

FRANCHISE DISCLOSURE DOCUMENT

SVN INTERNATIONAL CORP. ("SVNIC")

a Delaware Subchapter S-Corporation

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

The total investment necessary to begin operation of a new SVN Franchised Business is between \$25,160 and \$121,350. This amount includes an Initial Franchise Fee of \$22,500 for the Team Program or \$27,500 for the Established Program that must be paid to the Franchisor or its affiliates.

The total investment necessary to begin operation of a conversion SVN Franchised Business is between \$23,160 and \$84,150. This includes an Initial Franchise Fee that must be paid to SVNIC of \$22,500 for the Team Program or \$27,500 for the Established Program that must be paid to the Franchisor or its affiliates. A conversion SVN Franchised Business is an existing commercial real estate services business that converts to an SVN Franchise and operates under the Marks and System established by SVNIC.

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

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

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

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

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

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS ~~APRIL 5, 2019~~ JUNE 4, 2020.

~~STATE COVER PAGE~~

~~Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.~~

~~Call the state franchise administrator listed in **Exhibit B** for information about the franchisor, or about franchising in your state. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrators listed on **Exhibit B**.~~

~~MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.~~

~~Please consider the following RISK FACTORS before you buy this franchise:~~

- ~~1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION/LITIGATION ONLY IN MASSACHUSETTS. OUT OF STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN MASSACHUSETTS THAN IN YOUR HOME STATE.~~
- ~~2. THE FRANCHISE AGREEMENT STATES THAT MASSACHUSETTS LAW, WITH SPECIFIED EXCEPTIONS, GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.~~
- ~~3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.~~

~~We use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.~~

~~Effective Date: See the next page for state effective dates.~~

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

In all other states the effective date of this Disclosure Document is the Issuance Date of April 5, 2019.

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:

<u>QUESTION</u>	<u>WHERE TO FIND INFORMATION</u>
<u>How much can I earn?</u>	<u>Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.</u>
<u>How much will I need to invest?</u>	<u>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.</u>
<u>Does the franchisor have the financial ability to provide support to my business?</u>	<u>Item 21 or Exhibit E includes financial statements. Review these statements carefully.</u>
<u>Is the franchise system stable, growing, or shrinking?</u>	<u>Item 20 summarizes the recent history of the number of company-owned and franchised outlets.</u>
<u>Will my business be the only SVN business in my area?</u>	<u>Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.</u>
<u>Does the franchisor have a troubled legal history?</u>	<u>Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.</u>
<u>What's it like to be a SVN franchisee?</u>	<u>Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.</u>
<u>What else should I know?</u>	<u>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.</u>

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Massachusetts. 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 Massachusetts than in your own state.

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

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
2. BUSINESS EXPERIENCE	6
3. LITIGATION.....	6
4. BANKRUPTCY	7 <u>6</u>
5. INITIAL FEES	7
6. OTHER FEES.....	9
7. ESTIMATED INITIAL INVESTMENT	19 <u>19</u>
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	24 <u>24</u>
9. FRANCHISEE’S OBLIGATIONS	27 <u>27</u>
10. FINANCING	29 <u>29</u>
11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	30 <u>29</u>
12. TERRITORY	40 <u>38</u>
13. TRADEMARKS.....	42 <u>42</u>
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	44 <u>44</u>
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	45 <u>45</u>
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	46 <u>46</u>
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	47 <u>47</u>
18. PUBLIC FIGURES	55 <u>54</u>
19. FINANCIAL PERFORMANCE REPRESENTATIONS	55 <u>55</u>
20. OUTLETS AND FRANCHISEE INFORMATION.....	55 <u>55</u>
21. FINANCIAL STATEMENTS	61 <u>59</u>
22. CONTRACTS.....	61 <u>59</u>
23. RECEIPTS	62 <u>60</u>

EXHIBITS

- EXHIBIT A STATE SPECIFIC ADDENDA
- EXHIBIT B LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- EXHIBIT C FRANCHISE AGREEMENT & SCHEDULES
 - Schedule A Excluded Transactions Approved by SVNIC
 - Schedule B Franchisee Information

Schedule C	Guaranty
Schedule D	Permitted Ancillary Service(s)
Schedule E	Permitted Outside Service(s)
Schedule F	SVN Core Covenants
Schedule G	Electronic Funds Transfer Agreement
Schedule H	Electronic Debit Authorization
Schedule I	Satellite Office Addendum
Schedule J	Franchisee Intranet Services Agreement
Schedule K	Franchisee Support Services Agreement

EXHIBIT D RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

EXHIBIT E FINANCIAL STATEMENTS

EXHIBIT F TABLES OF CONTENTS TO THE CONFIDENTIAL OPERATIONS MANUAL AND BRANDING GUIDE

EXHIBIT G LIST OF SVN FRANCHISEES

EXHIBIT H GENERAL RELEASE OF ALL CLAIMS

EXHIBIT I SVNIC PROMISSORY NOTE

EXHIBIT J [STATE EFFECTIVE DATES](#)

[EXHIBIT K](#) RECEIPTS (ITEM 23 RECEIPTS)

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

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

We have written the Disclosure Document in “plain English” to comply with legal requirements. To fully understand all of the parties’ rights and obligations to each other, you must still carefully review the actual agreements you will sign. Those agreements will control if there is any dispute between us. Capitalized terms that are not defined in this Disclosure Document have the meanings that are included in Appendix 1 to the Franchise Agreement.

The Franchisor

We are a Delaware Subchapter S-Corporation incorporated on May 18, 2001. We changed our name from Sperry Van Ness International Corporation to SVN International Corp. on May 31, 2016. We grant SVN Franchises (each, a “Franchise”) to operate SVN Franchise Businesses. We do business under the name “SVN” (formerly, “Sperry Van Ness”) and under our corporate name and do not do business under any other name. Our principal place of business is 33 Arch Street, Floor 17, Boston, Massachusetts 02110. We have offered franchises for businesses similar to the SVN Franchise Businesses since March 2002 and offered Regional Developer Businesses from 2008 through 2011. We have not offered franchises for any other line of business and no longer offer regional developer agreements. We do not operate a commercial real estate services business.

Parents and Predecessors

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

We have no predecessor.

Affiliates

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

Real Leaders is owned by Premier Trust, Inc. and provides publication and advertising services as of the date of this Disclosure Document. Real Leaders publishes magazines geared towards several industries, including commercial real estate. Real Leaders is a Nevada corporation, incorporated on September 17, 2010, and shares the principal business address with Premier Trust. It has never offered

or sold franchises in any business. Real Leaders is a Designated Supplier, however, purchases you make from the company are optional.

Sperry Van Ness Insurance Agency (“SVNIA”) is owned by The Advisereal 2009 Irrevocable Trust and was formed on January 1, 2013, in Ohio. Its principal place of business is 5085 Rollman Estates Drive, Cincinnati, Ohio. SVNIA is an insurance referral agency that refers SVN franchisees and property management clients to insurance providers. SVNIA does not underwrite or provide insurance. It has never offered or sold franchises in any business.

Our parent and our president have an ownership interest in Real Impact Corporation (“RIC”), a U.S. Virgin Islands corporation, incorporated on February 24, 2014. Its principal place of business is #1 Estate Thomas, Yacht Haven Grande, Unit 15, Charlotte Amalie, St. Thomas 00802. On October 1, 2014, we entered into a support services agreement (“Support Services Agreement”) with RIC to assist us in providing support services to SVN Franchisees. RIC will assist us with accounting, compliance and related back-office services and programs, such as administration, marketing, and virtual assistance. RIC will provide support services to you. Such support services may include, but are not limited to, public relations and marketing support; access to advertising campaign materials, templates for proposals and brochures; training; accounting, administrative and financial; and any other support required to promote and expand the Franchise. You will be required to sign a support services agreement to which RIC is a party, in the form attached as Schedule K to the Franchise Agreement (the “Franchisee Support Services Agreement”). In the event that RIC cannot or does not perform its obligations to you under the Franchisee Support Services Agreement, we will provide the support services to you on RIC’s behalf. RIC has never offered or sold franchises in any line of business. RIC has made ~~minority interest~~ investments of 20% to 50% interest in SVN Franchise Businesses in the past and may do so in the future. In 2019, ~~RIC has recently~~ developed a partnership program under which RIC may agree to make an investment in a new SVN franchisee and acquire a minority-20% to 50% interest ~~(e.g., 20%-40%)~~ in such franchisee. RIC will negotiate the investment details and percentage interest on a case-by-case basis with interested prospective SVN franchisees. This program is only available through a separate prospectus or private placement memorandum.

The SVN Franchise Business

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

written instruction to you. Your SVN Franchise precludes transactions involving “Residential Real Property,” which is defined as real property that consists of four (4) or fewer residential units or individual residential lots. With our prior approval, you may offer and sell certain services in connection with multiple parcels or units of Residential Real Property in a common development (“Approved Portfolio Sales”).

With our consent and at our option, you may also offer and perform permitted ancillary services as part of your SVN Franchise. You can request that we permit a particular service you want to offer at your SVN Franchise. We determine if the requested service is ancillary in our judgment and sufficiently related to Commercial Real Estate Services such that we will permit the service to be offered and sold under our Marks. Business brokerage could be an ancillary service, for example. You may not provide certain services, even independently of your SVN Franchise, except with our consent, and then only if you follow our policies for doing so. These excluded services are called “Outside Services” and include the following: insurance, title insurance or searches, real estate syndicating, mortgage banking, escrow or appraisal services. For example, if we consent to you performing a Permitted Outside Service, we may require you to use separate telephone number(s), business cards and letterhead to avoid any suggestion that you are conducting these services as part of your SVN Franchise.

You will sign a Franchise Agreement to operate a single SVN Franchise Business from a single location, which you choose, and we approve. If you are a Business Entity, each Owner of a ten percent (10%) or greater interest in the Business Entity must execute the Franchise Agreement on behalf of the entity in his or her capacity as an officer, shareholder and/or member. If we permit you to open an additional office location in your Primary Market Area you will sign a Satellite Office Addendum to your Franchise Agreement. Any Satellite Office must be in your Primary Market Area; meet the specifications and standards, as set forth in the Manuals; and have at least one Senior Advisor working from that office and acting as a manager. We have in a few instances and at our sole option mutually amended a franchisee’s Franchise Agreement to modify a Primary Market Area so as to accommodate a proposed satellite office location, but we have no obligation to do so and you should not expect that result.

We offer two Commercial Real Estate Services Franchise Programs: (1) a “Team Program” for those franchisees involved in building a coordinated functional team in their defined Primary Market Area; and (2) an “Established Program” for certain established and highly qualified Commercial Real Estate Services firms that are eligible. The Team Program is generally offered to three or more licensed sales agents functioning as a team with three-year median annual revenues of over \$250,000, but less than \$500,000, with a proactive strategy to add additional agents. The Established Program is generally offered to existing commercial real estate brokerage firms with over three years’ experience, with five or more agents and a substantial historical earnings track record, typically with three-year median annual revenues of over \$500,000. Some eligible franchisees will have access to certain specialty program features in addition to their Commercial Real Estate Services Franchise. The Auction Services Program is for Franchisees that derived at least 75% of their gross revenues in the immediately preceding fiscal year from eligible Auction Services. We sometimes deviate from these Franchise Program criteria in situations that we think warrant it and may consider other factors in determining the eligibility of a candidate for a particular program, including the prospect’s geographic market, experience and credentials, any product specialty, and the number of agents involved, among others.

The commercial real estate services business is a mature industry. You will be competing with over 100,000 other independent and franchised commercial real estate brokers in the United States. Some of these real estate brokers may be SVN franchisees or employees of entities currently or formerly

related to us. All segments of the commercial real estate services business are highly developed, competitive and may be affected by demographic changes and by local and national economic conditions. Typical purchasers of Franchises must be able to sustain the initial investment and ongoing expenses associated with the development of a real estate services establishment. You also will compete with other commercial real estate services franchises and related concepts.

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

Area Services Representatives

We have ~~three~~ (2) Area Services Representative Agreements in place with Area Services Representatives, who assist us with delivering certain services to SVN Franchisees in the states of ~~Illinois and~~ California and Illinois. These Area Services Representatives are existing franchisees who entered into these arrangements with us after they had already been operating their SVN franchises. The Area Services Representative Agreements are not franchises, are separate and distinct services agreements and are not offered as part of our franchise program. We have no plans to enter into any new area services representative agreements at this time; however, we may elect to do so in the future.

If your SVN Franchise is located in one of the geographic areas serviced by an Area Services Representative, the Area Services Representative may provide certain services to you on our behalf, for example, conducting meetings and providing area training for franchisees. You sign a Franchise Agreement only with us. However, the services provided by the Area Services Representative satisfy our applicable service obligations to you under your Franchise Agreement. The Area Services Representative receives a portion of the fees that you pay to us. They also help us to find new franchisees in their areas and receive a fee for their assistance. They do not pay us any fee to become an Area Services Representative.

The SVN Regional Developer Business

We previously offered Regional Developer Agreements in the United States to certain SVN franchisees. At this time, we do not offer Regional Developer franchises. As of the date of this Disclosure Document we have one Regional Developer, JDA Investments, LLC (“JDA”) or (“Regional Developer”).

JDA has an agreement that gives the Regional Developer a right to solicit and procure prospective franchisees in the state of Florida to open and operate SVN offices within their specified geographic area and to train and assist franchisees on the proper use of the SVN System and various tools and resources. JDA also operates an SVN business in Florida under a separate Franchise Agreement as its “Model Business.” If you buy a Franchise in Florida, the services provided by the Regional Developer satisfy our applicable service obligations to you and you must accept them under your Franchise Agreement in satisfaction of our obligations.

JDA is also our Regional Developer for Commercial Real Estate Services franchisees anywhere in the United States participating in our Auction Services Program. If you are an Auction Services Program participant, JDA will provide Auction Services Program training and support services to you through JDA’s affiliate, SVN Auction Services LLC, and you must accept these services in satisfaction of any obligations we may have to you under your Franchise Agreement.

The Regional Developer will receive from us a portion of Royalties and the Initial Franchise Fee you pay to us under the Franchise Agreement if you are a Florida franchisee or a participant in the Auction Services Program. The Regional Developer will have access to all documents you sign pertaining to the Franchise Business, including your Franchise Agreement and any exhibits and/or amendments to it. JDA also helps us to find new franchisees in Florida, as well as new franchisees in other states that are eligible for the Auction Services Program. JDA receives a fee with each of these Franchise awards. JDA and SVN Auction Services LLC are independent businesses and are not our affiliates or Related Parties. Like our franchisees, they are independent contractors.

Special Industry Regulation

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

The specific services that require or that may be performed under a real estate broker license vary from state to state. In some states, you may be required to obtain additional licenses to broker mortgage loans or to provide ancillary services. If so, you must be licensed by that state as a mortgage broker before providing mortgage brokering services or ancillary services. If you conduct business in one of these states, you must be appropriately licensed by the state before providing these services. Other laws and regulations also affect how you conduct business, including how you represent your clients and customers, the terms and conditions of the agreements you use, your real estate and other licenses, your relationship with salespersons or agents, whether they are properly characterized as independent contractors or employees, how you account for and handle your revenues and expenditures, how you handle funds received in trust for a client or customer, how you advertise and market your services and particular transactions, how you hold yourself and your agents out to the public, and many other aspects of your business. We urge you to familiarize yourself with the provisions that would apply to your SVN Franchise Business. You are solely responsible for ensuring that all licensing and other legal requirements applicable to your SVN Franchise and to all of your agents and representatives are met.

Agents for Service of Process

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

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Item 2

BUSINESS EXPERIENCE

Director, President and Chief Executive Officer: Kevin Maggiacomo

Mr. Maggiacomo has been our Chief Executive Officer since April 2009; our President since January 2009; and our Director since November 2009, at our offices in Boston, Massachusetts. He was our Secretary and Treasurer from April 2009 through December 2012, and our Chief Operating Officer from August 2008 until January 2009. He served as our Executive Vice President from January 2008 to August 2008, our Senior Vice President from October 2007 to January 2008, and our Vice President of Organizational Development from June 2005 to October 2007. Mr. Maggiacomo joined SVNIC in August 2001 and served as Regional Director for the East and Central Regions until May of 2005, also serving as the National Director of Hospitality Brokerage during that time.

