

# FRANCHISE DISCLOSURE DOCUMENT



INTEGRA REALTY RESOURCES, INC.  
A Delaware Corporation  
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Denver, Colorado 80237  
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[www.irr.com](http://www.irr.com)

Integra offers this license to operate commercial real estate appraisal and advisory services businesses, with limited residential appraisal services also allowed.

The initial investment necessary to begin operation of an Integra franchise is \$236,000 to \$308,000. This assumes that you have an existing business and includes \$40,000 that must be paid to Integra and its affiliates. Integra does not license its Business System to start-up businesses unless the owners of the franchise have prior experience.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Derek Guemmer, General Counsel of Integra at 816.729.6020 or [dguemmer@irr.com](mailto:dguemmer@irr.com).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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 N.W., Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April ~~1, 2022~~<sup>30, 2021</sup>

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

**The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.**

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Franchise Unit  
P.O. Box 30213  
Lansing, MI 48909  
(517) 373-7117

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**APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN THE STATE ADDENDA.**

## Item 1

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

The Franchisor is Integra Realty Resources, Inc., and will be referred to in this document as “Integra”, “we”, “us” or “our”. A person who buys a license from us will be referred to as “you.” If you are a corporation, partnership or other entity, “you” also includes your owners, your partners, shareholders and any other person or entity directly or indirectly owning an interest in you.

We are a Delaware corporation, incorporated on March 24, 1999. Our principal place of business is 7800 East Union Boulevard, Suite 400, Denver, Colorado 80237. We began operating out of our current location in this office beginning on November 16, 2017. Prior to that, we operated out of 2000 South Colorado Boulevard, Suite 10800, Denver, Colorado 80222 since April 1, 2016. Prior to that, we operated out of 640 Eighth Avenue, 15<sup>th</sup> Floor 1133, Suite A, New York, New York 10036 since July 25, 2014. We previously operated out of 1133 Avenue of the Americas, Suite 2730, New York, New York 10036 since February 1, 2006 until we moved to Eighth Avenue in 2014. We conduct business under the names “Integra Realty Resources”, “IRR” and “Integra”. We do not do business under any other names. Our agents for service of process are disclosed in **Exhibit B**.

We grant franchises to operate a real estate appraisal and advisory services business under the Integra, Integra Realty Resources and IRR trade names. We began offering franchises in July of 1999. We currently operate an appraisal office located in Washington, DC and may open other locations needed to ensure the provision of appraisal services following the voluntary termination by former franchisees or to operate in open territory not served by a franchisee. However, our Washington, DC office is not a franchised location. We do not engage in other business activities other than software licensing and have never offered franchises in any other line of business except that beginning in 2002 we granted a license, but not a franchise, to IRR Capital Markets to use the marks for corporate and public financial consulting (the license excluded Business Activities).

In March of 2005, we granted a license, but not a franchise, to IRR-Residential, LLC (“IRR-Residential”), a former affiliate, to use the trade marks “IRR-Residential” and “IRR-Bundled Services” to primarily conduct residential appraisal and consulting work. However, the license agreement with IRR-Residential was terminated in March of 2013. We are no longer affiliated with IRR-Residential. As such, we do not have any predecessors or affiliates. We have no parents.

The business you will conduct (we will call it the “Business”) refers to a business using our “Integra Realty Resources” service mark and associated logos and symbols including, without limitation, “IRR” and “Integra” (we will call these marks, logos and symbols the “Marks” or “Proprietary Marks”). The term “Business” includes Commercial Appraisal Services, Residential Appraisal Services and Advisory Services (as defined below).

A. “Commercial Appraisal Services” shall mean real estate appraisals prepared for mortgage, pension, condemnation, estate planning, litigation, due diligence, machinery and equipment, business valuation, tax appeal and other related valuation services;

B. “Residential Appraisal Services” shall mean real estate appraisals of one to four family properties prepared for mortgage, pension, condemnation, estate planning, litigation, due diligence, tax appeal and other related residential valuation services; and

C. “Advisory Services” shall mean business valuations and real estate services relating to tenant/owner representation (but excluding all services provided on a contingency fee basis including, without limitation, those for real estate brokerage services), site selection, market, marketability and financial feasibility, residential/commercial development, consulting, tax consulting and project management relating to due diligence, portfolio work or the financial performance of real estate projects.

The term “Business” specifically excludes: (i) mortgage services; (ii) real estate brokerage services; (iii) real estate development, construction or investment; (iv) property management; (v) property leasing; (vi) property administrative services; (vii) trusteeships; (viii) project management which involves the direct or indirect supervision of construction contractors or subcontractors; (ix) the supervision, approval or denial of construction draws or similar events; (x) services and activities related to securities as defined by the National Association of Securities Dealers, the Municipal Securities Rulemaking Board or the Securities and Exchange Commission; and (xi) tax appeals.

The term “Business” also includes the following specialty practice groups: (i) Healthcare and Senior Housing; (ii) Hotels; and (iii) Litigation. Other specialty practice groups and unique property councils may be formed as deemed advisable by Integra and approved by its Board of Directors. Your participation in specialty practice groups is subject to the satisfaction of competency requirements and the payment of additional fees.

The Business will use the methods and procedures we have developed and includes standards and methods of operation, accounting, marketing, advertising and public relations, and the standards for conducting your business (our “System” or “Business System”). Our standards and procedures for conducting your business are set forth in our Confidential Operating Manual.

The general market for the appraisal services to be offered by the Business are financial institutions, businesses and governmental entities interested in real estate or asset based lending or businesses otherwise interested in determining the value of real estate or other assets for purposes such as purchase or sale transactions, litigation or taxation.

You will compete with other national, regional and local real estate appraisal companies and other companies providing similar services in a highly competitive market. Your competition includes CB Richard Ellis, Colliers, Cushman Wakefield, Altus, JLL, Newmark, Valbridge and large accounting firms.

The Business will be subject to laws applicable to businesses generally in your state such as state tax registration, business occupancy permits, privacy laws and employment laws. Some states require you to register as an appraisal management company if you outsource your work to third parties. Your individual appraisers will, of course, be subject to the real estate licensure provisions of each respective state. Check with a lawyer to learn about specific laws applicable to your business. All MAI and SRA designated appraisers must follow the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute. All state licensed appraisers

must follow the requirements set forth in each individual state. These state requirements can vary somewhat, but the Uniform Standards of Appraisal Practice (USPAP) are largely accepted by the states. Appraisers who are designated through RICS must adhere to the RICS Valuation - Professional Standards, which contains mandatory rules, best practice guidance and related commentary for all members undertaking asset valuations. Similarly, the American Society of Appraisers imposes requirements for ASA designated appraisers.

## Item 2

### **BUSINESS EXPERIENCE**

#### CEO: Anthony M. Graziano

Mr. Graziano was employed by Florida Property Advisors, LLC from 2012 to July of 2019 and served as the Senior Managing Director of its Miami office. Mr. Graziano was appointed to the position of Chief Executive Officer of Integra on July 1, 2019. ~~Mr. Graziano holds the MAI designation awarded by the Appraisal Institute.~~

#### Director and Treasurer: John Scott

In 2012, Mr. Scott was appointed to his current position of Senior Managing Director of IRR-Charlotte. Mr. Scott was elected to the Board of Directors in 2015 and to the position of Treasurer in 2016. ~~Mr. Scott holds the MAI designation awarded by the Appraisal Institute.~~

#### Director and Chairman: Darrin Liddell

Mr. Liddell was appointed to the Board of Directors in 2016. Mr. Liddell was appointed to the position of Chairman in January of 2021. Mr. Liddell has been the Senior Managing Director of Integra Salt Lake City since 2005. ~~Mr. Liddell holds the MAI designation awarded by the Appraisal Institute. In 1997, Mr. Liddell became a Certified Commercial Investment Member (CCIM) in 2001, and was awarded fellowship of the Royal Institute of Chartered Surveyors (FRICS) in 2012.~~

#### Director: Ron DeVries

In 2017, Mr. DeVries was appointed to his current position of Senior Managing Director of Integra Realty Resources - Chicago. Prior to that, Mr. DeVries held the position of Vice President with Appraisal Research Counselors, Inc. since 1988. Mr. DeVries was elected to the Board of Directors in 2019. ~~Mr. DeVries holds the MAI designation awarded by the Appraisal Institute.~~

#### Director: Art Linfante

In 2018, Mr. Linfante was appointed to his current position of Managing Director of Integra Realty Resources – Northern New Jersey. Prior to that, Mr. Linfante held the position of Partner with Value Research Group since 1998. Mr. Linfante was elected to the Board of

Directors in 2019. ~~Mr. Linfante holds the MAI designation awarded by the Appraisal Institute.~~

Director and Vice Chairman: Anthony Sanna

In 2019, Mr. Sanna was appointed to his current position of Executive Director of Integra Realty Resources – Detroit and Integra Realty Resources – Grand Rapids. Prior to that, Mr. Sanna served as the Senior Managing Director of Integra Realty Resources – Detroit since 1999. Mr. Sanna was elected to the Board of Directors in 2019. Mr. Sanna was appointed as Vice Chairman in January of 2021. ~~Mr. Sanna holds the MAI designation awarded by the Appraisal Institute.~~

Director: ~~Eric Segal~~John Praytor

In ~~July~~January of 2021, Mr. ~~Segal~~Praytor was appointed to the Board of Directors. Mr. ~~Segal~~Praytor has also served as the ~~Senior~~ Managing Director ~~or Executive Director~~ of the ~~Sacramento and San Francisco Offices of Integra~~Jackson, Mississippi Office since 2017. ~~Prior to that he was a principal of Seevers Jordan Ziegenmeyer since 2011.~~2013. ~~Mr. Praytor holds the MAI designation awarded by the Appraisal Institute.~~

Director and Chief Information Officer: Michael Miller

Mr. Miller was appointed to the Board of Directors in 2016. Mr. Miller has been employed by Integra since 2005 and currently serves as Chief Information Officer.

Chairman of the Member Services Agreement Committee and Broker: Walter Allen

Mr. Allen was appointed to be the Chairman of the Member Services Agreement Committee by the Board of Directors in 2016 and has been retained as a broker effective September 14, 2017. Mr. Allen has been the Senior Managing Director of Integra's Memphis Office since 2000.

Chief Financial Officer: Sheri Crawford

Ms. Crawford has been employed by Integra since October of 2007. Ms. Crawford operates out of the Denver headquarters of Integra and holds the title of Chief Financial Officer.

General Counsel and Secretary: Derek Guemmer

Mr. Guemmer has been retained by Integra as its general legal counsel since January 2002. Mr. Guemmer was elected to the position of Secretary in April, 2002.

Item 3

**LITIGATION**

No litigation is required to be disclosed in this Item.

Item 4

**BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

Item 5

**INITIAL FRANCHISE FEE**

You will pay an initial ~~franchise~~ ~~license~~ fee to us when you sign the Member Services Agreement. The initial ~~franchise~~ ~~license~~ fee will be \$40,000. The initial ~~franchise~~ ~~license~~ fee is payable in cash on the date the Member Services Agreement is signed; however, we allow up to \$30,000 of the \$40,000 initial fee to be financed pursuant to the terms of the Promissory Note attached as Exhibit J. The initial franchise fee is not refundable. You need not make any payments to us before you begin to use the Marks to operate your business for goods or services received from us. The total fees payable by you to us prior to opening equals \$40,000 unless you elect to incur additional charges discussed in Item 6 below relating to: (i) the ordering of office supplies directly from us instead of a recommended third party; (ii) you join the 401(k) Plan; (iii) you join a specialty practice group; (iv) you request information support services not covered by the Member Services Agreement, e.g., the installation of hardware or software; (v) you ask us to provide accounting services for you. The Technology Fee, Data Subscription Fee and Accounting Technology Fee ~~may be~~ billed annually in advance, ~~but~~ currently such amounts are billed on a monthly basis in April for all offices. If annual billing is utilized, new ~~New~~ offices that join during the year are billed from their effective start date through the remainder of the calendar year for their pro-rata share of such annual fees. All of these ~~These~~ fees are disclosed in Item 6 and are nonrefundable. Specifically, the Technology Fee equals ~~\$202~~ ~~475~~ per month per user, the Data Subscription Fee equals ~~\$147~~ ~~440~~ per month per user and the Accounting Technology Fee equals ~~\$4,693~~ ~~825~~ per Local Office per year. Likewise, the E&O Billback is billed on March 15th and new offices that join during the year may be billed from their effective start date through the end date of the policy period (currently March 14<sup>th</sup>), based on projected annual revenues. If you cannot pay any of these annual fees in full, you can sign a promissory note representing the balance. Please see Item 6 regarding other fees.

