3 Preliminary Relief and Undisputed Debts

Either party shall be entitled to seek preliminary or interim injunctive or provisional relief by the court (as provided in Section 17.1) or by arbitration under Section 17.2 (including, but not limited to, a temporary restraining order and preliminary injunction, all without bond) without showing or proving any actual damage, until such time as a final and binding determination is made in the proceeding. The foregoing equitable remedies shall be in addition to, and not in lieu of, all other remedies or rights which the parties might otherwise have by virtue of any breach of this Agreement by the other party. Either party shall be entitled to pursue an action for collection of moneys owed in either a court or arbitration proceeding when the right to payment is not in dispute.

17.4 Class Action Waiver

To the extent any party brings any claim for relief, cause of action, or proceeding in court, you and we agree that each may only bring such claims for relief, causes of action, or proceedings against the other in your or our individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both you and we agree, no court may consolidate more than one person's claims for relief, causes of action, or proceeding, or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding.

17.5 Damages

Any non-waivable rights to punitive, exemplary, multiple, or similar damages you or we may have under any statute or regulation shall be fully effective. Otherwise, and to the extent permitted by

law, any recovery on any Claim under this Agreement shall be limited to actual damages sustained by the injured party, with you and we waiving claims for punitive, exemplary, multiple or similar damages.

17.6 Survival and Enforcement

The terms of this Article 17 shall survive termination, expiration or cancellation of this Agreement. If any portion of this Article is deemed to be unenforceable for any reason, it shall be modified or restricted, or severed, so as to comply with applicable law and shall be otherwise enforced according to its terms.

EXCEPT TO THE EXTENT PROHIBITED BY LAW OR AS OTHERWISE PROVIDED IN ANY STATE ADDENDA APPLICABLE TO FRANCHISEE'S STATE OF RESIDENCE OR OF FRANCHISEE'S FRANCHISE LOCATION, THE PARTIES HEREBY AGREE THAT NORFOLK COUNTY, MASSACHUSETTS SHALL BE THE VENUE FOR ANY ARBITRATION OR LITIGATION ARISING UNDER THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THEY HAVE REVIEWED ARTICLE 17 AND HAVE HAD THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE AS TO ITS MEANING AND EFFECT. FURTHER, AND EXCEPT TO THE EXTENT PROHIBITED BY APPLICABLE LAW, FRANCHISEE AND FRANCHISOR WAIVE ALL RIGHTS TO A JURY TRIAL AND ALL PROCEEDINGS AND CLAIMS BETWEEN THE PARTIES SHALL BE FILED AND PROSECUTED SEPARATELY AND INDIVIDUALLY AND NOT AS A CLASS ACTION, OR IN ANY REPRESENTATIVE CAPACITY, AND SHALL NOT BE OR REMAIN CONSOLIDATED WITH CLAIMS ASSERTED BY OR AGAINST ANY OTHERS.

FRANCHISEE'S
INITIALS

SVNIC INITIALS

ARTICLE 18

MISCELLANEOUS PROVISIONS

18.1 SVNIC's Right to Cure Defaults

In addition to all other remedies herein granted if Franchisee shall default in the performance of any of Franchisee's obligations or breach any term or condition of this Agreement or any related agreement, SVNIC may, at its election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to Franchisee, cure such default for the account and on behalf of Franchisee, and the cost to SVNIC thereof shall be due and payable on demand and shall be deemed to be additional compensation due to SVNIC hereunder and shall be added to the amount of compensation next accruing hereunder, at the election of SVNIC.

18.2 Waiver and Delay

No waiver by either party of any breach, series of breaches or defaults in performance by the other party, or failure to insist upon strict compliance with or performance of the other party's obligations under this Agreement, any other agreement between SVNIC and Franchisee, or the Manuals, shall constitute a waiver with respect to any subsequent breach thereof or a waiver of a party's right at any time thereafter to require exact and strict compliance. No failure, refusal or neglect of SVNIC to exercise any right, power or option given to it hereunder or under any other agreement between SVNIC and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver with respect to any subsequent right to exercise any such right,

power or option. SVNIC will consider written requests by Franchisee for SVNIC's consent to a waiver of any obligation imposed by this Agreement. Franchisee agrees, however, that SVNIC is not required to act uniformly with respect to waivers, requests and consents as each request will be considered on a case by case basis, and nothing shall be construed to require SVNIC to grant any such request. Any waiver granted by SVNIC shall be without prejudice to any other rights SVNIC may have, will be subject to continuing review by SVNIC, and may be revoked, in SVNIC's sole discretion, at any time and for any reason, effective upon ten (10) calendar days prior written notice to Franchisee. SVNIC makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee by providing any waiver, approval, consent, assistance, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request.

18.3 Survival of Covenants

The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever, including but not limited to Articles 17 and 18.

18.4 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of SVNIC and shall be binding upon and inure to the benefit of Franchisee and Franchisee's heirs, executors, administrators, successors and assigns, subject to the restrictions on transfer or Assignment contained herein.

18.5 Joint and Several Liability

If Franchisee consists of more than one person or Business Entity, or a combination thereof, the obligations and liabilities of each such person or Business Entity to SVNIC are joint and several.

18.6 General Release

If Franchisee has a currently-effective franchise agreement with SVNIC, or if Franchisee was at any time a salesperson of SVNIC or its Related Parties, then it shall be a condition precedent to the obligations of SVNIC under this Agreement that Franchisee has executed and delivered to SVNIC a general release, in a form prescribed by SVNIC, of all existing claims against SVNIC and its Related Parties arising out of those former agreements to the fullest extent permitted by law.

18.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the state of Massachusetts without giving effect to any conflict of laws, except that (i) the provisions of any Massachusetts law regarding franchises will not apply unless jurisdictional, definitional and other requirements for the application of such statute or law are met independently of this Section, and (ii) the provisions of Article 10 shall be construed and enforced in accordance with the laws of the state where the breach of said Article occurs.

18.8 Entire Agreement

This Agreement (including all schedules, exhibits and appendixes hereto) contains all of the

terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements oral or otherwise shall be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations are merged herein and superseded hereby. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations SVNIC made to Franchisee in the Franchise Disclosure Document or in any related document that SVNIC heretofore furnished to Franchisee. Once executed, this Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto; provided, that SVNIC independently can modify the Manuals as expressed in Appendix 1. Franchisee represents that there are no contemporaneous agreements or understandings relating to the subject matter hereof between the parties that are not contained herein and in the Franchise Disclosure Document. No officer or employee or agent of SVNIC has any authority to make any representation or promise not contained in this Agreement or in any Disclosure Document for prospective Franchisees required by applicable law, and Franchisee agrees that it has executed this Agreement without reliance upon any such representation or promise.

18.9 Titles for Convenience

Article and Section titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

18.10 Gender and Construction

All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section hereof may require. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval or authorization of SVNIC which Franchisee may be required to obtain hereunder may be given or withheld by SVNIC in its sole discretion, and on any occasion where SVNIC is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets SVNIC’s Policies or satisfaction, SVNIC may do so in its sole subjective judgment. SVNIC has the right to elect in its sole discretion to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, to the fullest extent permitted by law without liability.

18.11 Severability

Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement or the Manuals and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement or the Manuals thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, Article, Section, sentence or clause of this Agreement or the Manuals shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

18.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

18.13 Fees and Expenses

In the event of any arbitration or litigation (also including appeals, petitions for confirmation, modification, or vacation of an award) arising out of or relating to a Claim, this Agreement, the breach of this Agreement, or the relationship of the parties to this Agreement, the prevailing party will be reimbursed by the other party for all costs and expenses incurred in connection with such arbitration or litigation, including, without limitation, reasonable attorneys' fees.

18.14 Cumulative Remedies

Except as provided herein, the rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit you or us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

18.15 Timing Is Important

Time is of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the importance of time limits. In this case, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement).

18.16 Force Majeure

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties that materially affects a party's ability to perform. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the services provided by the Franchise; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the operation of the Franchise. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the term of this Agreement.

18.17 Similar Agreements

Franchisor makes no warranty or representation that anything contained in this Agreement may be construed as requiring that all SVN franchise agreements issued by Franchisor, during any time period, contain terms substantially similar to those contained in this Agreement. Further, Franchisee agrees and acknowledges that Franchisor may, in its reasonable business judgment, due to local

business conditions or otherwise, waive or modify comparable provisions of other franchise agreements granted to other SVN franchisees in a non-uniform manner, subject to those provisions of this Agreement that require Franchisor to act toward its franchisees on a reasonably non-discriminatory basis.

ARTICLE 19
ACKNOWLEDGMENT

19.1 General

Franchisee, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.

19.2 Due Execution

The submission of this Agreement to Franchisee does not constitute an offer and this Agreement shall become effective only upon the execution thereof by SVNIC and Franchisee. THIS AGREEMENT SHALL NOT BE BINDING ON SVNIC UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF SVNIC.

19.3 Representations by Franchisee

19.3.1 FRANCHISEE ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF SVNIC'S OPERATIONS AND THE MARKET AREA IN WHICH FRANCHISEE WILL OPERATE THE FRANCHISE. FRANCHISEE UNDERSTANDS AND AGREES THAT SVNIC DOES NOT FURNISH OR ENDORSE, OR AUTHORIZE ITS SALESPERSONS OR OTHERS TO FURNISH OR ENDORSE, ANY ORAL, WRITTEN OR OTHER INFORMATION CONCERNING ACTUAL OR POTENTIAL SALES, COSTS, INCOME, EXPENSES, PROFITS, CASH FLOW, OR OTHER FINANCIAL INFORMATION, OR FROM WHICH SUCH ITEMS MIGHT BE ASCERTAINED, ("FINANCIAL PERFORMANCE REPRESENTATIONS") ABOUT SVN FRANCHISES OR ANY OTHER COMMERCIAL REAL ESTATE SERVICES BUSINESSES.

19.3.2 FRANCHISEE REPRESENTS AND ACKNOWLEDGES THAT IT HAS RECEIVED SVNIC'S DISCLOSURE DOCUMENT, INCLUDING ALL EXHIBITS THERETO, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE EARLIER OF THE DATE ON WHICH THIS AGREEMENT, AND ALL OTHER AGREEMENTS, WERE EXECUTED, OR ANY CONSIDERATION WAS PAID. FRANCHISEE REPRESENTS IT HAS READ ALL AGREEMENTS, SVNIC'S FRANCHISE DISCLOSURE DOCUMENT, EXHIBITS, ADDENDA AND OTHER DOCUMENTS, ALONG WITH ANY ADDITIONAL INFORMATION FRANCHISEE DEEMS RELEVANT, IN ITS ENTIRETY.

19.3.3 FRANCHISEE FURTHER REPRESENTS THAT IT UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, COVENANTS AND OBLIGATIONS OF THIS AGREEMENT AND ALL SCHEDULES AS BEING REASONABLY NECESSARY TO (1) MAINTAIN SVNIC'S HIGH STANDARDS OF QUALITY AND SERVICE; (2) MAINTAIN UNIFORMITY OF THOSE STANDARDS AT FRANCHISED LOCATIONS; AND (3) PROTECT AND PRESERVE THE GOODWILL OF THE MARKS, AND THAT FAILURE TO MAINTAIN SVNIC'S STANDARDS CAN RESULT IN TERMINATION OF THIS AGREEMENT.

19.3.4 FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS BEEN ADVISED BY SVNIC TO SPEAK WITH PAST AND/OR EXISTING SVN FRANCHISEES OF FRANCHISEE'S CHOOSING. FRANCHISEE ACKNOWLEDGES THAT SUCH FRANCHISEES DO NOT ACT AS SVNIC'S AGENTS OR REPRESENTATIVES IN PROVIDING ANY INFORMATION AND THAT NO SUCH INFORMATION CAN BE ATTRIBUTED TO SVNIC AND/OR RELIED UPON AS SUCH.

19.4 Electronic Records

Franchisee acknowledges and agrees that SVNIC may elect to keep only electronic copies of any and all documents and records pertaining to the franchised business, the System, and the franchise relationship between the parties. Each such electronic record will accurately reflect the information in the document and will remain accessible to all persons entitled by law to access the information for the period of time required by law. The electronic record will be in a form capable of being accurately reproduced for later reference if necessary.

ARTICLE 20

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

20.1 No Waiver or Disclaimer in Certain States

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

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

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereof have executed this Agreement as of the Effective Date.

“SVNIC”

SVN International Corp., a Delaware corporation

By: _____

Print Name: _____

Its: _____

“FRANCHISEE”

(Print name of Franchisee here)

- [an individual, as sole proprietor]
- [a corporation]
- [a partnership]
- [a limited liability company],

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

Each individual Owner of Franchisee:

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

APPENDIX 1
DEFINITIONS

“Agreement” means this Franchise Agreement.

“Ancillary Services” means offering or performing under the Marks and the Franchise those specific services, if any, described in Schedule C, which are ancillary and in addition to Commercial Real Estate Services.

“Applicable Law” means and includes all civil and criminal laws, statutes, rules, regulations, ordinances, policies and procedures established by any Governmental Authority pertaining to and/or governing the operation of the Franchise, including, but not limited to, all real estate salesperson and broker laws, real property sales laws, immigration and labor laws, health and safety laws, and tax laws, as in effect on the Effective Date hereof, and as may be amended, supplemented or enacted from time to time.

“Approved Residential Portfolio Sale” shall mean the offer and sale of Residential Real Estate Brokerage Services with respect to multiple parcels or units of Residential Property in a common development whereby Franchisee acts on behalf of the developer or owner of such Residential Property, upon Franchisee’s receipt of SVNIC’s prior written approval, which approval shall not be unreasonably withheld.

“Approved Services” means Commercial Real Estate Services, Approved Residential Portfolio Sales and such Ancillary Services, if any, as are identified on Schedule C or are subsequently approved pursuant to Section 6.3.4 of this Agreement.

“Assignment” shall mean any sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance (“transfer”), voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, of any direct or indirect interest in your SVN Franchise, its assets (other than in the ordinary course of business), this Agreement or in the Equity or voting rights of Franchisee if a Business Entity; the withdrawal, death or legal incapacity of any Owner of Franchisee; the admission of any additional general partner or the transfer by any Owner general partner of any of its Partnership Rights in the Partnership; and any merger, stock redemption, consolidation, reorganization, recapitalization involving Franchisee, however effected.

“Auction Revenues” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable by Franchisee (directly or indirectly), whether in cash, equity position or for credit or barter (and, if for credit or barter, whether or not payment is received), or any other consideration in connection with Auction Services, including, but not limited to, Auction Services performed in connection with Approved Residential Portfolio Sale Services.

“Auction Services” means providing services for online, sealed bids, and open cry bid auctions for clients that need to accelerate the disposition of single assets and portfolios of real estate and financial instruments.

“Authorized Salesperson” means and includes each Senior Advisor, Advisor, and Associate Advisor and each of the Licensed Persons employed by the Franchisee or Broker in Charge, and such additional Licensed Persons as may be subsequently engaged by Franchisee, unless and until terminated

by such Broker in Charge, or until such time as the person fails to be a Licensed Person under Applicable Law or to meet SVNIC’s reasonable qualification criteria, as set forth in the Manuals.

“Authorized User” means a person with written authorization by SVNIC to use the Intranet Services.