Chief Operating Officer and Treasurer: Diane K. Danielson

Ms. Danielson has served as our Chief Operating Officer since December 31, 2013, and our Treasurer since January 2013, at our offices in Boston, Massachusetts. She was our Chief Platform Officer from May 2012 to December 2013. [Effective June 30, 2020, Ms. Danielson will leave her position as COO and Treasurer with us to pursue other interests.](#)

Chief Growth Officer and Secretary: George Slusser

Mr. Slusser has served as our Chief Growth Officer and Secretary since January 2013, at our offices in Boston, Massachusetts.

Director: Cindy Bedard

Ms. Bedard has been a member of our Board of Directors since March 2018. She has been self-employed as a consultant since June 2017. Ms. Bedard was a member of the Board of Directors at RailPros, Inc. from January 2017 to June 2017. She was the Vice President and Director of Research at Bow River Capital Partners from September 2016 to June 2017. From 2012 to August 2016, Ms. Bedard was self-employed as a Special Financial Projects Consultant. All positions listed above for Ms. Bedard are or were located in Denver, Colorado.

Item 3

LITIGATION

Resolved Litigation:

~~Sperry Van Ness Real Estate Services, Inc. v. Sperry Van Ness International Corporation, Reference No. 1220040493, Judicial Arbitration and Mediation Services, Los Angeles, California (filed on October 22, 2009, with Confirmation of Demand received November 11, 2009).~~

~~Mark Van Ness, Rand Sperry and Sperry Van Ness International Corporation v. Thomas Brenneke, Guardian Real Estate Services, LLC, GM Institutional Fund LLC, Guardian Management LLC,~~

~~GRES SVN, Inc., and GM SVN Limited Partnership, Reference No. 1210028204, Judicial Arbitration and Mediation Services, Los Angeles, California (Filed October 27, 2009).~~

~~Sperry Van Ness Real Estate Services, Inc. (“SVN RES”), a former franchisee of ours, purchased most of the assets (the “Asset Purchase”) of our affiliate, Sperry Van Ness Commercial Real Estate, Inc. (“CRE”), in 2008. Subsequent to the Asset Purchase, a dispute arose among the parties and their respective affiliates which subsequently was settled under the terms of a binding Settlement Term Sheet. SVNRES filed the above described arbitration demand alleging that we breached the Settlement Term Sheet by failing to deliver the stock of CRE to SVNRES and seeking specific performance of the Settlement Term Sheet. We also filed a demand for arbitration against SVN RES and related parties (together, “Guardian Parties,” as identified in the Settlement Term Sheet), seeking a declaration that we and certain other related parties (“SVN Parties”) were not obligated to convey the CRE stock. On February 19, 2010, we and other SVN Parties entered into an amendment to the Settlement Term Sheet (the “Amendment”) with SVN RES and the other Guardian Parties pursuant to which the arbitrations were dismissed and mutual releases of all claims were given. As to SVNIC and its Franchise relationship with SVN RES, the Amendment provides for the termination of the SVN RES Franchise Agreement and our waiver of an estimated \$110,000 in related royalties and other fees owed. The Amendment further provides that the CRE stock will not be transferred, as well as for other undertakings relating to the Asset Purchase that are being performed by other SVN Parties and the Guardian Parties.~~

~~Other than these actions, no No litigation is required to be disclosed in this Item.~~

Item 4

BANKRUPTCY

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

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay us a non-refundable Initial Franchise Fee, the amount of which depends on the type of Franchise Program for which you are eligible. The types of Commercial Real Estate Services Franchise Programs available are described in Item 1. The Initial Franchise Fee for the Team Program is \$22,500 and the Initial Franchise Fee for the Established Program is \$27,500. Franchisees who also participate in the Auction Services Program or any other specialty areas pay the Initial Franchise Fee that corresponds with the applicable Commercial Real Estate Services Program for which they are approved to operate under. All Initial Franchise Fees are fully earned when you sign your Franchise Agreement.

You may pay the Initial Franchise Fee in a lump sum at the signing of the Franchise Agreement, or you may elect to pay one-half (1/2) of the applicable Initial Franchise Fee at the time you sign the Franchise Agreement and the remaining balance in six (6) equal monthly installments. If you elect to pay one-half (1/2) of the Initial Franchise Fee in monthly installments, we require you to sign a Promissory Note in the form attached as Exhibit I to this disclosure document. We charge six percent

(6%) interest, on an annual basis, on the unpaid balance. The first installment payment is due 30 days from the signing date of the Franchise Agreement. Please see Item 10 for the financing terms.

The Initial Franchise Fee is not refundable. We are not required to grant you multiple Franchise Agreements. But, if you currently are a Franchisee and qualify for an additional Franchise Agreement, our current policy is to reduce by 50% the Initial Franchise Fee applicable to the Franchise Program for which you are eligible. This policy is subject to change by us and the policy in effect at the time you are granted an additional Franchise Agreement (if any) will control the price you pay at that time.

U.S. Military Veterans Discount

To provide support to veterans of the U.S. military forces, we offer to all qualifying veterans the opportunity to purchase an initial franchise at a discount of 15% off the Initial Franchise Fee. This discount is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The discount is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company which owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If you are a partnership, corporation or limited liability company, your status as a participating veteran must be submitted to us before you sign the Franchise Agreement, and you must maintain a majority interest in the partnership, corporation or limited liability company for a minimum of three consecutive years after executing the Franchise Agreement, or you will be required to pay us the initial savings of \$3,375 for the Team Program and \$4,125 for the Established Program.

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Item 6

OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks								
Royalties ³	<p>You will pay us 5% on your revenues derived from Property Management Services (we refer to these revenues as “Property Management Revenues”), regardless of which Franchise Program you are approved for, and Royalties equal to your Gross Receipts², multiplied by the applicable royalty rate as shown below.</p> <p>Auction Services Program participants pay Royalties according to the Franchise Program they will operate under (e.g., Team Program or Established Program.)</p>	<p>Royalties on Property Management Revenues are due on or before the 10th calendar day of the month following the calendar month in which the Property Management Revenues were received or receivable.</p>									
	<p align="center">TEAM PROGRAM</p> <p>If you’re approved under the Team Program, your Gross Receipts² are multiplied by the applicable royalty rate as shown below:</p>										
	<table border="1"> <thead> <tr> <th data-bbox="407 1379 561 1413"><u>Percentage</u></th> <th data-bbox="561 1379 743 1413"><u>Calendar Year</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="407 1413 561 1520">11%</td> <td data-bbox="561 1413 743 1520"> <p align="center"><u>Gross Receipts</u></p> <p>The first \$500,000.</p> </td> </tr> <tr> <td data-bbox="407 1520 561 1627">9%</td> <td data-bbox="561 1520 743 1627"> <p>The next \$500,000.</p> </td> </tr> <tr> <td data-bbox="407 1627 561 1871">7%</td> <td data-bbox="561 1627 743 1871"> <p>Everything over \$1,000,000</p> </td> </tr> </tbody> </table>	<u>Percentage</u>	<u>Calendar Year</u>	11%	<p align="center"><u>Gross Receipts</u></p> <p>The first \$500,000.</p>	9%	<p>The next \$500,000.</p>	7%	<p>Everything over \$1,000,000</p>	<p>By the close of business on the 10th calendar day following each Transaction Closing⁴ (excluding rental and lease transactions), or if there is no Transaction Closing (including rental and lease transactions) by the 10th day of the following month.</p>	<p>We will give you credit for your calendar year-to-date receipts before converting to an SVN Franchisee in determining the applicable Royalties percentage rate during the calendar year in which your Franchise Agreement is signed.</p>
<u>Percentage</u>	<u>Calendar Year</u>										
11%	<p align="center"><u>Gross Receipts</u></p> <p>The first \$500,000.</p>										
9%	<p>The next \$500,000.</p>										
7%	<p>Everything over \$1,000,000</p>										

Type of Fee ¹	Amount	Due Date	Remarks							
Royalties (cont'd)	<p>ESTABLISHED PROGRAM</p> <p>If you're approved under the Established Program, your Gross Receipts² are multiplied by the applicable royalty rate as shown below:</p>									
	<table border="1"> <thead> <tr> <th data-bbox="406 560 555 594"><u>Percentage</u></th> <th data-bbox="555 560 743 667"><u>Calendar Year Gross Receipts</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="406 667 555 737">7%</td> <td data-bbox="555 667 743 737">The first \$2,000,000.</td> </tr> <tr> <td data-bbox="406 737 555 806">5%</td> <td data-bbox="555 737 743 806">The next \$2,000,000.</td> </tr> <tr> <td data-bbox="406 806 555 1163">3%</td> <td data-bbox="555 806 743 1163">Everything over \$4,000,000.</td> </tr> </tbody> </table>	<u>Percentage</u>	<u>Calendar Year Gross Receipts</u>	7%	The first \$2,000,000.	5%	The next \$2,000,000.	3%	Everything over \$4,000,000.	<p>By the close of business on the 10th calendar day following each Transaction Closing⁴ (excluding rental and lease transactions), or if there is no Transaction Closing (including rental and lease transactions) by the 10th day of the following month.</p>
<u>Percentage</u>	<u>Calendar Year Gross Receipts</u>									
7%	The first \$2,000,000.									
5%	The next \$2,000,000.									
3%	Everything over \$4,000,000.									
Marketing Contribution	<p>If you are approved under the Team Program you will pay \$500 per month.</p> <p>If you are approved under the Established Program you will pay \$750 per month if you have less than \$2.5 million in Gross Receipts² during a calendar year. If you have more than \$2.5 million in Gross Receipts during a calendar year, then beginning January 1 of the following year, you will pay .5% of your Gross Receipts for the prior year (or Gross Receipts multiplied by .005), divided into 12 equal</p>	<p>By the 10th day of the month.</p>	<p>Your Marketing Contribution will be contributed to the Branding Program.</p> <p>We can adjust the payment period (e.g., monthly, quarterly, annually, etc.) on 90 days written notice w/ pro rata adjustments in the amount then due.</p>							

Type of Fee ¹	Amount	Due Date	Remarks
	<p>monthly installments payable to us through such following year.</p> <p>If you have a Satellite Addendum you will pay an additional \$250 per month for each Satellite Office.</p>		
Advertising Materials ⁵	Our then-current fee for particular advertising materials you obtain.	On demand.	We may make copies of advertising materials available to you with or without additional charge, at our option.
Late and Non-Payment Charges; Interest on Unpaid Amounts ⁶	\$100 Administrative Fee, plus interest at 10% per annum or the highest rate allowable under applicable law, plus our costs and expenses, including bank charges, arising from your non-payment.	On demand - continues to accrue until paid.	Applies to all amounts not paid when due to SVNIC, until paid in full. (It also applies if your check is dishonored or if there are insufficient funds for an electronic funds transfer).
Default Reimbursement	Our costs and expenses to cure your default.	On demand.	Payable only if we cure your default.
Additional Services, Online Marketing and Tracking Systems	We do not currently charge for these services but may do so in the future.	On demand.	We can charge for the use and/or maintenance of services we provide to you such as the SVN Dashboard or Extranet, any online service, program, and/or tool.
SVN I Jumpstart ⁷	\$499 - \$649, plus travel and living expenses	Prior to training.	This training is mandatory for new franchisees and recommended for renewing franchisees.
SVN Annual Conference ⁸	\$599 - \$799 (varies per location selected), plus travel and living expenses	Prior to the conference.	You or your Managing Director must attend this conference each year. Attendance is optional for advisors, support staff and prospects.

Type of Fee ¹	Amount	Due Date	Remarks
Optional Training, Meetings and Conferences ⁹	\$279-399 -- \$20,000 <u>\$21,500</u>	On demand.	We may charge reasonable fees for your participation in our optional training programs, meetings, conferences, and other similar activities.
Administrative, Executive, Accounting and Marketing Support	Our then-current fee. Varies depending upon type of support requested. (Currently, \$35 - \$300 per hour.)	On demand.	At your request we may, at our option, furnish administrative, executive, accounting and marketing support.
Audit / Inspection	Cost of audit / inspection plus interest at the highest compound rate authorized by law estimated to range from \$2,000 to \$5,000.	On demand.	Payable only if audit/ inspection shows an under-reporting, under-recording, or under-payment of 2% or more for any Transaction Closing or any relevant reporting period.
Indemnification	Will vary.	On demand.	You will have to reimburse us, our related companies and certain persons named in the Franchise Agreement if any losses or costs are incurred by us because of your operation of the SVN Franchise.
Early Termination Fee	\$2,000 multiplied by the number of full or partial calendar months remaining in the Term as of the date of your notice of termination.	If you decide to terminate the Franchise Agreement before the expiration of the Term.	30 days advance written notice required to terminate the Franchise Agreement. Termination after the first 6 months of the Franchise Agreement also requires that you pay us the termination fee. For Franchisees signing the Renewal Addendum, you are required to pay the termination fee whenever you give us an advance written notice of early termination and you have no ability to cancel in the first 6 months of the renewal Franchise Agreement.

Type of Fee ¹	Amount	Due Date	Remarks
Minimum Annual Royalty	<p><u>Team Program</u>: the Minimum Annual Royalty is \$20,000.</p> <p><u>Established Program</u>: the Minimum Annual Royalty is \$35,000.</p>	By April 1st <u>January 31st</u> of each year, if you haven't paid the Minimum Annual Royalty in the prior year.	Royalties you pay in a calendar year must equal or exceed the applicable "Minimum Annual Royalty", which varies for each Commercial Real Estate Services Franchise Program. Except for the year in which your Franchise Agreement is effective, we will adjust the Minimum Annual Royalty on a pro rata basis for any partial year under your Agreement. We have the right to elect to waive the imposition of a Minimum Annual Royalty for any length of time and enforce it a later time.
Renewal Fee ¹⁰	\$1,000 per office renewed.	On expiration of Franchise Agreement.	The Renewal fee is substituted for the initial fee with an agreement for an additional term.
Satellite Office Fee	\$1,000 per Satellite Office.	At signing of Satellite Addendum.	We may permit you to open a satellite location within your Primary Market Area, provided you meet all the required specifications and standards, as set forth in the Manuals.
Mitigation Fee	Up to \$2,000 times the number of full or partial calendar months that would have been remaining in the Term as of the termination date.	Within 5 days of our demand.	If you breach the Franchise Agreement for certain causes described in Sections 12.2 and 12.3 of the Agreement, we can terminate the agreement and charge you this fee to offset our costs and resources used.
Referral Fee	Established on a case by case basis. Anticipated to range from 10%-50% of your Gross Receipts ² from the applicable Transaction Closing.	By the close of business on the 10th calendar day following each Transaction Closing ³	If we give you a client or referral that results in a Transaction Closing ³ , you pay us a referral fee on the Gross Receipts ² from the Transaction Closing in lieu of Royalties.
Email Licensing Fee ¹¹	\$25 per each active email account, per calendar quarter	Quarterly, upon receipt of invoice from us.	You will be charged for each active SVN email account at your Franchised Business at the end of each quarter.