Item 6

**OTHER FEES**

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Corporate Service Fee	<p>Member shall pay to Integra a monthly <del>franchise license</del> fee, payable in arrears, equal to the then current percentage rate (the “Flexible Rate”), multiplied by the Member’s Adjusted Gross <del>Revenues</del><del>Receipts</del> collected during such month (the “Corporate Service Fee”). Currently, the Flexible Rate equals 3.7%, but may be changed effective upon the delivery of 90 days’ notice that the Flexible Rate has been increased or decreased by the holders of at least two-thirds of the outstanding shares of stock of Integra. The Flexible Rate and the 3% Marketing Fund shall not exceed 8%.</p> <p>The minimum Corporate Service Fee will equal the then current Flexible Rate multiplied by the greater of: (i) a specific dollar amount; (ii) the Member’s Adjusted Gross <del>Revenues</del><del>Receipts</del> collected during the respective month; or (iii) one twelfth of the Minimum Adjusted Gross <del>Revenues</del><del>Receipts</del> for the respective calendar (the Quota).</p>	Payable within 30 days of the prior month’s end but reported within 10 days of the prior month’s end.	Payable to Integra. This fee is based on Adjusted Gross <del>Revenues</del> <del>Receipts</del> <sup>(2)</sup> .
Administrative fee <sup>(4)</sup>	5% - 15% of revenue received for work referred to you by us.	Payable within 30 days after receipt of invoice and frequently paid for by Integra offsetting this amount against account payments it may owe you.	Payable to Integra. Currently, Integra does not charge an Administrative Fee for referred work but reserves the right to do so. For example, if work is obtained by you or referred to you pursuant to a scheduled fee contract with the federal government.
<u>Audit Costs</u>	<u>Actual costs</u>	<u>Payable within 30 days after</u>	<u>Payable to Integra. Paid if</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
		<u>receipt of invoice.</u>	<u>there is an understatement of 5% or more as revealed by an audit.</u>
<u>Annual Accounting Review Fees</u>	<u>If a Local Office does not subscribe to Integra Accounting Services, that Local Office may be charged \$1,500 each calendar year to pay for a year-end financial review. If the financial review reveals that the Local Office has not complied with the terms of this Manual, the Accounting Policies &amp; Procedures Manual or their Member Services Agreement with respect to accounting matters, such Local Office may be charged \$125 an hour for the Member Accounting Services team to correct such deficiencies, subject to a maximum amount of \$3,500 (in addition to the \$1,500 inspection cost).</u>	<u>Annually</u>	<u>Billed at \$125 per hour.</u>
<u>Transfer</u>	<u>\$5,000 - \$1,500</u>	<u>Upon transfer</u>	<u>Payable to Integra.</u>
<u>Marketing Fund<sup>(3)</sup></u>	<u>Not to exceed 3% of Adjusted Gross Receipts<sup>(2)</sup></u>	<u>10<sup>th</sup> day of each month</u>	<u>Payable to Integra. We may implement on not less than 30 days written notice.</u>
<u>Indemnification</u>	<u>Actual amount</u>	<u>Upon court decision</u>	<u>Payable to Integra. Claims are reduced by insurance proceeds.</u>
<u>Operations Manual Unauthorized Disclosure Fee</u>	<u>\$5,000 liquidated damages fee in addition to the person making the unauthorized disclosure being responsible for attorneys' fees, injunctive relief and possible criminal sanctions</u>	<u>Upon replacing</u>	<u>Payable to Integra. Payable if you lose or disclose your manual to someone outside our system.</u>
<u>Understatement Penalty</u>	<u>10% of Corporate Service Fee</u>	<u>Within 30 days after the completion of</u>	<u>Payable to Integra. Paid if there is an</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
		<u>the annual reconciliation</u>	<u>understatement of 5% or more.</u>
<u>Late Fee</u>	<u>10% of the overdue amount</u>	<u>Upon demand</u>	<u>Payable to Integra.</u>
<u>Interest on Overdue Amounts</u>	<u>10% interest on overdue amounts</u>	<u>Upon demand</u>	<u>Payable to Integra.</u>
<u>Termination</u>	<u>Termination fee equal to the lesser of \$25,000 or the average monthly Corporate Service Fee paid by Member during the prior trailing 12 months multiplied by the number of whole or partial months remaining in the Term of the Agreement (the “Base Termination Fee”) plus an amount equal to the amount otherwise payable during the 12-month period running from the date of termination for the following services: (i) the Per User Fee for the CoStar License relating to Member’s then-current CoStar Users; (ii) the Technology Fees; (iii) the Data Subscription Fees; (iv) the Accounting Technology Fees; (v) any remaining amounts owed pursuant the term of an Integra Technology Services Addendum and/or Back Office Services Addendum; and (vi) the E&amp;O Billback (less any unused prepaid amounts paid or owed pursuant to a promissory note payable to Integra). If you have more than one location covered by a single agreement, the Base Termination Fee equals \$25,000 per location plus 6 months’ trailing Corporate Services Fees (the latter only payable if you do not provide 6 months’ notice of termination).</u>	<u>Upon early termination by you.</u>	<u>Payable to Integra. Payable if you terminate early. See Item 17.</u>
<u>Technology Fee</u>	<u>\$202 per user per month. Subject to sliding scale discount. <sup>(5)(7)</sup></u>	<u>Payable annually within 30 days after receipt of invoice.</u>	<u>Payable to Integra annually in advance or monthly if approved by the Board. Paid for use of our proprietary software. No</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			<u>refund is provided if your MSA is terminated.</u>
<u>Data Subscription Fee</u>	<u>\$147 per user per month. Subject to sliding scale discount. <sup>(6)(7)</sup></u>	<u>Payable annually within 30 days after receipt of invoice.</u>	<u>Payable to Integra annually in advance or monthly if approved by the Board. Mandatory Data Subscription. No refund is provided if your MSA is terminated.</u>
<u>Accounting Technology Fee</u>	<u>\$4,693 per year. <sup>(7)</sup></u>	<u>Payable annually within 30 days after receipt of invoice.</u>	<u>Payable to Integra annually in advance or monthly if approved by the Board. Mandatory Subscription for Microsoft Dynamics software. No refund is provided if your MSA is terminated.</u>
<u>CoStar Subscription Fee</u>	<u>\$418 per month (the "Per User Fee") for each CoStar User (defined below) that is employed or retained by Member as an independent contractor during the Term of the Agreement. The Per User Fee may further increase as set forth in the Manual for time period following 2021.</u>	<u>Payable monthly within 30 days after receipt of invoice.</u>	<u>Payable to Integra monthly in arrears.</u>
<u>Additional IT Support and Training</u>	<u>\$125/hour plus expenses for travel and per diem expenses</u>	<u>Payable within 30 days after receipt of invoice.</u>	<u>Payable to Integra. Applies to computer support and training beyond initial training of</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			<u>120 hours of IT support.</u>
<u>Additional Accounting Support and MSD Training</u>	<u>\$125/hour plus expenses for travel and per diem expenses</u>	<u>Payable within 30 days after receipt of invoice.</u>	<u>Payable to Integra. Applies to accounting support and software training beyond initial training of 8 hours of MSD support.</u>
<u>401(k) Participation</u>	<u>All fees equal the actual charges imposed by third parties. \$300 set up fee; \$500 review fee for existing plans; \$300 annual fee; \$38 per participant fee; ERISA insurance of approximately \$200-\$300 per year; audit fee of approximately \$800 per year; plus discretionary employee and employer contributions.</u>	<u>Set up fees due upon enrollment; contribution due with each pay period</u>	<u>Payable to Integra and our 401(k) provider, Mass Mutual. Optional participation in multiple employer 401(k) plan</u>
<u>Viewpoint Magazine</u>	<u>Minimum subscription of \$1,500 per year for 100 printed copies and electronic version in PDF format</u>	<u>Payable within 30 days after receipt of invoice.</u>	<u>Payable to Integra. Mandatory purchase of annual trade report.</u>
<u>Brochures and other marketing materials</u>	<u>Minimum of \$195 per year for brochures. Maximum of \$1,000 per year for all marketing materials other than Viewpoint.</u>	<u>Payable within 30 days after receipt of invoice.</u>	<u>Payable to Integra. Mandatory purchase of marketing materials</u>
<u>Office Supplies</u>	<u>Cost plus up to 30%</u>	<u>Payable quarterly in arrears within 30 days after receipt of invoice.</u>	<u>Payable to third party provider, currently BCT. Stationary, appraisal report covers and binding materials. Fees uniformly imposed based on usage.</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Ongoing Accounting Services</u>	<u>\$1,300 per month per balance sheet and P&amp;L plus 0.9% of your adjusted gross revenues up to \$2.25MM and 0.45% over \$2.25MM and up to \$6MM and 0.4% over \$6MM. Client invoicing is 0.2% of your adjusted gross revenues. Payroll services is 0.25% of your adjusted gross revenues. Other services are available at hourly rates ranging between \$80 and \$160.</u>	<u>Monthly</u>	<u>Payable to Integra.</u>
<u>Accounting Services for Initial Onboarding</u>	<u>\$125 per hour</u>	<u>Payable monthly within 30 days after receipt of invoice.</u>	<u>Payable to Integra if you elect to receive more than 8 hours of accounting services in connection with the opening of your office.</u>
<u>Specialty Practice Fees</u>	<u>Optional participation in a Specialty Practice may be funded by a subsequent initial fee and/or a separate ongoing fee in order to cover the costs of operating the specialty practice</u>	<u>Hotels – one time initiation fee of \$4,000 per Local Office and royalty of 2%.</u>  <u>Healthcare &amp; Senior Housing - annual membership fee is \$2,000 per appraiser plus a royalty of .8%.</u>  <u>Litigation – each advertised Local Office \$2,000 a year but are scheduled to increase to \$2,250 in 2023.</u>	<u>Payable to Integra. Training, new products, group practice support and supervision of work product.</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Fines and Penalties</u>	<u>The Manual provides for various penalties and fines for failing to observe the Manual.</u>	<u>Payable monthly within 30 days after receipt of invoice.</u>	<u>Payable to Integra.</u>
<u>Errors and Omissions Insurance and Cyber Insurance</u>	<u>The Local Offices pay the premium costs associated with the annual cyber and errors and omissions coverage of the Local Offices and such premiums are allocated based on comparative Adjusted Gross Receipts. Integra may also assess the Members for a deductible sinking fund payable to its captive insurance company not to exceed \$5,000 per year. A minimum penalty for incurring two losses within three years also applies.</u>	<u>Each policy renewal period, currently March. Payable within 30 days after receipt of invoice.</u>	<u>Payable to Integra. Bill back is uniformly imposed based on Adjusted Gross Receipts. No refund is provided if your MSA is terminated.</u>
<u>Territory Conversion Fee</u>	<u>A fee between \$5,000 and \$40,000 may be imposed in order to convert your Secondary Territory to Primary Territory in order to open a Satellite, Branch or Expansion Office.</u>	<u>Upon approval of Branch, Satellite or Expansion Office.</u>	<u>Payable to Integra. The amount will vary based upon the size of the territory.</u>
<u>Satellite Office Fee</u>	<u>\$1,500 to \$7,500 payable in connection with a request to open an unadvertised Satellite Office.</u>	<u>Payable within 30 days after receipt of invoice.</u>	<u>Payable to Integra.</u>
<u>Expansion Office</u>	<u>\$1,500 to \$7,500 payable in connection with the request to open an Expansion Office. This fee is used to reduce initial franchise fee upon conversion to a full Local Office at the end of three years.</u>	<u>Payable within thirty days after receipt of invoice.</u>	<u>Payable to Integra.</u>
<u>Meeting fees</u>	<u>\$4,000 to \$5,000 to attend two semi-annual meetings.</u>	<u>As incurred.</u>	<u>Payable to Integra and travel vendors.</u>
<u>Back Office Services</u>	<u>\$50 an hour for bidding, job set up and job closure.</u>	<u>As requested.</u>	<u>Payable to Integra.</u>
<u>Integra Technology Services</u>	<u>The provision of computer hardware, software and related services commonly referred to as mobile device management. Monthly user fee of \$30, hourly rate for additional services of \$125, deactivation fee of \$100 per user, server fee of \$250 per month plus onboarding fee of</u>	<u>As requested.</u>	<u>Payable to Integra.</u>

<u>Type of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
	<u>\$500. CMIT Additional Services are normally \$150 an hour.</u>		

Audit Costs	Actual costs	Payable within 30 days after receipt of invoice.	Payable to Integra. Paid if there is an understatement of 5% or more as revealed by an audit.
Annual Accounting Review Fees	If a Local Office does not subscribe to Integra Accounting Services, that Local Office may be charged \$1,500 each calendar year to pay for a year-end financial review. If the financial review reveals that the Local Office has not complied with the terms of this Manual, the Accounting Policies & Procedures Manual or their Member Services Agreement with respect to accounting matters, such Local Office may be charged \$125 an hour for the Member Accounting Services team to correct such deficiencies, subject to a maximum amount of \$3,500 (in addition to the \$1,500 inspection cost).	Annually	Billed at \$125 per hour.
Transfer	\$5,000 – \$1,500	Upon transfer	Payable to Integra.
Marketing Fund <sup>(3)</sup>	Not to exceed 3% of Adjusted Gross Receipts <sup>(2)</sup>	10 <sup>th</sup> day of each month	Payable to Integra. We may implement on not less than 30 days written notice.
Indemnification	Actual amount	Upon court decision	Payable to Integra. Claims are reduced by insurance proceeds.

Operations Manual Unauthorized Disclosure Fee	\$5,000 liquidated damages fee in addition to the person making the unauthorized disclosure being responsible for attorneys' fees, injunctive relief and possible criminal sanctions	Upon replacing	Payable to Integra. Payable if you lose or disclose your manual to someone outside our system.
Understatement Penalty	10% of Corporate Service Fee	Within 30 days after the completion of the annual reconciliation	Payable to Integra. Paid if there is an understatement of 5% or more.
Late Fee	10% of the overdue amount	Upon demand	Payable to Integra.
Interest on Overdue Amounts	10% interest on overdue amounts	Upon demand	Payable to Integra.
Termination	\$25,000 if 6 months' notice of termination is provided. If 6 months' notice of termination is not provided, the termination fee equals the greater of \$25,000 or your Corporate Service Fee paid during the prior calendar year. Payment equal to prior 12 months' CoStar Subscription. The termination fee is subject to increase or change upon receipt of notice that the holders of at least two thirds of the outstanding shares of stock of Integra have approved a higher or different termination fee. There is an additional \$20,000 debranding fee if you would like to license our software after termination. This fee includes the delivery of your data contained in DataPoint. Additional data extracts are \$7,500. If you buy more than one franchise, then your termination fee will equal (a) if six months' notice of termination is provided, \$25,000 (per Member Services Agreement) plus 12 months' technology, data subscription, accounting technology and E&O fees running from the date of termination (not running from the notice of termination)(less any unused prepaid amounts paid or owed pursuant to a promissory note payable to Integra); or (b) if less than six months of termination are provided, the fee equal to (i) plus an additional amount equal to the trailing 6 months' Corporate Service Fees.	Upon early termination by you.	Payable to Integra. Payable if you terminate early. See Item 17.

Technology Fee	<del>\$175 per user per month. Subject to sliding scale discount.</del> <sup>(5)(7)</sup>	<del>Payable annually within 30 days after receipt of invoice.</del>	<del>Payable to Integra annually in advance. Paid for use of our proprietary software. No refund is provided if your MSA is terminated.</del>
Data Subscription Fee	<del>\$140 per user per month. Subject to sliding scale discount.</del> <sup>(6)(7)</sup>	<del>Payable annually within 30 days after receipt of invoice.</del>	<del>Payable to Integra annually in advance. Mandatory Data Subscription. No refund is provided if your MSA is terminated.</del>
Accounting Technology Fee	<del>\$3,825 per year.</del> <sup>(7)</sup>	<del>Payable annually within 30 days after receipt of invoice.</del>	<del>Payable to Integra annually in advance. Mandatory Subscription for Microsoft Dynamics software. No refund is provided if your MSA is terminated.</del>
CoStar Subscription Fee	<del>\$418 per month (the "Per User Fee") for each CoStar User (defined below) that is employed or retained by Member as an independent contractor during the Term of the Agreement. The Per User Fee may further increase as set forth in the Manual for time period following 2021.</del>	<del>Payable monthly within 30 days after receipt of invoice.</del>	<del>Payable to Integra monthly in arrears.</del>

Additional IT Support and Training	\$125/hour plus expenses for travel and per diem expenses	Payable within 30 days after receipt of invoice.	Payable to Integra. Applies to computer support and training beyond initial training of 120 hours of IT support.
Additional Accounting Support and MSD Training	\$125/hour plus expenses for travel and per diem expenses	Payable within 30 days after receipt of invoice.	Payable to Integra. Applies to accounting support and software training beyond initial training of 8 hours of MSD support.
401(k) Participation	All fees equal the actual charges imposed by third parties. \$300 set up fee; \$500 review fee for existing plans; \$300 annual fee; \$38 per participant fee; ERISA insurance of approximately \$200-\$300 per year; audit fee of approximately \$800 per year; plus discretionary employee and employer contributions.	Set up fees due upon enrollment; contribution due with each pay period	Payable to Integra and our 401(k) provider, Mass Mutual. Optional participation in multiple employer 401(k) plan
Viewpoint Magazine	Minimum subscription of \$1,500 per year for 100 printed copies and electronic version in PDF format	Payable within 30 days after receipt of invoice.	Payable to Integra. Mandatory purchase of annual trade report.
Brochures and other marketing materials	Minimum of \$195 per year for brochures. Maximum of \$1,000 per year for all marketing materials other than Viewpoint.	Payable within 30 days after receipt of invoice.	Payable to Integra. Mandatory purchase of marketing materials

Office Supplies	Cost plus up to 30%	Payable quarterly in arrears within 30 days after receipt of invoice.	Payable to third party provider, currently BCT. Stationary, appraisal report covers and binding materials. Fees uniformly imposed based on usage.
Ongoing Accounting Services	\$1,000 per month per balance sheet and P&L plus 0.75% (four quarters of one percent) of your adjusted gross revenues up to \$1.25MM and 0.6% (six tenths of one percent) over \$1.25MM. Client invoicing is 0.15% of your adjusted gross revenues up to \$1.25MM and 0.1% (one tenth of one percent) over \$1.25MM. Payroll services is 0.2% of your adjusted gross revenues (two tenths of one percent) up to \$1.25MM and 0.15% over \$1.25MM. Other services are available at hourly rates.	Monthly	Payable to Integra if you elect to receive this service.
Hourly Accounting Services	\$125 per hour	Payable monthly within 30 days after receipt of invoice.	Payable to Integra if you elect to receive more than 8 hours of accounting services in connection with the opening of your office.