“Brokerage Revenues” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable by Franchisee (directly or indirectly), whether in cash, equity position or for credit or barter (and, if for credit or barter, whether or not payment is received), or any other consideration in connection with Commercial Real Estate Services, but excluding Property Management Services Revenues.

“Brokerage Services” means all Commercial Real Estate Services, except Property Management Services.

“Business Day” means any calendar day other than Saturday, Sunday or a Federal holiday.

“Business Entity” means a corporation, limited liability company, partnership or other form of business organization established under applicable state law and which is not an individual.

“Commercial Real Estate Services” means acting as a broker, salesperson, agent or finder for or on behalf of sellers, buyers, lessors, tenants or others in connection with the listing, co-listing, offering, selling, purchasing, exchanging, auctioning, leasing, renting, consulting, expert witness testimony, or managing of commercial real property, including vacant land transactions (excluding Residential Property, but including Portfolio Sales) and personal property ancillary thereto, and providing mortgage loan brokerage services. SVNIC reserves the right to condition, further define and interpret the scope of what shall constitute approved Commercial Real Estate Services from time to time through the Manuals or other written instruction to Franchisees.

“Competitive Activities” means to own, operate, lend to, advise, be employed by, or have any financial interest in any business, including any franchised, networked or affiliated business, that engages in the offer, sale or provision of Commercial Real Estate Services or Ancillary Services you are permitted by us to perform (or the franchising or licensing thereof), other than pursuant to and in accordance with this Agreement or any other agreement related to your operation of an SVN Franchise.

“Confidential Materials and Practices” shall have the meaning set forth in Section 10.2 of the Agreement and include SVNIC’s proprietary and confidential information, such as its Policies and the contents of the Manuals, marketing concepts, any SVNIC Technological System, financial results, sales and profit information, transactions data, Special Accounts information and relationships, and operating methods, technology platforms and techniques.

“Council” shall mean one or more SVN franchisee groups formed to conduct various marketing-related activities as described in Section 4.5.2 of this Agreement.

“Effective Date” shall be the date stated in the opening paragraph of this Agreement, which is the calendar day on which the Term of this Agreement commences.

“Electronic Payment” means payments from Franchisee’s account, and at Franchisee’s sole cost and expense, by electronic funds transfer, credit or debit card payment, or such other automatic

payment mechanism that SVNIC may designate, in accordance with the Electronic Payment Policies set forth in the Manuals.

“Equity” means stock, membership interests, Partnership Rights, or other equity ownership interests.

“Expiration Date” shall mean the calendar day on which the Term ends as provided in Section 3.1.

“Fictitious Name” means an assumed name, trade name or DBA name which is a business name that is different from your personal name, the names of your partners or the officially registered name of your limited liability company or corporation.

“Financial Records” means computer and other written and electronic records and documents containing financial and transactional information relating to Commercial Real Estate Services and Ancillary Services which are Approved Services performed by Franchisee’s Broker in Charge and Authorized Salespersons, including final Transaction Closing statements/settlement statements, financial statements, books of accounts, bank statements, check stubs, escrow receipts, client invoices and federal, state and local tax return records relating to the Franchise and of each of the Principal Owners.

“Franchise” means the SVN business operated at the Franchisee Business Address pursuant to this Agreement, under the Marks and in accordance with the System and specializing in the sale and provision of Approved Services.

“Franchise Application” means the SVNIC application completed by a prospective SVN franchisee requesting a Franchise.

“Franchisee Business Address” means the main address for the Franchise.

“Franchisee” shall mean the individual(s) proprietor(s) or Business Entity identified in the first paragraph of this Agreement and who/which are responsible to Franchisor for performing Franchisee’s obligations under this Agreement.

“General Release” means a general release, in the then-current form prescribed by us at the time such release is to be delivered, of any and all claims, liabilities and/or obligations, of any nature whatsoever, including existing as of, and/or arising before, the date of any such release, however arising, known or unknown, whether against us and/or any or all of our Related Parties, and whether by you, any of your Owners (if you are or become a Franchise Entity), any person/entity claiming on the basis of an alleged right of yours, and/or any Related Parties of yours.

“Governmental Authority” means and includes all Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

“Gross Receipts” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable (as that term is defined in Subsection 4.2.1 of the Franchise Agreement) by Franchisee (directly or indirectly), whether in cash, equity position, credit or for barter (and, if for credit or barter, whether or not payment is received), or for any other consideration, in connection with all Commercial Real Estate Services. Gross Receipts also include without limitation all revenues, Property Management Revenues, project management fees, consulting

fees, Auction Revenues, finder fees, and commissions received or receivable by or on behalf of Franchisee's salespersons, agents and representatives in connection with any products or services that are promoted or sold under any of the Marks, including Commercial Real Estate Services, approved Residential Real Estate Portfolio Brokerage Services, Leasing Services, Ancillary Services, multiple listing fees, taxes, commissions, overrides, bonuses and salaries, without deduction for Franchisee's costs or expenses.

"Guarantor" shall mean each person who signs a personal guaranty, now or in the future, in favor of SVNIC and its assignee(s) in connection with Franchisee's SVN Franchise.

"Initial Franchise Fee" means the fee you must pay SVNIC for the right to enter into this Agreement.

"Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and software, which comprise the interconnected worldwide network of networks that employ the TCP/IP [Transmission Control Protocol/Internet Protocol], or any predecessor or successor protocols to such protocol, to communicate information of all kinds by fiber optics, wire, radio, or other methods of transmission.

"Intranet" and "Extranet" means an internet website or online resource portal owned or operated by or for SVNIC which is accessible only by SVNIC, its Related Parties, SVN franchisees and others authorized by SVNIC, which may include third party suppliers.

"Intranet Services Agreement" means an Intranet Agreement between SVNIC and the Franchisee and Franchisee's users.

"Leasing Services" means and includes leasing and related lease marketing services you provide to a tenant or landlord, under a contract, including leasing for any properties managed by you.

"Licensed Person" means a Business Entity or individual who possesses a real estate broker's license or other license required to perform Commercial Real Estate Services or Ancillary Services that is valid and effective in the state in which the Franchise is conducted.

"Manuals" means SVNIC's operations manuals, including the SVNIC Confidential Operations Manual, the Branding Guide, and all related manuals now or hereafter created by SVNIC for use in the operation of the Franchise, as the same may be amended and revised by SVNIC from time to time (except that such amendments will not alter Franchisee's fundamental status and rights under this Agreement), including all bulletins, supplements and ancillary manuals. References made to the Manuals in this Agreement, or in any amendments, exhibits or schedules hereto, shall be deemed to mean the Manuals kept current by amendments from time to time.

"Platform Fee" shall mean the amounts required to be paid by Franchisee pursuant to Section 4.5, and the Platform Fees paid by other SVN franchisees (which may differ among SVN franchisees).

"Marks" shall mean the SVN[®] trademark and service mark and such other trademarks, service marks, logo types, insignias, trade dress, designs, and commercial symbols as SVNIC may from time to time authorize or direct Franchisee to use in connection with the operation of an SVN Franchise.

“Minimum Annual Royalty” means the minimum required Royalty amount a Franchisee must pay SVNIC under Franchisee’s applicable Commercial Real Estate Services Program, as provided in Section 4.6 of this Agreement.

“Multi-Family Unit” means a building with five (5) or more residential rental units or multiple single-family homes packaged together for sale as a single unit. These qualify as commercial real estate.

“Owner” means (i) any direct or indirect shareholder, member, general or limited partner, trustee, or other equity owner of a Business Entity; and (ii) any person that controls more than 5% of the voting rights of a Business Entity; except that if SVNIC has any ownership or voting interest in a Franchise, the term “Owner” shall not include or refer to SVNIC or its Related Parties, and no obligation or restriction upon “Franchisee”, or its Owners, directors or officers shall bind SVNIC or its Related Parties, or their respective Owners, directors or officers.

“Partner” means any partner of a Partnership.

“Partnership” means any general partnership, limited partnership or limited liability partnership.

“Partnership Rights” means voting power, property, profits or losses, or partnership interests of a Partner.

“Permitted Outside Services” means offering or performing those specific services, if any, described in Schedule D independently from and not under the Franchise and the Marks. If listed on Schedule D, such services may include services like residential brokerage development, construction; insurance; title insurance or searches; real estate syndicating; mortgage banking, escrow or appraisal service.

“Policies” shall mean and refer to the standards, specifications, policies, procedures, protocols and restrictions as SVNIC may establish and revise from time to time, whether contained in the Manuals or as SVNIC may otherwise direct in writing.

“Pre-Conversion Sales” means sales from an existing commercial real estate services business before it converts to an SVN Franchise Business.

“Primary Market Area” means the geographic area in which you perform a majority of your Commercial Real Estate Services as of the Effective Date and which is identified in Section 2.3 of this Agreement.

“Production Royalty” is the royalty fee that you must pay SVNIC on Gross Receipts other than Property Management Revenues, as specified in Sections 4.2.8 of this Agreement.

“Property Management Revenues” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable by Franchisee (directly or indirectly), whether in cash, equity position or for credit or barter (and, if for credit or barter, whether or not payment is received), or any other consideration in connection with Property Management Services (exclusive of Leasing Services).

“Property Management Royalty” means the royalty fee that you must pay to SVNIC based on Property Management Revenues, as specified in Sections 4.2.7 of this Agreement.

“Property Management Services” means commercial property management services, including Multi-family Properties consisting of five (5) or more residential units, provided by Franchisee under a contract, including rent collection, contract service management, maintenance income, construction management or administration, project management, property accounting, asset management and lease administration.

“Property Manager” means an employee, agent, or associate in a Franchise business who manages property for a fee.

“Receivable” means including the face value of any notes and the fair market value, as reasonably defined by SVNIC, of any equity or non-cash consideration you make take in lieu of commissions.

“Related Party(ies)” when used herein in connection with SVNIC or Franchisee, includes each person or Business Entity that directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with SVNIC or Franchisee, as applicable. Without limiting the foregoing, the term “Related Party” when used herein in connection with Franchisee includes any Business Entity 5% or more of whose Equity or voting control, is held by person (s) or Business Entities who, jointly or severally, hold 5% or more of the Equity or voting control of Franchisee. The term “Related Party” when used herein in connection with SVNIC is not intended to include Franchisee or other persons or Business Entities merely because they have executed Franchise agreements with SVNIC.

“Residential Real Estate Brokerage Services” means acting as a broker, salesperson, agent or finder for or on behalf of sellers, buyers, lessors, tenants or others in connection with the listing, co-listing, offering, selling, managing, purchasing, exchanging, leasing, renting of any Residential Property and personal property ancillary thereto.

“Residential Property” means real property that consists of four (4) or fewer residential units or individual lots for the same. This type of property may not be sold using the Marks.

“Restricted Person” means Franchisee, each officer, director, shareholder, Owner, partner (including each of the officers, directors, and managers of any general partner of a limited partnership) manager, member (in the case of a limited liability company) and the spouse and family members who live in the same household of each of the foregoing persons as well as the Broker in Charge, Authorized Salespersons, office managers, secretaries, assistants and such other staff that Franchisee may hire from time to time.

“Royalties” means the combination of all royalty fees you must pay to SVNIC under this Agreement, including Property Management Royalties and Production Royalties.

“Special Accounts” means entities/organizations/retail chains having multiple, commonly branded or similarly associated outlet facilities, which typically, but not necessarily, operate nationally or regionally and have outlets located over multiple Franchisee Primary Market Areas, as described in Section 4.3.1 of this Agreement.

“SVN” means the trade name and service mark owned by SVNIC.

“SVN Franchise” means a system for the operation of a commercial real estate services business operated under the Marks as it may be modified by SVNIC from time to time and which includes, but is

not necessarily limited to, various operating methods; SVNIC support sites (“SVNIC Technology Systems”), inclusive of any online tracking system, online publisher and/or other software/technology platform or system tools SVNIC may implement over time; techniques; Policies; distinctive signs; Confidential Materials and Practices; record-keeping and marketing techniques.

“SVN franchisee(s)” or “franchisee(s)” means any person or entity licensed by SVNIC from time to time to offer and sell Commercial Real Estate Services under the Marks and System.

“SVN Office” means an independently owned and operated business conducted by an SVN franchisee.

“SVN System Transaction” means a transaction whereby Commercial Real Estate Services are provided in connection with, or by referral from, (i) any broker, salesperson or Related Party of SVNIC, or (ii) an SVN franchisee, or any person or Business Entity associated with, or acting on behalf of any SVN franchisee other than Franchisee.

“SVNIC” means SVN International Corp.

“SVNIC Intranet User Agreement” means the agreement between SVNIC and a person or Business Entity authorizing use and access to the Intranet Services.

“SVNIC Technology Systems” includes any and all technology, websites, intranet, application, communication, internal and external online publishing, marketing, listing and royalty production system developed, licensed or owned and/or operated by SVNIC.

“System” means a system for the operation of a commercial real estate franchise conducted under the Marks, developed by SVNIC and/or a Related Party of SVNIC, and which SVNIC owns or has the right to sublicense, which system includes various operating methods; any SVN Technology System inclusive of any online tracking system, online publisher and/or other software/technology platform or system tools SVNIC may implement over time; techniques; Policies; distinctive signs; Confidential Materials and Practices; record-keeping and marketing techniques.

“Term” means the 5-year period beginning on the Effective Date and ending on the Franchise Expiration Date.

“Transaction Closing” means the closing of any sale, exchange, auction, rental or lease of real property, in connection with which Franchisee has performed Approved Services, including any escrow closing, if applicable.

“Travel Expenses” means costs and expenses incurred by or assessed in connection with travel, including airfare, hotel/lodging, local transportation, meals, and, with regard to SVNIC’s employees’, salespersons’, agents’ and/or representatives’ expenses, a per diem charge determined by SVNIC in advance, with respect to other incidental expenses incurred, including, without limitation, laundry and/or telephone expenses. It also includes all Wages and other expenses, if any, incurred by Franchisee and its Broker in Charge and Authorized Salespersons to attend any training programs that may be offered.

“URL” means uniform resource locator.

“Wages” means all salaries and hourly wages, and all related direct and indirect payroll expenses of employees, including employment-related taxes, overtime compensation, vacation benefits, pension and profit-sharing plan contributions, medical insurance premiums, medical benefits, and the like, and all direct and indirect fees, costs and expenses payable to independent contractors, agents, representatives and outside consultants.

SCHEDULE "A"

FRANCHISEE INFORMATION

Franchisee is a (check as applicable):

- | | |
|--|---|
| <input type="checkbox"/> sole proprietor | <input type="checkbox"/> limited partnership |
| <input type="checkbox"/> corporation | <input type="checkbox"/> general partnership |
| <input type="checkbox"/> limited liability company | <input type="checkbox"/> Other (specify): _____ |

The name and address of each Owner of the Franchise/Franchisee:

<u>NAME</u>	<u>ADDRESS</u>	<u>NUMBER OF SHARES OR PERCENTAGE INTEREST</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

There is set forth below the name and address of each director or manager, as applicable, of Franchisee:

<u>NAME</u>	<u>ADDRESS</u>
_____	_____
_____	_____
_____	_____

There is set forth below the names, and addresses and titles of Franchisee's principal officers or partners who will be devoting their full time to the Franchise:

<u>NAME</u>	<u>ADDRESS</u>
_____	_____
_____	_____
_____	_____

The address where Franchisee's Financial Records and Business Entity records (e.g. Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, etc.) are maintained is:

Franchisee Representations and Acknowledgments:

Franchisee agrees to notify Franchisor of any changes in the information provided in this Schedule A within ten (10) days of the occurrence of each such change.