Type of Fee ¹	Amount	Due Date	Remarks
Credit Card Fee ¹²	3.9% of the total amount charged.	At time charge is made to credit card.	We may charge you this fee if you use a credit card to pay any royalties or other fees due to us. We currently waive this fee for Marketing Contributions and a few other fees that we require.
Advertising Violation Fine ¹³	An amount equal to your monthly Marketing Contribution for a period of six (6) months.	Monthly.	You must pay this fine if you receive 3 notices of violation from SVNIC within a 120-day period, without remedy, for failing to comply with SVNIC's Policies, as set forth in the Branding Guide, regarding advertising, marketing and promotion of the SVN Franchise Business. You will also receive a written notice of default from SVNIC.
Matterport Rental Fee¹⁴	\$350 for a 10-day rental.	At time of rental.	You may rent a Matterport (3-D Camera) from us to take photos of your properties. This is an optional service we provide.
Transfer Fee	\$5,000	Before the transfer.	Payable if you sell the Franchise Business. No charge if the Franchise Business is transferred to a corporation or other entity that you control.
<u>Liquidated Damages for violating the Non-Disparagement provision in the Franchise Agreement¹⁴</u>	<u>\$1,000 for each violation.</u>	<u>Upon demand.</u>	<u>If you or we violate the Non-Disparagement provision in the Franchise Agreement, the violator shall pay the other party this fee.</u>
<u>Royalty Fee for Relocating or Opening Offices without SVNIC's Prior Consent</u>	<u>15% of Gross Receipts earned at the location</u>	<u>Upon demand.</u>	<u>We may charge you this fee if you relocate the Franchised Business or open any additional offices related to the Franchised Businesses without our prior written approval.</u>

Notes to Chart:

1. All Fees are payable to SVNIC and are non-refundable. If we have any fees, taxes, or other assessments imposed on us because of payments you make to us, then we can require that you pay us an additional amount so that the net amount we actually receive after the deduction, payment or withholding is the full amount of the royalty, fee or other amount we are entitled to be paid under the Franchise Agreement. We may charge you a processing fee if you pay your royalties by credit card. We can require you to participate in an electronic funds transfer and reporting program(s) if we, at our sole option, decide to collect amounts due to us by electronic transfer from you. Upon our request, you must complete and execute an "Electronic Funds Transfer Agreement" (attached as Schedule G to the Franchise Agreement) and any other form, including, without limitation, an "Electronic Debit Authorization" (attached as Schedule H to the Franchise Agreement), to authorize and direct your bank or financial institution to transfer electronically, directly, to SVNIC's account from your account all amounts due to us by you. If we engage an Area Services Representative or Regional Developer to perform services in your Primary Market Area or in connection with a particular specialty program, the Area Services Representative or Regional Developer will receive a negotiated portion of certain fees as compensation for their assistance. As to the SVN System, we have the right, at any time and at our sole option, to impose, eliminate, increase or decrease Initial Franchise Fees, training fees, technology fees, fees to participate in voluntary programs and specialty programs, referral fees, late charges, returned check charges and access fees. We can elect to waive and/or credit, reduce or defer payment of any and all fees and charges of any kind relating to a Franchise and/or the award of a Franchise. We can do so on a case-by-case basis, as we consider appropriate and as permitted by law, and particularly related to larger scale transactions, both in terms of geography and economics, and to transactions involving prior business relationships. We have occasionally agreed to modify fees, agreement duration, minimum payment or development obligations, guaranty provisions, territory rights, trademark rights and other terms so they were more favorable to the franchisee, but we have no obligation to do so. Transactions that do not generate Royalties are excluded from calculating awards and rankings in our awards programs. Additionally, those transactions in which Royalties are not paid by the due date will be excluded from calculating awards and rankings.

2. Certain Defined Terms:

"Gross Receipts" under the Franchise Agreement, means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable* by Franchisee (directly or indirectly), whether in cash, equity position or for credit or for barter (and, if for credit or barter, whether or not payment is received), or any other consideration, for all Commercial Real Estate Services, whether transaction or fixed-fee based. Gross Receipts also include without limitation all revenues, project management fees, consulting fees, property management fees, finder and referral fees, auction fees, and commissions received or receivable by or on behalf of Franchisee's salespersons, agents and representatives in connection with any products or services that are promoted or sold under any of the Marks, including all Commercial Real Estate Services, whether transaction or fixed-fee based, Leasing Services, Property Management, approved Residential Portfolio Brokerage Services, Ancillary Services, multiple listing fees, taxes, commissions, overrides, bonuses and salaries, without deduction for your costs or expenses. Fees or price reductions generated by Franchisee acting as a principal in a transaction are construed and included as "Gross Receipts," as are revenues received or receivable in connection with loan portfolio sales and sales of notes and note packages, to the extent a Franchisee is lawfully able to engage in those sales and subject to any applicable licensing requirements. Gross Receipts also include any fees and other compensation from all Leasing Services, as

defined below, including Leasing Services for a building for which Franchisee provides Property Management Services. If you operate an Outside Service independent of your SVN Business, and you use any Marks and/or you use any proprietary System element, tool or resource of ours, then, regardless of whether or not we consented to a Permitted Outside Service, you must pay the applicable Royalties on the transaction.

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

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

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

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

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

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

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

3. Royalties. We will pay RIC, our affiliate, who will provide support services to you, a service fee equal to a share of thirty to forty percent (30%-40%) of the Royalties you pay us, as a “Support Service

Fee” to compensate RIC for providing support services to you. Currently, the Support Service Fee is 30% of the Royalties you pay us. Both Royalties and Support Service Fees will be pooled and shared between us and RIC proportionately to the rights and services provided to you. (For specific details on the support services, see Schedule K to the Franchise Agreement.)

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

5. Advertising Materials. A regional advertising cooperative has been established exclusively for franchisees in Florida. Participation in the cooperative is not required and funds collected are used for items such as marketing templates, print ads, subscriptions, and website development and maintenance. The cooperative’s budget and profit and loss statement is available for review by members of the cooperative. The cooperative does not operate from written governing documents and is administered by the Regional Developer with input from members. Revenues are spent for the benefit of franchisees in Florida. The monthly fees are as follows:

Team Program Franchise	\$200/month
Established Program Franchise	\$250/month

6. Late Charges and Interest. Interest begins to accrue from the date payment is due and continues to accrue until the amount due is paid in full. These charges may be applied to any amount owed SVNIC, including, but not limited to, Royalties, Marketing Contributions, the Minimum Annual Royalty and the Initial Franchise Fee.

7. SVN I Jumpstart. If you are a new SVN Franchisee, at least one of your owners must attend and complete the SVN I Jumpstart training program to our satisfaction within nine (9) months of signing the Franchise Agreement. If you are renewing your Franchise Agreement, we recommend at least one of your owners attend and complete SVN I Jumpstart, which is offered at various locations throughout the United States and is 4-5 days in length. [If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we may conduct SVN I Jumpstart online, telephonically, or otherwise, or delay such training.](#) (See Item 11 for more details on our SVN I Jumpstart training program.)

8. SVN Annual Conference. This conference is open to Franchise-owners, Managing Directors, advisors, support staff and prospects, and is mandatory for you or your Managing Director. The cost of the conference will vary based upon the selected location. The range disclosed includes some meals. If you or your Managing Director cannot attend the annual conference, you may apply for an exception or request a substitute representative from the Franchise Business to attend on your behalf. We will evaluate each request on a case-by-case basis and decide at our sole discretion whether to make an exception for your situation.

9. Optional Training, Meetings and Conferences. This range covers the estimated costs for our optional training programs, meetings and conferences. Currently, the costs for our optional training programs are as follows: SVN I Jumpstart for existing franchisees, employees of franchisees and others (\$499 - \$649, including some meals); Managing Director Conference (\$399 - \$499, including some meals); SVN Annual Conference (\$599 - \$799, varies per location selected, includes most meals); ~~Operations Summit (\$199, including some meals);~~ and SVN/Elite Meetings (\$19,000 if paid in full at time of training, or \$21,500 if paid in 12 monthly payments of \$1,792 each, includes hotel and meals, but

excludes air travel.) ~~We are tentatively planning to add~~ In some years, we may hold an Advisor|Elite training program for producers (\$1,999, including lodging and most meals), as well. You are responsible for your own air travel expenses, ground transportation, lodging and meals unless otherwise noted. (See Item 11 for more details on our training programs, locations, duration and content.)

10. Renewal Fee. If you are signing the Franchise Agreement for a successor term following the expiration of an existing Franchise Agreement, you will also sign a Renewal Addendum in the form attached as Exhibit D and a General Release of Claims in the form attached as Exhibit H to this disclosure document.

11. Email Licensing Fee. You will receive a personal “svn.com” email address and account. You must use your personal “svn.com” email address and account for any and all communications related to your SVN Franchise Business, and you may not use any other personal email accounts in connection with the operation of your SVN Franchise Business. We currently charge you \$25 per each active email account, per calendar quarter, for the G Suite Basic license.

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

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

~~14. — Matterport Rental Fee. You may pay this fee by credit card. The rental period is for 10 days. If you need to use the camera beyond 10 days, you must request an extension from us. If you exceed the 10-day period without receiving our permission for an extension, we will charge you a penalty of \$50 per day, until the camera is returned to us.~~

14. Liquidated Damages for violating the Non-Disparagement provision. Disparaging remarks or negative behavior are counter-productive, damage the flow of open communications, and, if sent to third parties (including other franchisees, vendors, customers, or the media), can damage the brand and System, and, consequently, negatively impact both us and you. Therefore, neither we nor you (nor your or our respective officers, directors, shareholders, members, and owners) may make any disparaging remarks, whether orally, in writing, or electronically, in any media, including without limitation via print publication or other writing, spoken communication, email, or social media, concerning the other, including officers, directors, or employees of the other, or about the other’s products, services, character, reputation, actions, omissions, business expertise, or business methods. This restriction does not apply to our and your right to communicate candidly with anyone as necessary in order to: (i) comply with a legal process; (ii) convey information to a party’s business, legal, tax, or other similar advisers; or (iii) discuss your experience with the SVN franchise via one-on-one phone conversations initiated solely by a prospective franchisee who obtains your contact information through our franchise disclosure document, and not through online, electronic, Twitter, Instagram, Snapchat, Facebook, or other smart phone app, social media site or similar posting made by you in violation of this policy.

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Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	CONVERTING AN EXISTING FIRM TO A SVN FRANCHISE	STARTING A NEW SVN FRANCHISE			
Initial Franchise Fee ¹ :			Lump Sum and Monthly Installment Payments	50% due when you sign the Franchise Agreement and 50% paid in 6 monthly payments beginning 30 days from the signing date of the Franchise Agreement.	SVNIC
Team Program Fee	\$22,500	\$22,500			
Established Program Fee	\$27,500	\$27,500			
Brokers License ²	\$10 - \$500	\$10 - \$500	As arranged	Before opening	State Authority
Insurance ³	\$0 - \$10,000	\$2,000 - \$10,000	As arranged	New Franchise: Before opening Converting Franchise: Within 21 days of the date you sign your Franchise Agreement and before you conduct business under the SVN name.	Approved Insurance Company
Lease and Security Deposit ⁴	\$0	\$0 - \$5,000	As arranged	Before opening	Landlord
Leasehold Improvements ⁵	\$0	\$0 - \$5,000	As arranged	Before opening	Vendors
Utility Deposits	\$0 - \$300	\$0 - \$1,000	As arranged	Before opening	Utilities
Signage: Interior, Exterior, Property ⁶	\$50 - \$3,500	\$50 - \$3,500	As arranged	Before opening	Vendors

TYPE OF EXPENDITURE	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	CONVERTING AN EXISTING FIRM TO A SVN FRANCHISE	STARTING A NEW SVN FRANCHISE			
Initial Office Furniture	\$0	\$0 - \$5,000	As arranged	Before opening	Vendors
Initial Office Supplies	\$0	\$0 - \$1,500	As arranged	Before opening	Vendors
Initial Office Equipment and Computer System ⁷	\$0 - \$3,500	\$0 - \$3,500	As arranged	Before opening	Vendors
Initial Business Cards, Stationery and other printed materials ⁸	\$500 - \$850	\$500 - \$850	As arranged	Before opening	Approved Vendors
Legal and Professional Fees and Expenses	\$0 - \$5,000	\$0 - \$5,000	As arranged	As incurred	Vendors
Initial Advertising ⁹	\$100 - \$1,000	\$100 - \$1,000	As arranged	At opening	Vendors
Training Expenses ¹⁰	\$0 - \$12,000	\$0 - \$12,000	As arranged	At time of training	Vendors
Additional Funds ¹¹ (3 months)	\$0 - \$20,000	\$0 - \$40,000	As arranged	As incurred	Operations
Grand Total¹²	\$23,160 - \$84,150	\$25,160 - \$121,350			

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

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

Footnotes:

1. The amount of the Initial Franchise Fee you pay is determined by the Franchise Program under which you are approved to operate your Franchise. Participants in the Auction Services Program or any other specialty areas pay an Initial Franchise Fee according to the Franchise Program for which they are approved (e.g., Team Program or Established Program Franchise.) This fee will be reduced by 15% if you qualify for our U.S. Military Veteran's Discount. There is no separate Initial Franchise Fee for participants in the Auction Services Program or any other specialty areas. You may pay the Initial Franchise Fee in a lump sum at the signing of the Franchise Agreement, or you may elect to pay one-half (1/2) of the applicable Initial Franchise Fee at the time you sign the Franchise Agreement and the remaining balance in six (6) equal monthly installments, with the first installment payment beginning 30 days from the signing date of the Franchise Agreement. Please see Item 5 for more details.

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

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

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

All of these insurance policies, other than workers' compensation, must: (i) be subject to our approval, which shall not be unreasonably withheld; (ii) contain separate endorsements naming us as additional named insured or provide comparable coverage acceptable to us in our discretion; (iii) not be subject to cancellation or modification, except on thirty (30) days advance written notice to us; and (iv) contain an express waiver of any and all rights of subrogation against us. You have to maintain the required commercial general liability and errors and omissions insurance policies/coverage for not less than 24 calendar months following the termination or cancellation of your final Franchise Agreement. If you operate a Satellite Office(s), you must carry and maintain the required insurance for each office location. You must pay all premiums on the policies as they are due. If you do not have or maintain insurance as specified in the Manuals or fail to provide us any certificates of required insurance, endorsements, or other evidence of insurance, we can, but are not obligated to, purchase the applicable coverage. In that case, you have to reimburse us for the cost of the premium and all other related costs within 10 days of receipt of invoice. We can, but are not required to, deviate from these requirements based on then current carrier or industry practices, substitute coverage acceptable to us or deviate for other reasons we consider commercially appropriate. You are required to give us certificates of such insurance within 21 days of signing your Franchise Agreement, but in no event later than the first day that you begin operating under the Marks, and at such other times as we may request.

Your insurance must name us as an additional insured and contain a clause requiring notice to us thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional

Insured Endorsement” must be approved in writing by us. You must maintain such additional insured status for us on your general liability policies continuously during the term of the Franchise Agreement.

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

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

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

5. We anticipate that an existing business converting to an SVN Franchise will retain its existing office space. A new SVN Franchise Business will need to incur some cost of developing an office space unless you lease a furnished executive suite, co-working space, or we approve a home office location. Also, if you employ one or more Authorized Salespersons in addition to your Broker in Charge, you will likely need more office space and your costs will increase correspondingly.

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

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

8. You must obtain an initial inventory of printed or online templates of collateral materials, stationery and business forms bearing the “SVN” name and Marks. If you employ one or more Authorized Salespersons in addition to your Broker in Charge, you will need a larger inventory of these materials, which will involve increased costs.

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

10. If you are a new SVN Franchisee, at least one of your owners must attend and complete to our satisfaction our mandatory SVN I Jumpstart training within nine (9) months of signing the Franchise Agreement. If you are renewing your Franchise Agreement, we recommend that at least one of your owners attend and complete to our satisfaction SVN I Jumpstart, which is offered at various locations throughout the United States. This estimate covers the \$499 SVN I Jumpstart Training Fee paid to us, plus hotel accommodations, transportation and food for 4-5 days for one trainee. (See Item 11 for more information on our training programs.)

11. These estimates do not include any Royalties, employees' salaries, taxes, or managerial salaries or any payment to you. These estimates also do not take into account the finance charges, interest and related costs you may incur if any portion of the initial investment is financed. These amounts are our minimum estimated levels to cover basic operating expenses for the first few months after signing the Franchise Agreement, specifically for up to 3 months, if you are converting an existing business, or 6 months, if you are starting a new business. If you are converting an existing business, you may have pending transactions, contracts or lease renewals (which we may permit you to exclude from the applicable Royalties) and revenues from those pending transactions may reduce the need for additional funds on hand. However, SVNIC cannot guarantee that any particular level of additional funds or any working capital will be sufficient. Additional amounts may be required if your Gross Receipts are low or fixed costs are high or as a result of a variety of other factors.