<p>Specialty Practice Fees</p>	<p>Optional participation in a Specialty Practice may be funded by a subsequent initial fee and/or a separate ongoing fee in order to cover the costs of operating the specialty practice</p>	<p>Hotels—one time initiation fee of \$4,000 per Local Office and royalty of 2%.</p> <p>Healthcare &amp; Senior Housing—annual membership fee is \$2,000 per appraiser plus a royalty of .8%.</p> <p>Litigation—up to 5% of litigation work assigned to participant by Litigation Leader plus for each Local Office \$2,000 in Year 1 and Year 2, projected to increase to \$3,000 in Year 3 and thereafter to increase 5% annually.</p>	<p>Payable to Integra: Training, new products, group practice support and supervision of work product.</p>
<p>Fines and Penalties</p>	<p>The Manual provides for various penalties and fines for failing to observe the Manual.</p>	<p>Payable monthly within 30 days after receipt of invoice.</p>	<p>Payable to Integra:</p>

Errors and Omissions Insurance	Integra pays the first \$45,000 in premium costs associated with the annual errors and omissions coverage of the Local Offices but will be eliminated in 2022. The subsidy is allocated based on comparative Adjusted Gross Receipts. Any costs of insurance not covered by the subsidy are paid by the Members. Integra may also assess the Members for a deductible sinking fund payable to its captive insurance company not to exceed \$5,000 per year. A minimum penalty for incurring two losses within three years also applies.	Each policy renewal period, currently March. Payable within 30 days after receipt of invoice.	Payable to Integra. Bill back is uniformly imposed based on Adjusted Gross Receipts. No refund is provided if your MSA is terminated.
Territory Conversion Fee	A fee between \$5,000 and \$40,000 may be imposed in order to convert your Secondary Territory to Primary Territory in order to open a Satellite, Branch or Expansion Office.	Upon approval of Branch, Satellite or Expansion Office.	Payable to Integra. The amount will vary based upon the size of the territory.
Satellite Office Fee	\$1,500 to \$7,500 payable in connection with a request to open an unadvertised Satellite Office.	Payable within 30 days after receipt of invoice.	Payable to Integra.
Expansion Office	\$1,500 to \$7,500 payable in connection with the request to open a Expansion Office. This fee is used to reduce initial franchise fee upon conversion to a full Local Office at the end of three years.	Payable within thirty days after receipt of invoice.	Payable to Integra.
Meeting fees	\$4,000 to \$5,000 to attend two semi-annual meetings.	As incurred.	Payable to Integra and travel vendors.

**Notes:**

- (1) All payments are not refundable. None of these fees are imposed or collected on behalf of a third party except with respect to the 401(k) and office supply fees. All fees are uniformly imposed unless stated otherwise in the Remarks.
- (2) “Adjusted Gross Receipts” shall mean the gross receipts reported by Member on his or its federal income tax return for the respective calendar year (but only to the extent such receipts were actually received by Member in cash during such calendar year (cash basis)) **less**: (i) any gross receipts not relating to the Business such as brokerage fees and commissions and mortgage commissions; (ii) 75% of the gross receipts derived from Residential Appraisal Services; (iii) fees paid for professional services, such as legal, engineering or architectural services performed in connection with advisory or appraisal assignments; (iv) client reimbursements for travel expenses; (v) travel expenses which are not reimbursed by a client if the

assignment relates to property located outside the Member’s Primary or Secondary Territory, but only to the extent that the Member provides Integra with supporting written expense documentation and such travel expenses are included in gross receipts; (vi) fees paid to other Integra offices in connection with the procurement of, or participation in, assignments; (vii) Advisory Services performed on a contingency basis; and (viii) any other gross receipts which are deductible pursuant to the terms of the Manual. The use of generally accepted accounting principles shall not be required in connection with the calculation of Adjusted Gross Receipts.

- (3) Section 8.2 of the Member Services Agreement gives us this right.
- (4) The fee varies based upon: (i) the amount of oversight and review of the work provided by Integra; (ii) whether the assignment involves the payment of referral or client procurement fees by Integra; and (iii) whether project specific materials and templates are provided by Integra or a Specialty Practice Group.
- (5,6) Set forth below are the sliding scale discounts for the Technology Fee and Data Subscription Fee by User count.

2022 Data Fee Assumptions	
User Tech Fee (1-5):	\$ 147.00
Discount (6-10):	5.00%
Discount (11-15):	20.00%
Discount (16-20):	25.00%
Discount (21-25):	35.00%
Discount (26-30):	35.00%
Discount (31-40):	35.00%
Discount (41-50):	35.00%
Discount (51+):	35.00%

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**2022  
Technology Fee Assumptions**

<b>User Tech Fee (1-5):</b>	<b>\$ 202.00</b>
Discount (6-10):	5.00%
Discount (11-15):	20.00%
Discount (16-20):	25.00%
Discount (21-25):	35.00%
Discount (26-30):	35.00%
Discount (31-40):	35.00%
Discount (41-50):	35.00%
Discount (51+):	35.00%

<b>User Technology Fee (1-5):</b>	<b>\$175.00</b>	<b>User Data Subscription Fee (1-5):</b>	<b>\$140.00</b>
Discount (6-10):	5.00%	Discount (6-10):	5.00%
Discount (11-15):	20.00%	Discount (11-15):	20.00%
Discount (16-20):	25.00%	Discount (16-20):	25.00%
Discount (21-25):	35.00%	Discount (21-25):	35.00%
Discount (26-30):	35.00%	Discount (26-30):	35.00%
Discount (31-40):	35.00%	Discount (31-40):	35.00%
Discount (41-50):	35.00%	Discount (41-50):	35.00%
Discount (51+):	35.00%	Discount (51+):	35.00%
<b>Discount (51+): Amount</b>	<b>\$113.75</b>	<b>Discount (51+): Amount</b>	<b>\$91.00</b>

(7) These fees are reset each year by approximately ~~March 15<sup>th</sup>~~ January 31<sup>st</sup>.

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Item 7

**ESTIMATED INITIAL INVESTMENT<sup>(1)</sup>**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Made</b>
Initial <a href="#">Franchise License</a> Fee	\$40,000	Cash or note. Please see Item 10 regarding financing terms for up to \$30,000 of the \$40,000 initial <a href="#">franchise license fee</a> .	Upon signing	Integra
Rent <sup>(2)</sup>	\$21,000 to \$55,000	Varies	Normally one month in advance	Landlord
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs and signs <sup>(3)</sup>	\$2,000 to \$6,500	Varies	Varies	Suppliers
Security deposits, utility deposits, business licenses and other Pre-Paid Expenses <sup>(4)</sup>	\$1,000 to \$5,500	Varies	Varies	Utilities and Landlord
Start-up Supplies <sup>(5)</sup>	\$2,000 to \$10,000	Varies	Varies	Suppliers
Software <sup>(6)</sup>	\$18,000 to \$30,000	Varies	Varies	Suppliers and Integra
Insurance <sup>(7)</sup>	\$2,000 to \$11,000	Varies	Varies	Insurers and Integra

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Made</b>
Additional Funds for Three Months Initial Phase <sup>(8)</sup>	\$150,000	As Incurred	As Incurred	Employees, Suppliers Utilities
TOTALS <sup>(9)</sup>	\$236,000 to \$308,000			

**Notes:**

- (1) This is Integra’s estimate on the costs you will incur to develop and open a business based on its experience that the average office employs yourself, ten full-time appraisers and one administrative assistant. The factors that underlie this estimate can vary considerably depending on a number of variables, and the actual investment you may make may be lesser or greater than the estimates given. Integra does not finance any of the following costs except the initial [franchise license](#) fee on occasion.
- (2) This is Integra’s estimate on the cost of renting office space.
- (3) This is Integra’s estimate on the cost you will incur on signs and equipment.
- (4) This is Integra’s estimate on initial deposits, business permits and prepaid expenses.
- (5) This is Integra’s estimate on the start-up supplies that will be required to stock and run the office and the Business.
- (6) The cost of software varies depending on the number of computers in your office. Software is further described in Item 11. The foregoing costs do not include computer hardware. We assume that you already have computers.
- (7) Pursuant to the conditions and limitations contained in the Member Services Agreement, Integra subsidizes the costs associated with each Member’s \$2,000,000 base errors and omissions coverage in 2021 but will not do so in 2022. You need to pay for most of the base errors and omissions coverage, as well as workers compensation, general liability and auto insurance. You are also responsible for the payment of any other insurance that you deem necessary or desirable to protect your business.
- (8) We estimate that the initial phase will be 3 months. You will need to have on hand sufficient additional capital to cover general operating expenses and salaries for approximately 10 appraisers and one administrative person. The estimate given is the amount of additional funds we estimate you will need to cover these expenses during this initial phase based upon the actual production and collection experience of our local offices monitored using our shared accounting Microsoft Dynamics over the last 5 years, but we cannot guarantee that you will not have additional expenses starting the business. We made this estimate based upon the assumption that after three months, your work in progress will generate sufficient accounts receivable to cover your current expenses.
- (9) No fees are refundable unless you separately negotiate that right with the third party provider.

Item 8

**RESTRICTIONS ON SOURCES  
OF PRODUCTS AND SERVICES**

We require you to use our proprietary appraisal generation software called MarketPoint, our database called DataPoint, Microsoft Dynamics Greatplains accounting software (“MSD”) (to be replaced by Acumatica in 2022.)); as well as our required data suppliers including, without limitation CoStar. We also require you to pay for your proportionate share of our Group E&O and cyber policy. We are the only approved provider of the Group E&O and cyber policy. We are the only approved provider of MarketPoint and DataPoint. We are currently license third parties that are not franchisees to use MarketPoint and DataPoint in order to spread the cost of such software development and perhaps capture a profit. We believe that we provide you with a material benefit by requiring you to use MarketPoint, DataPoint and MSD. We also require you to use specified stationery and appraisal report covers. Otherwise, we have no required specifications, designated suppliers or approved suppliers for goods, services or real estate relating to the Business. Future requirements will be set forth in the operating manual and will relate to the need to deliver standardized appraisals, market studies and data services. These specifications also include standards for report delivery, content and appearance. Currently, we provide certain supplies that you need to operate the Business such as marketing brochures, report binders, data services and reference materials provided by third parties.

In our last fiscal year ended December 31, 2021~~2019~~, we derived the following revenues (also expressed as a percentage of our 2021~~2019~~ gross revenues of \$11,097,443~~6,736,332~~):

Report binding supplies - \$3,114~~11,369~~ (0.03~~13~~% of our gross revenues);

Semi-annual meetings - \$0 (0~~91,365~~ (1.06~~1.06~~% of our gross revenues);

ViewPoint trade publication - \$86,838~~76,750~~ (0.78~~89~~% of our gross revenues);

Technology Fees - \$1,123,882~~884,603~~ (10.13~~23~~% of our gross revenues);

Data Subscription Fees - \$896,938~~766,283~~ (8.08~~86~~% of our gross revenues);

Errors and Omissions Coverage - \$279,787~~235,000~~ (2.52~~72~~% of our gross revenues);

CoStar Fees - \$2,402,359 (21.65~~1,674,800~~ (19.37~~19.37~~% of our gross revenues); and

Accounting Technology Fees - \$209,100~~146,014~~ (1.88~~69~~% of our gross revenues).

We estimate that the foregoing costs will constitute about 13.41~~11~~% of your expenses to acquire all goods and services required to operate your business (excluding the costs of goods sold and the Corporate Service Fee). The total amount that we received from the foregoing fees equals \$5,002,017. Set forth below are the highest and lowest amounts paid annually by any one of our Local Offices for software and insurance costs to Integra compared to other vendors: 3,886,183.

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	<u>Software</u>		<u>Insurance</u>	
	<u>Amounts Paid to Others</u>	<u>Amounts Paid to Integra</u>	<u>Amounts Paid to Others</u>	<u>Amounts Paid to Integra</u>
<u>LOW</u>	<u>\$110</u>	<u>\$220</u>	<u>\$380</u>	<u>\$140</u>
<u>HIGH</u>	<u>\$21,420</u>	<u>\$66,380</u>	<u>\$18,710</u>	<u>\$12,590</u>

In addition, the Member Services Agreement will require you to have particular office equipment that is compatible and functional. The cost of compatible software and hardware will be paid to third party vendors and approximates \$2,500 per appraiser (this includes the cost of a digital camera and mapping software). Additional standards will be imposed from time to time, although you will have four months to make any required changes to your office equipment and software. The standards that we set for your office equipment and software will be reasonable. All advertising must be approved by Integra and utilize preapproved Integra formats. Integra requires that each report be prepared using Integra’s appraisal templates. Finally, we may offer new products in the future that Members will have the option to purchase. For example, we are seeking work from the FDIC that may require the use of a customized software program.

Also, we require you to participate in our group errors and omissions insurance program that also provides cyber coverage. Currently, the group policy provides claims made insurance with a per claim limit of \$2,000,000 and a shared group aggregate limit of \$10,000,000 per annual policy period (the “Group Policy”). ~~All Integra currently pays the first \$45,000 in premium costs associated with the Group Policy and all remaining costs are billed back to the Local Offices based upon their contribution to Adjusted Gross Receipts of the overall group. However, we will discontinue that practice going forward.~~ The Local Office is required to pay the deductible of \$25,000 per claim. Integra has a captive insurance company named Appraisal Guardian that covers the first \$125,000 in exposure after the \$25,000 deductible. A minimum penalty for incurring two losses within three years also applies pursuant to the Manual. You will be immediately covered by our Group Policy when your franchise agreement becomes effective but you are responsible for obtaining tail insurance regarding the claims made relating to your work product performed before becoming a franchisee. Likewise, when you terminate your franchise agreement we also recommend that you obtain tail coverage for the period of time you wherever a franchisee since our Group Policy will no longer cover you.