Franchisee represents and warrants that the information provide in this Schedule A is accurate and complete as of the Effective Date of this Agreement.

“FRANCHISEE”

(Print name of Franchisee here)

- [an individual, as sole proprietor]
- [a corporation]
- [a partnership]
- [a limited liability company],

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

SCHEDULE "B"

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS (this "Guaranty") is given this ____ day of _____ 20__, by the undersigned.

FRANCHISEE: _____, a _____

Date of SVN Franchise Agreement: _____, 20__

In consideration of, and as an inducement to, the execution of the abovementioned SVN Franchise Agreement (the "Agreement") by SVN International Corp. ("SVNIC"), each of the undersigned and any other parties who sign counterparts of this guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally: (a) guarantees to SVNIC, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and other obligations, including without limitation, the obligation to pay costs and legal fees as provided in the Agreement and the obligation to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the provisions of the Agreement relating to competitive activities.

Each Guarantor waives:

1. acceptance and notice of acceptance by SVNIC of the foregoing undertakings;
2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
4. any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability;
5. all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty by the undersigned (including by way of counterparts); and
6. any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

1. his or her direct and immediate liability under this Guaranty shall be joint and several not only with Franchisee, but also among the Guarantors;

2. he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. such liability shall not be contingent or conditioned upon pursuit by SVNIC of any remedies against Franchisee or any other person;
4. such liability shall not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence which SVNIC may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to SVNIC under the Agreement; and
5. the written acknowledgment of Franchisee, accepted in writing by SVNIC, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee shall be conclusive and binding on the undersigned as guarantors.

If SVNIC is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding.

If SVNIC is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors shall reimburse SVNIC for any of the above-listed costs and expenses incurred by it.

This Guaranty may be signed in one or more counterparts, all of which when taken together constitute one original document.

IN WITNESS WHEREOF, each of the undersigned has here unto affixed his or her signature on the date noted below.

GUARANTOR(S) OF FRANCHISEE ENTITY	PERCENTAGE OF OWNERSHIP IN FRANCHISEE
--	--

By: _____	_____ %
-----------	---------

Print Name: _____

Date: _____

By: _____	_____ %
-----------	---------

Print Name: _____

Date: _____

SCHEDULE "C"
PERMITTED ANCILLARY SERVICE(S)
(Section 6.3.5)

Franchisee acknowledges and agrees that, as defined in Appendix I, "Ancillary Services" means offering or performing those specific services identified above which are ancillary and in addition to Commercial Real Estate Services, which term is defined in Appendix I as acting as a broker, salesperson, agent or finder for or on behalf of sellers, buyers, lessors, tenants or others in connection with the listing, co-listing, offering, selling, purchasing, exchanging, auctioning, leasing, renting, consulting, expert witness testimony, or managing of commercial real property, including vacant land transactions (excluding Residential Property, but including Approved Portfolio Sales) and personal property ancillary thereto, and providing mortgage loan brokerage services. In no event will SVNIC consent, and no Person executing this Agreement on SVNIC's behalf shall have authority to give consent, to any of the following types of services being offered under or in connection with the SVN Franchise or under the SVN Marks, and the following shall be deemed excluded and unpermitted services, even if inadvertently listed above: residential brokerage, development, construction; insurance; title insurance or searches; real estate syndicating; mortgage banking, escrow or appraisal service.

SCHEDULE "D"
PERMITTED OUTSIDE SERVICE(S)
(Section 6.3.7)

Type of Permitted Outside Service:

Trade Name under which to be conducted:

Other Conditions (subject to Additional SVN Policies):

Franchisee acknowledges that Section 6.3.7 prohibits Franchisee from offering and selling any services other than Approved Services, except for a Permitted Outside Service. If any, Permitted Outside Service is identified above on this Schedule E, such service(s) shall only be offered and sold by Franchisee independently of and not under the SVN Marks or through or in connection with the Franchise business. Examples, if scheduled above, may include: residential brokerage, development, construction; insurance; title insurance or searches; real estate syndicating; mortgage banking, escrow or appraisal services.

SCHEDULE "E"
SVN CORE COVENANTS

1. Create amazing value with my clients, colleagues and community.
2. Cooperate proactively and place my clients' best interests above my own.
3. Include, respect and support all members of the commercial real estate industry.
4. Honor my commitments.
5. Personify and uphold the SVN® brand.
6. Resolve conflicts quickly, positively and effectively.
7. Take personal responsibility for achieving my own potential.
8. Excel in my market area and specialty.
9. Focus on the positive and possible.
10. Nurture my career while valuing the importance of family, health and community.

In order to create and nurture a positive working environment and perform as a professional with accountability, responsibility and authority, I agree to abide by these Core Covenants in my capacity as a Franchisee in the SVN System.

"Franchisee"

(Print name of Franchisee here)

- [an individual, as sole proprietor]
 [a corporation]
 [a partnership]
 [a limited liability company],

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

Date: _____

SCHEDULE "F"

ELECTRONIC FUNDS TRANSFER AGREEMENT

This Electronic Funds Transfer Agreement (this "Agreement") is made on this ___ day of _____ 20__, by and between SVN International Corp., ("Franchisor" or "SVNIC") and _____ or their assignee if a partnership, corporation or limited liability company is later formed ("Franchisee").

WHEREAS, Franchisor and Franchisee are parties to an SVN Franchise Agreement executed on _____ (the "Franchise Agreement") and desire to enter into this Agreement as an addendum to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

A. Franchisee shall pay any and all fees and other charges in connection with this Agreement and the Franchise Agreement (including, without limitation, the continuing Royalties and Platform Fees, and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively "electronic funds transfers" or "EFT"), and Franchisee shall undertake all action necessary to accomplish such transfers.

B. Franchisee authorizes Franchisee's bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor's bank account(s). Upon Franchisor's request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens after the date of this Agreement) in connection with such EFT.

C. By executing this Agreement, Franchisee authorizes Franchisor to withdraw funds at such days and times as Franchisor shall determine via EFT from Franchisee's bank account for all fees and other charges in connection with the Franchise Agreement and this Agreement, as described in the first sentence of this Paragraph. Franchisee authorizes monthly ACH debits via EFT based on an amount equal to the total monthly amount due Franchisor under the terms of the Franchise Agreement.

D. Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee's bank in connection with EFT by Franchisor, including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee's bank for any reason. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under the Franchise Agreement and/or this Agreement directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor's discretion. It shall be a non-curable event of default under Article 12 of the Franchise Agreement if Franchisee closes any bank account without completing all of the following forthwith after such closing: (1) immediately notifying Franchisor thereof in writing, (2) immediately establishing another bank account, and (3) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by EFT as this Agreement permits.

E. Except as specifically set forth in this Agreement, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Agreement is attached to and upon execution becomes an integral part of the Franchise Agreement.

F. Wherefore, the parties have set forth their hand and seal on the day and date first above written.

“Franchisor”

SVN International Corp., a Delaware corporation

By: _____

Its: _____

“Franchisee”

(Print name of Franchisee here)

- [an individual, as sole proprietor]
- [a corporation]
- [a partnership]
- [a limited liability company],

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

SCHEDULE "G"

FRANCHISEE INTRANET SERVICES AGREEMENT

This FRANCHISEE INTRANET SERVICES AGREEMENT (this "Agreement") is attached to and made a part of that certain Franchise Agreement, including all exhibits thereto, executed contemporaneously herewith and dated effective as of _____, 20__, (the "Effective Date") by and between SVN International Corp., a Delaware corporation ("SVNIC"), and _____, [an individual, as sole proprietor] [individuals] [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as "Franchisee" or "you," (the "Franchise Agreement") with reference to the following facts:

RECITALS

WHEREAS, SVNIC and Franchisee have entered into the Franchise Agreement under which Franchisee operates an SVN Franchise.

WHEREAS, the services referenced herein ("Intranet Services") have been created for or are operated by SVNIC to facilitate communication between and among its franchisees ("Franchisees"), employees and authorized third parties in connection with the operation of an SVN Franchise.

WHEREAS, the term "Intranet Services," as used in this Agreement, may include, but is not limited to, access to various administration tools for the input/delivery of SVN Franchise information and data as requested/required by SVNIC, email, online publishing, online marketing, online syndication, resource portals, dashboards, online discussion forums, file libraries, access to the Intranet computing and information services and software, information, receipted communications, training materials and manuals, interactive forums, and other content chosen by SVNIC from time to time in its sole discretion. In addition, third parties may provide information, software and other content, licensed by SVNIC, which may be accessed over the Intranet Services.

WHEREAS, capitalized terms used in this Addendum shall have the meaning as set forth in the Franchise Agreement, unless otherwise provided herein.

WHEREAS, SVNIC wishes to provide Intranet Services to Franchisee and, in exchange for the privilege of obtaining access to the Intranet Services, Franchisee hereby agrees to the terms and conditions as stated in this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. INTRANET SERVICES

SVNIC hereby grants Franchisee the right, with a standard web browsing program not supplied by SVNIC (a "Browser") to use, pursuant to this Agreement, the Intranet Services, which may contain information, software, images, audio and video clips, graphics and other material (collectively, the "Content"), solely for Franchisee's use in performing services for the applicable SVN Franchise. The right granted to Franchisee hereunder is revocable, non-exclusive, and non-transferable. Franchisee may not share its access with others or distribute Content not intended for public distribution, without written

permission of SVNIC. Franchisee may not use, access, copy or disclose any Content in any manner after the termination of this Agreement, except to the extent any such Content is otherwise available to the general public. Franchisee understands that SVNIC may limit Franchisee's access to Intranet Services as it deems appropriate to Franchisee's role in the SVN Franchise and in its sole discretion.

2. RULES OF CONDUCT ON THE INTRANET

Franchisee may use the Intranet Services for lawful purposes only. Franchisee may not post to, upload to, or distribute or otherwise publish through the Intranet Services, any Content that (a) is libelous, defamatory, obscene, disrespectful, inflammatory, pornographic, abusive, harassing or threatening, offensive or otherwise objectionable to SVNIC in its sole and absolute discretion, (b) contains viruses or other contaminating or destructive features, (c) violates the rights of others, such as Content that infringes any copyright, trademark, patent, trade secret or violates any right of privacy or publicity, or (d) constitutes unsolicited bulk e-mail, junk mail, spam or chain letters, or (e) otherwise violates any applicable laws or regulations. Franchisee may not use the Intranet Service for any commercial purpose other than providing services to the applicable SVN Franchise and may not disclose any information or Content to any person or company that is not otherwise available to the general public unless authorized under this Agreement. Franchisee shall not allow any person to access the Intranet Services (a "User") who is not expressly authorized by SVNIC in writing. Franchisee may not distribute over the Intranet Services any advertising or solicitation of funds or goods and services unrelated to the applicable SVN Franchise business. Franchisee may not, without the written approval of SVNIC, send unsolicited advertising or promotional material. Franchisee shall comply with the email-related and other User policies posted on the my.svn.com dashboard from time to time.

3. USE REQUIREMENTS

Franchisee is responsible for reading and paying appropriate attention to warnings, notices and instructions presented in various areas of the Intranet Services. As part of the authorization process, Franchisee may be given a User ID and password. Franchisee must provide accurate, complete, and current information, as required by SVNIC, and agrees to provide SVNIC with any updates to that information promptly after such changes occur. Franchisee agrees to comply with the terms of any third-party software license as applicable to the use of the Intranet Services and any communication from SVNIC advising of such compliance requirements.

4. DISCLAIMER AS TO CONTENT

4.1 SVNIC does not and cannot review generally the content posted by all Users at all times ("Users' Content") and is not responsible for such Users' Content. However, SVNIC reserves the right to cancel access to, and/or delete, move, or edit any Users' Content, including Franchisees', that it may determine, in its sole discretion, violates this Agreement or any law/regulation, or is otherwise inappropriate in SVNIC's judgment. Franchisee shall remain solely responsible for all Users' Content posted by Franchisee or by any other person using an account related to your SVN Franchise. SVNIC shall have the right, but not the obligation, to correct any errors or omissions in any Users' Content, as it may determine in its sole discretion. SVNIC does not and shall not be deemed to verify, endorse or in any way vouch for the accuracy, completeness, truthfulness or reliability of any service, opinion, advice, communication, information or other content on or made available through the Intranet Service.

4.2 SVNIC does not represent or endorse the accuracy or reliability of any Users' Content displayed, or posted on any social network, message board, listing service, blog or otherwise distributed

through the Intranet Services by any User, information provider or any other third party. SVNIC expressly disclaims any liability related to Users' Content, and you acknowledge that any reliance upon such Users' Content shall be at your sole risk.

5. OWNERSHIP OF CONTENT AND EXPECTATION OF PRIVACY

5.1 Franchisee acknowledges and agrees that SVNIC may reproduce, distribute, transmit, or publish any software, file, information, communication or other content received or accessed through the Intranet Services.

5.2 Upon the execution of this Agreement, SVNIC will create personal "svn.com" email addresses and accounts for Franchisee and its employees, independent contractors and representatives who will be working on SVN related business. These addresses and accounts will provide Franchisee and its employees, independent contractors and representatives with access to our Technology Systems, including, but not limited to, Google Apps and BuildOut™. SVNIC may charge Franchisee a fee for access to and use of the online marketing system, which is currently "BuildOut," and for any other online software program it may provide Franchisee access to (e.g., CoStar™). SVNIC will provide initial passwords to Franchisee for use in setting up personal "svn.com" email accounts. Once account setup is complete, Franchisee agrees to change all initial passwords to unique passwords, which password will be unknown to SVNIC and others. After Franchisee and its employees, independent contractors and representatives change the initial passwords, SVNIC will not have access to Franchisee's personal "svn.com" email accounts.

5.3 Franchisee agrees to pay SVNIC the then-current "Google Suite Licensing Fee," which is currently Forty Dollars (\$40) per each active "svn.com" email address/account at the Franchise business per calendar quarter, upon receipt of invoice from SVNIC. SVNIC may upgrade its email hosting plan and increase the Google Suite Licensing Fee accordingly. SVNIC will provide Franchisee with 30 days' prior written notice of any increase to the Google Suite Licensing Fee. SVNIC will charge Franchisee for each active "svn.com" email address/account assigned to Franchisee, its employees, independent contractors and representatives, at the end of each calendar quarter. Franchisee may continue to pay for email addresses/accounts assigned to its employees, independent contractors, and representatives, after such individuals have ceased to be employed or hired by Franchisee. The email passwords will be changed for all such accounts.

5.4 Franchisee acknowledges and agrees that SVNIC is not responsible or liable for the privacy in or to any communications transmitted via the Intranet Services. In the event of a dispute between you and your employee, an independent contractor, or representative, or another individual or entity, SVNIC will only produce related emails, attachments to emails and/or email history in SVNIC's possession in response to a legal request in writing, signed by an authorized official of the requesting agency and issued under an appropriate law (e.g., a subpoena, court order, warrant, etc.) If SVNIC believes a request is overly broad, SVNIC will seek to narrow it. SVNIC will attempt to notify you via email before any information is disclosed. SVNIC reserves the right to voluntarily produce (e.g., without a subpoena, court order, etc.) any and all documents, including, but not limited to, yours, your employees, independent contractors and representatives' emails, and any attachments thereto, that are sent to or sent from SVNIC and thus in SVNIC's possession, in order to defend SVNIC and its Related Parties.