12. All amounts are non-refundable unless otherwise noted. ~~We~~ [With the exception of the Initial Franchise Fee, which you may elect to pay one-half in 6 monthly installments, we](#) do not offer any financing for your initial investments. We have prepared these estimates based on our experience and our former Related Parties' experience, which is primarily in the establishment and operation of offices larger than the SVN Franchise Business you will operate under the Franchise Agreement. Our experience in the establishment and operation of smaller SVN offices is limited. The initial investment required to begin operations as a Franchisee will vary greatly depending on many factors unique to a particular Franchisee. The list of the costs described above is not all-inclusive, is an estimate and should be considered as a guide only. Except for the "Additional Funds" figure in the chart and note 10 above, these estimates describe your initial cash investment up to the opening of, or converting your pre-existing operation to, an SVN Franchise. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. If you are starting a new business with your SVN Franchise, rather than converting an existing commercial real estate services business to the "SVN" name and System, you should not plan to draw income from the operation during the start-up and development stage of your SVN Franchise, the actual duration of which will vary materially from office to office and cannot be predicted by us. Whether you are converting to an SVN Business or starting a new one, the ranges shown in the chart may be subject to increases based on changes in market conditions. You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage or beyond, or after a conversion. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your SVN Franchise Business, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your SVN Franchise is located, the presence of other SVN offices or other public awareness of our offices and Marks within the Primary Market Area, your ability to operate efficiently and in conformance with our recommended methods of doing business, and competition. Because the exact amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you

to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

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

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

Specifications and Services. You must operate your SVN Franchise in compliance with our policies, which include standards, specifications, policies, procedures, protocols and restrictions established by us and revised from time to time (collectively, our “Policies”) and the Manuals. We will provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards and any restrictions on your purchase of products and services. We will furnish to you an approved list of suppliers that may be able to supply certain of your required products and services, which we may update periodically.

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

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

supplier of the online tracking and marketing system in that we are an enterprise user of a customized third-party product, which permits franchisees to access the system under our license.

Other than the above-referenced tracking and marketing system and the support services provided by our affiliate RIC, as described below, neither we nor any of our affiliates are currently a sole supplier of any products or services to you.

Our Regional Developer, JDA Investments, LLC, through its affiliate, SVN Auction Services, LLC, is our exclusive designated Auction Services facilitator/coordinator for franchisees participating in the Auction Services Program. ~~As of the date of this Disclosure Document~~Currently, Auction Services Program participants must use SVN Auction Services, LLC, ~~and SVN Auction Services, LLC~~ which only makes its services available to franchisees who are Auction Services Program participants. Tools and resources specific to the Auction Services Program are only available to SVN franchisees eligible to participate in that program, unless we expressly permit otherwise. These policies may change over time, and we may make exceptions in those instances that we think merit them.

Our affiliate, RIC, assists us in providing support services to SVN Franchisees. The support services RIC will assist us with, include, but are not limited to, accounting, compliance and related back-office services and programs, such as administration, marketing, and virtual assistance. RIC will provide these support services to you. Currently, RIC is our sole approved supplier of such support services. You will be required to sign a Franchisee Support Services Agreement in the form attached as Schedule K to the Franchise Agreement. We will pay RIC for supplying support services to you with 30% to 40% of the Royalties you pay us, as a Support Service Fee. Currently, the Support Service Fee is 30% of the Royalties you pay us. Our engagement of RIC to supply support services does not in any way affect your royalty amounts owed to us. Our parent and our president have an ownership interest in RIC.

Other than as disclosed above, there are no other approved suppliers in which any of our officers owns an interest.

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

We may periodically refer potential clients to you. If a Transaction Closing occurs as a result of these actions (but not including a co-listing arrangement), you must pay us a fee anticipated to range from 10%-50% of your Gross Receipts from the Transaction Closing, in lieu of the Production Royalty, and is established on a case-by-case basis. Typically, 10% is the amount for NNN investment sales and 20%-30% is standard for other types of real estate transactions. The fee percentage is also dependent on whether the deal is a lease, property management, sale transaction, auction property or other type of transaction. We generally use a customary standard referral fee in the state for the type of transaction and based on your local market knowledge. For property management contracts derived through us, you must pay us a fee anticipated to range from 10%-50% of your property management revenue. In addition, you and our sales agents and the sales agents of our Related Parties may agree to a co-listing arrangement. In that case, you will split the commission you receive on account of a Transaction Closing of the co-listed property as agreed between you and the sales agent and you must pay us a Production Royalty on account of that Transaction Closing.

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

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

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

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

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

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

We reserve the right to receive marketing, administrative, sponsorship or other payments and allowances from third-party suppliers on account of purchases made by SVNIC, and its Related Parties, and by you and other SVN franchisees and/or Regional Developers, and their respective clients and to charge a mark-up on goods and services we or our Related Parties may supply. You are not entitled to receive any portion of these payments or allowances from SVNIC.

In our fiscal year ending December 31, ~~2018, our former approved supplier of print materials paid us a one-time rebate of \$7,358.69 as a result of purchases of marketing and print materials by SVN franchisees. In our fiscal year ending December 31, 2018~~2019, we received no revenue from approved suppliers for franchisees purchases or from franchisees directly purchasing or leasing required products/services from us.

In our fiscal year ending December 31, ~~2018~~2019, our affiliate RIC received ~~\$2,810,762.18~~

[2,666,548](#) from required support services supplied to SVN franchisees, which represents 100% of RIC's total revenues of ~~\$2,810,762~~ [182,666,548](#). The sources of this information are the financial books and records of Real Impact Corporation.

In the fiscal year ending December 31, ~~2018~~ [2019](#), our affiliate, SVNIA, received ~~\$61,519.59~~ [56,292](#) from insurance providers for the referral of our franchisees and property management clients, which represents 100% of SVNIA's total revenues of ~~\$61,519.59~~ [56,292](#). The sources of this information are the financial books and records of SVNIA.

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

Currently, the only purchases Franchisee will make from suppliers that must be approved by us or that must meet our standards or specifications are insurance, advertising, signage, equipment and business cards, postcards, stationery, brochures and proposals, and other office supplies bearing our service marks, although this list is subject to change. For an existing business converting to an SVN Franchise, we estimate that these purchases will represent between 1% and 67% of your expenditures for leases and purchases in establishing your SVN Franchise and 8% to 12% of your purchases on an ongoing basis. For a broker without an existing business, setting up a new business under an SVN Franchise, we estimate that these purchases will represent between 21% and 77% of your expenditures for leases and purchases in establishing your SVN Franchise and 8% to 12% of your purchases on an ongoing basis.

We may, but are not obligated to, negotiate purchase arrangements with suppliers on behalf of our franchisees. There are presently no purchasing or distribution cooperatives in which you must participate. We do not provide any material benefits to you based on your use of designated or approved suppliers.

Item 9

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT AND RELATED ADDENDUMS	DISCLOSURE DOCUMENT ITEM
a) Business site selection and acquisition/lease	Section 6.1 of the Franchise Agreement	Items 8, 11 and 16
b) Pre-opening purchases/leases	Sections 6.2, 6.4 and 14.1 of the Franchise Agreement	Items 5, 6, 7, 8 and 11
c) Site development and other pre-opening requirements	Sections 6.2 and 9.5 of the Franchise Agreement	Items 8 and 11
d) Initial and ongoing training	Section 5.1 of the Franchise Agreement	Items 6 and 11

OBLIGATION	SECTION IN FRANCHISE AGREEMENT AND RELATED ADDENDUMS	DISCLOSURE DOCUMENT ITEM
e) Opening	Sections 9.5 and 14.1 of the Franchise Agreement	Item 11
f) Fees	Sections 4.1 - 4.9, 5.1, 6.4 and 12.6 of the Franchise Agreement; Sections 1, 2, 3 and 6 of the Renewal Addendum; and Sections 2, 9 and 10 of the Satellite Addendum	Items 5, 6, <u>7</u> , and 11
g) Compliance with standards and policies/Operating Manual	Sections 1.1, 2.1, 3.2, 4.3, 4.8, 6.2 - 6.10, 7.1, 7.3, 7.4, 8.1 - 8.3, 9.1, 9.3, 13.1, 14.1 and Schedule G of the Franchise Agreement; Section 2 of the Satellite Addendum; and Sections 2, 7, 10, and 11 of the Franchisee Intranet Services Agreement	Items 11, 14 and 15
h) Trademarks and proprietary information	Sections 2.2, 2.3, 7.4, 9.1, 9.3, 9.4 and 10.2 of the Franchise Agreement; and Sections 4, 5, 9, 10 and 11 of the Franchisee Intranet Services Agreement	Items 11, 13, and 14
i) Restrictions on products/services offered	Sections 6.3, 9.6 and Schedules D and E of the Franchise Agreement	Items 8 and 16
j) Warranty and customer service requirements	Section 13 of the Franchisee Intranet Services Agreement	None
k) Territorial development and sales quotas	Section 4.6 of the Franchise Agreement	Items 6, 12 and 16
l) Ongoing product/service purchases	Sections 5.3 and 6.4 of the Franchise Agreement	Items 6, 7 and 8
m) Maintenance, appearance and remodeling requirements	Sections 6.2 and 6.5 of the Franchise Agreement	Items 7 and 16
n) Insurance	Sections 8.3 and 14.1 of the Franchise Agreement; and Section 7 of the Renewal Addendum	Items 8 and 16
o) Advertising	Article 7 and Section 9.1 of the Franchise Agreement	Items 6, 8, 11, and 13
p) Indemnification	Section 15.2 of the Franchise Agreement; and Section 14 of the Franchisee Intranet Services Agreement	Item 6
q) Owner's participation/management/staffing	Sections 6.3, 6.9 and 8.3 of the Franchise Agreement	Item 15
r) Records and reports	Section 6.4, Article 8 and Section 9.1.3 of the	Items 6 and 8

OBLIGATION	SECTION IN FRANCHISE AGREEMENT AND RELATED ADDENDUMS	DISCLOSURE DOCUMENT ITEM
	Franchise Agreement	
s) Inspections and audits	Sections 8.2 and 9.1.3 of the Franchise Agreement	Item 6
t) Transfer	Sections 11.2 and 11.4 of the Franchise Agreement; Paragraph 13 of the Satellite Addendum; and Section 15 the Franchisee Intranet Services Agreement	Item 17
u) Renewal	Section 3.2 of the Franchise Agreement	Item 17
v) Post-termination obligations	Sections 7.4.3, 7.4.4, 9.5, 9.7, 10.2, 13.1, 13.2 and Article 17 of the Franchise Agreement	Items 13 and 17
w) Non-competition covenants	Section 10.1 of the Franchise Agreement	Item 17
x) Dispute resolution	Article 17 of the Franchise Agreement	Item 17
y) Personal Guaranty	Section 11.3 and Schedule C of the Franchise Agreement; and Section 8 of the Satellite Addendum	Item 15

Item 10

FINANCING

At your option, we may offer you financing on one-half (1/2) of your Initial Franchise Fee. We will require 50% of the Initial Franchise Fee at the signing of the Franchise Agreement, and you will sign a promissory note in the form set out in Exhibit I (the "Note") for the remaining balance. The amount you may finance will depend upon the type of Franchise Program under which you operate. Under the Team Program you may finance \$11,250 and under the Established Program you may finance \$13,750. We will charge you 6% interest per annum on the balance owed, and amortize the amount financed over 6 months. You will make six (6) consecutive, equal monthly payments. Your first payment will be due 30 days from the signing date of the Franchise Agreement. There will be no pre-payment penalty. We will take payment on the Note through the Electronic Funds Transfer agreement, or otherwise if we choose. The only security we require is a personal guarantee of the Note by the Guarantor of the Franchise Agreement. The Guarantor of the Franchise Agreement must guaranty the Note.

If you do not make a payment within ten (10) days of the due date, we may charge you a late fee in an amount equal to 10% of the payment due. If you default on the Note, we have the right to accelerate payment of the remaining balance. The cross-default provision in your Franchise Agreement allows us to terminate the Franchise Agreement upon your default of the Note to us. If your Franchise Agreement is terminated, expires, is not renewed, or if you abandon the Franchised Business, we have the right to accelerate payment of the remaining balance. We can also recover its costs of collection, including court costs and attorney's fees, incurred in enforcing payment when it is due.

The Note requires you to waive notice and demand for payment from us. No delay or omission on our part, as the holder, in exercising any right under the Note will operate as a waiver of defense or any other right under the Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion. It is not our practice or intent to sell, assign, or discount to a third party all or part of the financing arrangement. We do not receive direct or indirect payments from placing financing.

Except as disclosed above, neither we nor our affiliates offer any other direct or indirect financing. We and our affiliates do not guarantee your note, lease or obligations to third parties.

Item 11

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

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

We have the following obligations to you before you open your SVN Franchise for business. We may delegate some of the following obligations to a Regional Developer or Area Services Representative in your Market Area(s).

1. If you do not already have a location, we will have the right to accept or reject the site you select. (Franchise Agreement Section 6.1.) You are solely responsible for the location of your SVN Franchise office. We try to approve or reject your proposed site within 30 days after you have submitted your proposed site. If we offer any assistance to you in this regard, you may not interpret our assistance as a guarantee or other assurance that the site will be appropriate or successful. The factors that we consider in accepting SVN Franchise locations include the size of the market area, physical characteristics of the location and your evaluation of your needs, as well as your agreed upon Primary Market Area. If the site you select is not approved by us and you have already executed a Franchise Agreement, you will have the right to terminate the Franchise Agreement without payment of a termination fee, provided you give us 30-days prior written notice in the first 6 months of the term (except for renewing Franchisees, who cannot cancel in the first 6 months of a renewal term Franchise Agreement). Although we may permit you to operate out of your home, typically, an SVN Franchise operates out of an office location, which in some cases is an executive suite or co-working space.

2. Unless you are signing your Franchise Agreement in connection with the renewal of your relationship with us, we will loan you (or allow you electronic or other access to) 1 copy of the Manuals to use during the term of the Franchise Agreement. The Manuals contain our standard operational procedures, policies, rules and regulations. You must comply with any mandatory requirements that they contain. (See Sections 5.2.1 and 6.6 of the Franchise Agreement.) The Tables of Contents of our Manuals is attached as Exhibit F. Currently, the SVNIC Confidential Operations Manual contains ~~74~~78 pages and the SVNIC Branding Guide contains 42 pages, for a total of ~~116~~120 pages.

3. We will provide, at no additional charge, exemplar artwork for you to use in purchasing, at your cost, stationery, advertising, property signs and other marketing materials. (See Section 5.2.2 of the Franchise Agreement.)

Post-Opening Obligations

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

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

If we engage an Area Services Representative or Regional Developer to perform various training, Franchise marketing and support services on our behalf in or around your Primary Market Area, you will accept those services in satisfaction of any applicable obligation that we may have to you under your Franchise Agreement.

Other Current SVN Programs:

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

to this Disclosure Document as Exhibit H and is subject to change. You are required to comply with our usage policies. We do not warrant the Intranet content or functionality.

Franchisees' Branding Program. Franchisees are obligated to pay us a Marketing Contribution which we use for a Branding Program. Current fees are payable as follows: (a) \$500 per month for the Team Program Franchise, and (b) \$750 per month for the Established Program Franchise if your Franchised Business has less than \$2.5 million in Gross Receipts² during a calendar year. If your Franchised Business generates more than \$2.5 million in Gross Receipts during a calendar year, then beginning January 1 of the following year, you will pay .5% of your Gross Receipts for the prior year (or Gross Receipts multiplied by .005), which amount will be divided into 12 equal monthly payments; or (d) \$250 for each Satellite Office (See Satellite Addendum). We have the right to change the payment periods (e.g. annually, quarterly, etc.) and make corresponding pro rata adjustments in the amount of the Marketing Contribution payable at those intervals. The sums you and other franchisees pay to us as a Marketing Contribution will be deposited in our general operating account, segregated administratively on our books, but commingled with our general operating revenues. If we spend less than the total of all contributions to the Branding Program during any fiscal year, we will accumulate these sums for use in later years. We have no obligation to return any unused portions of Marketing Contributions not used in any calendar year to you. (See Section 7.2 of the Franchise Agreement.)

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

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

We must spend Branding Program revenue for national, regional or local advertising, public relations, marketing and promotional campaigns. We decide how the funds are spent, including possibly marketing studies, the production and purchase of advertising art, commercials, print advertisements, web sites, media advertising, public relations, brochures and proposal materials, outdoor advertising art, and direct mail pamphlets and literature and other related costs. Funds can also be allocated to pay or reimburse us or our Related Parties for salaries, administrative costs, usage fees for online marketing services, overhead and other pay or expenses incurred in marketing program-related activities, including but not limited to "in-house advertising agency" services, creative concepts, research, production, placement, and media purchasing, as well as collection, legal and accounting expenses related to the Branding Program and associated activities. We determine all matters relating to advertising, public relations and promotional campaigns and we are not required to allocate or expend Marketing Program contributions for the benefit of any particular franchisee or group of franchisees on a pro rata or proportional basis. (See Section 7.2.3 of the Franchise Agreement.)