Integra’s criteria for approving suppliers include: (i) competitive pricing; (ii) quality; and (iii) the ability to deliver uniform supplies on a nationwide basis. Integra may permit franchises the right to contract with alternative providers if such suppliers meet Integra’s standards. Franchisees requesting such approval will be notified of approval or disapproval within 90 days of the delivery of all information requested by Integra in connection with reviewing the related request. Franchisees requesting such approval may be required to reimburse Integra for Integra’s related out of pocket costs associated with its review a request. If an alternative supplier is approved, that approval can be revoked by Integra upon written notice if the supplier fails to meet the standards of Integra. Specifications and standards regarding required purchases will be set forth in the Operating Manual. Integra does negotiate purchase agreements with suppliers, including price terms, for the benefit of the Local Offices.

———The estimated proportion of your required purchases and leases to all purchases, and leases by you of goods and services in establishing the Business is about 26.104% of your

total minimum costs in establishing your Business. The estimated proportion of your required purchases and leases to all purchases, and leases by you of goods and services in maintaining the Business (excluding the costs of goods sold and the Corporate Service Fee) is about 13.41% of your total minimum costs in maintaining your Business.

Finally, Member's gross revenues attributable to Residential Appraisal Services cannot exceed 25% of Member's gross revenues attributable to Commercial Appraisal Services and Advisory Services during the same calendar year.

Integra has no separate purchasing or distribution cooperatives. Neither Integra nor its officers own any interest in any required supplier other than Appraisal Guardian of which Integra owns 100%.

No other material benefits are provided to franchisees.

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Item 9

**FRANCHISEE’S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	§1.1, Exhibit B	Item 11
b. Pre-opening purchases/leases	§§5.1, 5.2	Item 5
c. Site development and other pre-opening requirements	Exhibit B	Item 11
d. Initial and ongoing training	§3.8.6	Item 11
e. Opening	Section 10	Item 11
f. Fees	§§1.2, 7.1, 7.2, 7.4, 7.5, 8.2, 11.1 §2 of Addendum	Items 5, 6 and 17
g. Compliance with standards and policies/Operating Manual	§§1.1, 1.3, 3.8, 4.1, 23	Items 9 and 11
h. Trademarks and proprietary information	§§3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7 and 3.8	Items 13 and 14
i. Restrictions on products/services offered	§§1.1 and 3.1, Exhibit A	Item 8
j. Warranty and customer service requirements	§1.4	Not applicable.
k. Territorial development/sales quotas	§10.2.6, Exhibit B and Exhibit D	Item 12
l. Ongoing product/service purchases	§3.8.1	Item 8
m. Maintenance, appearance and remodeling requirements	Manual	Not applicable.

Obligation	Section in Agreement	Disclosure Document Item
n. Insurance	§§5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8	Item 9
o. Advertising	§§3.7.4, 3.8.5, 8.2 §2 of Addendum	Item 11
p. Indemnification	§6.4	Not applicable.
q. Owner participation/ management/staffing	§ 3.8.2, 14.2.2	Item 15
r. Records and reports	§§4.1, 4.2, 4.3, 4.4, 4.5, 7.2 Exhibit B ¶2	Item 6
s. Inspections and audits	§§4.1, 4.2, 4.4	Item 6
t. Transfer	§§13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 14.1, 14.2	Item 17
u. Renewal	§9	Item 17
v. Post-termination obligations	§§12, 13, 15	Item 17
w. Non-competition covenants	Not applicable.	Not applicable.
x. Dispute Resolution	§§24, 25	Item 17.

## Item 10

### FINANCING

The initial ~~franchise~~ license fee is payable in cash upon the signing of the Member Services Agreement. We do not offer direct or indirect financing for site acquisition, construction, remodeling, equipment, fixtures, opening inventory, supplies or operations. However, from time to time, we have accepted a promissory note for up to \$30,000 to partially finance the initial licensing fee. In addition and on a limited basis, we are currently allowing franchisees to bring the amounts payable to us current within 30 days by executing a promissory note. The form of Promissory Note is attached as Exhibit J. The terms of such financing vary on a case by case basis and are subject to approval by the Board of Directors but generally include the following terms: (i) principal paid in monthly installments over two years (Promissory Note Section I.A.); (ii) simple interest paid at an annual percentage rate equal to up to 8% (unless you default on the Note in which case the annual interest rate increases to 12%) (Promissory Note Section I.B.) (no separate finance charges are imposed); (iii) no security agreement is required although your owners/shareholders and spouses may be required to guarantee the note; and (iv) you may prepay the note at any time without penalty (Promissory Note Section I.D.); and (v) upon default, we may accelerate the amounts due, collect a higher interest rate of 12% and a one-time penalty of \$1,000, collect our attorneys' fees and costs and terminate your Member Services Agreement (Promissory Note Section II.C.). The terms of the Promissory Note include the following waivers: (i) waiver

of trial by jury (Section II.C.); (ii) waiver of the right to any stay of execution and the benefit of all exemption laws under bankruptcy or insolvency (Section II.C.); and (iii) waiver of presentment, demand, protest and notice of dishonor and protest (Section III.A.). We do not plan to sell, assign or discount to a third party all or part of the Promissory Note. We have not received any payments for the placing of financing. We do not guarantee your note, lease or other obligation. However, we will be happy to assist you by introducing you to any third party financing sources that we know are available.

## Item 11

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

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

#### **Pre-Opening Obligations**

We do not have any pre-opening obligations to you under the franchise agreement. Specifically, please note that we do not provide any pre-opening assistance regarding: (i) site selection or related negotiations; (ii) constructing, remodeling or decorating the premises; (iii) conforming the premises to local ordinances and building codes or obtaining any required permits; or (iv) hiring and training employees. Your office should be located in the relevant urban core or a suburban corporate campus, in any case subject to our reasonable consent. Your site must be selected prior to the signing of your Member Services Agreement. [The consequence for not choosing a site with our permission is that we will not form any relationship and therefore the Membership Services Agreement will not be entered into. We do not generally own the premises and lease it back to you.](#)

The typical length of time between the signing of your Member Services Agreement and your opening is 30 days or less since you should already have an existing business operating. We do not anticipate any delays in opening since you should already have an existing business operating. The only factor that affects the time period between signing and the opening is your pre-opening training. Normally, new franchisees are sufficiently trained within 3 weeks of signing.

#### **Obligations During the Term**

During the operation of the Business, we will provide the following products or services:

- a. ~~a.~~—defend against infringing uses of the Proprietary Marks (Member Services Agreement Section 3.5);
- b. [Member accounting services; and](#)
- b. provide advertising programs in such media, nature and amount as we deem appropriate in our sole discretion (Member Services Agreement Section 8).

## **Hiring and Training of Employees**

Integra is not obligated to assist you in recruiting new employees. Nor does Integra assist you in making actual hiring decisions. Integra may assist you in the training of your employees as set forth below under Training. This service is provided pursuant to Section 4 of the Manual.

## **Establishing and Using Administrative, Bookkeeping, Accounting and Inventory Control Procedures**

As part of Integra's uniform standards, you are required to use a uniform accounting software and to utilize a standard chart of accounts. Franchisees are not provided specific training to use this software. This service is provided pursuant to Section 4 of the Manual. We offer optional booking services at a fee. We call this service Member Accounting Services.

## **Resolving Operating Problems Encountered by the Franchisees**

Integra has a limited staff and therefore provides limited general operating assistance to you. However, Integra has an Information Technology Director who is available to assist you with routine matters, although matters particular to your office are subject to an hourly fee of \$125. Integra General Counsel is available to assist you with routine matters such as the negotiation of engagement letters and client indemnification agreements; however, you are required to obtain your own independent legal representation.

## **Operating Manual**

See **Exhibit C** that discloses the table of contents of the Confidential Operating Manual. The Confidential Operating Manual has ~~9695~~ pages with all attachments.

## **Advertising Program**

You are obligated to pay up to 3% of your Adjusted Gross Receipts to fund our marketing fund (see Section 8.2 of the Member Services Agreement). Please note that we do not presently have an advertising or marketing fund in place, although we reserve the right to establish one on 30 days' notice to you for the purposes of marketing and promoting Integra. Integra also reserves the right to form, change, dissolve or merge any marketing cooperatives formed for your benefit. We currently advertise in major real estate trade publications, on national and local websites, and through major industry exhibitions. We reserve the right to advertise on national and regional local levels in all types of media, but have no obligation to do so (Section 8.1 of the Member Services Agreement). We use national and regional advertising agencies, as well as an in-house marketing director. We also sponsor national events such as golf tournaments to increase visibility among our target client groups. We also reserve the right to approve all advertising prepared by you or for you prior to its use. The Founding Members are not required to pay into the marketing fund unless they consent. The Company has no owned outlets, but if it opens outlet, they would be required to participate in the funding of the marketing fund on an equal basis. If a marketing fund is implemented, you will be able to obtain an unaudited accounting of advertising expenditures by contacting Paul Waters at the Corporate Headquarters of Integra. If a marketing fund is implemented, we will not be required to spend any particular amount on advertising or

marketing within any particular territory of yours or the other franchisees. There is no franchisee advertising council. You are not required to participate in a local or regional advertising cooperative. We are not required to spend any dollar amount on advertising in your territory.

## Computer

In order to preserve the validity of the Proprietary Marks and to assure that you are properly employing them in the operation of your Business, you must use the particular types and capacities of office equipment and software required for the compatible and functional operation of the Business within 4 months after we provide you with notice reasonably specifying such equipment or software (including requests to update, upgrade, maintain and repair). The estimated cost of each computer system is \$2,200 and the annual cost of maintaining each computer systems is \$200. There are no other contractual limitations on your obligations to update, maintain and repair your computer system. In particular, we require equipment that will run our DataPoint software and a high-speed Internet connection such as DSL or cable connection. You are required to maintain your computer equipment on a regular basis.

You will be required to license and install our DataPoint and MarketPoint software. This software is for use with our Internet based system. The cost of this software is billed annually to you based upon your User count.

You will also be required to subscribe for the Microsoft Dynamics accounting software program. You will also be required to use and install our proprietary valuation software "Marketpoint" and ancillary files, which are compatible with Microsoft Office 2007, 2010 & 2013 (Word and Excel 32 bit versions). We will provide the Marketpoint updates, and maintain and repair the DataPoint software at no additional charge in our discretion (subject to your payment of the related User fees), but have no other obligation to update, maintain and repair any other software.

DataPoint utilizes a moderated web site and IRR will have independent access to the information and content on this site. There are no contractual limitations on IRR's right to access the information and content of DataPoint and you should have no expectation of privacy to the extent you utilize DataPoint.

Integra will have independent access to all information generated or stored using the servers designated by Integra and therefore you should have no expectation of privacy to the extent that you generate or store information on such servers. There are no contractual limitations on Integra's ability to access such information.

You will be required to pay a User Fee of ~~\$202475~~ per user per month for the Technology Fee relating to the use of our computer software, as well as a user fee of ~~\$147140~~ per person per month for the Data Subscription Fee relating to the use of third party software used in connection with the business (both fees are subject to a sliding scale discount as your user count increases). You are also required to pay a CoStar Subscription Fee of \$437 per user per month that increases pursuant to the Manual ~~in 2022~~. You are also required to pay an annual Accounting Technology Fee that currently equals ~~\$4,6933,825~~. You are not required to purchase any computer hardware from us. See Item 6 for more information. There is no separate group-purchasing cooperative associated with these shared costs. However, we ~~plan to offer~~ [Back Office Support](#) ~~an optional plan to purchase mobile device management~~ services [pursuant to the Addendum attached as Exhibit K](#), as well as [Integra Technology Services pursuant to the Addendum attached as Exhibit L beginning in 2021 for \\$30 per user per month and a device set up fee of \\$250](#).

## **Training Program**

The following summarizes our training program. Currently, we recommend but do not require that anyone attend or pass the training program. There is no additional cost associated with the training program. There is no other training provided by IRR. Since we only license existing businesses, very limited initial training is provided. IRR has implemented a learning management system called IRR University to manage all internal training through an e-learning platform and live webinars that is available for all your appraisers. Instructors include IRR staff and consultants with the applicable subject matter expertise. When needed or upon request, live instructor-led training sessions can be presented in conjunction with our semi-annual meetings or through regional training sessions. The following is a list of the primary internal training topics currently provided through IRR University.

### **CURRENT INTERNAL TRAINING MODULES**

- Accounting / Microsoft Dynamics Software System
- IRR Certified Reviewer
- IRR Data Sources
- IRR Platforms and Software Systems
  - Box
  - Citrix
  - IRR University
  - DataPoint
  - MarketPoint
  - Zendesk
- IRR Website
- Marketing
- Data Quality and Compliance

All training available on IRR University is divided into specific course modules. Course modules include short, instructional videos, as well as supplemental written training materials. Many course modules include quizzes to test the student's knowledge. Successful completion of the quiz is required for all assigned course modules. New employees are assigned specific course modules based on their title or their responsibilities within the company. Course modules can be targeted to specific employee groups and tracked for completion. Applicable course modules are available for review by all employees within the Courses Catalog on IRR University. All employees of the Local Offices must participate in the training programs and seminars offered in accordance with the Manual and complete those programs to our satisfaction, however, no specific training is required to be completed prior to your opening of your office. The duration and extent of training are primarily driven by the needs and requests of the Local Offices, as well as the requirements of Integra.

When needed or upon request, additional training may be provided through external sources on topics such as Argus, USPAP or other business- and/or appraisal-related training at an additional fee to the Local Office (provided pursuant to Section 4 of the Manual).

You will be required to pay for all travel and lodging costs associated with all classes taught off-site in conjunction with our semi-annual meetings or regional training sessions. We do not have a dedicated training staff, so it is impossible to state the instructor's experience or length of experience with Integra. No on the job training is provided.

Instructors will have a minimum of two ~~years~~ years experience with the related subject matter.

Item 12

## **TERRITORY**

You will receive a license to operate a Business in a Primary Territory and a Secondary Territory (collectively, the "Territories") and specifically at locations approved by us in those Territories. The Territories usually relate to primary metropolitan statistical areas designated by the United States Office of Management and Budget ("MSA"). There is no minimum geographic area or a requirement that a Territory include more than one MSA, other than there be at least one MSA per Territory. The only criteria for an approved Territory is that it must be located in the United States and not be already awarded to an existing franchisee. Normally, your office should be located in the relevant urban core or a suburban corporate campus, in any case subject to our reasonable consent.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control. However, during the term of the Member Service Agreement and subject to the exceptions below, we will not physically operate or license any person other than you to physically operate in the Business in the Territories. For example, the nature of your Primary Territory is currently subject to the following exceptions (the "Exceptions"): (i) the client requires the procuring office to perform the assignment; (ii) you lack the expertise, time or other resources to complete the assignment for a reasonable and customary fee; (iii) assignments which fall under Section 3 of USPAP such as desk reviews; (iv) portfolio assignments if you do not respond to the related bid as required; (v) master agreements if you do not respond to the request for you to accept the related master agreement; (vi) the use of de-identified data and information or other uses permitted by our agreement; (vii) advertising campaigns coordinated by Integra; (viii) business development coordination; and (ix) you cannot satisfy the client's minimum contractual requirements or the applicable federal or state requirements. The Exceptions apply to your acceptance of assignments outside of your Territory. Integra will have the right to license use of the Integra trademarks to third parties to conduct real and personal property tax appeals and related services, but excluding all appraisal services, on a national basis.