5.5 Franchisee acknowledges and agrees that SVNIC is not responsible for or obligated to "back-up" any email data pertaining to Franchisee's personal "svn.com" email accounts. Provided they

obtain appropriate authorization in advance, Franchisee is permitted to back-up and obtain access to any email data of its employees, independent contractors and representatives both during their engagement with Franchisee and/or during a 30-day period following a termination.

6. MISUSE OF ACCOUNT/PASSWORDS

No Franchisee or employee, independent contractor or representative shall use another User's account/password.

7. MODIFICATIONS TO INTRANET SERVICES AND THIS AGREEMENT

7.1 SVNIC may, at any time, by notice published electronically using the Intranet Services, modify this Agreement and/or Intranet Services User policies. Franchisee will comply with all such modifications/policies.

7.2 SVNIC, in its sole discretion and without notice, may discontinue, add to or revise any part of the Intranet Services and modify, supplement, delete, discontinue or remove any Content appearing on or transmitted through the Intranet Services.

7.3 If SVNIC advises you that all or part of the Manuals or other specifications, standards and operating procedures are posted on a website or dashboard, you agree that it is your responsibility to monitor the website and/or dashboard for any changes, additions or deletions in the information provided.

7.4 Failure to comply with the terms of this Agreement may result in disciplinary action (including possible termination of any SVN Franchise relationship) and/or subject Franchisee to termination of Franchisee's rights under this Agreement and/or legal action by SVNIC.

8. INTRANET SERVICES AVAILABILITY AND TERM

8.1 SVNIC uses reasonable efforts to sustain system availability. SVNIC is not responsible for any down time. SVNIC is not responsible for any technical difficulties resulting from the Internet access, computer hardware or software, or otherwise.

8.2 SVNIC reserves the right, in its sole discretion, to restrict, suspend or terminate Franchisee's right to use all or any part of the Intranet Services at any time without cause, notice or liability and without any obligation.

8.3 SVNIC may change, suspend or discontinue all or any aspect of the Intranet Services, including any related database or Content, at any time, without prior notice or liability.

8.4 This Agreement will automatically terminate at such time as Franchisee is no longer an SVN Franchisee, unless earlier terminated as provided in this Agreement. Upon termination, transfer or expiration of this Agreement, you agree to immediately pay to us any amounts then owed to us and/or an Affiliate or designee and discontinue all use of, and to return to us upon our request and as applicable, any software, technology, materials, documents, disks, manuals or any other information provided to you by us, including any backup copies. The confidentiality, non-disclosure and non-use provisions of Sections 1 and 2, above, as well as the provisions of the Franchise Agreement, including, but not limited to, Sections 5, 9, 10, 12, 13, 15, 16, 17, 18 and 19 shall survive the termination, transfer

and/or expiration of this Agreement, along with any other provision that by its nature survives such termination, transfer and/or expiration.

9. COPYRIGHT AND LICENSES

9.1 SVNIC reserves all copyrights and other rights in and to any Content available through the Intranet Services and which is identified as, claimed by SVNIC as, or known by Franchisee to be, proprietary to SVNIC or other User. The Content on the Intranet Services is protected under applicable copyright law, including as a collective work. All copying, modification, distribution, publication or other use by Franchisee, or by any user of Franchisee's account, of any such Content or other works is prohibited, except as expressly permitted by SVNIC.

9.2 Franchisee grants to SVNIC and its Related Parties a non-exclusive, paid-up, perpetual and worldwide right to copy on any medium, distribute, display, perform, translate, adapt, modify and otherwise use in connection with the business of SVNIC and its Related Parties any and all software, files, information, communications and other content which Franchisee places on the Intranet.

10. USE OF DATA, INFORMATION, AND COMMUNICATIONS.

Franchisee acknowledges and agrees that SVNIC may share with other persons or entities User lists. "User lists" includes name and other identifying data of Franchisees and other users.

Franchisee acknowledges that User lists may be used for:

1. Directing e-mail or other communications from SVNIC to the Franchisee.
2. Sharing User Lists with SVN franchises and Related Parties.
3. Directing limited commercial or promotional communications to Franchisees pursuant to SVNIC's Supplier Program.
4. Other uses as deemed appropriate solely by SVNIC for its internal information and records and for the conduct of business between SVNIC and its franchises and Related Parties.

SVNIC may provide information and records relating to Franchisee and Users to courts, law enforcement agencies, or others involved in prosecuting claims or investigations upon request for conduct or conditions alleged or believed to be illegal or to violate or threaten the rights of any person or entity.

11. MISCELLANEOUS PROVISIONS

11.1 SVNIC can limit access for any additional authorized User for your SVN Franchise to certain website pages and/or portions of the Intranet Services; can require such User to sign an authorized User's agreement in a form approved and provided to you by SVNIC; and reserves the right to charge a reasonable fee for any such additional User. You agree in all events that you are responsible for ensuring that your employees, agents and representatives do not have access to the Intranet Services and Content unless authorized in writing by SVNIC and as provided in this Agreement.

11.2 Franchisee may not use, access, copy or disclose, or permit any other person/entity to

use, access, copy or disclose, any Content in any manner after the termination of this Agreement unless it is clearly available to the general public.

11.3 Intranet Services and Content are Confidential Information for purposes of the Franchise Agreement and Franchisee shall treat them accordingly.

11.4 Franchisee represents and warrants that Franchisee has purchased or intends to purchase shortly computer equipment and system components (the "Computer Equipment") meeting our standards and specifications as of the date of this Agreement. You understand and agree that SVNIC has the right to modify the Computer Equipment specifications from time to time and that your Computer Equipment may or may not be compatible with, or upgradeable to meet, any new specification necessary to operate the Intranet Services or any component at a future date.

11.5 You acknowledge and agree that the Intranet Services and/or Content, now or in the future, may contain a utility or employ a security device designed to prevent unauthorized use if this Agreement and/or the Franchise Agreement is terminated or you default under any term of this Agreement or the Franchise Agreement. IF YOU HAVE BEEN NOTIFIED BY US IN WRITING OF A DEFAULT UNDER THIS AGREEMENT OR NOTIFIED BY US OF A DEFAULT UNDER THE FRANCHISE AGREEMENT, OR IF THIS AGREEMENT EXPIRES OR IS TERMINATED FOR ANY REASON, YOU MAY NOT HAVE ACCESS TO ANY CONTENT OR YOUR DATA AND YOU MAY EXPERIENCE A DISRUPTION OF BUSINESS AS A RESULT OF AN INABILITY TO ACCESS OUR INTRANET SERVICES AND/OR DATA. You acknowledge and agree that security of the systems is essential to preserve, among other things, the goodwill of the SVN Franchise system and may be accidentally or inadvertently activated. Under no circumstances will SVNIC or any of its Related Parties or designees be liable to you for any damages, regardless of the nature or source, resulting from the activation of this security utility or device at any time during or after the term of this Agreement.

11.6 You agree to require your employees, agents, contractors or other parties authorized by you (and by us) for access to the Intranet Services and/or Content to abide by the terms and conditions of this Agreement/any additional User agreement and to be responsible for their failure to comply therewith.

11.7 To the extent that any provision of this Agreement conflicts with the terms of the Franchise Agreement, the Franchise Agreement shall control.

12. DEFAULT AND TERMINATION

12.1 SVNIC reserves the right to restrict, suspend or terminate Franchisee's right to use all or any part of the Intranet Services at any time without cause, notice or liability and without any obligation, if Franchisee is in default of any SVN Franchise Agreement or any other Agreement between SVNIC and/or SVNIC's Related Parties and Franchisee.

12.2 This Agreement may be terminated as follows:

i. Termination with Right to Cure: If either party defaults in the performance of any term or condition of this Agreement such party shall have 30 days after receipt of written notice to cure such default by correcting the same. If the defaulting party fails to cure such default within the 30-day period, the party not in default shall have the right to terminate this Agreement without further notice to the other party. A default by you under this Agreement includes but is not limited to a failure

to pay any fee obligation on a timely basis, to remain in Good Standing under any SVN Franchise Agreement or to use the Intranet Services and/or Content as intended by this Agreement.

ii. Termination by Us without Opportunity to Cure: SVNIC may choose in our sole discretion to terminate this Agreement, effective upon delivery of written notice to you and without opportunity to cure, if you:

- a. Cease to be an SVN Franchisee or Franchisee Owner;
- b. Breach any non-disclosure provision of this Agreement or terms of use; or
- c. Attempt an unauthorized transfer of this Agreement or any property provided to you hereunder.

13. DISCLAIMER OF WARRANTIES AND EXCLUSION OF LIABILITY

13.1 **"AS IS, AS AVAILABLE."** THE INTRANET SERVICES AND THE CONTENT ARE DISTRIBUTED ON AN "AS IS, AS AVAILABLE" BASIS. NEITHER SVNIC, ANY THIRD-PARTY CONTENT/HOSTING SERVICES/DEVELOPMENT SERVICES PROVIDERS, NOR OUR OR THEIR RESPECTIVE AGENTS MAKE ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICE, ANY CONTENT OR ANY PRODUCTS OR SERVICES SOLD THROUGH THE SERVICE. YOU EXPRESSLY AGREE THAT THE RISK AS TO THE QUALITY AND PERFORMANCE OF THE SERVICE AND THE ACCURACY OR COMPLETENESS OF THE CONTENT IS ASSUMED SOLELY BY YOU. NEITHER SVNIC NOR ANY PROVIDER OF THIRD-PARTY CONTENT/HOSTING SERVICES/DEVELOPMENT SERVICES OR OUR OR THEIR RESPECTIVE AGENTS WARRANT THAT THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE; NOR DOES SVNIC, ANY THIRD-PARTY CONTENT PROVIDER, OR THEIR RESPECTIVE AGENTS MAKE ANY WARRANTY AS TO THE RESULTS TO BE OBTAINED FROM USE OF THE SERVICE OR THE CONTENT.

13.2 NEITHER SVNIC, ANY THIRD-PARTY CONTENT PROVIDER NOR OUR OR THEIR RESPECTIVE AGENTS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE SERVICE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.3 SOME JURISDICTIONS DO NOT ALLOW EXCLUSION OF IMPLIED WARRANTIES OR LIMITATION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. IN SUCH JURISDICTIONS, THE LIABILITY OF SVNIC, THIRD PARTY CONTENT PROVIDERS AND THEIR RESPECTIVE AGENTS SHALL BE LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW.

14. INDEMNITY

Franchisee hereby agrees to indemnify, defend and hold SVNIC and its Related Parties, and all of their respective officers, directors, members, employees, owners, agents, information providers, affiliates, SVNICs and approved suppliers (collectively, the "SVNIC Representatives") harmless from and against any and all liability, losses, costs and expenses (including attorneys' fees, and interest on such costs and expenses) incurred by SVNIC or any SVNIC Representative in connection with any claim by a third party arising out of any use of the password and/or the Intranet Services by Franchisee, including but not limited to any violation of this Agreement or placement on or over, or retrieval from or through,

the Intranet Services of any software, file, information, communication or other content. SVNIC reserves the right, at its own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification.

15. ASSIGNS, CONDITIONS TO TRANSFER, CUMULATIVE RIGHTS

This Agreement is binding on the undersigned and their assigns and successors. Transfer or assignment of Franchisee’s rights or delegation of obligations under this Agreement and/or in connection with Intranet Services is prohibited and any attempted transfer will be void. SVNIC can assign or delegate in whole or in part any or all of SVNIC’s rights and/or duties under this Agreement. Any invalid or unenforceable provision shall be deemed modified to the extent required, and the parties shall be bound thereby. SVNIC’s failure to exercise any remedy hereunder shall not be construed as a waiver of any of its rights hereunder. The rights and remedies provided in this Agreement are cumulative and neither party will be prohibited from exercising any rights or remedies under this Agreement or as permitted under law.

IN WITNESS WHEREOF, the parties hereof have executed this Agreement as of the Effective Date.

“SVNIC”

SVN International Corp., a Delaware corporation

By: _____

Its: _____

“FRANCHISEE”

(Print name of Franchisee here)

- [an individual, as sole proprietor]
- [a corporation]
- [a partnership]
- [a limited liability company]

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

**EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT
RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

**RENEWAL ADDENDUM
TO THE SVN FRANCHISE AGREEMENT**

This **RENEWAL ADDENDUM TO THE SVN FRANCHISE AGREEMENT** (this "Addendum") is attached to and made a part of that certain Franchise Agreement, including all exhibits thereto, executed contemporaneously herewith and dated effective as of _____, 20__, (the "Effective Date") by and between SVN International Corp., a Delaware corporation ("SVNIC"), and _____, [an individual, as sole proprietor] [individuals] [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as "Franchisee" or "you," (the "Franchise Agreement") with reference to the following facts:

RECITALS

WHEREAS, SVNIC and Franchisee have executed the Franchise Agreement effective as of the expiration date of the Franchisee's existing Franchise Agreement (the "Existing Agreement"), with respect to that certain Franchise at the Franchisee Business Address.

WHEREAS, capitalized terms used in this Addendum shall have the meaning as set forth in the Franchise Agreement, unless otherwise provided herein.

NOW, THEREFORE, the parties agree as follows:

1. Initial Franchise Fee. Notwithstanding anything to the contrary in Section 4.1 of the Franchise Agreement, you shall not be required to pay an Initial Franchise Fee to SVNIC.
2. Renewal Fee. You shall pay a renewal fee of \$5,000 to SVNIC simultaneously with your execution of this Agreement in accordance with Section 3.2 of the Existing Agreement.
3. Royalties and Minimum Annual Royalty. Notwithstanding anything to the contrary in Sections 4.2 and 4.6 of the Franchise Agreement, the parties acknowledge and agree that all Royalties, including the applicable Minimum Annual Royalty, shall be calculated and paid under the Franchise Agreement as though the Franchise Agreement had been in effect since the beginning of the calendar year in which it is executed and without any pro rata adjustments in amounts due thereunder.
4. Term. The renewal term shall be for a period of five (5) years. Under certain circumstances, SVNIC may, in its sole discretion, allow you to renew for a shorter or longer period of time up to ten (10) years.
5. Training. You acknowledge that you received all training promised to you under the Existing Agreement.
6. Pre-Opening Services. You acknowledge with respect to Section 5.2.1 of the Franchise Agreement that you have already received one copy of the Manuals pursuant to the Existing Agreement.
7. Insurance. Franchisee must meet as of the Effective Date of the Franchise Agreement and demonstrate to SVNIC upon request and to its satisfaction that Franchisee has met during the term of the

Existing Agreement, the insurance coverage requirements established by SVNIC under Section 14.1 of the Franchise Agreement and as specified in the Manuals.

8. Effect of Addendum. Except as expressly amended by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict or inconsistency between the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed effective as of the "Effective Date" of the Franchise Agreement.