We presently anticipate that our advertising programs will be developed both through our internal resources and through outside advertising consultants. During our fiscal year ended December 31, ~~2018~~2019, we disbursed Branding Program revenue as follows:

<u>Category</u>	<u>Percentage</u>
Online and Print Media Placement ¹	9 <u>15</u> %
Tradeshows ²	14%
Administrative ³	20 <u>13</u> %

Marketing & Multimedia Collateral and Outreach ⁴	57.58%
<hr/>	
Total	100%

Notes:

¹ Online and Print Media Placement is online and print ads.

² Tradeshows at events sponsored by professional organizations, such as ICSC, CCIM and SIOR.

³ Administrative is internal SVNIC costs.

⁴ Marketing & Multimedia Collateral and Outreach is Buildout, SVN|Live call, website, lead generation, public relations, and online ads.

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

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

In 2010, we implemented a marketing council made up of franchisees (referred to as “Council”) to conduct various marketing-related activities. The Council members are elected by the franchisees. The Council serves only in an informal, advisory capacity. We have the power to change, merge or dissolve the Council or establish other marketing councils. We can form Councils based upon industry segments or property types, geography, transaction type or volume, or other criteria, as we consider appropriate. We have the right to form and administer any Council or allow a Council to self-govern. In either case, you must participate in any applicable Council.

A regional advertising cooperative has been established exclusively for Franchisees in Florida. We can discontinue the Florida co-op at our option. Participation in the cooperative is not required and funds collected are used for items such as marketing templates, print ads, subscriptions, and website development and maintenance. The cooperative’s budget and profit and loss statement is available for review by members of the cooperative. The cooperative does not operate from written governing documents and is administered by the Regional Developer with input from members. Revenues are spent for the benefit of franchisees in Florida. The monthly fees are as follows:

Team Program	\$200/month
Established Program	\$250/month

Internet. We have registered the Internet domain: *www.svn.com* and have established a site using this domain name. The domain name is our sole property and you will not register or use any

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

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

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

Name of Trainer	Years of Experience with SVN Operations	Years of Experience with Subjects Taught
Kevin Maggiacomo	18 <u>19</u> years	24 <u>25</u> years
Diane Danielson	7 years	21 years
George Slusser	9 <u>10</u> years	35 <u>36</u> years
Solomon Poretzky	5 <u>6</u> years	17 <u>18</u> years
John McDermott	17 <u>18</u> years	46 <u>47</u> years
Rosa Thomas— In charge of training provided by RIC.	5 years	18 years
Donna Van Schagen	3 years	22 years

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

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

We can modify, expand, or discontinue any of our training programs at our option and can charge a reasonable fee for participation in any of them. Currently, we charge fees ranging from ~~\$499 to 399~~ to \$20,000-21,500 for SVN I Jumpstart and for the Franchise Owners-Only training programs, including meetings and conferences. You are responsible for all costs associated with participation/attendance, including travel-related expenses (if any). Fees charged to earlier franchisees (if any) for the same programs and various other services may differ from fees you may incur.

On-Boarding; Business Start-Up Training. Onboarding is a three-month process in which we will guide you through integrating your business into the SVN platform. It includes a combination of telephone calls, assignments and online training. This training is required for all new Franchisees. There is no charge for this program.

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

TRAINING PROGRAM
(SVN I Jumpstart)

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

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

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

Online Training Program. We currently provide a remote, online training program via the Internet and/or telephonic conference call to all SVN franchisees, consisting of a variety of topics (“Training Modules”) and incorporating components of courses previously offered in years past. With the exception of the 7 required online training courses that are a prerequisite to attending SVN I Jumpstart (identified in the Online Training Program chart below), participation in any of the Online Training Program modules is optional. We expect as of the date of this Disclosure Document to offer two modules weekly, as determined by us, of approximately one hour each in duration, but this schedule can change. The currently contemplated Training Module content and topics are described in the chart below. The topics are subject to change and new topics may be added and others deleted without notice, as we may determine. There is no separate training charge for the Online Training as of the date of this Disclosure Document, although this can change. You will bear the cost of any Internet and telephone access fees and related costs and charges required to participate in the Online Training.

TRAINING PROGRAM
(Online Training Program)

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Introduction to SVN*	.75	N/A	Virtual
Introduction to Commercial Real Estate*	.75	N/A	Virtual
Encyclopedic Market Knowledge*	.75	N/A	Virtual
Introductory Sales Skills*	.75	N/A	Virtual
The Call*	1	N/A	Virtual
The Meeting*	1	N/A	Virtual
Introduction to Underwriting*	1	N/A	Virtual
Presenting the Proposal	.75	N/A	Virtual
Advisor Track: • Intro to Leasing • The Perfect Proposal	2.75	N/A	Virtual
MD Track: • New Advisor Onboarding/Mentoring • Franchise Business Planning • Leadership in the SVN Culture	7.5	N/A	Virtual

SUBJECT	APPROX. HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
<ul style="list-style-type: none"> • Manager vs. Producer • Recruiting for Managing Directors • Market Sizing and Deployment 			
SVN Platform & Technology: <ul style="list-style-type: none"> • Calendar - Google Applications • Gmail - Google Applications • Google Drive - Google Applications • Buildout • SVN Tools 	4	N/A	Virtual
Total	21	N/A	

* These subjects are required prerequisite courses for SVN I Jumpstart Training.

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

~~Our affiliate RIC also provides optional online training through video calls and webinars for accounting and the CRM Software.~~

Conferences and Meetings. We plan to hold several conferences and meetings throughout the year, including the following: (i) the SVN Annual Conference, typically held in March each year, which will last approximately 2.5 days, is mandatory for you or your Managing Director; (ii) SVN/Elite Meetings approximately 4 times a year, which will last approximately 2 days; (iii) an annual conference for Franchise-owners and Managing Directors only, which will last approximately 2 days; ~~(iv) an Operations Summit, which will last approximately 1 day; and~~ (v) an optional Advisor I Elite Training Program, which consists of five 60-90 minute webinars and a conference lasting 1.5 days. These conferences and meetings will focus on the current commercial real estate market and marketing strategies to increase productivity under current market conditions using the SVN System. They will be held at various hotel conference room locations designated by us. The fees for these conferences and meetings range from ~~\$199-399~~ to \$21,500. Some of the conferences/meetings include travel, lodging and meals, while others do not. You are responsible for your travel, lodging and meals if not covered in the conference/meeting fee. Except for the SVN Annual Conference, attendance is optional for all SVNIC conferences and meetings but is highly recommended by us.

Computer System. Unless already owned, you must purchase the office equipment we specify, including a computer system, printer/scanner, a high-speed connection for Internet/computer communications, and one standard voice line. We do not specify the brands or minimum requirements of the computer system other than it must be capable of accessing the Internet and the SVN Dashboard while running Google Applications on the Google Chrome web browser. We recommend the following computer and applications for use in your SVN Franchise: any computer capable of running the Google

Chrome browser; standard office-computing applications; either Windows 8 or later or Mac OSX 10.6 or later; a broadband Internet connection; Microsoft Office; and a video camera, microphone, speakers or comparable audio and video hardware. We also provide some marketing materials in formats that work with Adobe Creative Cloud applications, such as Acrobat, Illustrator, InDesign and Photoshop. We estimate the cost of purchasing such a computer system to be approximately \$3,000. We also recommend that you implement the latest security software to protect your computers and/or network and have a system to back up files regularly on either an external hard-drive or an online system.

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

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

We have the right under the Franchise Agreement and Franchisee Intranet Services Agreement to access the information generated and stored in your computer system and in all cases have access to the Intranet content. (Section 6.8 of the Franchise Agreement.)

Length of Time to Open the SVN Franchise. We estimate the typical length of time between signing a Franchise Agreement and opening an SVN Franchise office is between 10 and 90 days.

Auction Services Program: Some eligible Franchisees will have access to certain SVN Franchise offerings in addition to their Commercial Real Estate Services Franchise benefits. As of the date of this Disclosure Document, only Franchisees that meet the applicable eligibility requirements have access to these specialized tools or resources, unless we expressly permit an exception at our discretion and if we think circumstances warrant the same.

The Auction Services Program is for franchisees that derived at least 75% of their gross revenues in the immediately preceding fiscal year from eligible Auction Services. Franchisees participating in this program will have access to tools and services developed to focus on Auction Services Program members' business focus. Currently, these tools and services include Online Auction Software, auction platform specific marketing templates and materials, mentoring opportunities and auction services networking with other Auction Services Program participants, a website and social media, strategic alliances, commercial loan sales and auctions and "Online Only" events.

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

Item 12

TERRITORY

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

If we determine at our option that a Secondary Market Area is appropriate for limited purposes based on your business operations, we specify the Secondary Market Area and the limited purpose in your Franchise Agreement. By way of illustration only, SVNIC, at its discretion, may elect to designate a Secondary Market Area for Property Management or Auction Services that may extend beyond the PMA that exists for other Commercial Real Estate Services.

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

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

You may offer, sell and provide Approved Services in any geographic area or jurisdiction where you are licensed and have qualified to do business if required, and are otherwise legally entitled to do so, subject to our rights involving Special Accounts as described below in this Item. You will be permitted to operate your SVN business only at a specific location which we accept, as described in the Franchise Agreement. Additionally, you and we can choose to enter into a Satellite Addendum to the Franchise Agreement under which you are authorized to open an additional office for your Franchise Business at a location we approve in your Primary Market Area.

No compensation is paid to you if we or a franchisee, licensee or Related Party solicits or accepts

business from within your or any other market area, except for any co-listing or fee sharing arrangements you may have with that person. To provide the highest degree of service to clients, if you perform Commercial Real Estate Services in connection with real property or businesses located outside your non-exclusive Primary Market area, you must co-list with a qualified SVN franchisee having an office in the market area in which the real property or business is located, if one is available, according to SVNIC's co-listing Policies, as provided in the Manuals or other written instruction published by us occasionally. If there is no qualified SVN [Advisor at a Franchise](#) located in the Primary Market Area in which the subject property is located, you can, with our prior consent, co-list with an unaffiliated commercial real estate broker close to the property or business [or, if feasible due to PMA proximity and preference of the client, you may service the listing directly, provided you alert SVN Franchises in the area in advance of publicizing the listing.](#) We have an unrestricted right to deny any consent if we determine that a qualified SVN [Franchise Advisor](#) is available for the co-listing. We ~~recommend~~ [suggest](#) that the share of the listing to a local franchisee be at least 10% [of the list side fee](#), except for NNN Triple Net listings, which are more similar to a credit offering than a real estate offer and require less or no involvement by the local franchisee, provided all local licensing requirements are met. In any event, our current policies provide that the local franchisee should be brought in on a co-listing basis promptly after the primary franchisee secures the listing agreement with the client and according to any timeframe specified in the Manuals. These recommendations and policies are subject to occasional changes by us.

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

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

We also can enter into Area Services Representative Agreements under which the Area Services Representative has certain exclusive rights in a geographical area, which can include your Primary Market Area. Refer to Exhibit G for a list of Area Services Representatives, who are also SVN Franchisees, and their respective Service Areas.

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

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

Franchise Location

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

Item 13

TRADEMARKS

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

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

DESCRIPTION OF MARK	REGISTRATION NUMBER	REGISTRATION DATE
SVN	3677169	September 1, 2009 Renewed September 27, 2019
YOUR CREATIVE EDGE	4026056	September 13, 2011
SVN CONNECT	4224786	October 16, 2012
SVN	4190585	August 14, 2012
INVEST IN PEOPLE	4360981	July 2, 2013
SVN AUCTIONS	4529002	May 13, 2014
SVN SYSTEM FOR GROWTH	4813843	September 15, 2015

DESCRIPTION OF MARK	REGISTRATION NUMBER	REGISTRATION DATE
	5113296	January 3, 2017
	5080655	November 15, 2016
	5054706	October 4, 2016
SVN HOTELS	5001640	July 19, 2016
SVN JUMPSTART	5022654	August 16, 2016
SVN LIVE	5085451	November 22, 2016
SHARED VALUE NETWORK	5210419	May 23, 2017

Agreements

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

Determinations

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

Trademark Protection

If you learn of any alleged infringement of the Marks or challenge to your use of the Marks under the terms of the Franchise Agreement you must notify us immediately. We will take action as we

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

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

Common Law Rights

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

Infringing Uses

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

Modification

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

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights material to the SVN Business. However, you must operate your business in accordance with our standards, specifications, Policies and procedures described in the Manuals or otherwise communicated to you. You must treat the information contained in the Manuals and any other manuals or supplemental material supplied by us as confidential. Also, our marketing concepts, franchising techniques and concepts, proprietary and/or customized software and templates, SVNIC support sites (“SVNIC Technology Systems”), inclusive of any online tracking system, online publisher and/or other software/technology platform or system tools SVNIC may implement over time, knowledge of sales and profit performance of any one or more SVN Franchises, operating methods, technology platforms and techniques, and trade secrets are all confidential information. The Manuals and other confidential information are our property and you may not duplicate, copy, disclose or

disseminate the contents of the Manuals at any time, without our prior written consent. You are licensed only to use the Marks and the System to operate an SVN Franchise under and in compliance with the Franchise Agreement. You are not authorized to modify, enhance, reverse engineer, create any derivative works from or otherwise manipulate or interfere with the Marks, the System, the Confidential Materials and Practices or any element of any of them or any other information or items proprietary to or licensed from or through SVNIC.

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

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

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

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are solely responsible for all your business operations, including all employment and employment-related practices, and you must personally supervise your SVN Franchise. You may delegate the day-to-day operations of the SVN Franchise to an individual, who may be your Broker in Charge or another individual to whom you have provided explicit written authorization to act on your behalf in managing the SVN Franchise (the "Managing Director"). You must inform us of any Managing Director and notify us immediately of any change in the position. You, your Broker in Charge and each of your Authorized Salespersons must continuously remain throughout the term of the Franchise Agreement a Licensed Person under applicable laws. You are required to have a licensed Broker in Charge of the Franchise Business at all times. You must notify us immediately of any change or update to the Broker in Charge associated with your Franchise Business. If you do not have a licensed Broker in Charge of the Franchise Business at all times, you will be in default of your Franchise Agreement. You must agree and affirm that throughout the term of your Franchise Agreement, the majority of your time and your primary focus will be dedicated to the operation of an SVN Commercial Real Estate Services Business. Failure to do so constitutes an abandonment of the Franchise and may subject you to termination of the Franchise Agreement. You and your associates must comply with the SVN Core Covenants. We can implement Policies that preserve quality assurance for services delivered under the Marks or for other purposes we consider significant to the preservation or development of the System, which can impact your operating practices. You must comply with all mandatory Policies. For example,

we can establish a Policy that precludes any use or display of the “SVN” name or Mark at an agent’s workspace located outside of your Business Address and other related restrictions.

If you are a Business Entity, each of your owners having 10% or more of the equity of the Business Entity must sign the Franchise Agreement on behalf of the Business Entity and, also, sign a Guaranty in the form attached as Schedule C to the Franchise Agreement. By executing the Guaranty, the shareholders, members or limited partners unconditionally guarantee your full performance of all of your obligations under all agreements between you and us. We reserve the right to require a Broker in Charge to provide a guaranty, if an owner/guarantor is not the Broker in Charge.

If an owner acquires a 10% or greater interest in you after the signing of the Franchise Agreement, such owner must assume all your obligations under the Franchise Agreement by signing an assumption agreement in a form satisfactory to us. Additionally, such owner must sign our standard form of Guaranty.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

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

Other than Commercial Real Estate Services, you may not offer and perform additional services as part of your SVN Franchise until or unless you have our consent. We are not required to authorize you to provide or sell any additional service through your Franchise Business. If you wish to offer any services that are ancillary to the Franchise Business, you must request our written approval. If we have approved any ancillary services when you sign the Franchise Agreement, they will be identified on Schedule D to your agreement. You will not be permitted to provide certain types of services (“Outside Services”) as part of your SVN Franchise, including the following: insurance; title insurance or searches; real estate syndicating; mortgage banking, escrow or appraisal services.