We expressly reserve the exclusive and unrestricted right to own, operate or license a Business anywhere outside of the Primary Territory and to use and license the Proprietary Marks for non-Business activities. We are not restricted from establishing other franchises or company-owned outlets or other channels of distribution selling or leasing similar services under a different mark within your Primary Territory or Secondary Territory but have no present intention to do so.

We reserve the right (for ourselves and other Local Offices), to solicit and accept assignments from clients located inside your Territory, e.g., Portfolio Bidding and National Clients. We reserve the right to use other channels of distribution such as the Internet, catalogues,

telemarketing and direct marketing to make sales within your territory while using the Proprietary Marks, but we will not take such actions without using the Proprietary Marks. If we secure business relating to property assignment located within your Territory, we will provide you with the opportunity to perform that assignment, subject to the Exceptions. If you elect not to perform such assignments, we will not pay you anything in connection with that assignment.

Specifically, you will be invited to perform those assignments with respect to properties located within your Territory subject to the limitations in the Manual such as your expertise, time or other resources to complete the assignment for a reasonable and customary fee and your timely response to portfolio bids. We do not exclusively reserve the right to use the Proprietary Marks for any particular channel of distribution within your Territory although we do reserve that right with respect to other marks.

You are prohibited from advertising that you have the ability to service customers outside your Territory. You may only use the Integra website to market your services in your Territory on the Internet. You may not use other channels of distribution to market your services outside of your Territory, e.g., catalogues, telemarketing and direct marketing.

Neither Integra nor its affiliates operate, franchise or has plans to operate or franchise a business under a trademark other than the Marks that sells goods or services similar to those that you will offer pursuant to our relationship.

Occasionally, a Member will negotiate with Integra the conditions that are required in order for a Member to convert Secondary Territory to Primary Territory, such as the payment of a fee and the achievement of certain revenue goals. Additional more specific requirements apply if you use a sublicense to open another office within your territory.

The term “Primary Territory” means your right to use the Proprietary Marks to operate the Business with respect to property located in the geographic area set forth in your Member Services Agreement:

- a. In New York City the Primary Territory may be licensed to a maximum of two licensees;
- b. The Primary Territory is subject to forfeiture or reduction if you do not satisfy your obligations under your Member Services Agreement and the Manual;
- c. Procuring Offices (an office that procures a job which requires service in another office’s territory), may provide services using the Marks in the Primary Territory, but only in accordance with the terms of the Manual. For example, the Manual provides that a Procuring Office can perform Business services in your Primary Territory if you lack the expertise or resources necessary to competently and timely perform a procured assignment, the assignment falls under Section 3 of USPAP such as desk reviews, or the client requires the Procuring Office to perform the assignment or you fail to timely respond to a request for a Portfolio Assignment or master engagement;
- d. Specialty practice members will operate on a national basis and observe the same practices as Procuring Offices as discussed above; however, the

qualifications for participation by the local office may be more demanding and Integra reserves the right to establish such qualifications; and

e. Residential franchisees may be authorized to operate in your Primary Territory for residential assignments.

You will have no right of first refusal to acquire additional franchises although we will be happy to entertain such requests pursuant to our office expansion policies set forth in Section 3 of the Manual. We may reject or accept such an application in our sole and absolute discretion.

The term “Secondary Territory” means your nonexclusive revocable right to use the Marks to operate the Business in the geographic area set forth in your Member Services Agreement. Within the Secondary Territory, you will also have the right to use the Marks to operate a Business. Procuring Members may provide services using the Marks within your Secondary Territory, but only in accordance with the terms of the Manual. The Secondary Territory may be shared, reduced or completely eliminated by us and we may grant Primary or Secondary Territories within the Secondary Territory to other members of Integra subject to the terms of the Manual regarding the opening of Branch and Satellite Offices. For the purpose of conducting a conflict check, you must notify us and any other Member operating in the Secondary Territory of each potential litigation project involving property located within the Secondary Territory before accepting such project. Residential franchisees may be authorized to operate in your Secondary Territory for residential assignments.

Your territory can be reduced or eliminated if you fail to satisfy your quota or if you violate the terms of your Member Service Agreement or the Confidential Operating Manual.

If an existing Member desires to seek an expansion territory, Member will give notice to Integra of their interest in a requested territory. Within 90 days of its receipt of such notice, Integra will make a preliminary assessment of the territory, the market size and the affected local offices to determine if a direct corporate effort or/an existing office expansion to develop the territory will better serve Integra. If Integra determines that a Local Office effort would better serve Integra, Integra will notify the interested Local Offices to begin the due diligence process. The due diligence process includes: (i) the completion of the New Office Prospect Form; (ii) the submission of a detailed business plan; (iii) a site visit by Integra; and (iv) Board consideration of approval. After receipt of the due diligence materials, the Board will consider the factors in determining whether a new territory will be granted. In particular, the following factors are to be considered: (i) the applicant’s reputation and local client base in the requested territory; (ii) existing revenues; (iii) the past complexity and performance of assignments for existing clients; and (iv) the applicant’s ability to grow the territory significantly year to year over term of the license.

You will be in default of the Member Services Agreement if you fail to attain the Quota for the stated calendar year set forth in an exhibit to that Agreement. The Quota for each office is negotiated separately and normally relates to market penetration, e.g., .4 multiplied by the population of your Primary Territory. You are required to pay the Corporate Service Fee on your Quota even if your collected Adjusted Gross Receipts are lower than your Quota. Even if you pay the Corporate Service Fee based on your Quota, Integra may terminate your Member Services Agreement for your failure to meet your Quota.

You may request our consent to use the Marks on a nonexclusive and revocable basis in geographic areas that we have not licensed as a Primary or Secondary Territory for any other licensee. Such consent may be withheld in our sole and absolute discretion.

Your office may not be relocated, nor additional offices opened, in the Primary Territory without our prior written approval, which consent will not be unreasonably withheld, and then only in compliance with the terms of the Manual. Generally, we require the office to be relocated within the central business district or a corporate business complex within the metropolitan area and in each case within a Class B or better commercial building.

### Item 13

#### TRADEMARKS

We grant you the non-exclusive right and license to operate your business under the following trademarks and service marks and trade names in which we claim trademark rights: “Integra Realty Resources®”, “IRR®” and “Integra™” (as previously defined, the “Proprietary Marks” or the “Marks”) in connection with providing real estate appraisals and related real estate services, namely, valuation of real and personal property; [providing](#) real property tax consulting services; data analysis services, namely, business data analysis in the field of real and personal property and analysis of data for purposes of tax consultation in the field of real property; providing real property and business valuation services, namely, analysis of data for purposes of appraising real and personal property. We obtained registrations of the service mark “IRR” on the Principal Register of the United States Patent and Trademark Office and we have filed all necessary affidavits. Registration No. 3,840,785 was registered on August 31, 2010 in Class 36 (with a first use in commerce at least as early as January 29, 2001) and Registration No. 4,349,004 was registered on June 11, 2013 in classes 35 and 36 (with a first use in commerce at least as early as January 29, 2001). We obtained registration of the service mark INTEGRA REALTY RESOURCES® on the Principal Register of the United States Patent and Trademark Office on December 23, 2014 in Class 36. The registration was assigned Reg. No. 4,658,359 with a first use in commerce at least as early as 1999. Finally, we also own a federal trademark registration for the mark INTEGRA®, [Registration No. 5632452](#), for real estate appraisals and related real estate services, namely, valuation of real and personal property, which was registered on December 18, 2018, with a first use date of July 17, 1997. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses. [All required affidavits have been filed in connection with](#)~~None of~~ the [foregoing](#). ~~No registrations~~~~Marks~~ have been renewed [at this time](#).

We grant you the non-exclusive right and license to use the logo displayed on the cover page of this Disclosure Document in connection with the services offered by your business [in your territory and elsewhere in the United States pursuant to the Confidential Operating Manual](#). ~~The logo is not.~~ ~~The logo is~~ the subject of a federal registration, but is afforded common law protection, which is not the same protection afforded by a federal registration. The particular requirements regarding the use of our service marks and logo is set forth in our Operating Manual.

You must follow our rules when you use these Marks. In particular, your office must be referred to as Integra Realty Resources – [insert name of city or region]. You cannot use any [of the Marks](#) in connection with the performance or sale of any unauthorized services or products or in any manner we have not expressly authorized in writing.

There are no pending infringement, opposition or cancellation proceedings or material litigation involving our Marks although the Company has, [from time-to-time](#), issued cease and desist letters to various businesses that use the Integra name in confusingly similar business lines. Except as set forth below, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal Marks in your state; however, there may be common law use rights in certain states in favor of some third parties. For example, we have identified prior uses of the name Integra to sell real estate [brokerage](#) services in the states of Colorado, Virginia, Washington and Nevada.

Pursuant to the terms of the Member Services Agreement, we are required at our option to protect your use of the Marks and to defend you against claims of infringement or unfair competition arising out of your use of the Marks or allow you to assume control of these claims subject to our reimbursement of your related costs, however, we are not required to indemnify you for any losses. In the event that you or we do not prevail in any such matter, you [may will](#) be required to discontinue the use of the related Licensed Mark. You must notify us in writing if you become aware of any infringing uses, claims of rights to, a trademark identical to or confusingly similar to the Marks. You must execute any and all documents and do such acts and things as may, in the opinion of counsel for Integra, are necessary or desirable to carry out such defense or prosecution.

Currently, there are restrictions on your use of the Marks on the internet including their use must be consistent with the use restrictions generally applicable to the Marks and be limited to email and the irr.com website.

#### Item 14

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

No patents are material to our System. We claim copyrights in the Confidential Operating Manual, DataPoint, MarketPoint, derivative reports, advertising material and related items used in operating our System. We have software copyright registrations for DataPoint Registration No. Txu 2-118-461 and MarketPoint Registration Nos. TX 8-581-603 and TX 8-581-601 and plan to obtain software registrations for MAK and ADAM. To the extent a copyright registration does not exist, we claim a copyright and assert that the information is proprietary. However, we have no obligation to protect these copyrights or defend your use of these copyrights.

The Confidential Operating Manual, which is described in Item 11, and other materials we provide to you contain our confidential and proprietary information. You will be required to sign the Confidentiality Agreement attached as [Exhibit JK](#) before you can have a copy of the Manual and if you become a Member, you will be required to sign the Confidentiality Agreement. You may not use our confidential information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to others. You must promptly tell us when you learn about

unauthorized use of our confidential and proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate.

#### Item 15

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

Your Senior Managing Director (as defined in Item 1), must be a Member of The Appraisal Institute and participate personally in the direct operation of the Business and devote reasonable time and energy to the office. The Senior Managing Director is not required to complete any specific training program. Each office must have at least one Member of The Appraisal Institute. If you are a business entity, there is no personal guaranty required of your equity holders. In addition, there is no equity requirement for your Senior Managing Director. However, the Senior Managing Director must be approved by the Board of Directors of Integra and must sign a confidentiality agreement satisfactory to us and be a Member of The Appraisal Institute. The Senior Managing Director is responsible for the operations of the Local Office as well as the individual appraisers.

#### Item 16

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

We require you to offer and sell only those goods and services that we have approved (see Item 8). You must offer all services that we designate as required for all offices. Currently, these required services are limited to general appraisal and consulting services. We have the right to add additional goods or services that you are required to offer. There are no limits on our right to do so except that the requirement shall be uniformly imposed. Except as set forth below regarding Residential assignments, there are no limits regarding the customers to whom you may sell goods and services within your territory; however, if you desire to participate in a specialty practice area (either in or outside your territory), you will be required to demonstrate the competency of the person providing that service in your office. You may conduct Residential Appraisal Services, so long as the gross revenues associated with the Residential Appraisal Services that you perform in any calendar year do not exceed 25% of your total gross revenues for that same period.

Item 17

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

**THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>		<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
a.	Term of the franchise	§9	5 years
b.	Renewal or extension of the term	§9	5-year renewal terms at the sole and absolute discretion of Integra with no renewal fee.
c.	Requirements for you to renew or extend	§9	Current compliance, notice and execute new agreement. When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract.

d.	Termination by you	§§11.1, 11.2	<p>You must pay us <u>equal to the lesser of a \$25,000 or the average monthly termination fee if 6 months' notice of termination is provided. If 6 months' notice of termination is not provided, the termination fee equals your Corporate Service Fee paid by Member during the prior trailing 12 months multiplied by the number of whole or partial months remaining in the Term of the calendar year. You are also required to pay the CoStar Tail Payment. The termination fee is subject to increase or change upon receipt of notice that the holders of at least two thirds of the outstanding shares of stock of Integra have approved a higher or different termination fee. There is an additional \$20,000 debranding fee if you would like to license our software after termination. This fee includes the delivery of your data contained in DataPoint. Additional data extracts are \$7,500. If you buy more than one franchise, then your termination fee will equal (a) if six months' notice of termination is provided, \$25,000 (per Member Services Agreement) plus an amount equal to the amount otherwise payable during the 12-month period+2 months' technology, data subscription, accounting technology and E&amp;O fees running from the date of termination for the following services: (i) the Per User Fee for the CoStar License relating to Member's then-current CoStar Users; (ii) the Technology Fees; (iii) the Data Subscription Fees; (iv) the Accounting Technology Fees; (v) any remaining amounts owed pursuant the term of an Integra Technology Services Addendum and/or Back Office Services Addendum; and (vi) the E&amp;O Billback (not running from the notice of termination)(less any unused prepaid amounts paid or owed pursuant to a promissory note payable to Integra.); or (b) if less</u></p>
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Provision		Section in Franchise or other Agreement	Summary
			<del>than six months of termination are provided, the fee equal to (i) plus an additional amount equal to the trailing 6 months' Corporate Service Fees.</del>
e.	Termination by Company without "cause"	None	Not applicable.
f.	Termination by Company with "cause"	§§10.1, 10.2	Cure rights provided except as set forth below.
g.	"Cause" defined – defaults which can be cured	§§10.2, 11.1	Monetary defaults – 10 days; Non-monetary defaults – 30 days
h.	"Cause" defined – defaults which cannot be cured	§10.1 §10.2	Dissolution, Bankruptcy, insolvency, etc. of Member or Member Affiliate  Understatement of fees, failure to agree to site, abandonment of Office, failure to achieve Quotas or minimum adjusted receipts, excessive Residential Appraisal Services, suspension or revocation of appraisal license, violation of law or similar event which impairs the goodwill of the Proprietary Marks or the Business System, misrepresentation, USPAP or law violation, multiple defaults in 12 month period, failure to obtain or maintain permits, continued complaints or failure to participate in a business combination.
i.	Your obligations on termination/non-renewal	§§12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8	Cease use of Marks, de-identify office, non-solicitation of certain clients <del>if you were an SPG leader,</del> return manual and other information, <del>deliver client list and other records,</del> pay amounts owed to Integra (including the Corporate Service Fee payable on Adjusted Gross Revenues which have been billed), terminate assumed name registrations; cease use of existing telephone and fax numbers and transfer them to Integra. <u>You are not entitled to a data extract unless approved in the sole discretion of Integra.</u>
j.	Assignment of contract by Company	§13.1	Permitted without your consent.