"SVNIC"

SVN International Corp., a Delaware Corporation

By: _____

Its: _____

Date: _____

"Franchisee"

[Print name of Franchisee(s) here]

- [an individual, as sole proprietor]
- [a corporation]
- [a partnership]
- [a limited liability company],

By: _____
(Signature)

Print: _____
(Print Signer's Name)

Its: _____

Date: _____

EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JULY 31, 2024

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

SVN International Corp
Balance Sheet
As of July 31, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 WF Operating -1041	\$ 227,836.78
1003 WF Payroll -9561	11,338.26
1004 WF Savings -7457	69.15
1005 WF Commercial Bus Ckg -8719	99,416.92
1006 Wells Fargo - Money Market	2,584,945.24
1072 Bill.com Money Out Clearing	1,449.00
1073 Schwab Investment	562,337.55
Total Bank Accounts	3,487,392.90
Accounts Receivable	
Accounts Receivable	464,191.43
Reserve for Doubtful Accounts	(246,505.11)
Total Accounts Receivable	217,686.32
Total Accounts Receivable	217,686.32
Other Current Assets	
Accrued Income - Qrtly Email	19,999.99
Deposit in Transit	1,605,655.65
Due to/from SVNIA	7,935.34
Prepaid Expense	309,899.84
Royalty Receivable	115,765.96
Total Other Current Assets	2,059,256.78
Total Current Assets	5,764,336.00
Other Assets	
Security Deposit	4,700.00
Total Other Assets	4,700.00
TOTAL ASSETS	\$ 5,769,036.00
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	\$ 229,474.85
Total Accounts Payable	229,474.85
Credit Cards	
2100 Amex Sales - 61008	(177,785.36)
2101 Leslie Bateman - 61107	324.95
2102 Zachary Munroe - 61115	66,234.32
2103 Joseph Jensen - 61131	288.52
2104 Cameron Williams - 61149	32,823.85
2105 John Gettas - 61156	9,430.90

2106 Eran Greenberg - 62162	16,588.06
2107 Mariel English - 61172	43,052.67
2108 Xavier Mufraggi - 61180	9,751.62
2109 - Samuel Crampton - 61198	1,621.22
2110 Stephanie Shuey - 61206	704.75
Total 2100 Amex Sales - 61008	3,035.50
2200 Amex Ops - 91001	(2,251,643.94)
2201 Soloman Poretsky - 91050	56,516.15
2203 Sarah Vincent - 92140	2,210,600.40
Total 2200 Amex Ops - 91001	15,472.61
2300 Amex Purchasing - 91003	(79,545.03)
2301 Julian Banuelos - 14007	25,475.61
2302 ASC - 73002	57,850.10
Total 2300 Amex Purchasing - 91003	3,780.68
Total Credit Cards	22,288.79
Other Current Liabilities	
Accrued Liabilities	150,228.71
Accrued State Taxes	21,704.40
Deferred Conference Costs/Sponsorships	9,000.00
Deferred Revenue	11,595.15
Total Other Current Liabilities	192,528.26
Total Current Liabilities	444,291.90
Long-Term Liabilities	
Due to RIC	237,765.48
Total Long-Term Liabilities	237,765.48
Total Liabilities	682,057.38
Equity	
Common Stock	51.30
Opening Balance Equity	99,416.92
Paid in Capital	6,183,405.20
Retained Earnings	(1,582,764.26)
Shareholder Distribution	-
Kevin M Note Receivable	(212,378.68)
Total Shareholder Distribution	(212,378.68)
Net Income	599,248.14
Total Equity	5,086,978.62
TOTAL LIABILITIES AND EQUITY	\$ 5,769,036.00

These financial statements have not been audited, reviewed, or compiled and no assurance is provided on them. The statements omit all disclosures, the statement of stockholders' equity and cash flows as required by GAAP.

SVN International Corp
Profit and Loss
January - July, 2024

	Total
Income	
1-Royalty Revenue	\$ 5,487,644.94
Initial Franchise Fee	91,000.00
Reimbursed Software Revenue	
Email	
3400 Quarterly Email Revenue	144,124.99
3401 Email Costs	(157,119.80)
Total Email	(12,994.81)
Marketing	
3300 Marketing Revenue	539,730.00
3301 Marketing - Build-Out Costs	(467,907.70)
Total Marketing	71,822.30
Reonomy	
3200 Reonomy Subscription Revenue	66,372.21
3201 Reonomy Cost	(77,572.21)
Total Reonomy	(11,200.00)
Yardi	
3101 Yardi Expense	(875.00)
Total Yardi	(875.00)
Total Reimbursed Software Revenue	46,752.49
Total Income	5,625,397.43
Gross Profit	5,625,397.43
Expenses	
86000 Bad Debt Expense	(25,583.79)
Conferences / Events	
71310 Jumpstart	96,242.90
79000 National Conference	768,771.06
79000-1 National Conference Reimbursements	(266,902.17)
Total 79000 National Conference	501,868.89
79800 Partners Circle	137,396.68
79801 Partner Circle Reimbursements	(273.02)
Total 79800 Partners Circle	137,123.66
79900 ICSC	104,077.63
Total Conferences / Events	839,313.08
Marketing & Promotions	
Advertising	
73005 Advertising - RL	63,000.00
73006 Advertising Cost	41,327.75
73800 Advertising Material & Printing	8,303.47
73900 Marketing Take Away Materials	8,844.93
73901 Awards & Gifts - Franchises	1,076.87
73902 Tradeshow Expense	3,087.20

Total Advertising	125,640.22
Total Marketing & Promotions	125,640.22
Office Cost	
50000 Bank fees	13,450.53
64300 Subscriptions & Memberships	12,036.75
65000 Rent	28,200.00
65300 Utilities	7,704.72
65500 Parking - Monthly Expense	121.40
65900 Software License & Maintenance Fees	73,217.61
66101 Company Meetings	10,000.00
68400 Office Supplies - General	3,912.63
68600 Postage & Shipping	2,645.89
68900 Offsite Storage	1,881.32
69100 Business License Fees	13,532.95
69500 General Liability Insurance	58,215.33
69501 Charity	102.99
69502 QuickBooks Payments Fees	20,123.90
69550 Cyber Insurance	2,057.90
Total Office Cost	247,203.92
Personnel Cost	
63900 Background Check / Screening	943.76
67000 Payroll Expense	878,658.07
Total Personnel Cost	879,601.83
Professional Fees	
62900 Outsourced Services	339,202.37
63000 Consulting	71,920.00
80000 Legal Fees - General	138,942.50
81000 Accounting and Audit Fees	112,928.00
Total Professional Fees	662,992.87
Travel	
78000 Airfare/Train	12,376.23
78100 Auto Mileage	5,186.06
78200 Auto Rental	1,578.57
78250 Travel - Taxis	166.10
78400 Lodging	7,962.84
78600 Travel Meals	396.40
78700 Business Entertainment	36.80
78900 Meals and Entertainment	8,322.28
Franchise Support Travel	279.26
Total Travel	36,304.54
Total Expenses	2,765,472.67
Net Operating Income (Loss)	2,859,924.76
Other Income	
85500 Interest Income	19,411.36
Dividends / ST Cap Gains	72,236.68
Min. Royalty Revenue	130,000.00
Total Other Income	221,648.04

Other Expenses	
80006 Management Fee	2,702,000.00
85100 Other Expenses - one-time costs (legal/recruiting)	4,052.32
Other Miscellaneous Expense	26.72
88000 State Income Taxes	22,245.62
Total Other Miscellaneous Expense	22,272.34
Total Other Expenses	2,728,324.66
Net Other Income (Loss)	(2,506,676.62)
Net Income (Loss)	\$ 353,248.14

These financial statements have not been audited, reviewed, or compiled and no assurance is provided on them. The statements omit all disclosures, the stockholders' equity and cash flows as required by GAAP.

SVN INTERNATIONAL CORP.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023, 2022 AND 2021
AND
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
SVN International Corp.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of SVN International Corp. (a Delaware Subchapter S-Corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 2023 and 2022 financial statements referred to above present fairly, in all material respects, the financial position of SVN International Corp. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SVN International Corp. 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.

Prior Period Financial Statements

The financial statements of SVN International Corp. as of December 31, 2021 were audited by other auditors whose report dated March 18, 2022 expressed an unmodified opinion on those statements.

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 SVN International Corp.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SVN International Corp.'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 SVN International Corp.'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.

MRRR Group, P.C.

Southfield, Michigan
February 26, 2024

SVN INTERNATIONAL CORP.

BALANCE SHEETS
DECEMBER 31, 2023, 2022 AND 2021

ASSETS

	2023	2022	2021
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,867,095	\$ 1,647,730	\$ 3,536,959
Marketable securities	502,595	-	-
Production royalties receivable	340,556	533,209	784,126
Accounts receivable, net of allowance of \$76,895, \$44,000, and \$147,792	223,635	344,911	99,843
Related party receivable	7,935	360,059	306,022
Prepaid expenses and other assets	1,516,571	1,845,826	294,758
Total current assets	5,458,387	4,731,735	5,021,708
TOTAL	\$ 5,458,387	\$ 4,731,735	\$ 5,021,708

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:			
Accounts payable	\$ 573,958	\$ 468,523	\$ 630,230
Accrued liabilities	385,221	323,792	449,015
Deferred revenue	110,895	46,776	271,420
Total liabilities	1,070,074	839,091	1,350,665
STOCKHOLDERS' EQUITY:			
Class A Common stock, par value of \$0.001; 100,000 shares authorized, 51,000 shares issued and outstanding	51	51	51
Class B Common stock, par value of \$0.001; 100,000 shares authorized, 51,000 shares issued and outstanding	51	51	51
Additional paid-in capital	6,183,405	6,183,405	6,183,405
Notes due from stockholders	(212,379)	(206,110)	(200,026)
Accumulated deficit	(1,582,815)	(2,084,753)	(2,312,438)
Total stockholders' equity	4,388,313	3,892,644	3,671,043
TOTAL	\$ 5,458,387	\$ 4,731,735	\$ 5,021,708

See notes to financial statements.

SVN INTERNATIONAL CORP.

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
REVENUES:			
Production royalties	\$ 8,720,757	\$ 10,059,015	\$ 10,153,590
Marketing revenue	928,870	780,244	822,900
Other revenue	117,711	295,973	372,075
	9,767,338	11,135,232	11,348,565
OPERATING EXPENSES:			
Salaries, benefits, and related expenses	5,461,333	6,938,838	7,364,452
General and administrative	2,858,771	2,837,938	1,767,112
Marketing expense	939,160	1,120,339	1,131,459
	9,259,264	10,897,115	10,263,023
OPERATING INCOME	508,074	238,117	1,085,542
OTHER INCOME (EXPENSE):			
Interest and investment income	29,176	52,200	43,496
Other expense	-	-	(13,951)
Gain on PPP loan forgiveness	-	-	249,000
	29,176	52,200	278,545
INCOME BEFORE TAXES	537,250	290,317	1,364,087
INCOME TAXES	35,312	62,632	34,403
NET INCOME	\$ 501,938	\$ 227,685	\$ 1,329,684

See notes to financial statements.

SVN INTERNATIONAL CORP.

**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Notes Due From Stockholder	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
BALANCES, DECEMBER 31, 2020	51,000	\$ 51	51,000	\$ 51	\$ 6,183,405	\$ (194,121)	\$ (3,642,122)	\$ 2,347,264
Interest on notes due from stockholders	-	-	-	-	-	(5,905)	-	(5,905)
Net income	-	-	-	-	-	-	1,329,684	1,329,684
BALANCES, DECEMBER 31, 2021	51,000	51	51,000	51	6,183,405	(200,026)	(2,312,438)	3,671,043
Interest on notes due from stockholders	-	-	-	-	-	(6,084)	-	(6,084)
Net income	-	-	-	-	-	-	227,685	227,685
BALANCES, DECEMBER 31, 2022	51,000	51	51,000	51	6,183,405	(206,110)	(2,084,753)	3,892,644
Interest on notes due from stockholders	-	-	-	-	-	(6,269)	-	(6,269)
Net income	-	-	-	-	-	-	501,938	501,938
BALANCES, DECEMBER 31, 2023	<u>51,000</u>	<u>\$ 51</u>	<u>51,000</u>	<u>\$ 51</u>	<u>\$ 6,183,405</u>	<u>\$ (212,379)</u>	<u>\$ (1,582,815)</u>	<u>\$ 4,388,313</u>

See notes to financial statements.

SVN INTERNATIONAL CORP.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 501,938	\$ 227,685	\$ 1,329,684
Adjustments to reconcile net income to cash provided by (used in) operating activities:			
Bad debt expense - accounts receivable	106,000	96,000	60,000
Bad debt expense - note receivable	352,124		
Interest accrued on notes due from stockholder	(6,269)	(6,084)	(5,905)
Interest accrued on receivable from related party	-	(46,102)	(37,582)
Gain on forgiveness of PPP loan	-	-	(249,000)
Changes in operating assets and liabilities:			
Production royalties receivable	192,653	250,917	(124,094)
Accounts receivable	15,276	(341,068)	(22,182)
Related party receivable	-	(7,935)	(50,000)
Prepaid expenses and other assets	329,255	(1,551,068)	226,526
Accounts payable	105,435	(161,707)	556,386
Accrued liabilities	61,429	(125,223)	69,132
Deferred revenue	64,119	(224,644)	255,445
	<u>1,721,960</u>	<u>(1,889,229)</u>	<u>2,008,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of marketable securities	(502,595)	-	-
	<u>(502,595)</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	(502,595)	-	-
	<u>(502,595)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,219,365	(1,889,229)	2,008,410
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,647,730</u>	<u>3,536,959</u>	<u>1,528,549</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,867,095</u>	<u>\$ 1,647,730</u>	<u>\$ 3,536,959</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	\$ -	\$ -	\$ -
Income taxes	12,173	62,632	34,403

See notes to financial statements.

SVN INTERNATIONAL CORP.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021**

NOTE 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of operations - SVN International Corp., formerly known as Sperry Van Ness International Corporation (the "Company") is a Delaware Subchapter S-Corporation which was formed on May 18, 2001. The primary purpose of the Company is to offer franchise licenses to individuals and companies (collectively, the "Affiliates") for the operation of commercial real estate brokerage businesses, providing services in connection with the listing, offering, selling, purchasing, exchanging, leasing and renting of commercial real estate property under the trade name of "SVN", in exchange for a production royalty fee.

Basis of presentation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash and cash equivalents - The Company considers as cash and cash equivalents all investments with a maturity of three months or less at the date of purchase. Cash and cash equivalents include accounts held at financial institutions which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. At December 31, 2023, 2022 and 2021, the Company had approximately \$745,000, \$1,164,000 and \$3,330,000, respectively, in cash and cash equivalent balances in excess of the FDIC insurance limits. Cash and equivalents held in money market mutual funds are covered by Securities Investor Protection Corporation (SIPC). At December 31, 2023, the company had approximately \$1,316,000 in mutual funds in excess of the SIPC insurance limits.

Concentrations - The Company's revenues are generated primarily from transactions in the commercial real estate industry. The commercial real estate industry's performance has a direct impact on the Company's financial results. The commercial real estate market is impacted by numerous factors, including, but not limited to, the general economy, interest rates and demand for real estate in local markets.

Production royalties receivable - Production royalties receivables consist of production royalty revenue fees due from the Company's Affiliates. These receivables are usually collected within 10 days. The risk of uncollectable amounts is limited and historically has been insignificant. Uncollectible accounts are written off against an allowance for credit losses.

Accounts receivable - Accounts receivable consists primarily of initial franchise fees, marketing fees and other revenue fees due from the Company's Affiliates. These receivables are usually collected within 90 to 180 days. Uncollectible accounts are written off against an allowance for credit losses.