~~As of the date of this Disclosure Document, we~~ We require Auction Services Program franchisees to coordinate all Auction Services activities through our selected facilitating company, which is currently our Regional Developer’s affiliate, SVN Auction Services, LLC. We can waive or modify this requirement as we think appropriate. Auction Services Program franchisees do not pay a fee to SVN Auction Services, LLC. You are required to follow policies and practices we establish for coordinating Auction Services activities and for working with any designated facilitating company. We can change our policies over time.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
a) Length of the franchise term	Section 3.1 <u>of the Franchise Agreement</u>	5 years. Satellite Addendum terminates/expires with the related Franchise Agreement.
b) Renewal or extension of the term	Section 3.2 <u>of the Franchise Agreement</u>	You have the right to request we renew your Franchise if you are in compliance with the Franchise Agreement and meet our requirements. The renewal period is 5 years; however, we may, in our sole discretion, allow you to renew for a longer period up to 10 years.
c) Requirements for you <u>franchisee</u> to renew or extend	Section 3.2 <u>of the Franchise Agreement</u>	You must be in compliance with your current Franchise Agreement, sign our then-current form Franchise Agreement (which may contain materially different terms and conditions than your original agreement), sign a General Release of all claims against us and any then applicable form of renewal addendum, and pay a \$1,000 renewal fee.
d) Termination by you <u>franchisee</u>	Section 12.1.2 <u>of the Franchise Agreement</u>	You may terminate your Franchise Agreement on 30 days prior written notice to us. If you terminate your Franchise Agreement after the first 6 months of the term of the agreement, you also give us a payment equal to \$2,000 multiplied by the number of full and partial months remaining

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
		<p>in the term of the agreement, as of the date of your notice to us (except for renewals; see below). You must sign a General Release. If you are entering into a Franchise Agreement for a renewal term, you may not terminate during the first 6 months of the term.</p> <p>Upon termination by you, you have no further obligation to make payments to us, except for outstanding balances for expenses you or your salespeople incur or remaining balances of the initial fee and on account of Gross Receipts received or receivable by you (a) on or before the date of termination or (b) after the date of termination on account of any verbal or written offer or letter of interest, or any representation agreement entered into before the date of termination. You are not obligated to pay any Property Management Royalties or otherwise on Property Management Revenues generated after the date of termination related to Property Management Services customer agreements in effect as of the termination date.</p>
	Section 1 of Satellite Addendum	You can terminate with 30 days advance written notice if you sign a mutual termination agreement we approve with General Release.
e) Termination by SVNIC <u>franchisor</u> without cause	Section 8.3 of the Franchisee Intranet Services Agreement	Intranet Services can be changed, suspended or discontinued at any time.
f) Termination by SVNIC <u>franchisor</u> with cause	Sections 12.2 and 12.3 <u>of the Franchise Agreement</u>	SVNIC can terminate only if you default.
	Sections 8 and 12.2 of the Franchisee Intranet Services Agreement	If you are no longer a Franchisee or default under the agreement.

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
g) "Cause" defined – curable defaults	Section 12.2 of the Franchise Agreement	You have 5 days to cure non-payment of fees, 10 days to cure any default not listed in Section 12.3 (e.g., failure to have a licensed Broker in Charge) or any default under any other agreement between SVNIC (or any Related Party) and you (or any related party).
	Section 12.2 of the Franchisee Intranet Services Agreement	You have 30 days to cure default.
h) "Cause" defined – non-curable defaults	Section 12.3 of the Franchise Agreement	Non-curable defaults: (a) abandonment including a lack of active participation in the Franchise; (b) bankruptcy or foreclosure; (c) your receipt of two or more written notices of default from SVNIC (whether cured or uncured, or for the same or different breaches) within any 12 month period or you incur a royalties deficiency regarding an applicable Minimum Annual Royalty for two full consecutive calendar years (whether any such deficiency is paid or unpaid); (d) misrepresentations in acquiring the Franchise; (e) failure to cure any noncompliance with Applicable Law within 10 days after notification; (f) violation of the non-competition and confidentiality provisions; (g) false or misleading information submitted on application for Franchise, or maintenance of false books or records, submission of false reports to SVNIC, knowingly understated its Gross Receipts or withheld the reporting; (h) conviction of a felony or any other offense which adversely affects the System, Marks, or associated goodwill or reputation; (i) Franchisee (or any Owner) is found to be civilly liable for commercial fraud; (j) trademark misuses or unauthorized use; (k) failure to respond or communicate with SVNIC during any 30-day period after SVNIC has sent 3 or more emails, letters, or phone messages; (l) failure to purchase and maintain required insurance coverages; or

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
	Section 12.2 the Franchisee Intranet Services Agreement	<p>(m) failure to comply with any material provision of the Franchise Agreement.</p> <p>Non-curable defaults: you are no longer a Franchisee (or Franchisee/owner); you breach the non-disclosure, terms of use conditions of agreement; you attempt an unauthorized transfer; not cured or incurable default under Franchise Agreement.</p>
i) Your Franchisee's obligations on termination/terminati on/ nonrenewal	Sections 3.3, 7.4.3, 7.4.4, <u>9</u> , 10.2, 12.6, 13.1, 13.2, <u>17</u> , 18.3 and Articles 9 and 17 of <u>the Franchise Agreement</u>	<p>If we have authorized you to register any of the Marks (alone or in connection with other names) as part of a domain name, you must take all actions required by us to dissociate you from using that name and transfer the domain name to us.</p> <p>You may not do or permit any act or thing to be done in derogation of any of our rights (or our Related Party's rights) in the Marks.</p> <p>You must cancel any assumed name registration.</p> <p>You must maintain the confidentiality and secrecy of our confidential information. You must not use any of our confidential information.</p> <p>You must cease to use the Marks and any name confusingly similar to any of the Marks, and pay all amounts owed to us and our Related Parties. You pay Royalties on all pending transactions and agreements entered into within 45 days after termination/expiration which are replacements for agreements regarding the same property and with the same parties and which pre-dated the termination/terminati on/ expiration.</p> <p>Complete post term requirements in the timeframe specified, including:</p>

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
		<p>You must remove all signage within 3 days of expiration or termination. You must deliver to us all materials on which the Marks are displayed, or at our election, destroy and otherwise remove all use of the Marks from any and all materials in your possession and/or control. You must also take the steps as we request to make a record with Governmental Authorities indicating that you no longer have a right to use or display the Marks.</p> <p>You must cease all use of the Marks in all media, including web-sites, web pages and social media. You must instruct in writing all online directories, search engines, and other advertising publishers as necessary to take down and remove any directory listings and advertisements for the Franchise Business containing the Marks and will deliver copies of such instructions to us within 3 days of the termination or expiration of the Agreement.</p> <p>If you continue to use the Marks after expiration or termination of your Franchise Agreement, you will be deemed to be operating on a month-to-month basis under the Franchise Agreement then being offered to prospective Franchisees, except that your Production Royalties, Property Management Royalties and Auction Royalties payable to us will be subject to a 10% fee (with our consent) and a 20% fee (without our consent) over and above the Royalties you would normally pay on your Brokerage Revenues, Property Management Revenues and Auction Revenues.</p> <p>If terminated for cause, pay mitigation fee of up to an amount equal to \$2,000 times the number of full or partial calendar months that would have been remaining in the Term</p>

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT AND</u> RELATED SCHEDULES/ <u>AGREEMENTS</u>	SUMMARY
		as of the termination date, if your breach had not resulted in such termination.
j) Assignment of contract by SVNIC <u>franchisor</u>	Section 11.1 <u>of the Franchise Agreement</u> Section 15 of Franchisee Intranet Services Agreement	No restriction on our right to assign.
k) “Transfer” by you <u>franchisee</u> – definition	Section 11.2 <u>of the Franchise Agreement</u> Section 15 of Franchisee Intranet Services Agreement	Includes any direct or indirect transfer or assignment of the agreement or change in ownership of the entity which owns it. If you signed the Satellite Addendum, the Addendum is personal to you and your owners (if you are Business Entity) and may not be transferred or assigned.
l) SVNIC’s Franchisor approval of transfer by you <u>franchisee</u>	Section 11.2.1 <u>of the Franchise Agreement</u>	Transfers or Assignments require our approval, which we can grant, condition or deny as we think best, but we won’t unreasonably withhold our consent.
m) Conditions for SVNIC’s franchisor approval of transfer	Section 11.2.3 <u>of the Franchise Agreement</u>	Conditions can include you paying all you owe us; being in compliance with your agreements; the transferee’s total net worth cannot exceed 5% of our total revenues <u>meeting our criteria for approval</u> ; the transferee meeting our then-current criteria for new franchisees, including passing a background check; the transferee completing any required training; paying our then-current transfer fee; and the transferee signing our current form of Franchise Agreement and a General Release. No Assignment may be made by Franchisee if the remaining term of the Franchise Agreement is six (6) months or less.
n) SVNIC’s Franchisor’s right of first refusal to acquire your <u>franchisee’s</u> business	Section 11.2.2 <u>of the Franchise Agreement</u>	We have a right of first refusal on any proposed transfer, upon the same terms and conditions offered by the proposed transferee.
o) SVNIC’s Franchisor’s option to purchase your <u>franchisee’s</u> business	Not Applicable	Not Applicable

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
p) Your death <u>Death</u> or disability <u>of franchisee</u>	Section 11.4 <u>of the Franchise Agreement</u>	Transfer to third party within 6 months, however, the SVN Franchise must at all times be managed by a Broker in Charge and operate according to Applicable Law, including commercial real estate licensing requirements. Subject to all transfer requirements and restrictions.
q) Non-competition covenants during the Term <u>term of the franchise</u>	Section 10.1 <u>of the Franchise Agreement</u>	<p>No Restricted Person may, without our prior written consent, own, operate, lend to, advise, be employed by, or have any financial interest in any business that engages in the offer, sale or provision of Commercial Real Estate Services or Ancillary Services (as defined in the Agreement).</p> <p>“Restricted Persons” are you, each officer, director (including each of the officers, directors, and managers of any general partner of a Partnership and of any Related Party of you), manager (if you are a limited liability company), Owner (if you are a Business Entity), and the spouse and family members who live in the same household of each of the these persons, and your Broker in Charge, Authorized Salespersons, office managers, secretaries, assistants and other staff you may hire.</p>
r) Non-competition covenants after the Franchise Agreement <u>franchise</u> is terminated or expires	Not Applicable	Not Applicable
s) Modification of the agreement	Sections 6.5 and 18.8 <u>of the Franchise Agreement</u> and definitions of “Manuals” and “Policies”	The Manuals are subject to change periodically. Once signed, the Franchise Agreement may not be amended, except by written instrument signed by you and us.
t) Integration/ merger clause	Sections 18.8 and 19.3 <u>of the Franchise Agreement</u>	Only the terms of the Franchise Agreement are binding (subject to state law.) Any representations or promises outside of the disclosure document and the Franchise Agreement may not be enforceable.

PROVISION	SECTION IN FRANCHISE <u>OR</u> <u>OTHER AGREEMENT</u> AND RELATED SCHEDULES/ AGREEMENTS	SUMMARY
u) Dispute resolution by arbitration or mediation	Article 17 <u>Section 17 of the Franchise Agreement</u>	Except for actions for injunctive or other provisional relief, any controversy or claim between you and SVNIC arising out of or relating to the Franchise Agreement must first be submitted to general judicial reference. If judicial reference is not enforceable, the controversy or claim will be arbitrated in Suffolk County, MA. Both SVNIC and you waive the right to a trial by jury. Please see the State-Specific Addenda at Exhibit A to this Disclosure Document.
v) Choice of forum	Sections 17.1 and 17.2 <u>of the Franchise Agreement</u>	Suffolk County, MA is the venue for all proceedings arising out of the National Franchise Agreement (unless prohibited by laws of the state where the franchise is located.) Please see the State-Specific Addenda at Exhibit A to this Disclosure Document.
w) Choice of law	Section 18.7 <u>of the Franchise Agreement</u>	The Franchise Agreement is governed by and construed in accordance with the laws of the State <u>Commonwealth</u> of Massachusetts (unless prohibited by laws of the state where the franchise is located.) Please see the State-Specific Addenda at Exhibit A to this Disclosure Document.

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

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of the outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting [Diane Danielson](#) [Kevin Maggiasco](#), at SVNIC, 33 Arch Street, Floor 17, Boston, Massachusetts 02110, (877) 697-0830, the Federal Trade Commission and any appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS ~~2016 TO 2018~~ 2017 TO 2019**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF YEAR	OUTLETS AT THE END OF YEAR	NET CHANGE
	2016	156	165	+9
Franchised	2017	165	166	+1
	2018	166	158	-8
	<u>2019</u>	<u>158</u>	<u>149</u>	<u>-9</u>
Company-Owned	2016 <u>2017</u>	0	0	0
	2017	0	0	0
	2018	0	0	0
	<u>2019</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	2016 <u>2017</u>	156 <u>165</u>	165 <u>166</u>	+9 <u>+1</u>
	2017	165	166	+1
	2018	166	158	-8
	<u>2019</u>	<u>158</u>	<u>149</u>	<u>-9</u>

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS ~~2016 TO 2018~~ 2017 TO 2019

State	Year	Number of Transfers
None	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS*
FOR YEARS ~~2016 TO 2018~~ 2017 TO 2019

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED *	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR*
	2016	2	1	0	0	0	3	
Alabama	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2016 <u>2019</u>	2 <u>3</u>	1 <u>0</u>	0	0	0	0	3 <u>3</u>
Arizona	2017	3	1	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2016 <u>2019</u>	3 <u>4</u>	1 <u>0</u>	0	0 <u>1</u>	0	0	4 <u>3</u>
Arkansas	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2016 <u>2019</u>	1 <u>1</u>	0 <u>0</u>	0 <u>0</u>	0 <u>0</u>	0	0	1 <u>1</u>
California	2017	19	1	0	1	0	0	19
	2018	19	2	1	2	0	0	18
	2016 <u>2019</u>	19 <u>18</u>	1 <u>2</u>	0	1 <u>2</u>	0	0	19 <u>16</u>
Colorado	2017	3	0	0	0	0	0	3
	2018	3	1	0	1	0	0	3
	<u>2019</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED *	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR*
Connecticut	2016 2017	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2016 2019	12	0	0	0	0	0	12
Delaware	2017	1	0	0	0	0	0	1
	2018	1	0	0	1	0	0	0
	2016 2019	80	10	0	10	0	0	80
Florida	2017	8	1	0	1	0	0	8
	2018	8	1	0	1	0	0	8
	2016 2019	48	04	0	01	0	0	411
Georgia	2017	4	1	1	0	0	0	4
	2018	4	2	0	0	0	0	6
	2016 2019	16	10	0	0	0	0	26
Hawaii	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2016 2019	2	0	0	0	0	0	2
Idaho	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2016 2019	62	0	0	0	0	0	62
Illinois	2017	6	0	0	0	0	0	6
	2018	6	0	0	2	0	0	4
	2016 2019	24	0	0	01	0	0	23
Indiana	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2016 2019	02	0	0	0	0	0	02
Iowa	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Kansas	2016 2019	0	01	0	0	0	0	01

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED *	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR*
	<u>7</u>							
	2017 <u>2018</u>	0 <u>1</u>	10 <u>0</u>	0	0	0	0	1
	2018 <u>2019</u>	1	0	0	0	0	0	1
2016	4	0	0	1	0	0	3	
Kentucky	2017	3	0	0	0	0	0	3
	<u>2018</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2018 <u>2019</u>	3	0	0	0	0	0	3
2016	3	1	0	1	0	0	3	
Louisiana	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2016 <u>2019</u>	1 <u>3</u>	0	0	0	0	0 <u>1</u>	1 <u>2</u>
Maine	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2016 <u>2019</u>	3 <u>1</u>	1	0	0	0	0	4 <u>2</u>
Maryland	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	<u>2019</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>1</u>
Massachusetts	2016 <u>2017</u>	2	0	0	0	0	0	2
	2017 <u>2018</u>	2 <u>2</u>	0 <u>0</u>	0 <u>0</u>	0 <u>0</u>	0 <u>0</u>	0 <u>0</u>	2 <u>2</u>
	2018	2	0	0	0	0	0	2
	2016 <u>2019</u>	4 <u>2</u>	0	0	0	0	0	4 <u>2</u>
Michigan	2017	4	0	0	0	0	0	4
	2018	4	1	0	0	0	0	5
	2016 <u>2019</u>	1 <u>5</u>	0	0	0	0	0 <u>1</u>	1 <u>4</u>
Minnesota	<u>2017</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2017 <u>2018</u>	1	0	0	0	0	0	1
	2018 <u>2019</u>	1	0	0	0	0	0	1
Mississippi	2016 <u>2019</u>	0 <u>2</u>	2 <u>0</u>	0	0	0	0	2