Provision		Section in Franchise or other Agreement	Summary
k.	“Transfer” by you – definition	§13.2	See definition.
l.	Company approval of transfer by you	§13.2	Consent not to be unreasonably withheld.
m.	Conditions for Company’s approval of transfer	§13.2, 13.3, 13.4, 13.5	Current compliance with agreement, \$5,000 fee, approved Managing Director and owner, update office, sign new agreement.
n.	Company’s right of first refusal to acquire your business	§13.7	You cannot Transfer your business without first offering to sell it to Integra
o.	Company’s option to purchase your business	§14	Only applies to death and disability and the failure of your heirs to take certain action within a certain time period
p.	Your death or disability	§§14.1, 14.2	Your death triggers an Integra consent requirement and purchase option.
q.	Non-competition covenants during the term of the franchise	§12.6	Non-solicitation of other Local Offices.
r.	Non-competition covenants after the franchise is terminated or expires	Not applicable.	Not applicable.
s.	Modification of the Agreement	§ 22	Your consent is required to amend the Member Services Agreement but the Manual may be amended without your consent.
t.	Integration/merger clause	§22	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). However, nothing in the Franchise Agreement is meant to disclaim any representation made in this FDD. Any representations or promises made outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	§25	Dispute resolution involves two steps: (i) nonbinding mediation; and (ii) if necessary, binding arbitration.

<b>Provision</b>		<b>Section in Franchise or other Agreement</b>	<b>Summary</b>
v.	Choice of forum	§16	Colorado. See state addendums subject to applicable state law.
w.	Choice of law	§16	Colorado. See state addendums subject to applicable state law.

Item 18

**PUBLIC FIGURES**

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

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 reasonable basis for the information, and if the information is included in the disclosure document. Financial performance that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Derek Guemmer at [dguemmer@irr.com](mailto:dguemmer@irr.com), the Federal Trade Commission, and the appropriate state regulatory agencies.

**[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]**

Item 20

**LIST OF OFFICES**

**All tables exclude unadvertised Satellite Offices and foreign offices but include regular Full Offices, Branch Offices and Expansion Offices.**

**Item 20 Table No. 1  
System wide Outlet Summary  
For Years ~~2019~~2018 to ~~2021~~2020**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2019</del> 2018	<u>50</u> 44	<u>53</u> 50	+ <u>3</u> 6
	<del>2019</del>	<u>50</u>	<u>53</u>	+ <u>3</u>
	2020	53	56	+3
	<del>2021</del>	<u>56</u>	<u>50</u>	- <u>6</u>
Company-Owned	<del>2019</del> 2018	<u>1</u> 0	1	<u>0</u> +1
	<del>2019</del>	<u>1</u>	<u>1</u>	<u>0</u>
	2020	1	1	0
	<del>2021</del>	<u>1</u>	<u>1</u>	<u>0</u>
Total Outlets	<del>2019</del> 2018	<u>51</u> 44	<u>54</u> 51	+ <u>3</u> 7
	<del>2019</del>	<u>51</u>	<u>54</u>	+ <u>3</u>
	2020	54	<u>57</u> 56	+ <u>3</u> 2
	<del>2021</del>	<u>57</u>	<u>51</u>	- <u>6</u>

**Item 20 Table No. 2**

**Transfers of Outlets from Franchisees to New Owners (other than Franchisor)  
For Years ~~2019~~2018 to ~~2021~~2020**

State	Year	Number of Transfers
Arizona	<del>2019</del> 2018	<u>1</u> 0
	<del>2019</del>	<u>1</u>
	2020	0
<del>Connecticut</del>	<del>2021</del> 2018	0
Connecticut	2019	1
	2020	0
Ohio	<del>2021</del> 2018	<u>0</u> 1
	2019	0
Pennsylvania	2019	0
	2020	0
<del>Rhode Island</del>	<del>2021</del> 2018	<u>1</u> 0
Rhode Island	2019	1
	2020	0
Texas	<del>2018</del>	<u>1</u>
	<del>2019</del> 2021	0
	<del>2020</del>	<u>0</u>
Virginia	<del>2018</del>	<u>1</u>

State	Year	Number of Transfers
	<a href="#">2019</a>	0
	<a href="#">2020</a>	
Totals	<del>2018</del> <a href="#">2019</a>	3
	<a href="#">2019</a>	<a href="#">3</a>
	2020	0
	<a href="#">2021</a>	<a href="#">1</a>

**Item 20 Table No. 3**  
**Status of Franchised Outlets**  
**For Years ~~2019~~2018 to ~~2021~~2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at the End of the Year
Alabama	<del>2019</del> 2018	1	0	0	0	0	0	1
	2019	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2020	1	0	0	0	0	0	1
<del>Arkansas</del>	<del>2021</del> 2018	<del>10</del>	<del>0</del>	0	0	0	0	1
Arkansas	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
<del>Arizona</del>	<del>2021</del> 2018	<del>21</del>	0	0	0	0	<del>20</del>	<del>0</del>
Arizona	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>California</del>	<del>2021</del> 2018	<del>15</del>	0	0	0	0	0	<del>15</del>
California	2019	5	1	0	0	0	0	6
	2020	6	0	0	0	0	0	6
<del>Colorado</del>	<del>2021</del> 2018	<del>61</del>	<del>0</del>	<del>0</del>	0	0	0	<del>61</del>
Colorado	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Connecticut</del>	<del>2021</del> 2018	1	0	0	0	0	0	1
Connecticut	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Delaware</del>	<del>2021</del> 2018	<del>10</del>	0	0	0	0	0	<del>10</del>
Delaware	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<del>District of Columbia</del>	<del>2021</del> 2018	0	0	0	0	0	0	0
District of Columbia	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<del>Florida</del>	<del>2021</del> 2018	<del>04</del>	0	0	0	0	0	<del>04</del>
Florida	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
<del>Georgia</del>	<del>2021</del> 2018	<del>40</del>	<del>0</del>	0	0	0	0	<del>41</del>
Georgia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Idaho</del>	<del>2021</del> 2018	1	0	0	0	0	0	1
Idaho	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Illinois</del>	<del>2021</del> 2018	1	0	0	0	0	0	1
Illinois	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Indiana</del>	<del>2021</del> 2018	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at the End of the Year
<del>Indiana</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Kansas</del>	<del>2018</del>	<del>10</del>	0	0	0	0	0	<del>10</del>
<del>Kansas</del>	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<del>Kentucky</del>	<del>2018</del>	<del>01</del>	0	0	0	0	0	<del>01</del>
<del>Kentucky</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Louisiana</del>	<del>2018</del>	<del>10</del>	<del>01</del>	0	0	0	0	1
<del>Louisiana</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Maryland</del>	<del>2018</del>	<del>10</del>	0	0	0	0	<del>10</del>	0
<del>Maryland</del>	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<del>Mass.</del>	<del>2018</del>	<del>01</del>	<del>01</del>	<del>01</del>	0	0	0	<del>01</del>
<del>Mass.</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Michigan</del>	<del>2018</del>	1	0	0	0	0	<del>10</del>	<del>01</del>
<del>Michigan</del>	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
<del>Minnesota</del>	<del>2018</del>	<del>21</del>	0	0	0	0	0	<del>21</del>
<del>Minnesota</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Mississippi</del>	<del>2018</del>	1	0	0	0	0	0	1
<del>Mississippi</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Missouri</del>	<del>2018</del>	<del>10</del>	<del>02</del>	0	0	0	<del>10</del>	<del>02</del>
<del>Missouri</del>	2019	2	0	0	0	0	0	2
	2020	2	<del>10</del>	0	0	0	0	<del>32</del>
<del>Nevada</del>	<del>2018</del>	<del>31</del>	0	0	0	0	0	<del>31</del>
<del>Nevada</del>	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>New Jersey</del>	<del>2018</del>	1	<del>01</del>	0	0	0	0	<del>12</del>
<del>New Jersey</del>	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
<del>New York</del>	<del>2018</del>	<del>21</del>	0	0	0	0	0	<del>21</del>
<del>New York</del>	2019	1	0	0	0	0	<del>09</del>	1
	2020	1	0	0	0	0	<del>90</del>	1
<del>N. Carolina</del>	<del>2018</del>	<del>13</del>	0	0	0	0	0	<del>13</del>
<del>N. Carolina</del>	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
<del>Ohio</del>	<del>2018</del>	3	0	0	0	0	0	3

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at the End of the Year
<del>Ohio</del>	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
<del>Oklahoma</del>	<del>2021</del> 2018	<del>30</del>	0	0	0	0	0	<del>30</del>
Oklahoma	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<del>Oregon</del>	<del>2021</del> 2018	<del>01</del>	<del>10</del>	<del>01</del>	0	0	0	<del>10</del>
Oregon	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
<del>Pennsylvania</del>	<del>2021</del> 2018	<del>01</del>	<del>02</del>	<del>01</del>	0	0	0	<del>02</del>
Pennsylvania	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
<del>Rhode Island</del>	<del>2021</del> 2018	<del>21</del>	0	0	0	0	0	<del>21</del>
Rhode Island	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>S. Carolina</del>	<del>2021</del> 2018	<del>13</del>	0	0	0	0	0	<del>13</del>
S. Carolina	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
<del>Tennessee</del>	<del>2021</del> 2018	<del>32</del>	0	0	0	0	0	<del>32</del>
Tennessee	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
<del>Texas</del>	<del>2021</del> 2018	<del>24</del>	<del>01</del>	0	0	0	<del>10</del>	<del>15</del>
Texas	2019	5	1	0	0	0	0	6
	2020	6	1	0	0	0	0	7
<del>Utah</del>	<del>2021</del> 2018	<del>71</del>	0	0	0	0	0	<del>71</del>
Utah	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
<del>Virginia</del>	<del>2021</del> 2018	1	0	0	0	0	0	1
Virginia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
Washington	<del>2019</del> 2018	1	0	0	0	0	0	1
	<del>2019</del> 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
W. Virginia	<del>2018</del> 2019	0	0	0	0	0	0	0
	2019	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2020	0	0	0	0	0	0	0
	2021	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
Wisconsin	<del>2019</del> 2018	0	0	0	0	0	0	0
	2019	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2020	0	0	0	0	0	0	0
<b>Totals</b>	<del>2021</del> 2018	<del>044</del>	<del>010</del>	<del>04</del>	0	0	0	<del>050</del>
<b>Totals</b>	2019	50	3	0	0	0	0	53

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at the End of the Year
	2020	53	<u>32</u>	0	0	0	0	<u>5655</u>
	<u>2021</u>	<u>56</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>51</u>

**Item 20 Table No. 4**  
**Status of Company-Owned Outlets**  
For Years ~~2019~~2018 to ~~2021~~2020

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Total	2018	0	1	0	0	0	1
Total	2019	1	0	0	0	0	1
Total	2020	1	0	0	0	0	1
Total	2021	1	0	0	0	0	1

**Item 20 Table No. 5**  
**Projected Openings as of December 31, ~~2022~~2021**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
New York	0	1	0
Oregon	0	1	0
Total	0	2	0

Attached as **Exhibit D** is a list of the names of all members of our Business System and their addresses and telephone number of their offices as of December 31, ~~2021~~2020.

Attached as **Exhibit E** is a list of the name and last known home address and telephone number of every Business owner who, in Integra's, most recent full fiscal year end: (1) had an office terminated by Integra; (2) had an office not renewed by the Integra; or (3) otherwise voluntary or involuntarily ceased to do business under the Member Services Agreement. **Exhibit E** also contains a list of each Business owners who have not communicated with us within 10 weeks of the date we prepared and filed this Disclosure Document or otherwise terminated their franchise agreement during this calendar year.

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

In the last three years, all current franchises are required to sign confidentiality agreements restricting their ability to speak openly about their experience with Integra. 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.

There is no trademark-specific franchisee organization associated with the franchise system being offered in the Franchise Disclosure Document.

Item 21

**FINANCIAL STATEMENTS**

Attached to this Disclosure Document as **Exhibit F** are our audited financial statements as of December 31, ~~2021~~2020, December 31, ~~2020~~2019 and December 31, 2019, and for each of the 12-month period of operations each ending December 31, ~~2021~~2020, December 31, ~~2020~~2019 and December 31, ~~2019~~2018. ~~We were incorporated on March 24, 1999.~~ Also attached is the auditor's consent to the disclosure of the audited financials.

~~THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT ANY AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.~~ Also attached to this Disclosure Document as **Exhibit F** are our unaudited financial statements as of ~~March 31, 2022~~April 30, 2021 and for the ~~34~~-month period of operations ending ~~March 31, 2022~~April 30, 2021.

Item 22

**CONTRACTS**

The Member Services Agreement is attached to this Disclosure Document as **Exhibit G**. The Promissory Note is attached to this Disclosure Document as **Exhibit I**. The Confidentiality Agreement is attached to this Disclosure Document as **Exhibit J**. [The Back Office Services Addendum is attached to this Disclosure Document as Exhibit K.](#) [The Integra Technology Services Addendum is attached to this Disclosure Document as Exhibit L.](#)

Item 23

**RECEIPT**

The last two pages of this Disclosure Document are receipt pages. Please sign and date both copies. One copy should be returned as soon as possible.