Allowance for credit losses - The allowance for credit losses represents an estimate of the lifetime expected credit losses inherent in receivables as of the balance sheet date. Additions to the allowance for credit losses are made by recording charges to bad debt expense on the statement of operations. The uncollectible portion of receivables is charged to the allowance for credit losses when the account is deemed to be uncollectible, taking into consideration the financial condition of the customer or borrower.

SVN INTERNATIONAL CORP.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021**

NOTE 1 - Business and Summary of Significant Accounting Policies - (Continued)

Write-offs on receivables include uncollected amounts. Recoveries on receivables previously charged off as uncollectible are credited to the allowance for credit losses.

Changes in the allowance for credit losses during the year were as follows:

	2023	2022	2021
Allowance for credit losses, beginning of year	\$ 44,000	\$ 147,792	\$ 97,587
Bad debt expense – accounts receivable	106,000	96,000	60,000
Write-offs	<u>(73,105)</u>	<u>(199,792)</u>	<u>(9,795)</u>
Allowance for credit losses, end of year	\$ <u>76,895</u>	\$ <u>44,000</u>	\$ <u>147,792</u>

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Recently adopted accounting pronouncements - Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model based on current expected credit losses (CECL) rather than incurred losses. Estimated credit losses under CECL consider relevant information about past events, current conditions and reasonable and supportable forecasts that affect the collectability of financial assets, resulting in recognition of lifetime expected credit losses at initial recognition of the related asset.

The Company elected the modified retrospective transition method where they elected to apply a lifetime expected credit loss to trade receivables which included historic write offs, current conditions and reasonable and supportable forecasts of future losses. The adoption and transition of this guidance did not have a material impact in prior years of the Company's financial statement, therefore, there has been no cumulative-effect adjustment to retained earnings in the period of adoption. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods.

Reclassifications - Certain reclassifications were made to the 2021 and 2022 financial statements to conform to the 2023 presentation.

Events occurring after reporting date - The Company has evaluated events and transactions that occurred between December 31, 2023 and February 26, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There have been no material subsequent events that occurred during such period that would require disclosure in this report or would be required to be recognized in the financial statements as of December 31, 2023.

SVN INTERNATIONAL CORP.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021

NOTE 2 - Revenue From Contracts with Customers

Production royalty revenue - Production royalty revenues are earned from Affiliates in accordance with their respective franchise agreements and are presented on a net basis in the statements of income. Production royalties are calculated as a percent of the Affiliates net transaction income. The sales-based royalty fee is considered variable consideration and is recognized as revenue as transaction commission are earned by the Affiliates. As such, the sales-based royalty fee qualifies for the royalty constraint exception and does not require an estimate of future transaction price. In connection with the Company's franchise agreements, the Company is obligated to provide certain services to its franchisees, as defined. Such services include, but are not limited to, providing certain training, access to interactive software, access to National Advisors, and national and regional brand marketing services.

Marketing fee revenue - Marketing fee revenues are earned from Affiliates in accordance with their respective franchise agreements and are presented on a gross basis in the statements of income. Marketing fees are charged as a fixed amount per the agreement and are for advertising costs for benefit of the franchisees. All advertising, branding and marketing costs are presented in marketing expense on the statements of income and are expensed as incurred.

Other revenue - Other revenues consist of initial franchise fees, auction services, property management fees and other revenue. Other revenue consists of the following at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Initial franchise fees	\$ 116,501	\$ 198,830	\$ 323,197
Other	<u>1,210</u>	<u>97,142</u>	<u>48,878</u>
Total other revenue	\$ <u>117,711</u>	\$ <u>295,972</u>	\$ <u>372,075</u>

Initial franchise fees consist of initial fees paid by franchisees at the start of the agreement and renewal fees. The fixed non-refundable fee, as determined by the signed development and/or franchise agreement, is due at the time the franchise agreement is entered into, and/or when the franchise agreement is signed, and does not include a finance component. The Company has elected practical expedient provided by ASU 2021-02 which allows the Company to account for its pre-opening services as distinct from the franchise license and as a single performance obligation, which generally occurs upon completion of training as this is when all material obligations have been performed and conditions have been satisfied.

Cost to obtain contracts - The Company does not incur any costs to obtain contracts.

SVN INTERNATIONAL CORP.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021**

NOTE 2 - Revenue From Contracts with Customers - (Continued)

Disaggregation of revenue from contracts with customers - The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Performance obligations satisfied over time	\$ 9,649,627	\$ 10,839,260	\$ 10,976,490
Performance obligations satisfied at a point in time	<u>117,711</u>	<u>295,972</u>	<u>372,075</u>
Total revenue	<u>\$ 9,767,338</u>	<u>\$ 11,135,232</u>	<u>\$ 11,348,565</u>

The production royalties, marketing revenue, auction services and property management fees are recognized over time through the duration of the month of billing and all amounts billed through year end have been recognized.

Contract balances - The timing of revenue recognition, billings and cash collections results in accounts receivable, contract assets and contract liabilities on the balance sheet. The Company has no material contract assets and contract liabilities include billings or cash collections in excess of revenue recognition at December 31, 2023, 2022 and 2021. The beginning and ending contract balances as of December 31 were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Production royalties receivable	\$ 340,556	\$ 533,209	\$ 784,126	\$ 660,032
Accounts receivable	<u>223,635</u>	<u>344,911</u>	<u>99,843</u>	<u>137,661</u>
Total receivables	<u>\$ 546,191</u>	<u>\$ 878,120</u>	<u>\$ 883,969</u>	<u>\$ 797,693</u>
Deferred revenue	<u>\$(110,895)</u>	<u>\$(46,776)</u>	<u>\$(271,420)</u>	<u>\$(15,975)</u>

Significant judgments - Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; and whether constraints on variable consideration should be applied due to uncertain future events.

SVN INTERNATIONAL CORP.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021

NOTE 3 - Marketable Securities

During 2023, the Company purchased a U.S. Treasury bond with a face value of \$256,000, maturing April 25, 2024. The bond is classified as held-to-maturity and is carried at amortize cost, which approximates fair value. The carrying value of the bond was \$251,805 at December 31, 2023.

During 2023, the Company purchased a certificate of deposit with a face value of \$250,000 and a coupon rate of 5.5%, maturing October 30, 2024. The certificate of deposit is classified as held-to-maturity and is carried at amortized cost, which approximates fair value. The carry value of the certificate of deposit was \$250,790 at December 31, 2023. The certificate of deposit is included in accounts held at financial institutions which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. At December 31, 2023, the Company did not have any amounts in excess of the FDIC insurance limits.

NOTE 4 - Retirement Plan

The Company provides a defined contribution plan (the "Plan") under Section 401(k) of the Internal Revenue Code to all eligible employees who have reached the age of 21. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. Participants may contribute up to 15% of their annual eligible compensation, up to defined IRS limits. Participants are entitled to retirement benefits at age 59½. The Plan requires the Company to match 100% of contributions up to 4% of the employees' compensation. Contribution expense was \$34,945, \$40,702, and \$36,357, for 2023, 2022 and 2021, respectively, and is included in salaries, benefits, and related expenses in the accompanying statements of income.

NOTE 5 - Related Party Transactions

Stock transaction and stockholder note receivable - On January 31, 2011, the Company sold 10% ownerships interest to the President and Chief Executive Officer of the Company for \$63,000. To fund the purchase, the Company loaned the executive the funds and issued a promissory note dated February 4, 2011. The loan carries interest at 3% per annum and was due in one lump sum on or before February 4, 2014. Extensions of this note were issued through April 30, 2024. The Company recognized \$6,269, \$6,084 and \$5,904 in interest income related to this note during 2023, 2022 and 2021, respectively. The balance of the note was \$212,379, \$206,110 and \$200,026 at December 31, 2023, 2022 and 2021, respectively. The promissory note is shown as a reduction of total stockholders' equity on the accompanying balance sheets.

SVN INTERNATIONAL CORP.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021**

NOTE 5 - Related Party Transactions - Continued

On August 20, 2022, the President and Chief Executive Officer passed away. Pursuant to a Buy/Sell Agreement, the Company is obligated to purchase his Class B shares, which represent the 10% ownership interest in the Company, from his estate. As of the date of this report, the parties have tentatively reached a Memorandum of Understanding (“MOU”) regarding the appraisal and purchase price of the interest. It is the intention of the parties involved to have the purchase price of the interest reduced by the debt. A Consent Order was entered approving the MOU. Pursuant to a Miscellaneous Petition, the probate court extended the maturity date on the loans to April 30, 2024.

Commercial real estate transactions - From time to time, the Company will be a party to certain commercial real estate transactions whereby an affiliated entity of the Company is the buyer, seller, or asset manager of the property.

Real Impact Corporation - During 2014, the shareholders of the Company formed Real Impact Corporation (“RIC”) in the United States Virgin Islands. The Company and RIC entered into a Service Agreement on October 1, 2014, whereby, RIC is providing support services to the Company. These services include, but are not limited to, public relations support, brand strategy, training, and back-office support. The Company incurred outsourced service expenses to RIC of \$2,991,835, \$4,139,617 and \$4,744,756, for 2023, 2022 and 2021, respectively, which are included in salaries, benefits, and related expenses in the accompanying statements of income. In addition, the Company records the balance of support services as either prepaid expenses and other assets, or accounts payable and accrued liabilities. At December 31, 2023, 2022 and 2021 \$933,945, \$1,710,928 and \$0, respectively, is included in prepaid expenses and other assets on the accompanying balance sheets. At December 31, 2023, 2022 and 2021, \$0, \$0 and \$179,884, respectively, is included in accounts payable and accrued liabilities on the accompanying balance sheets.

Related party receivable - During 2019, the Company entered into a memorandum of understanding (“MOU”) with SFR Capital Fund I, LP (“SFR”), a franchisee of the Company. This MOU memorialized an understanding to form a non-exclusive joint venture to form an opportunistic fund for the purposes of acquiring small-scale single-family residence and built for rent investment portfolios (the “Fund”). As part of the MOU, the Company was to make available to SFR up to \$250,000 in the form of a promissory note. The Company had no obligations to contribute any funds beyond the promissory note. Additionally, the Company had a 25% carried interest in the Fund as well as any subsequent funds. As of December 31, 2023, 2022 and 2021, no amounts have been recorded for this carried interest.

Pursuant to the MOU, the Company made various advances through 2020 and 2021 totaling \$250,000. Interest accrued on these advances at a rate of 14% per annum and was due in one lump sum in April 2021. The Company recognized \$46,102 and \$37,582 in interest income related to this note during 2022 and 2021, respectively. The balance of the note was \$352,124 and \$306,022 at December 31, 2023, 2022 and 2021, respectively. During 2023, in cooperation with the settlement of the estate of the former President and CEO, the Company determined that the balance of the note is uncollectible. No interest was accrued for 2023 and the balance of \$352,124 was written-off as a bad debt and included in general and administrative expenses in the statement of income.

SVN INTERNATIONAL CORP.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021

NOTE 6 - Income Taxes

The Company has elected to be taxed as an S Corporation under the Internal Revenue Code whereby the income and losses of the Company are included in the tax returns of the individual stockholders. Accordingly, no provision for income taxes has been recorded in the financial statements, other than the applicable state statutory franchise taxes for S-Corporations.

The Company accounts for its uncertain tax positions in accordance with the Income Taxes Topic of the FASB Accounting Standards Codification. As a result, the Company applies a more-likely-than-not recognition threshold for all tax uncertainties. GAAP only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. The Company's management has reviewed the Company's tax positions and determined there were no outstanding, or retroactive tax positions with more than a 50% likelihood of being sustained upon examination by the tax authorities. Therefore, no significant uncertain tax positions have been recognized in the financial statements. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The tax years subject to examination by major tax jurisdictions include the years 2017 and forward by the U.S. Internal Revenue Service ("IRS"), and the years 2016 and forward for certain states.

NOTE 7 - Commitments and Contingencies

Litigation - The Company's commitments and contingencies include various claims and legal actions arising in the normal course of business. In the opinion of management, these matters will not have a material adverse effect on the Company's financial position or results of operations.

Franchisor obligations to the Company's franchisees - In connection with the Company's franchise agreements, the Company is obligated to provide certain services to its franchisees, as defined. Such services include, but are not limited to, providing certain training, access to interactive software, access to National Advisors, and national and regional brand marketing services.

Indemnification - The Company may enter into certain indemnification provisions under its agreements with other companies in its ordinary course of business, typically with business partners, suppliers, contractors, customers, and landlords. The Company believes the estimated fair value of these indemnification agreements is minimal and has no liabilities recorded for these agreements as of December 31, 2023, 2022 and 2021.

**EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT**

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TO THE
CONFIDENTIAL OPERATIONS MANUAL AND BRANDING GUIDE**

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**EXHIBIT G
TO FRANCHISE DISCLOSURE DOCUMENT**

LIST OF SVN FRANCHISEES

- **Current Franchisees as of December 31, 2023**
- **Franchisees who ceased to do business under the Franchise Agreement in 2023**

Current Franchisees as of December 31, 2023

Franchisee	Contact Name	Address	Phone Number	State
AVAT Realty, LLC	Andrew Agee	303 Williams Avenue SW, Suite 421 Huntsville, AL 35801	(256) 653-0065	AL
Toomey Property Advisors, LLC	Justin B. Toomey	250 Congress Street Mobile, AL 36603	(251) 680-3663	AL
JJ Mottram Company LLC	John J. Mottram	65 D Scotia Drive Mongomery, AL 36064	(334) 356 1771	AL
ArkBest Realty, LLC	Skip Davidson	724 Garland Street Little Rock, AR 72201	(501) 320-5124	AR
Desert Commercial Advisors, LLC	Danny Lee Perry Laufenberg	5343 N. 16th Street, Suite 100 Phoenix, AZ 85016	(480) 425-5510	AZ
SFRhub Marketplace, LLC	Jeffery Cline Michael Finch	15169 N Scottsdale Rd Suite 205 Scottsdale, AZ 85254	(480) 442-8395	AZ
Clovis Capital Partners, Inc.	Cameron Graham	7473 N. Ingram Avenue, Suite 104 Fresno, CA 93711	(559) 400-0830	CA
Iron Investments, Inc.	Cameron Irons	100 W. Broadway Long Beach, CA 90802	(714) 446-0600	CA
Rich Investment Real Estate Partners, Inc.	David Rich	10940 Wilshire Blvd., Suite 1600, Los Angeles, CA 90024 <u>Satellite Offices</u> located at: <ul style="list-style-type: none"> ● 2021 Sperry Avenue, Suite 21, Ventura, CA 93003 ● 611 South Palm Canyon Drive, Suite 7568 Palm Springs, CA 92264 ● 15250 Ventura Blvd., Suite #520 Sherman Oaks, CA 91403 ● 5023 N Parkway Calabasas Suite DS11 Calabasas, CA 91302 	(310) 500-1239	CA
Avamash, Inc.	Randhir "Randy" S. Hayer	189 W. El Portal Drive Merced, CA 95348	(209) 385-8500	CA
Insight Commercial, Inc.	Brett R. Larson Janet F. Kramer	41856 Ivy St. Suite #112 Murrieta, CA 92562	(951) 999-4660	CA
Axxcess Realty Advisors, LLC	Craig Morris	4350 Von Karman Ave., Suite 200 Newport Beach, CA 92660	(949) 544-3539	CA
Don Ellwanger	Don Ellwanger	P.O. Box 254776 Sacramento, CA 95865	(916) 456-8389	CA
Iron Investments, Inc.	Cameron Irons	4455 Murphy Canyon Road, Suite 200 San Diego, CA 92123	(714) 446-0600	CA
Kevin D. Chin	Kevin D. Chin	1674 Post Street, Suite 1 San Francisco, CA 94115	(415) 922-2900	CA
Capital West Group	Robin Santiago	99 South Almaden Boulevard, Suite 600 San Jose, CA 95113	(408) 601-0049	CA
KJK Inc.	Kevin Jerome King	890 Monterey St., Suite I San Luis Obispo, CA 93401	(805) 541-5464	CA