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED*	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR*
	<u>7</u>							
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	<u>2019</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Missouri	2016 <u>2017</u>	4	0 <u>1</u>	0	0	0	0	45
	2017 <u>2018</u>	45	10	0	0	0	0	5
	2018 <u>2019</u>	5	0	0	0	0	0	5
2016	4	0	1	0	0	0	3	
Nevada	2017	3	0	0	0	0	0	3
	2018	3	1	0	2	0	0	2
	<u>2019</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New Hampshire	2016 <u>2017</u>	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2016 <u>2019</u>	1	1	10	0	0	0 <u>1</u>	1
New Jersey	2017	1	1	1	0	0	0	1
	2018	1	0	0	0	0	0	1
	<u>2019</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New Mexico	2016 <u>2017</u>	34	1	0	0 <u>1</u>	0	0	4
	2017 <u>2018</u>	4	10	0	1	0	0	43
	2018 <u>2019</u>	43	0	0	10	0	0	3
2016	8	2	0	2	0	0	8	
New York	2017	8	1	0	0	0	0	9
	2018	9	2	0	0	0	0	11
	<u>2019</u>	<u>11</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1**</u>	<u>9</u>
North Carolina	2016 <u>2017</u>	6	0	0	0	0	0	6
	2017 <u>2018</u>	6	0	0	0	0	0	6
	2018 <u>2019</u>	6	0 <u>1</u>	0	0 <u>1</u>	0	0	6

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED *	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR*
	<u>9</u>							
Ohio	2016 <u>2017</u>	7	10 <u>0</u>	0	10 <u>0</u>	0	0	7
	<u>2018</u>	<u>7</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	2017 <u>2019</u>	7 <u>6</u>	0 <u>1</u>	0	0	0	0	7
2016	1	1	0	0	0	0	2	
	2018	7	0	1	0	0	0	6
Oklahoma	2017	2	0	0	0	0	0	2
	2018	2	0	0	1	0	0	1
	<u>2019</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Oregon	2016 <u>2017</u>	3	0	0	0	0	0	3
	2017 <u>2018</u>	3	0	0	0	0	0	3
	2018 <u>2019</u>	3	0	0	0	0	0	3
Pennsylvania	2016 <u>2017</u>	6 <u>7</u>	10 <u>0</u>	0	0	0	0	7
	<u>2018</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	2017 <u>2019</u>	7 <u>8</u>	0	0	0 <u>1</u>	0	0	7
	2018	7	1	0	0	0	0	8
South Carolina	2016 <u>2017</u>	7	0	0	0	0	0 <u>7</u>	7 <u>8</u>
	2017	7	0	0	0	0	7	8
	2018	8	0	0	2	0	0	6
	2016 <u>2019</u>	5 <u>6</u>	0	0	0 <u>1</u>	0	0	5
Tennessee	2017	5	0	0	2	0	0	3
	2018	3	0	0	1	0	0	2
	2016 <u>2019</u>	18 <u>2</u>	1	0	0	0	0	19 <u>3</u>
	2017	19	0	0	3	0	0	16
Texas Utah	2018 <u>2017</u>	16 <u>19</u>	0	0	3	0	10	12 <u>16</u>

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED*	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF YEAR*
	2016 2018	0 16	1 0	0	0 3	0	0 1	1 12
	2017 2019	1 12	0 3	0	0 2	0	0	1 13
Utah	2018 2017	1	0	0	0	0	0	1
	2016 2018	5 1	1 0	0	0	0	0	6 1
	2017 2019	6 1	0	0	0	0	0	6 1
Washington Virginia	2018 2017	6	1 0	1 0	0	0	0	6
	2016 2018	3 6	1	0 1	0	0	0	4 6
	2019	<u>6</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Washington	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2016 2019	2 4	0	0 1	0 1	0	0	2
Wisconsin	2017	2	0	0	0	0	0	2
	2018	2	0	0	1	0	0	1
	2019	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
West Virginia	2016 2017	0	0 1	0	0	0	0 1	
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2016 2019	1 56	2 00	3 1	8 0	0	0	1 650
TOTAL	2017	165	11	2	8	0	0	166
	2018	166	14	4	17	0	1	158
	2019	<u>158</u>	<u>17</u>	<u>4</u>	<u>17</u>	<u>0</u>	<u>5</u>	<u>149</u>

* “Outlets Opened” includes our independent commissioned agents who subsequently signed Franchise Agreements. Eighteen Twenty franchisees have a single Franchise Agreement, but collectively operate 31-32 satellite locations under applicable addenda. The satellite locations are not reflected in these charts. These 18-20 franchisees are identified on Exhibit G along with the locations for their Satellite Offices.

** One franchisee in New York relocated its Franchise Business to Texas.

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS ~~2016 TO 2018~~ 2017 TO 2019

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
2016	0	0	0	0	0	0	0
None	2016	0	0	0	0	0	0
	<u>2017</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>None Total</u>	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	<u>2019</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total</u>	<u>2017</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2019</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2018~~ 2019

State	Franchised Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
<u>California</u>	<u>0</u>	<u>1</u>	<u>0</u>
Florida	0	2	0
Mississippi	0	1	0
New Jersey	0	1	0
Oklahoma	0	1	0
Tennessee <u>Maryland</u>	0	1	0
Texas	0	<u>2</u>	0
Virginia <u>Washington</u>	0	1	0
Total	0	<u>9</u>	0

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

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

As of December 31, ~~2018~~2019, we have ~~three (3)~~two (2) SVN Franchisees acting as Area Services Representatives, one in ~~Illinois and two in~~ California and one in Illinois. Their contact information and respective service areas are identified in Exhibit G.

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

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

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document, as Exhibit E, are our audited financial statements for our fiscal years ended December 31, 2019, December 31, 2018, and December 31, 2017, and ~~December 31, 2016~~our unaudited financial statements for the 3-month period ended March 31, 2020.

Item 22

CONTRACTS

The following agreements are exhibits to this Disclosure Document:

State Specific Addenda – Exhibit A

Franchise Agreement and Schedules – Exhibit C

Schedule A	Excluded Transactions Approved by SVNIC
Schedule B	Franchisee Information
Schedule C	Guaranty
Schedule D	Permitted Ancillary Service(s)
Schedule E	Permitted Outside Service(s)
Schedule F	SVN Core Covenants
Schedule G	Electronic Funds Transfer Agreement
Schedule H	Electronic Debit Authorization
Schedule I	Satellite Office Addendum
Schedule J	Franchisee Intranet Services Agreement
Schedule K	Franchisee Support Services Agreement

Renewal Addendum to Franchise Agreement – Exhibit D

General Release of All Claims – Exhibit H

SVNIC Promissory Note – Exhibit I

Item 23

RECEIPTS

Exhibit [J-K](#) contains detachable documents acknowledging your receipt of this Disclosure Document.

**EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT**

STATE SPECIFIC ADDENDA

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

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

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

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

Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of this website may be directed to the California Department of Business Oversight at www.dbo.ca.gov.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043.)

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

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

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

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

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

HAWAII

ADDENDUM TO DISCLOSURE DOCUMENT

These franchises will be/have been filed under the Franchise Investment Law of the State of Hawaii. Filing does not constitute approval, recommendation or endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided herein is true, complete, and not misleading.

The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective franchisee, or subfranchisor, at least seven days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, or subfranchisor, whichever occurs first, a copy of the Disclosure Document, together with an copy of all proposed agreements relating to the sale of the franchise.

This Disclosure Document contains a summary only of certain material provisions of the franchise agreement. The contract or agreement should be referred to for a statement of all rights, conditions, restrictions and obligations of both the franchisor and the franchisee.

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

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

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

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

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

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

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

D. [The following risk is added to the "Special Risks to Consider About *This Franchise*" page:](#)

[**Accumulated Deficit. Franchisor has an accumulated deficit of \\$3,903,000 as of December 31, 2019.**](#)

HAWAII

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

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

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ILLINOIS

ADDENDUM TO DISCLOSURE DOCUMENT

1. Item 17 of the Disclosure Document is amended by the addition of the following language at the beginning of that Item:

NOTICE REQUIRED BY LAW

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW [815 ILCS 705/1-44].

2. The “**Summary**” section of Item 17(v), entitled **Choice of forum**, is deleted in its entirety.
3. The “**Summary**” section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Illinois law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement.

4. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void, provided that arbitration may take place outside of Illinois. 815 ILCS 705/4 (West 2010)
5. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010)
6. The terms and conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law [815 ILCS 705/1-44].”

ILLINOIS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

1. Section 18.7, "**CHOICE OF LAWS,**" is deleted in its entirety and replaced with the following:

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), THE FEDERAL ARBITRATION ACT, OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF THE STATE OF ILLINOIS.

2. Section 17.1.2, "**FORUM,**" is deleted in its entirety.
3. Under the law of Illinois, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. Accordingly, insofar as the Franchise Agreement requires you to waive your rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring you to sign a general release of claims as part of a negotiated settlement of a dispute or actual lawsuit filed under any of the provisions of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.
4. The conditions under which the franchise can be terminated and your rights upon non-renewal shall be governed by Illinois Compiled Statutes 1992, Chapter 815, Sections 705/19 and 705/20.

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

INDIANA

ADDENDUM TO DISCLOSURE DOCUMENT

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

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

KANSAS

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

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

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

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

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

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MARYLAND

ADDENDUM TO DISCLOSURE DOCUMENT

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

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

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

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

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

The general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Despite the payment provisions noted in Item 5, all initial fees and payments shall be deferred until such time as the Franchisor completes its initial obligations under the Franchise Agreement.

MARYLAND

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

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

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Despite the payment provisions noted in Article 4, all initial fees and payments shall be deferred until such time as the Franchisor completes its initial obligations under the Franchise Agreement.

Schedule I to the Franchise Agreement, Satellite Office Addendum, is amended as follows:

The general release required as a condition of sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MARYLAND

**AMENDMENT TO FRANCHISEE SUPPORT SERVICES AGREEMENT
(SCHEDULE K TO THE FRANCHISE AGREEMENT)**

The Franchisee Support Services Agreement is specifically amended as follows:

The following language is added as Section 5.3:

“All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

Real Impact Corporation

By: _____

Title: _____

MICHIGAN

ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

- h. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of your Franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of your Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise agreement and have failed to cure the breach in the manner provided in Subdivision (c) above.
- i. A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provisions have been made for providing the required contractual service.

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

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

MINNESOTA

ADDENDUM TO DISCLOSURE DOCUMENT

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

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

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any of your costs incurred in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and are given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

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

- A. **Renewal and Termination**

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

- B. **Choice of Forum**

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

- C. **Releases**

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

These franchises have been registered under the Minnesota Franchise Act, registration does not constitute approval, recommendation, or endorsement by the Commissioner of Commerce of Minnesota or a finding by the Commissioner that the information provided herein is true, complete, and not misleading.

The Minnesota Franchise Act makes it unlawful to offer or sell any franchise in this state which is subject to registration without first providing to the franchisee, at least 7 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 7 days prior to the payment of any consideration, by the franchisee, whichever occurs first, a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the franchise. This Disclosure Document contains a summary only of certain material provisions of the Franchise Agreement. The contract or agreement should be referred to for an understanding of all rights and obligations of both the franchisor and the franchisee.

MINNESOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

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

As required by Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee’s right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

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

“Minn. Statutes §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

NEW YORK

ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

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

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

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

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

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

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

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

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

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

subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

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

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

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

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

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

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

NORTH DAKOTA

ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

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

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

NORTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

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

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

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

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

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

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

RHODE ISLAND

ADDENDUM TO DISCLOSURE DOCUMENT

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

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

RHODE ISLAND

AMENDMENT TO FRANCHISE AGREEMENT

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

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

§19-24.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

SOUTH DAKOTA

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

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

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

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

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

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

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

VIRGINIA

ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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

WASHINGTON

ADDENDUM TO DISCLOSURE DOCUMENT

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with SVN International Corp. including the areas of termination and renewal of your ~~license~~franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the SVN International Corp. including the areas of termination and renewal of your ~~license~~franchise.

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

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

A release or waiver of rights executed by the franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

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

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

WASHINGTON

AMENDMENT TO FRANCHISE AGREEMENT

~~In recognition of the requirements~~ In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act ~~(RCW 19.100.180), the parties to the attached Franchise Agreement agree as follows:~~ Chapter 19.100 RCW will prevail.

~~The state of Washington has a statute, RCW 19.100.180, which~~ may supersede the ~~Franchise Agreement~~ franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site ~~shall will~~ be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. ~~In the event of a conflict of laws~~ In addition, the provisions if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, ~~Chapter 19.100 RCW shall prevail~~ in Washington.

A release or waiver of rights executed by a franchisee ~~shall may~~ not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

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

[Signatures on Following Page]

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

WISCONSIN

ADDENDUM TO DISCLOSURE DOCUMENT

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

1. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the "Act"), shall apply to and govern the provisions of the Franchise Agreement.
2. The Act's requirement, including that in certain circumstances a franchisee or member receive ninety (90) days notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the provisions of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

WISCONSIN

AMENDMENT TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

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

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

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

SVN International Corp.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

**EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT**

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE FRANCHISE LAW ADMINISTRATORS

California:

California Department of Business Oversight:
Toll Free: 1-866-275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

1515 K Street, Suite 200
Sacramento, California 94102-2344
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street
San Francisco, California 94104
(415) 972-8559

Connecticut:

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

Florida:

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

Hawaii:

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

Illinois:

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

Indiana:

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

Iowa:

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

Maryland:

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

Michigan:

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

Minnesota:

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

New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, New York 10005
Tel: (212) 416-8236

North Dakota:

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

Oregon:

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

Rhode Island:

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

South Dakota:

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

Virginia:

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

Washington:

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507
Tel: (360) 902-8760

Wisconsin:

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

AGENTS FOR SERVICE OF PROCESS

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

California:

Commissioner of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, California 90013
Tel: (213) 576-7505

Connecticut:

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

Florida:

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

Hawaii:

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

Illinois:

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

Indiana:

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

Maryland:

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

Michigan:

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

Minnesota:

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

New York:

Secretary of State
99 Washington Street
Albany, New York 12231

North Dakota:

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

Oregon:

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

Rhode Island:

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

South Dakota:

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

Virginia:

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

Washington:

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

Wisconsin:

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

For All States Not Listed Above:

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

**EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT & SCHEDULES**

SVN FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
ARTICLE 1 DEFINITIONS & APPLICABLE INFORMATION	1
1.1 Certain Definitions and Applicable Information	1
ARTICLE 2 RECITALS.....	4
2.1 Franchise Grant.....	4
2.2 No Sublicensing or Other Rights to SVNIC Property	4
2.3 Market Area(s)	5
2.4 No Exclusivity	5
ARTICLE 3 TERM.....	6
3.1 Term.....	6
3.2 Renewability of Agreement	6
3.3 Month-to-Month Option	6
ARTICLE 4 PAYMENTS.....	7
4.1 Initial Franchise Fee	7
4.2 Royalties.....	8
4.3 Special Accounts; SVNIC Referrals	11 12
4.4 No Referral Fees.....	12
4.5 Marketing Contribution; Franchisee Councils and Co-operatives and Related Payments	12
4.6 Minimum Annual Royalty	13
4.7 Allowances and Other Payments.....	14
4.8 Time and Manner of Payments.....	14
4.9 Intranet Services Agreements.....	15
4.10 Taxes or Other Assessments	16
4.11 Right to Waive.....	16 17
ARTICLE 5 OBLIGATIONS OF SVNIC.....	1617
5.1 Training and Guidance	16 17
5.2 Pre-Opening Services	17 18
5.3 Continuing Services.....	17 18
5.4 Possible Regional Developer or Area Services Representative	18 19
ARTICLE 6 COMMERCIAL REAL ESTATE SERVICES AND OPERATING THE FRANCHISE	19
6.1 Franchisee Business Address	19
6.2 Maintenance of the Franchise, Computer System, and Telephone Number	19 20
6.3 Approved Services and Listings.....	21
6.4 Approved Suppliers; Business Cards, Stationery and Business Signs	21 22
6.5 Manuals and Policies	22 23
6.6 Compliance with Applicable Law	23
6.7 Intranet	24
6.8 Titles.....	23 24
6.9 Operating Expenses	23 24
6.10 Franchisee Acting as Principal.....	24
<u>6.11</u> <u>Non-Disparagement</u>	24