## **EXHIBIT A**

### **LIST OF STATE AUTHORITIES**

Listed below are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws:

#### **California**

Department of [Financial Protection and Innovation Business Oversight](#)  
State of California  
Suite 750  
320 W. 4<sup>th</sup> Street  
Los Angeles, California 90013  
(866) 275-2677

#### **Connecticut**

Banking Commissioner  
Department of Banking  
Securities and Business Investments Division  
260 Constitution Plaza  
Hartford, Connecticut 06103-1800  
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**CHARLESTON, SC (174)**  
**Cleveland "Bud" Wright, Jr., PROVIDENCE, RI (150)**  
**Todd Isaacson, MAI**  
**INTEGRA REALTY RESOURCES -**  
**PROVIDENCE-CHARLESTON**  
365 Eddy + C Isabella Street  
Charleston, SC 29403  
Providence, RI 02903  
401-273-7710 843-718-2125 ext. 15 40  
FAX: 401-273-7410 843-718-2058  
E-mail: [tisaacson@irr.com](mailto:tisaacson@irr.com) E-mail:  
[ewright@irr.com](mailto:ewright@irr.com)

**CHARLESTON/COLUMBIA, SC (174/110)**  
**Cleveland "Bud" Wright, Jr., Michael B. Dodds, MAI, CCIM**  
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**CHARLESTON**  
11-C Isabella Street  
Charleston, SC 29403  
843-718-2125 SOUTH CAROLINA  
500 Lawand Dr., 2nd Floor  
Columbia, SC 29210  
803-772-8282 ext. 10410  
FAX: 843-718-2058 803-772-0087  
E-mail: [cwright@irr.com](mailto:cwright@irr.com) E-mail:  
[mdodds@irr.com](mailto:mdodds@irr.com)

**COLUMBIA, SC (110)**  
**Michael B. Dodds MEMPHIS, TN (143)**  
**J. Walter Allen, MAI, CCIM FRICS**  
**INTEGRA REALTY RESOURCES -**  
**MEMPHIS**  
**SOUTH CAROLINA**  
141 Riverchase Way  
Lexington, SC 29072  
803-772-8282 700 Colonial Road, Suite 102  
Memphis, TN 38117  
901-866-4934 ext. 110226  
FAX: 803-772-0087 901-767-4918  
E-mail: [mdodds@irr.com](mailto:mdodds@irr.com) E-mail: [wallen@irr.com](mailto:wallen@irr.com)

**NASHVILLE, TN (144)**  
**R. Paul Perutelli, MAI, SRA, FRICS**  
**INTEGRA REALTY RESOURCES -**  
**NASHVILLE/EAST TENNESSEE**  
1894 General George Patton Drive, Suite 300  
Franklin, TN 37067  
615-628-8275 ext. 1 FAX: 615-628-8286  
E-mail: [pperutelli@irr.com](mailto:pperutelli@irr.com)

**AUSTIN, TX (185)**  
**Todd Rotholz, MAI**  
**INTEGRA REALTY RESOURCES -**  
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Austin, TX 78701  
512-924-1345  
E-mail: [trotholz@irr.com](mailto:trotholz@irr.com)

**DALLAS, TX (191)**  
**Jimmy H. Jackson, MAI**  
**INTEGRA REALTY RESOURCES –**  
**DALLAS**  
1100 Mira Vista Boulevard, Suite 300  
Plano, TX 75093  
(972) 725-7724 FAX: (972) 733-1403  
E-mail: [jhjackson@irr.com](mailto:jhjackson@irr.com)

**FORT WORTH, TX (195)**  
**Alan Pursley, MAI, SRPA, SRA, SGA**  
**INTEGRA REALTY RESOURCES –**  
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Fort Worth, TX 76116  
817-763-8023 FAX: 817-763-8017  
E-mail: [apursley@irr.com](mailto:apursley@irr.com)

**HOUSTON, TX (183)**  
**Todd Rotholz, MAI**  
**INTEGRA REALTY RESOURCES -**  
**HOUSTON**  
9225 Katy Freeway, Suite 206  
Houston, TX 77024  
713-973-0212 FAX 1: 713-973-2028  
E-mail: [trotholz@irr.com](mailto:trotholz@irr.com)

**LUBBOCK, TX (215)**  
**Jimmy H. Jackson, MAI**  
**INTEGRA REALTY RESOURCES -**  
**LUBBOCK**  
6309 Indiana Avenue, Suite D,  
Lubbock, Texas 79413  
(972) 725-7724 FAX: (972) 733-1403  
E-mail: [jhjackson@irr.com](mailto:jhjackson@irr.com)

**SAN ANTONIO, TX (179)**  
**Brandon Brehm**  
**INTEGRA REALTY RESOURCES -**  
**SAN ANTONIO**  
909 NE Loop 410, Suite 636,  
San Antonio, Texas 78209  
(210) 446-4444  
E-mail: [bbrehm@irr.com](mailto:bbrehm@irr.com)

**SALT LAKE CITY, UT (160)**  
**John T. Blanck, MAI, MRICS**  
**INTEGRA REALTY RESOURCES -**  
**SALT LAKE CITY**  
5107 South 900 East, Suite 200  
Salt Lake City, UT 84117  
801-263-9700 ext. 109 FAX: 801-263-9709  
E-mail: [jblanck@irr.com](mailto:jblanck@irr.com)

**RICHMOND, VA (135)**  
**Kenneth L. Brown, MAI, FRICS, CCIM**  
**INTEGRA REALTY RESOURCES -**  
**RICHMOND**  
4447 Cox Road  
Glen Allen, VA 23060-3326  
804-346-2600 ext. 209  
FAX: 804-747-9140  
E-mail: [kbrown@irr.com](mailto:kbrown@irr.com)

**SEATTLE, WA (154)**  
**Matthew Bacon, MAI**  
**INTEGRA REALTY RESOURCES -**  
**SEATTLE**  
600 University Street, Suite 310  
Seattle, WA 98101  
206-436-1179 FAX: 206-623-5731  
E-mail: [mbacon@irr.com](mailto:mbacon@irr.com)

EXHIBIT E  
MEMBERS WHO LEFT SYSTEM  
OR HAVE NOT COMMUNICATED

MEMBERS WHO HAVE LEFT THE SYSTEM IN OUR LAST FISCAL YEAR (~~2021~~2020):

**TRANSFERS:** None

**TERMINATIONS:** [See below](#) ~~None~~

**Boston, Massachusetts**

[Steve Prozinski](#)

[303 Congress Street • Boston, MA, 02210](#)

[D: 617.457.3370](#)

[C: 617.828.2284](#)

[E: \[SProzinski@hunnemanre.com\]\(mailto:SProzinski@hunnemanre.com\)](#)

**Jackson, Mississippi; Memphis, Tennessee; New Orleans, Louisiana; Fayetteville,  
Arkansas and Little Rock, Arkansas**

[John Praytor, MAI, AI-GRS](#)

[617 Renaissance Way](#)

[Ridgeland, MS 39157](#)

[P 601-499-0215](#)

[C 601-317-6616](#)

[E \[jpraytor@bbgres.com\]\(mailto:jpraytor@bbgres.com\)](#)

EXHIBIT F  
FINANCIAL STATEMENTS

See attached.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT ANY AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

EXHIBIT G  
MEMBER SERVICES AGREEMENT

EXHIBIT H  
STATE ADDENDA

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE CALIFORNIA FRANCHISE INVESTMENT LAW**

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.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Member Services Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Member Services Agreement requires application of the laws of ~~Colorado~~[Delaware](#). This provision may not be enforceable under California law.

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

The Franchisor will comply with all appropriate laws governing any direct financing offered by it to you including, if applicable, the California Finance Lenders Law.

The Member Services Agreement requires Dispute Resolution to resolve disputes between Local Offices. If Dispute Resolution is not resolved by phone during mediation, it escalates to binding arbitration. If Dispute Resolution is not resolved by phone, the binding arbitration is held at the physical location of the next Integra annual meeting. Each party bears its own costs in each such matter.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as the 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.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A

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WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

OUR WEBSITE HAS NOT BEEN REIVEWED OR APPROVED BY THE CALIFRONIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE ~~CALIFORNIA~~ DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BUSINESS OVERSIGHT at www.dfpi.ca.govwww.dbo.ca.gov.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
CONNECTICUT BUSINESS OPPORTUNITY INVESTMENT ACT**

**CONNECTICUT COVER SHEET**

**DISCLOSURES REQUIRED BY CONNECTICUT LAW**

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Name of Seller:  
INTEGRA REALTY RESOURCES, INC.  
7800 East Union Avenue  
Suite 400  
Denver, Colorado 80237

Issuance Date: April 1, 2022~~30, 2021~~

Multi-State

## DISCLOSURES REQUIRED BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Name of Seller:  
INTEGRA REALTY RESOURCES, INC.  
7800 East Union Avenue  
Suite 400  
Denver, Colorado 80237

Issuance Date: April ~~1, 2023~~, ~~2021~~

**ADDENDUM PURSUANT TO  
CONNECTICUT BUSINESS OPPORTUNITY INVESTMENT LAW**

**THE TRAINING PROGRAM FOR INTEGRA THAT IS SET FORTH IN THE CIRCULAR IS A PROPOSED PROGRAM. IT HAS NOT BEEN FULLY DEVELOPED AT THIS TIME AND IS STILL IN THE FORMATIVE STAGE.**

**ALTHOUGH INTEGRA CANNOT OPERATE OR LICENSE A BUSINESS IN YOUR PRIMARY TERRITORY, IT CAN OPERATE OR LICENSE A BUSINESS SELLING SIMILAR SERVICES UNDER A DIFFERENT MARK IN YOUR PRIMARY OR SECONDARY TERRITORY. IN ADDITION, THE SECONDARY TERRITORY IS NOT EXCLUSIVE.**

**MEMBER IS REQUIRED TO ATTAIN THE MINIMUM ADJUSTED GROSS RECEIPTS FOR THE RESPECTIVE CALENDAR YEAR SET FORTH IN EXHIBIT D TO THE MEMBER SERVICES AGREEMENT. IF MEMBER FAILS TO ATTAIN THE MINIMUM ADJUSTED GROSS RECEIPTS FOR ANY RESPECTIVE CALENDAR YEAR, WE CAN TERMINATE THE FRANCHISE.**

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

## CONNECTICUT CROSS-REFERENCE SHEET

Connecticut Required Disclosures (Section 36b-63)	Location in Uniform Franchise Disclosure Document
(a)	Second Cover Page
(b)(1)	Item 1
(b)(2)	Item 2
(b)(3)	Item 1
(b)(4)	Item 3
(b)(5)	Item 4
(b)(6)	Items 1 and 11
(b)(7)	Item 7
(b)(8)	Item 6
(b)(9)	Item 8
(b)(10)	Item 8
(b)(11)	Item 8
(b)(12)	Item 10
(b)(13)	Item 12 and 16
(b)(14)	Item 15
(b)(15)	Item 17
(b)(16)	Item 20
(b)(17)	Item 11
(b)(18)	Item 11
(b)(19)	Item 18
(b)(20)	Item 19
(b)(21)	Item 19
(b)(22)	DNA
(b)(23)	See Connecticut Addendum
(b)(24)	See Exhibit F
(b)(25)	See Table of Contents
(b)(26)	See Sales Agent Forms
(b)(27)	See Third Cover Page

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE HAWAII FRANCHISE INVESTMENT LAW**

**THESE FRANCHISES 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 THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT 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 (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE MEMBER SERVICES 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.**

Hawaii Revised Statute § 482E-1 may supersede the Member Services Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. Hawaii also may have court decisions, which may supersede the Member Services Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

**ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT and  
MEMBER SERVICES AGREEMENT**

Illinois law governs the agreements between the parties to this franchise.

1. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois

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

3. No claim or provision in Franchisor’s Member Services Agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

4. In Illinois, see the **Real Estate Appraiser Licensing Act of 2002**, at 225 ILCS 458/ (West 2014).

5. In Illinois, see the **Appraisal Management Company Registration Act**, at 225 ILCS 459/1 et. seq. (West 2014).

6. For information and forms regarding real estate appraisal professions licensed by the Illinois Department of Financial and Professional Regulation (IDFPR), see <http://www.idfpr.com/profs/appraisal.asp>

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Member Services Agreement as of the day and year set forth above.

\_\_\_\_\_  
FRANCHISEE

INTEGRA REALTY RESOURCES, INC.

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

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

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

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

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

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

**INDIANA AMENDMENT  
MEMBER SERVICES AGREEMENT**

The parties to the Member Services Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the Member Services Agreement will be amended as follows:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, the parties further agree as follows:

“If any of the provisions of this Agreement are inconsistent with the provisions of the Indiana Deceptive Franchise Practices Law, Sections 1 through 11, Indiana Code §23-2-2.7-1 to – 11, then the provisions of the Law shall apply to the extent such Law is constitutional and valid as applied.”

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Member Services Agreement as of the day and year set forth above.

\_\_\_\_\_  
FRANCHISEE

INTEGRA REALTY RESOURCES, INC.

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

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

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

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

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

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

The general release language contained in the Member Services Agreement shall not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland.

The Member Services Agreement provides that it may be terminated immediately upon, among other things, the franchisee commencing any cause, proceeding or other action seeking reorganization, etc. under any law relating to bankruptcy, etc. This provision may not be enforceable under federal law relating to bankruptcy.

**ADDENDUM TO THE MEMBER SERVICES AGREEMENT  
PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND  
DISCLOSURE LAW**

Notwithstanding anything to the contrary set forth in the Member Services Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

1. Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires us to file an irrevocable consent to be sued in the state of Maryland. Nothing in the Member Services Agreement can require you to conduct litigation outside of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. In fact, you can bring an action in Maryland against us for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits us from requiring you to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. The representations in Section 21 of the Member Services Agreement are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the date first above written.

\_\_\_\_\_,  
FRANCHISEE

INTEGRA REALTY RESOURCES, INC.

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
AND MEMBER SERVICES AGREEMENT PURSUANT TO THE MINNESOTA  
FRANCHISE INVESTMENT LAW**

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

THESE FRANCHISES HAVE BEEN FILED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION 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 MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER COMES FIRST, A COPY OF THE PUBLIC DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE.

THIS PUBLIC DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE MEMBER SERVICES AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing on the cover page or in Item 17 of the Disclosure Document or in Article 16 of the Member Services Agreement can in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies, including the right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J. Although we may seek injunctive relief, we cannot require you to consent to our obtaining injunctive relief.

Nothing in the Disclosure Document or Member Services Agreement is intended to be nor shall act as a release, assignment, novation, or waiver that would relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat. §§ 80C.01 to 80C.22.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a

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franchisee be given 90 ~~days'~~days notice of termination (with 60 days to cure) and 180 ~~days'~~days notice for non-renewal of the Member Services Agreement.

The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the trade name infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the trade name in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has 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.

\_\_\_\_\_  
FRANCHISEE

INTEGRA REALTY RESOURCES, INC.

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

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

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

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

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

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

**NEW YORK ADDENDUM  
TO DISCLOSURE DOCUMENT**

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

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~THE APPROPRIATE~~NEW YORK STATE ~~OR PROVINCIAL AUTHORITY~~DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005.**

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

2. The following 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.

~~33. The following is added to the end of Item 4:~~

~~Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 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 that officer or general partner of the franchisor held this position in the 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.

~~46.~~ The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

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

~~7. The following is added to the end of the “Summary” section of Item 17(j), titled~~

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

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

**DISCLOSURES REQUIRED BY  
NORTH CAROLINA LAW**

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**ADDENDUM TO UNIFORM  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE NORTH CAROLINA  
BUSINESS OPPORTUNITY SALES LAW**

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE NORTH DAKOTA FRANCHISE LAW**

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 North Dakota:

1. Section 11.1 of the Member Services Agreement requires the franchisee to consent to liquidated damages or termination penalties. Liquidated damages and termination penalties may not be enforceable under North Dakota law.

2. Item 17(v) of the Disclosure Document and the second and third sentences of Section 16 of the Member Services Agreement provides that franchisees consent to the jurisdiction of courts in the State of Delaware. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, Item 17(v) of the Disclosure Document is amended to delete the reference to Delaware and the second and third sentence of Section 16 of the Member Services Agreement are deleted from any Member Services Agreement issued in the State of North Dakota.