Franchisee	Contact Name	Address	Phone Number	State
MG Property Advisors Inc.	Gary Gustafson	101 Lucas Valley Road, #100 San Rafael, CA 94903	(415) 472-1660	CA
Iron Investments, Inc.	Cameron Irons	120 W. 5 th Street, Suite 210 Santa Ana, CA 92701 <u>Satellite Office</u> located at: 450 S. Melrose Dr. Vista, CA 92081	(714) 446-0600	CA
True Real Estate Partners, Inc.	Alexander Provost	1101 College Ave, Suite 210 Santa Rosa, CA 95404	(707) 387-1177	CA
Elevate Asset Management, LLC	Tony Yousif	6105 S. Main Street, Suite 200 Aurora, CO 80116	(855) 903-0056	CO
DCRG, LLC	Al Stepan Kevin Matthews Michael Thanasouras Stephen J. Kawulok Scott Maesel Brian McCririe Troy Meyer	414 14th Street, Suite 100 Denver, CO 80202 <u>Satellite Office</u> located at: 2032 Lowe Street, Suite 101 Fort Collins, CO 80525	(970) 488-3156	CO
Thomas M. Hamm & Company, Inc.	Thomas M. Hamm	54 Hedge Brook Lane Stamford, CT 06903	(203) 968-1800	CT
BDV Partners, LLC	Scott R. Maesel Ashley Barrett Bloom	1800 Corporate Blvd. NW, Suite 100 Boca Raton, FL 33431 <u>Satellite Office</u> located at: 3250 NE 1st Ave, Ste 305 Miami, FL 33137	(312) 676-1860	FL
Kidwell, Byron & Company	Jack "Keith" Kidwell	300 NW 33rd Avenue, Suite 205 Fort Lauderdale, FL 33309 <u>Satellite Office</u> located at: 460 West 84th Street Miami, FL 33014	(954) 771-1212	FL
First Coast Commercial Brokers, LLC	W.B. "Colin" Nicholson III W.B. "Nick" Nicholson, Jr.	4348 Southpoint Blvd., Suite 310 Jacksonville, FL 32216	(904) 281-1990	FL
Waterfront CRE, LLC	Robert Hamman Keith Kidwell	810 Saturn Street, #24 Jupiter, FL 33477 <u>Satellite Office</u> located at: 728 SE Ocean Blvd Stuart, FL 34994	(386) 547-4968	FL
Saunders Ralston Dantzler Realty, LLC	Dean Saunders Gary Ralston Todd Dantzler	1723 Bartow Rd Lakeland, FL 33801 <u>Satellite Offices</u> located at: • 356 NW Lake City Avenue Lake City, FL 32055 • 605 E. Robinson St. Orlando, FL 32801 • 203 E Monroe St. Thomasville, GA 31792	(863) 877-2841	FL

Franchisee	Contact Name	Address	Phone Number	State
McDonald & Company LLC	Frank Bartow McDonald	12250 East Highway 25 Ocklawaha, FL 32179	(352) 274-3800	FL
Alliance Commercial Real Estate Advisors	Carl Lentz Chris Butera John Trost Tim Davis	1275 West Granada Blvd, Suite 5B Ormond Beach, FL 32174	(386) 310-7900	FL
Lotus 18, LLC	Ashley Bloom J. Chris Malkin	2044 Constitution Boulevard Sarasota, FL 34231 <u>Satellite Offices</u> located at: • 4161 Tamiami Trail, #501 Port Charlotte, FL 34321 • 2401 First Street, Suite 201 Fort Myers, FL 33901	(941) 366-1004	FL
RealtyOne Real Estate Services, LLC	Larry Starr	1626 Ringling Blvd., Ste. 500 Sarasota, FL 34236 <u>Satellite Office</u> located at: 10150 Highland Manor Drive, Suite 150 Tampa, FL 33610	(941) 387-1200	FL
SouthLand Commercial, LLC	R. Carlton Dean, Jr. Francis P. Rentz	2057 Delta Way Tallahassee, FL 32303 <u>Satellite Offices</u> located at: • 3108 West 23rd Street, Panama City, FL 32405 • 186 N. Palafox Street Pensacola, FL 32502	(850) 877-6000	FL
Hokayem Company Inc.	George Hokayem	329 Oak Street, Suite 201 Gainesville, GA 30501	(770) 531-9992	GA
KD Lanclos & Associates	Damien Lanclos	752 Eagleton Dr. Martinez, GA 30907	(706) 945-6652	GA
Interstate Auction Management Corp.	John L. Johnson	3300 Holcomb Bridge Rd, Ste 240 Peachtree Corners, GA 30092	(404) 303-1232	GA
Creviston Realty, Inc.	Delman Creviston	10882 Crabapple Road, Suite 4 Roswell, GA 30075	(770) 992-5112	GA
GO Commercial, LLC	Greg Ogin	500 Ala Moana Blvd., Suite 7-400 Honolulu, HI 96813	(808) 329-6446	HI
GO Commercial, LLC	Greg Ogin	75-5722 Kuakini Hwy, Suite 214 Kailua Kona, HI 96740	(808) 329-6446	HI
HD2 Group, LLC	Heath Bullock	2700 Westown Parkway, Suite 200 West Des Moines, IA 50266	(515) 554-7412	IA
High Desert Realtors, Inc.	Kevin Cutler Randy Waters	700 S. Woodruff Avenue Idaho Falls, ID 83401	(208) 535-8520	ID
Intermountain Investments, Inc.	Heidi Mickelson	160 Second St. East, Suite 219 Ketchum, ID 83340	(208) 726-0854	ID
Core 3 Commercial Real Estate, LLC	HV Management, LLC	1707 Hamilton Road, #1A Bloomington, IL 61704	(309) 590-7900	IL

Franchisee	Contact Name	Address	Phone Number	State
Sperry Van Ness, LLC	Alfred Stepan Michael Thanasouras Scott R. Maesel	940 West Adams Street, Suite 200 Chicago, IL 60607 <u>Satellite Office</u> located at: 10275 W. Higgins Road Suite 480 Rosemont, IL 60018	(312) 676-1866	IL
Landmark Commercial Real Estate, LLC	Neil D. Johnson	25 N Third Street, Suite 200 Geneva, IL 60134	(630) 938-4950	IL
North Star Equities, Inc.	Noah Ruggieri	1801 Woodfield Dr. Savoy, IL61874	(217) 367-1700	IL
Kaiser Real Estate Corporation	Craig Kaiser	1717 E. 116th Street, Suite 201 Carmel, IN 46032	(317) 454-2241	IN
The Martin Group, Inc.	Alex Martin Andy Martin Steven Martin	4004 E. Morgan Avenue, Suite 101 Evansville, IN 47715 <u>Satellite Offices</u> located at: • 11650 Lantern Road, Suite 135 Fishers, IN 46038 • 12802 Townepark Way, Suite 100 Louisville, KY 40243	(812) 471-2500	IN
Parke Group, LLC	Diana L. Parent	110 W. Berry Street, Suite 2100 Fort Wayne, IN 46802 <u>Satellite Offices:</u> • 8445 Keystone Crossing, Suite 104 Indianapolis, IN 46240 • 115 S. Court Street, Suite E, Crown Point, IN 46307	(260) 489-8500	IN
The Hurst Group, LLC	Richard S. Hurt	15004 Linden Suite, 100 Leawood, KS, 66224	(913) 538-5568	KS
Stone Commercial Real Estate, LLC	Matthew A. Stone	270 S. Limestone Lexington, KY 40508	(859) 264-0888	KY
SVN Menish Commercial Real Estate LLC	Bill Menish	4175 Westport Road, Suite 101 Louisville, KY 40207	(502) 849-6849	KY
Gilmore Auction & Realty Co.	David E. Gilmore	909 West Esplanade Ave., Suite 105 Kenner, LA 70065	(504) 468-6800	LA
Urban Properties Real Estate, LLC	Eugene Schmitt Michael Bucher Timothy Thompson Tyler Robinson	1582 Magazine Street New Orleans, LA 70130	(504) 264-6145	LA
Parsons Commercial Group, Inc.	John R. Parsons, Jr.	1881 Worcester Road, Suite 200 Framingham, MA 01701	(508) 820 2700	MA
Safe Haven Advisors, LLC	Michael Howell	13 Steeple Street Mashpee, MA 02649 <u>Satellite Office</u> located at: 810 Saturn Street, Suite 24 Jupiter, FL 33477	(617) 270-4905	MA
Sperry Van Ness / C.M. Neville & Associates, Inc.	Constance "Connie" Neville	500 Lexington Street, #4 Woburn, MA 01801	(781) 696-6241	MA

Franchisee	Contact Name	Address	Phone Number	State
Miller Commercial Real Estate & Property Management, Inc.	Amy Miller Brent C. Miller	206 E. Main Street, Salisbury, MD 21801 <u>Satellite Offices</u> located at: • 1 Dudley Court, Bethesda, MD 20814 • 19 Bay Street Easton, MD 21601	(410) 543-2440	MD
The Masiello Group Commercial Associates, Inc.	Christopher Masiello	75 John Roberts Rd. Portland, ME 04106	(603) 283-1912	ME
Stewart Commercial Group, LLC	Dan Stewart	1310 S. Main Street, Suite 12 Ann Arbor, MI 48104	(734) 662-5097	MI
Silveri Company	Allen Emmons Glenn A. Turek Kevin Lipke	2959 Lucerne Drive, SE, Suite 110 Grand Rapids, MI 49546	(616) 949-6168	MI
David P. De Maagd	David P. De Maagd	1197 Silverstone Road Holland, MI 49424	(616) 399-3955	MI
Northco Real Estate Services, LLC	Angela Jermusek Edward Rupp Emilia Molle Frank Jermusek	1660 Hwy 100 South, Suite 330 Minneapolis, MN 55416 - 1573	(952) 820-1600	MN
Encompass Commercial Realtors, LLC	C. Sterling Scott	6651 N. Oak Trafficway, Suite 14 Kansas City, MO 64118	(816) 436-4600	MO
Infinity Commercial Real Estate Services, LLC	Mark Zvibleman	15400 S. Outer Forty Road, Ste. 204 St. Louis (Chesterfield), MO 63017	(314) 878-0303	MO
Lord Partners, LLC	Kurt Lord	11475 Olde Cabin Road, Suite 230 St. Louis, MO 63141	(314) 862-5560	MO
Holman Norden Properties LLC	William Holman	4660 Mexico Road St. Peters, MO 63376	(636) 628-2111	MO
Rankin Company, LLC	Thomas Rankin	2808 S. Ingram Mill, Suite A100 Springfield, MO 65804	(417) 887-8826	MO
Southgate Realty, LLC	Chamberlan Carothers Eugene Carothers	1700 S. 28 th Avenue, Suite C Hattiesburg, MS 39402	(601) 264-4622	MS
BlackStream Commercial, LLC	Carlos Salgado Ford Elliott Josh Howard	18 South Pack Square Asheville, NC 28803-5088	(828) 774 5535	NC
BlackStream, LLC	Carlos Salgado Ford Elliott Josh Howard	214 W Tremont Ste 203 Charlotte, NC 28203	(704) 892 5653	NC
Real Estate Associates, Inc. (Durham)	Charlene Hamlett Joe Jernigan Melissa Hamlett Miriam Wellons Seth Jernigan Whitney Wellons	3333 Durham-Chapel Hill Blvd, Suite C. Durham, NC 27707	(919) 287-2121	NC

Franchisee	Contact Name	Address	Phone Number	State
Tar Heel Commercial Realty, Inc.	Jay Taylor Kenneth Lucas	7424 Chapel Hill Rd. Raleigh, NC 27607	(919) 851-6673	NC
Efird Commercial Real Estate, LLC	J. Frank "Frank" Efird, Jr.	6 Market Street Wilmington, NC 28401	(910) 200-0037	NC
The Masiello Group Commercial Associates, Inc.	Christopher Masiello	163 S. River Road Bedford, NH 03110	(603) 283-1912	NH
Walt Arnold Commercial Brokerage, Inc.	Walter Arnold	6200 Seagull Lane NE, Suite A Albuquerque, NM 87109	(505) 256-1255	NM
Walt Arnold Commercial Brokerage, Inc.	Walter Arnold	1512 Pacheco St, Ste D201 Santa Fe, NM 87505	(505) 503-2646	NM
Ali Bubba, Inc.	Scott A. Godino	6018 S. Durango Drive, #110 Las Vegas, NV 89113	(702) 796-5500	NV
T.Y. Johnson Investments, Inc.	Thomas Y. Johnson	325 W. Liberty Street Reno, NV 89501 <u>Satellite Office</u> located at: 305 N. Carson Street #200 Carson City, NV 89701	(775) 825-3330	NV
CPEX Real Estate, LLC	Real Impact Corporation Timothy King	81 Willoughby Street, 8th Floor. Brooklyn, NY 11201	(718) 684-4210	NY
N.J.M. Realty, Inc.	Nicholas Malagisi	P.O. Box 1015 Buffalo, NY 14231	(716) 633-9601	NY
Realty Performance Advisors, Inc. (Canandaigua)	Catherine Barnum Robert Marvin	343 North Main Street, Suite 202 Canandaigua, NY 14424	(585) 697-0901	NY
Innovative Commercial Advisors, LLC	Scott Warren	520 Columbia Dr. Suite 103 Johnson City, NY 13790	(607) 621-0439	NY
Hudson Valley Commercial Realty LLC	Joseph J. Deegan Thomas A. Collins	411 Washington Ave, Suite 201 Kingston, NY 12401	(845) 339-9100	NY
Stora Realty Corp.	Steven Stoehrer	31 West 34th Street, 7th Floor New York, NY 10001	(212) 739-0763	NY
HWH Advisors LLC	Hans W. Hardisty	465 Violet Avenue Poughkeepsie, NY 12601	(914) 489-7909	NY
Realty Performance Advisors, Inc. (Buffalo)	Catherine Barnum Robert Marvin	52 South Union Road Williamsville, NY 14221	(585) 697-0901	NY
Realty Performance Advisors, Inc. (Syracuse)	Catherine Barnum Robert Marvin	290 Elwood Davis Road, Suite 209-13 Liverpool, NY 13088	(585) 697-0901	NY
Summit Commercial Real Estate Group, LLC	Jerome Fiume	3009 Smith Road, Suite 25 Akron, OH 44333	(234) 231-0200	OH
Commercial Realty Advisors, Inc.	Charles W. Ciolino, Jr.	7800 Laurel Avenue, Suite 150 Cincinnati, OH 45243	(513) 720-1000	OH
Levental Realty, LLC	Eugene Levental	525 Vine Street, Suite 200 Cincinnati, OH 45202	(513) 321-7589	OH
First Place Commercial Realty, LLC	Victor S. Voinovich Sr.	308 Eagleton Ct. #200 Cleveland, OH 44056	(805) 967-9214	OH
Summit Commercial Real Estate Advisors, LLC	Jerome C. Fiume	2720 Van Aken Blvd., Suite 202B Cleveland, OH 44120	(330) 535-2661	OH