3. Item 17(w) of the Disclosure Document and the first sentence of Section 16 of the Member Services Agreement provides that the agreement shall be construed according to the laws of the State of Delaware. 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. Accordingly, the laws of the State of North Dakota supersede any provisions of the Member Services Agreement, any other agreements or Delaware law if such provisions are in conflict with North Dakota law.

4. Apart from civil liability as set forth in section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud) the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the Franchise Investment Law, those provisions contain substantive rights intended to be afforded to North Dakota residents, and it is unfair to franchise investors to require them to waive their rights under North Dakota law.

**NORTH DAKOTA AMENDMENT  
TO MEMBER SERVICES AGREEMENT**

The parties to the Member Services Agreement dated \_\_\_\_\_, \_\_\_\_\_, hereby agree that the Member Services Agreement will be amended as follows:

1. Section 11.1(b) of the Member Services Agreement is deleted.
2. Section 11.1 is amended by adding the following sentence:

“If the Member Services Agreement is terminated, and in addition to the obligations of the Member as otherwise provided herein, Integra shall retain the full amount of any fees heretofore paid to Integra and Member shall continue to remain liable to Integra for any and all damages which Integra has sustained or may sustain by reason of such default or defaults and the breach of the Member Services Agreement on the part of Member for the unexpired Term of the Member Services Agreement.”

3. The second and third sentences of Section 16 of the Member Services Agreement are deleted.

4. The laws of the State of North Dakota supersede any provisions of the Member Services Agreement, any other agreements or Delaware law if such provisions are in conflict with North Dakota law.

\_\_\_\_\_  
FRANCHISEE

INTEGRA REALTY RESOURCES, INC.

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

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

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

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

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

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE RHODE ISLAND FRANCHISE DISCLOSURE ACT**

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

“Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by laws of 1993, dictates that ‘a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.’”

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE  
VIRGINIA RETAIL FRANCHISING ACT**

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 ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
THE WASHINGTON FRANCHISE INVESTMENT LAW**

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 Washington.

1. If any of the provisions in the Disclosure Document or Member Services Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Disclosure Document and Member Services Agreement with regard to any franchises sold in Washington.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.

4. A release or waiver of rights executed by a 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.

5. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

**ADDENDUM TO THE MEMBER SERVICES  
AGREEMENT PURSUANT TO THE WASHINGTON FRANCHISE  
INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Member Services Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. If any of the provisions in the Member Services Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Member Services Agreement with regard to any franchises sold in Washington.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.

4. A release or waiver of rights executed by a 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.

5. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

\* \* \* \* \*

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the date first above written.

\_\_\_\_\_  
FRANCHISEE

INTEGRA REALTY RESOURCES, INC.

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

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

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

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

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

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

EXHIBIT I  
PROMISSORY NOTE

\$ \_\_\_\_\_

DATE

FOR VALUE RECEIVED, \_\_\_\_\_ ("Maker"), promises to pay to the order of Integra Realty Resources, Inc., a Delaware corporation ("Payee"), in lawful money of the United States of America, the principal sum of \_\_\_\_\_, together with interest in arrears on the unpaid principal balance as required below.

I. PAYMENTS

A. PAYMENTS. The principal and interest due on this Note shall be paid in twenty-four monthly installments in the amounts set forth on the amortization schedule attached as Exhibit A, such payments shall be due and payable within 10 days after the end of each month, beginning on \_\_\_\_\_ and continuing on the last day of each subsequent month until this Note is paid in full; provided, however, that the entire amount of this Note, together with all accrued interest and all other amounts payable hereunder, shall be due and payable on \_\_\_\_\_ (the "Maturity Date").

B. INTEREST AND PENALTIES DUE UPON DEFAULT. Accrued interest shall be payable in connection with this Note in arrears and at the same time each principal payment is due. This Note shall bear simple interest an annual rate of eight percent (8%), but upon the occurrence of an Event of Default, interest and penalties shall be due and payable as follows: (i) the principal balance of this Note shall bear interest at a rate equal to thirteen percent (13%) per annum from the date of the Event of Default; and (ii) a one-time penalty equal to \$1,000 shall be paid. Interest shall be calculated on the basis of a year of 360 days and charged for the actual number of days elapsed from the date hereof on the unpaid principal balance hereof.

C. MANNER OF PAYMENT. All payments on this Note shall be made by check or wire transfer of immediately available funds to an account designated by Payee in writing. If any payment on this Note is due on a day which is not a Business Day, such payment shall be due on the next succeeding Business Day, and such extension of time shall be taken into account in calculating the amount of interest payable under this Note. "Business Day" means any day other than a Saturday, Sunday or legal holiday in the State of Colorado.

D. PREPAYMENT. Maker may, at any time and from time to time, prepay without penalty all or any portion of the outstanding principal balance due under this Note provided that each such prepayment is accompanied by all accrued interest on the amount of principal prepaid calculated to the date of such prepayment.

## II. DEFAULTS

A. EVENTS OF DEFAULT. The occurrence of any one or more of the following events with respect to Maker shall constitute an event of default hereunder ("Event of Default"):

1. If Maker shall fail to pay when due any payment of principal on this Note including, without limitation, upon the Maturity Date;
2. If Maker shall default on, or breach, any of its other obligations contained in this Note or the Member Services Agreement between such Member and Payee;
3. If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), Maker shall (i) commence a voluntary case or proceeding; (ii) consent to the entry of an order for relief against it in an involuntary case; (iii) consent to the appointment of a trustee, receiver, assignee, liquidator or similar official; (iv) make an assignment for the benefit of its creditors; or (v) admit in writing its inability to pay its debts as they become due;
4. If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Maker in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Maker substantially all of Maker's properties, or (iii) orders the liquidation of Maker, and in each case the order or decree is not dismissed within thirty (30) days;
5. If all or a substantial part of the assets of Maker are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within ten (10) days;
6. If Maker is enjoined, restrained or in any way prevented by court order from performing any of their obligations under this Note or if a proceeding seeking such relief is not dismissed within ten (10) days of being filed or commenced; or
7. If a notice of lien, levy or assessment is filed of record with respect to all or any substantial part of the property of Maker by the United States, or any other governmental authority, unless contestable and actually and diligently contested in accordance herewith; or
8. If the Member Services Agreement dated as of \_\_\_\_\_ by and between Maker and Payee is terminated by either party for any reason.

B. NOTICE BY MAKER. Maker shall notify Payee in writing within five days after the occurrence of any Event of Default of which Maker acquires knowledge.

C. REMEDIES. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured or waived by Payee in writing), Payee may, at its option: (i) by written notice to Maker, declare the entire unpaid principal balance of this Note, together with all accrued interest thereon, immediately due and payable regardless of any prior forbearance; (ii) exercise any and all rights and remedies available to it under

applicable law, including, without limitation, the right to collect from Maker all sums due under this Note; and (iii) pursue any rights available under the Member Services Agreement by and between Maker and Payee. Maker shall pay all reasonable costs and expenses incurred by or on behalf of Payee in connection with Payee's exercise of any or all of its rights and remedies under this Note, including, without limitation, reasonable attorneys' fees. Maker waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

**MAKER HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE. MAKER REPRESENTS THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.**

### III. MISCELLANEOUS

A. WAIVER. The rights and remedies of Payee under this Note shall be cumulative and not alternative. No waiver by Payee of any right or remedy under this Note shall be effective unless in a writing signed by Payee. Neither the failure nor any delay in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege and no single or partial exercise of any such right, power or privilege by Payee will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law: (a) no claim or right of Payee arising out of this Note can be discharged by Payee, in whole or in part, by a waiver or renunciation of the claim or right unless in a writing, signed by Payee; (b) no waiver that may be given by Payee will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on Maker will be deemed to be a waiver of any obligation of Maker or of the right of Payee to take further action without notice or demand as provided in this Note. Maker hereby waives presentment, demand, protest and notice of dishonor and protest.

B. NOTICES. Any notice required or permitted to be given hereunder shall be in writing and shall be hand delivered, sent by a nationally-recognized overnight courier service or mailed by certified or registered mail, return receipt requested, postage prepaid, to such party at its address as shall be designated by such party by like notice to the others. Except as otherwise expressly provided herein, each such notice or other communications shall be effective when delivered at the address specified pursuant to this Section.

C. SEVERABILITY. If any provision in this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

D. GOVERNING LAW; VENUE. This Note will be governed by the laws of the State of Colorado without regard to conflicts of laws principles. If any action arising out of this Note is commenced by Payee in any court of the State of Colorado or any federal court

sitting in the State of Colorado. Maker hereby consents to the jurisdiction of any such court in any such action and to the laying of venue in the State of Colorado.

E. PARTIES IN INTEREST. This Note shall bind Maker and its successors and assigns.

F. TIME OF ESSENCE. Time is of the essence hereof.

IN WITNESS WHEREOF, Maker has executed and delivered this Note as of the date first stated above.

IN WITNESS WHEREOF, Maker has executed and delivered this Note as of the date first stated above.

\_\_\_\_\_

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

**EXHIBIT J**  
**CONFIDENTIALITY AGREEMENT**

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_, ~~2022~~2021 by \_\_\_\_\_ and Integra Realty Resources, Inc. (the parties are collectively referred to as the "Parties" or individually as a "Party").

**NOW, THEREFORE**, the Parties hereby agree as follows:

**I. Definitions.**

A. "Disclosing Party" means the Party to this Agreement who reveals Confidential Information to the Receiving Party. The Disclosing Party includes officers, employees and agents of the Disclosing Party.

B. "Confidential Information" means all information, documentation, processes, data and conceptual matters regarding the business of the Disclosing Party and/or its franchised offices or clients which is made available to the Receiving Party including, without limitation, customer information, financial statements, trade secrets, property or transaction information, computer software (including, without limitation, DataPoint, MarketPoint and the information entered into DataPoint), methods, policies, procedures, techniques, templates, forms, tax information, systems, business concepts, strategic plans, proposed or actual service or product information, costs, pricing, confidential operating manuals and agreements. Confidential Information may be oral, written and in any medium; provided, however, that if information is initially disclosed on an oral basis, it must be reduced to writing within ten (10) days to be considered Confidential Information. Confidential Information shall not include information which is: (i) publicly known, or becomes publicly known, through no violation of this Agreement; (ii) known, or becomes known, to the Receiving Party from a source other than the Disclosing Party other than by the breach of an obligation of confidentiality owed to the Disclosing Party; (iii) independently developed by the Receiving Party without use of the Confidential Information, as shown by the Receiving Party's files, records or other evidence in the Receiving Party's possession; (iv) in an electronic or written record in the Receiving Party's possession prior to the date of this Agreement; or (v) is the subject of a subpoena or other court order compelling disclosure so long as the Receiving Party promptly notifies the Disclosing Party prior to such disclosure in order to afford the Disclosing Party the opportunity to oppose the order or otherwise safeguard the information.

C. "Receiving Party" means the Party to this Agreement who receives Confidential Information from the Disclosing Party. The Receiving Party includes officers, employees and agents of the Receiving Party.

**II. Treatment of Confidential Information.** The Receiving Party agrees to hold the Confidential Information in confidence and not to at any time use the Confidential Information (except as expressly permitted hereby) or disclose the Confidential Information to any third party for a period of three years following the date hereof. Without limiting the foregoing, the Receiving Party agrees to undertake the following obligations with respect to the Confidential Information for a period of three years following the date hereof:

(a) to use the Confidential Information for the sole purpose of becoming a franchised local office of Integra;

(b) not to use the Confidential Information for his own account or for the account, benefit or purpose of any third party;

(c) not to disclose the Confidential Information to others;

(d) to return all copies of the Confidential Information in the Receiving Party's possession to the Disclosing Party within five (5) days after a request therefor from the Disclosing Party; and

(e) to destroy all of the Confidential Information in the Receiving Party's possession or under its control, immediately upon the request of the Disclosing Party and to provide the Disclosing Party with proof of destruction as requested by the Disclosing Party.

III. **Specific Performance.** The Parties acknowledge that a breach of this Agreement would seriously disrupt the essential business operations of the other Party, and would cause substantial damage and irreparable harm and loss to the other Party and agrees that the other Party shall be entitled to specific performance as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for any such breach of this Agreement, but shall be in addition to all other remedies available at law or equity.

IV. **Miscellaneous.** This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof. In the event that any action or proceeding is brought to enforce or construe this Agreement, the non-prevailing Party agrees to reimburse the prevailing Party in such matter for its attorneys' fees and costs. No waiver of any term, provision or other condition of this Agreement, whether by express agreement or by conduct, in any one or more instances, shall be deemed to be or construed as a further and continuing waiver of any other term, provision or condition of this Agreement. The laws of Colorado shall exclusively govern this Agreement. Recipient consents to service of process and personal jurisdiction in the State of Colorado and agrees that any suit or proceeding brought to enforce, construe or interpret this Agreement shall be brought in the courts located in Colorado. This Agreement may be signed electronically. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

In witness whereof, the undersigned has caused this Agreement to be executed as of the date first set forth above.

Integra Realty Resources, Inc.

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### State Effective Dates

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

This document is effective and be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

California	<a href="#">July 6, 2021</a> <del>June 5, 2020</del>
Connecticut	
Hawaii	
Illinois	<a href="#">July 26, 2021</a> <del>April 30, 2020</del>
Indiana	July 1, <a href="#">2021</a> <del>2020</del>
Maryland	February 2, 2021
Michigan	<a href="#">June 4, 2021</a> <del>April 30, 2020</del>
Minnesota	<a href="#">July 20, 2021</a> <del>June 26, 2020</del>
New York	<a href="#">January 28, 2021</a>
North Carolina	
North Dakota	
Rhode Island	
South Dakota	
Virginia	<a href="#">November 23, 2020</a>
Washington	
Wisconsin	May <a href="#">4, 2021</a> <del>18, 2020</del>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

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 Integra offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Integra does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the respective state agency or party identified on Exhibit B.

INTEGRA REALTY RESOURCES, INC.  
A Delaware Corporation  
7800 East Union Avenue  
Suite 400  
Denver, Colorado 80237

(212) 255-7858

The issuance date of the Franchise Disclosure Document is April ~~1, 2022~~<sup>30, 2021</sup>. Integra has one franchise seller, Walter Allen, who's address is 700 Colonial Road, Suite 102, Memphis, Tennessee 38117.

I have received a disclosure document dated April ~~1, 2022~~<sup>30, 2021</sup> that included the following Exhibits:

- A. List of State Regulatory Authorities
- B. Agents for Service of Process
- C. Table of Contents of Confidential Operating Manual
- D. List of Members
- E. Members Who Left System or Have Not Communicated
- F. Financial Statements
- G. Member Services Agreement
- H. State Addenda
- I. Promissory Note
- J. Confidentiality Agreement
- K. Back Office Services Addendum
- L. Integra Technology Services Addendum

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

\_\_\_\_\_  
Recipient

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- J. Confidentiality Agreement
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- L. Integra Technology Services Addendum

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

\_\_\_\_\_  
Recipient