Franchisee	Contact Name	Address	Phone Number	State
Sperry Van Ness/ Wilson Commercial Group, LLC	Douglas S. Wilson	Easton Town Center 4200 Regent Street, Suite 200 Columbus, OH 43219	(614) 944-5140	OH
Strayer Group, LLC	Lance C. Warner	226 Wayne Street Sandusky, OH 44870	(419) 626-4858	OH
Ascension Commercial Realty, LLC	Timothy S. Schlachter	3130 Executive Parkway, Suite 403 Toledo, OH 43606	(419) 466-5501	OH
Commercial Real Estate Advisors LLC	Raymond Lord	5553 S. Peoria Ave. Ste 115 Tulsa, OK 74105	(918) 201-2005	OK
Bluestone & Hockley Realty, Inc.	James E. Schaff Kristin E. Schaff	4915 SW Griffith Drive, Suite 300 Beaverton, OR 97005	(503) 222-3800	OR
SVN - Imbrie Realty, LLC	Ryan Imbrie	7150 SW Fir Loop, Suite 100 Portland, OR 97223	(503) 208-9400	OR
SVN Commercial Advisors, LLC	Barbara Arthur Curt Arthur	4160 Commercial Street S.E. Salem, OR 97302 <u>Satellite Office</u> located at: 711 Country Club Rd, Suite 1B Eugene, OR 97401	(503) 588-0400	OR
Imperial Realty Management Corp.	Darbin T. Skeans Deborah Skeans Tom Skeans	1611 Pond Road, Suite 200 Allentown, PA 18104	(484) 245-1000	PA
Latus Capital Advisors, Inc.	Laura J. Martin	3920 Market Street, Suite 351 Camp Hill, PA 17011 <u>Satellite Office</u> located at: 101 North Queen Street Lancaster, PA 17603	(717) 737-2422	PA
AHIA CRE, LLC	Chichi E. Ahia	2050 Cabot Blvd. Langhorne, PA 19047 <u>Satellite Office</u> located at: 1515 Market Street Philadelphia, Philadelphia, PA 19102	(215) 757-2500	PA
Three Rivers Commercial Advisors LLC	Jason Campagna Keane George	6 PPG Place, Suite 550 Pittsburgh, PA 15222	(724) 918-4428	PA
BlackStream Commercial, LLC (Columbia)	Carlos Salgado Ford Elliott Josh Howard	1721 Saunders Street Columbia, SC 29201	(864) 637-9302	SC
BlackStream Commercial, LLC (Greenville)	Carlos Salgado Ford Elliott Josh Howard	20 Overbrook Court, 4th Floor. Greenville, SC 29607	(864) 637-9302	SC
GASC, LLC	Adam Bryant Tom DeMint	1538 Fording Island Road, Suite 107 Hilton Head Island, SC 29926 <u>Satellite Offices</u> located at: • 6001 Chatham Center Dr., Suite120 Savannah, GA 31405 • 575 King Street, Charleston, SC 29402	(843) 837-3754	SC

Franchisee	Contact Name	Address	Phone Number	State
BlackStream Commercial, LLC (North Charleston)	Carlos Salgado Ford Elliott Josh Howard	4900 O'Hear Ave, Ste 100 North Charleston, SC 29405	(843) 310-1763	SC
The Tidelands of South Carolina dba Peace & Company	Hampton Peace Perry Peace	35 Capers Way Pawleys Island, SC 29595	843-325-6069	SC
Southern Commercial Real Estate, LLC	Mark Mayfield Randy Graham	116 E. Main Street, Suite 201 Rock Hill, SC 29730 <u>Satellite Office</u> located at: 1039 Hunters Run Drive Tega Cay, SC 29708	(803) 325-1000	SC
Accel CRE, LLC	Jana L. Truman	7000 Exécutive Center Drive, Suite 2-110 Brentwood, TN 37027	(615) 671-4544	TN
Second Story Property Management Company, LLC	Tiffanie Robinson	800 Market Street, Suite 222 Chattanooga, TN 37402	(423) 682-8241	TN
Wood Properties, Inc.	George Brown	119 W 5th Ave., Suite 100 Knoxville, TN 37917	(865) 637-7777	TN
Genesis Real Estate Group, LLC	Carnell Scruggs	718 Thompson Lane, Suite 108-185 Nashville, TN 37204	(615) 567-5907	TN
Robert H. Burns Company, Inc.	Robert "Bobby" H. Burns	40 Burton Hills Blvd., Suite 200 Nashville, TN 37215	(613) 309-0068	TN
Dunn Commercial Management, Inc.	David Robert Dunn	1202 Corporate Drive West Arlington, TX 76006	(817) 640-9964	TX
Angelic Real Estate, LLC	Gabriel M. Silverstein	500 Capital of Texas Hwy N, Building 2 Austin, TX 78746	(212) 498-7000	TX
Riverstone C.R.E. Co.	Jim Jones Jess Buenger	809 University Drive East Suite 101-A College Station, TX 77845	(613) 309-0068	TX
EverTrust Realty Advisors	Bruce Marshall	5343 Spring Valley Road Dallas, TX 75254	(214) 261-6306	TX
Glen E. Berhow	Glen Berhow	2215 Cedar Springs Road #1012 Dallas, TX 75201	(469) 828-1950	TX
Veler Commercial LLC	Timothy Veler	13355 Noel Rd., Suite 1101 Dallas, TX 75240	(214) 300-1355	TX
Fortune Real Estate, Inc.	Laura Salome	214 W Franklin El Paso, TX 79901	(915) 544-6208	TX
DFW Trinity Advisors, LLC	James K. Blake Stephen Harold Fithian	3000 Race Street, Suite 100 Fort Worth, TX 76111 <u>Satellite Office</u> located at: 1762 Keller Parkway, Suite 100 Keller, TX 76248	(817) 288-5525	TX
Traditions Commercial Real Estate, LLC	Stephen Rodgers Travis Taylor	1619 E. Common Street, #1104 New Braunfels, TX 78130	(830) 500-3787	TX

Franchisee	Contact Name	Address	Phone Number	State
The J. Beard Real Estate Company, LP	Elizabeth Beard Jeff Beard, CCIM	1077 Grogans Mill Road, Suite 135 The Woodlands, TX 77380 <u>Satellite Office located at:</u> 825 Town & Country Lane, 12th Floor Houston, TX 77024	(281) 367-2220	TX
Kingside Enterprises, LLC	Zachary P. Sunderland	307 E. Railroad Street, Suite #107 Weslaco, TX 78596	(956) 255-7135	TX
Chester V. Barber	Chet Barber	165 S. Main St., Suite 250 Salt Lake City, UT 84111	(801) 508-2881	UT
Lead Commercial, LLC	Adam Sutton Cynthia Ives Leo Sutton	2005 Old Greenbrier Road, Suite 100 Chesapeake, VA 23320	(757) 523-9300	VA
Providence Realty Advisors LLC	Robert Seidel Terrell Marsh	6842 Elm Street, Suite 106 McLean, VA 22101	(571) 526-1000	VA
Commercial Specialists, Inc.	Jim Guisewhite	42 S. Cameron Street, Winchester, VA 22601	(540) 535-0808	VA
Retter & Company	Dave Retter	329 N. Kellogg Kennewick, WA 99336	(509) 737-9429	WA
Cornerstone Property Advisors, LLC	Guy Byrd	1311 North Washington St., Suite D Spokane, WA 99201	(509) 321-2000	WA
SVN Cascades, LLC	Nicholas "Nick" Ritch Kenneth R. "Ken" Davis	1200 Chesterly Drive, Suite 100 Yakima, WA 98902	(509) 902-8800	WA
Senior Living Advisors, LLC	Tony Yousif	1120 Elm Grove Street Elm Grove, WI 53122	(619) 729-0377	WI
The Hintze Group Commercial Real Estate Co.	Jay Hintze	809 S. 60th Street, Suite 202 West Allis, WI 53214	(262) 478-0532	WI

Franchise Agreements Signed, but Outlets Not Opened in Our Fiscal Year 2023

Franchisee	Contact Name	Address	Phone Number	Email Address	State
SVN Low Country Commercial, LLC	James (Jim) Bryant	8005 US Highway, 80 East A7 Savannah, GA 31410	(912) 398-5977	jbryant@svn.com	GA
SVN GC Real Estate	Andy Martin, Greg Windfeldt, Kate Hanson, Mike Bobick, Shantel Sundby, & Steve Feneis	3900 Roosevelt Road #125 St. Cloud, MN	(320) 257-3752		MN

Franchise Agreements Terminated, Canceled, or Not Renewed, or Otherwise Voluntarily or Involuntarily Ceased to Do Business in the Fiscal Year Ended December 31, 2023

Franchisee	Name	Address	Phone Number	State
SVN Florida, Inc.	Jerry Anderson	810 Saturn Street, Suite 24 Unit B Jupiter, FL 33477 <u>Satellite Offices</u> located at: • 2295 S. Hiawasse St., Suite 309, Orlando, FL 32835 • 2452 NE 3rd Street Suite B Ocala, FL 34470	(386) 547-4968	FL
Oconee Properties, Inc.	Matthew L. Smith Robert H. Smith, Sr.	3 School Street Watkinsville, GA 30677	(706) 769-8794	GA
Albatross Group, LLC	Thomas Kennedy	4400 College Boulevard, Suite 180 Overland Park, Kansas 66211	(913) 515-3758	KS
3RE Partners, LLC	John B. Aires Jonathan D. Stravitz	556 Eagle Rock Avenue Roseland, NJ 07452	(706) 212-0110	NJ
InvesTek, LLC	John D. Aubry	1090 W. South Boundary, Suite 100 Perrysburg, OH 43551	(419) 873-1236	OH
Anthony V. Roubik	Anthony V. Roubik	9208 Cardwell Houston, TX 77055	(713) 858-1144	TX
GPP&I, Inc.	Gerard Pastrano	14546 Brook Hollow Blvd., Ste 394 San Antonio, TX 78232	(210) 354-0400	TX
Free Markets CRE, LLC	Mark T. Motley	3600 Deepwater Terminal Rd. Richmond, VA 23234	(804) 232-3300	VA

OUTLET NEVER OPENED

Franchisee	Name	Address	Phone Number	State
Real Estate Associates, Inc. (Raleigh)	Charlene Hamlett Joe Jernigan Melissa Hamlett Miriam Wellons Seth Jernigan Whitney Wellons	Raleigh, NC	(919) 287-2121	NC

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

Exhibit H
To Franchise Disclosure Document
GENERAL RELEASE OF ALL CLAIMS

GENERAL RELEASE OF ALL CLAIMS

_____ (“FRANCHISEE”) and _____, an individual (“GUARANTOR”) enter into this General Release on _____ (the “Effective Date”), with reference to the following facts:

1. On _____, **SVN International Corp.**, a Delaware corporation (“FRANCHISOR”), and FRANCHISEE entered into a Franchise Agreement (the “Franchise Agreement”) to operate an SVN® Franchise located at _____ (the “Premises”). GUARANTOR guaranteed FRANCHISEE’s performance under the Franchise Agreement pursuant to a certain Guaranty dated _____ (the “Guaranty”). In consideration of FRANCHISOR’S processing and approval of a [check one of the following boxes] contract renewal, transfer, or other _____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition thereto. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guaranty.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said entities, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future (collectively “Released Claims”), which arose on or before the date of this General Release, including any Released Claims with respect to the Franchise Agreement, the SVN Franchise, the Premises and the Guaranty. FRANCHISEE and GUARANTOR expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of any law of the United States or any state or territory of the United States or of any other relevant jurisdiction, or principle of common law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code, or any New York, Delaware, Illinois, Oklahoma, Texas, or other states counterpart thereto, which provides:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

4. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

5. Choice of Law. This General Release shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to any conflict of laws, except that the provisions of any Massachusetts law regarding franchises will not apply unless jurisdictional, definitional and other requirements for the application of such statute or law are met independently of this Section. Any legal action necessary to enforce the terms and conditions of this General Release, shall be

governed by the Dispute Resolution provisions (Article 17) of the Franchise Agreement, except as may be included in any addenda required under Franchisee's applicable state law, as provided in Article 18 of the Franchise Agreement.

6. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

_____, **an individual**

Print Name: _____

EXHIBIT I

STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	May 16, 2024, and as amended
Hawaii	April 21, 2024, and as amended
Illinois	April 30, 2024, and as amended
Indiana	May 15, 2024, and as amended
Maryland	May 30, 2024, and as amended
Michigan	March 1, 2024, and as amended
Minnesota	June 4, 2024, and as amended
New York	May 30, 2024, and as amended
North Dakota	May 22, 2024, and as amended
Rhode Island	May 14, 2024, and as amended
South Dakota	April 15, 2024, and as amended
Virginia	April 22, 2024, and as amended
Washington	
Wisconsin	April 14, 2024, and as amended

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

ACKNOWLEDGMENT OF RECEIPT

- **Item 23 Receipt for your records; and**
- **Item 23 Receipt to tear out, sign, date and return to SVN International Corp.**

RECEIPT
(Your Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If SVN International Corp. ("SVNIC") offers you a franchise, SVNIC must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, SVNIC or an affiliate in connection with the proposed franchise sale.

The state laws of New York and Oklahoma require that SVNIC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

The state laws of Michigan, Oregon and Wisconsin require that SVNIC give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If SVNIC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

The franchisor is SVN International Corp., located at 1309 Beacon Street, Suite 300, Brookline, Massachusetts 02446. Its phone number is (877) 697-0830.

Issuance Date: March 1, 2024, as amended October 29, 2024.

The name, principal business address and telephone number of each franchise seller offering this franchise are: Julian Banuelos, Samuel Crampton, and Camille Lahey, all at 1309 Beacon Street, Suite 300, Brookline, Massachusetts 02446, (877) 697-0830.

Other Franchise Seller(s):

Name: _____

Address: _____

City/State/Zip: _____

Phone: _____

See Exhibit B for our registered agents authorized to receive service of process.

I have received a disclosure document dated March 1, 2024, as amended October 29, 2024, that included the following Exhibits:

- Exhibit A STATE SPECIFIC ADDENDA
- Exhibit B LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- Exhibit C FRANCHISE AGREEMENT & SCHEDULES
- Exhibit D RENEWAL ADDENDUM TO FRANCHISE AGREEMENT
- Exhibit E FINANCIAL STATEMENTS

- Exhibit F TABLES OF CONTENTS TO THE CONFIDENTIAL OPERATIONS MANUAL AND BRANDING GUIDE
- Exhibit G LIST OF SVN FRANCHISEES
- Exhibit H GENERAL RELEASE OF ALL CLAIMS
- EXHIBIT I STATE EFFECTIVE DATES
- Exhibit J RECEIPTS (ITEM 23 RECEIPTS)

Date

Signature of Prospective Franchisee

(Print Name and Title)

RECEIPT
(Our Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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Other Franchise Seller(s):

Name: _____

Address: _____

City/State/Zip: _____

Phone: _____

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- Exhibit G LIST OF SVN FRANCHISEES
- Exhibit H GENERAL RELEASE OF ALL CLAIMS
- EXHIBIT I STATE EFFECTIVE DATES
- Exhibit J RECEIPTS (ITEM 23 RECEIPTS)

Date

Signature of Prospective Franchisee

(Print Name and Title)