ARTICLE 7 ADVERTISING.....	2425
7.1 General Requirements.....	2425
7.2 Marketing Contributions and Branding Program	2425
7.3 Internet Usage	2526
ARTICLE 8 REPORTS, BOOKS AND RECORDS, INSPECTIONS.....	2627
8.1 General Reporting.....	2627
8.2 Under-Reporting	2728
8.3 Employment Practices	2728
8.4 Personnel	2829
ARTICLE 9 MARKS	2829
9.1 Use of Marks	2829
9.2 Defense of Marks	2930
9.3 Modification or Substitution of Marks	2930
9.4 Acts in Derogation of the Marks	2930
9.5 Name Registration	2931
9.6 Other Business	3031
9.7 Use of Franchisee d/b/a, SVN Logo Type, and Permitted URL	3031
9.8 Survival.....	3031
ARTICLE 10 NON-COMPETITION AND CONFIDENTIALITY COVENANTS.....	3031
10.1 Non-Competition	3031
10.2 Confidential Materials and Practices	3032
ARTICLE 11 ASSIGNMENT	3132
11.1 Assignment by SVNIC.....	3132
11.2 Assignment by Franchisee	3132
11.3 Guaranty by <u>Owners and</u> Broker in Charge	and Owners 3234
11.4 Death or Disability of Franchisee	3334
ARTICLE 12 DEFAULT AND TERMINATION	3435
12.1 Termination by Franchisee	3435
12.2 Termination by SVNIC with Notice and Opportunity to Cure.....	3435
12.3 SVNIC’s Option to Terminate without Notice.....	3436
12.4 Cross-Default	3637
12.5 Notice Required <u>By by</u> Law	3637
12.6 SVNIC’s Right to Assess Fee on Termination for Cause	3637
ARTICLE 13 RIGHTS AND OBLIGATIONS UPON TERMINATION.....	3638
13.1 General.....	3638
13.2 Holding Over	3739
ARTICLE 14 INSURANCE.....	3839
14.1 Insurance.....	3839
14.2 Additional Insured Endorsement.....	3940
ARTICLE 15 RELATIONSHIP OF PARTIES	3941
15.1 Independent Contractor	3941
15.2 Indemnity by Franchisee.....	4041
15.3 Indemnity by SVNIC	4142
ARTICLE 16 NOTICES	4142
16.1 General.....	4142

ARTICLE 17 DISPUTE RESOLUTION	4143
17.1 Dispute Resolution.....	4143
17.2 Arbitration if Judicial Reference Not Enforceable	4243
17.3 Preliminary Relief and Undisputed Debts.....	4345
17.4 Damages	4445
17.5 Survival and Enforcement.....	4445
ARTICLE 18 MISCELLANEOUS PROVISIONS	4445
18.1 SVNIC’s Right to Cure Defaults.....	4445
18.2 Waiver and Delay	4446
18.3 Survival of Covenants.....	4546
18.4 Successors and Assigns	4546
18.5 Joint and Several Liability.....	4546
18.6 General Release	4546
18.7 Governing Law	4547
18.8 Entire Agreement.....	4647
18.9 Titles for Convenience	4647
18.10 Gender and Construction.....	4647
18.11 Severability	4648
18.12 Counterparts.....	4748
18.13 Fees and Expenses	4748
18.14 Cumulative Remedies	4748
18.15 Timing Is Important.....	4748
18.16 Force Majeure	48
ARTICLE 19 ACKNOWLEDGMENT	4749
19.1 General.....	4749
19.2 Due Execution	4749
19.3 Representations by Franchisee.....	4749
APPENDIX 1 DEFINITIONS	5052
SCHEDULE “A” EXCLUDED TRANSACTIONS APPROVED BY SVNIC	5860
SCHEDULE “B” FRANCHISEE INFORMATION	5961
SCHEDULE “C” GUARANTY	6264
SCHEDULE “D” PERMITTED ANCILLARY SERVICE(S)	(Section 6.3.5) 6466
SCHEDULE “E” PERMITTED OUTSIDE SERVICE(S)	(Section 6.3.7) 6567
SCHEDULE “F” SVN CORE COVENANTS	6668
SCHEDULE “G” ELECTRONIC FUNDS TRANSFER AGREEMENT	6769
SCHEDULE “H” ELECTRONIC DEBIT AUTHORIZATION	6971
SCHEDULE “I” SATELLITE OFFICE ADDENDUM	7072
SCHEDULE “J” FRANCHISEE INTRANET SERVICES AGREEMENT	7375
SCHEDULE “K” FRANCHISEE SUPPORT SERVICES AGREEMENT	8183

SVN FRANCHISE AGREEMENT

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

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

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

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

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1

DEFINITIONS & APPLICABLE INFORMATION

1.1 Certain Definitions and Applicable Information

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

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

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

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

“Broker in Charge:” _____

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

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

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

“Senior Advisor Name(s):”

_____	_____
_____	_____
_____	_____

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

“Advisor Name(s):”

_____	_____
_____	_____
_____	_____

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

Associate Advisor Name(s):

_____	_____
_____	_____
_____	_____

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

“Franchisee Business Address:”

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

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

Franchisee d/b/a: _____

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

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

“Managing Director:” _____

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

ARTICLE 2

RECITALS

2.1 Franchise Grant

Upon the terms and conditions contained herein and subject to the provisions of the Program(s) selected below in this Section 2.1, SVNIC hereby grants Franchisee a non-exclusive right to own and operate an SVN Franchise and to use the Marks and System according to SVNIC's Policies and the Manuals in connection therewith. This Agreement does not include any promise or assurance that SVNIC may or will authorize Franchisee to operate or obtain any additional Franchise(s).

Based upon Franchisee's representations to SVNIC, together with any attached roster of Authorized Salespersons and their respective production, Franchisee is hereby approved to operate the Franchise under the following Program(s):

COMMERCIAL REAL ESTATE SERVICES PROGRAMS:

(One Commercial Real Estate Services Program/box must be checked.)

THE TEAM PROGRAM

THE ESTABLISHED PROGRAM

SPECIALTY PROGRAM:

(The Auction Services Program box must also be checked only if Franchisee meets the qualifying criteria described below.)

Based upon Franchisee's representations to SVNIC that not less than 75% of Franchisee's gross revenues in the immediately preceding fiscal year were produced from or in connection with the rendering of Auction Services, as that term is defined in Appendix 1 of this Agreement, Franchisee is hereby approved to operate the Franchise under SVNIC's Auction Services Program.

THE AUCTION SERVICES PROGRAM

APPLICABLE PROVISIONS:

Franchisee agrees to comply with any and all applicable provisions contained herein specific to the Program(s) selected above.

2.2 No Sublicensing or Other Rights to SVNIC Property

Franchisee is permitted under this Agreement to operate the Franchise solely at or from the Franchisee Business Address, unless otherwise expressly authorized by SVNIC in writing. Franchisee shall not subdivide, sublicense, subcontract, sublease, or enter any management agreement providing for the right to operate the Franchise that is the subject of this Agreement, or to use the Marks or System or any System components licensed to Franchisee pursuant to this Agreement. Franchisee is permitted only to use the Marks and the System to operate the Franchise in compliance with this

Agreement and is not authorized to modify, enhance, reverse engineer, create any derivative works from or otherwise manipulate or interfere with the Marks, the System, the Confidential Materials and Practices or any element of any of them or any other information or items proprietary to SVNIC. Franchisee will enter into such user licenses, sublicenses or similar agreements as SVNIC may request from time to time to meet any third-party licensing requirements in connection with tools or systems licensed to Franchisee for use in the operation of the SVN Franchise.

2.3 Market Area(s)

Primary Market Area ("PMA"): _____

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

If SVNIC determines in its sole discretion that a Secondary Market Area is appropriate for Franchisee for limited purposes, SVNIC will describe the area and limited purpose below. By way of illustration only, SVNIC, at its discretion may elect to designate a Secondary Market Area for Property Management or Auction Services that may extend beyond the PMA that exists for other Commercial Real Estate Services.

Secondary Market Area: _____

Limited Purpose: _____

2.4 No Exclusivity

The Primary Market Area granted to Franchisee under this Agreement is nonexclusive (as is any Secondary Market Area, if one is designated by SVNIC). SVNIC reserves all rights, including the right to permit others to open SVN Franchises and other Satellite Offices within the Primary Market Area (and any Secondary Market Area, if one is designated by SVNIC). SVNIC and each of its Related Parties have the right to market, offer, sell and license the sale of any products and services of any kind under the

Marks or other trademarks or service marks, within and outside of the Primary Market Area (and any Secondary Market Area, if one is designated by SVNIC), in any manner or medium, including through electronic communications, the use of the Internet, or other channels of distribution; to operate other outlets or franchises located anywhere and to engage in any lines of business anywhere.

ARTICLE 3

TERM

3.1 Term

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

3.2 Renewability of Agreement

3.2.1 Franchisee has the right to request that SVNIC renew the Franchise and grant Franchisee a Franchise Agreement for a new term, provided Franchisee is both at the time of the request and on the Franchise Expiration Date in full compliance with all of the terms of this Agreement and all mandatory requirements in SVNIC’s Policies and in the Manuals. Franchisee may operate the Franchise after the Franchise Expiration Date only if prior thereto the parties mutually elect to enter into another Franchise Agreement. Renewal of the Franchise shall be for a five (5) year period; although, under certain circumstances SVNIC may, in its sole discretion, allow Franchisee to renew for a longer period of time up to ten (10) years. Factors SVNIC will consider in determining whether to grant a longer renewal term include, but are not limited to: (a) whether Franchisee has fully complied with all terms of this Agreement; (b) whether Franchisee has consistently paid in full and on a timely basis all fees, dues and other amounts owed under this Agreement throughout the Term; (c) whether Franchisee attends and participates in scheduled SVN events, such as annual conferences, meetings, training and other similar activities; and (d) whether Franchisee has demonstrated a spirit of cooperation with SVNIC and with the SVN System that, in SVNIC’s sole discretion, merits consideration for a longer renewal term.

3.2.2 If Franchisee and SVNIC elect to enter into a successive term, Franchisee shall (i) pay to SVNIC a \$1,000 renewal fee; (ii) execute a new franchise agreement in the then-current form generally being offered by SVNIC to new franchisees (which may contain terms substantially different from this Agreement); and (iii) execute a General Release and any then applicable form of renewal addendum.

3.3 Month-to-Month Option

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

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

ARTICLE 4
PAYMENTS

4.1 Initial Franchise Fee

You must pay SVNIC an Initial Franchise Fee in the applicable amount as specified below. The amount of the Initial Franchise Fee you pay is determined by the Program under which you are approved to operate your Franchise, as provided in Section 2.1 of this Agreement. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to initial training, establishment of suppliers, an online marketing interactive software application, as well as Franchisor's other costs in helping Franchisee open the franchise. The Initial Franchise Fee is fully earned upon the signing of this Agreement and is non-refundable, in whole or in part.

The Initial Franchise Fees under the Commercial Real Estate Services Programs and the Specialty Program are as follows:

COMMERCIAL REAL ESTATE SERVICES PROGRAMS:

The Team Program: The Initial Franchise Fee is \$22,500.

The Established Program: The Initial Franchise Fee is \$27,500.

SPECIALTY PROGRAM:

The Auction Services Program: There is no additional Initial Franchise Fee due under this program. Franchisee is only required to pay the Initial Franchise Fee that corresponds with the applicable Commercial Real Estate Services Program for which Franchisee qualifies, as designated above.

You may pay the Initial Franchise Fee in a lump sum at the signing of this Agreement, or you may elect to pay one-half (1/2) of the applicable Initial Franchise Fee at the signing of this Agreement and the remaining balance in six (6) equal monthly installments. If you elect to pay one-half (1/2) of the Initial Franchise Fee in monthly installments, we require you to sign our standard form of Promissory Note. We charge six percent (6%) interest, on an annual basis, on the unpaid balance. The first installment payment is due thirty (30) days from the execution date of this Agreement.

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

U.S. Military Veterans Discount

To provide support to veterans of the U.S. military forces, Franchisor offers to all qualifying veterans the opportunity to purchase an initial franchise at a discount of 15% off the Initial Franchise Fee. This program is available for all veterans who have received an honorable discharge from any branch of the U.S. Military or Coast Guard and is available for new franchisees only. The program is available only to qualified veterans operating their franchise as individual proprietors, or who hold a majority ownership interest in a partnership, corporation, or limited liability company which owns the franchise. The price reduction applies only to the first franchise acquired by a veteran. If Franchisee is a partnership, corporation or limited liability company, Franchisee's status as a participating veteran must be submitted to Franchisor prior to signing this Agreement, and Franchisee must maintain a majority interest in the partnership, corporation or limited liability company for a minimum of three consecutive years after executing this Agreement, or Franchisee will be required to pay Franchisor the initial savings of \$3,375 for the Team Program and \$4,125 for the Established Program.

4.2 Royalties

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

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

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

4.2.3 "Gross Receipts" also shall include any fees and other compensation from all Leasing Services, including Leasing Services for a building for which Franchisee provides Property Management Services and any and all Property Management Revenue. If Residential Real Estate Brokerage Services or any other activity/service is approved by SVNIC as a Permitted Outside Service under this Agreement (See Schedule "E") and you or your Related Party use the Marks and/or any SVN

proprietary System, tool or resource in connection with such service(s) or activity(ies), any Commercial Real Estate Services fees or other amounts generated by you, your Related Party or your respective agents from such service(s)/activity(ies) shall be included in Gross Receipts and subject to Royalties according to Franchisee’s applicable Franchise Program, as designated below. Payment of Royalties in such an event is not an exclusive remedy.

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

4.2.5 Auction Royalties, Property Management Royalties and Production Royalties are collectively referred to as “Royalties.” Franchisee must pay Royalties to SVNIC in the applicable amount as specified below in Subsections 4.2.7 through 4.2.11. The amount of the Royalties you pay is determined by the Program(s) under which you are approved to operate your Franchise, as provided in Section 2.1 of this Agreement. Franchisor may charge Franchisee a processing fee if Franchisee pays the Royalties by credit card.

4.2.6 Transactions that do not generate Royalties are excluded from calculating awards and rankings in our awards programs. Additionally, those transactions in which Royalties are not paid by the due date will be excluded from calculating awards and rankings.

COMMERCIAL REAL ESTATE SERVICES PROGRAMS:

4.2.7 **The Team Program.** Franchisees approved to operate under the Team Program shall pay the following Royalties to SVNIC:

Team Royalties Percentage	Calendar Year Gross Receipts
<i>*See Property Management Revenues/Royalty Footnote, below.</i>	
11%	\$0 to \$500,000
9%	Over \$500,000 to \$1,000,000
7%	Over \$1,000,000

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

TEAM PROGRAM EXAMPLE (for illustration purposes only):

If Franchisee receives \$625,000 in Gross Receipts on January 2, \$25,000 of which is in Property Management Revenues, Franchisee pays:

	\$500,000**	x	11%	=	\$55,000	
	\$100,000**	x	9%	=	\$9,000	
	\$25,000	x	5%	=	\$1,250	Property Management Royalty
Gross Receipts	\$625,000				\$65,250	Total Royalties

If Franchisee receives \$465,000 in additional Gross Receipts on February 5, \$15,000 of which is in Property Management Revenues, Franchisee pays:

	\$400,000**	x	9%	=	\$36,000	
	\$50,000**	x	7%	=	\$3,500	
	\$15,000	x	5%	=	\$750	Property Management Royalty
Gross Receipts	\$465,000				\$40,250	Total Royalties

***Includes Auction Revenues and Brokerage Revenues. Auction Royalties and Production Royalties also are combined.*

The Royalties on all subsequent Gross Receipts in that calendar year are at a 7% rate, except for the 5% Property Management Royalty rate on Property Management Revenues.

4.2.8 **The Established Program.** Franchisees approved to operate under the Established Program shall pay the following Royalties to SVNIC:

Established Firm Royalties Percentage	Calendar Year Gross Receipts
<i>*See Property Management Revenues/Royalty Footnote, below</i>	
7%	\$0 to \$2,000,000
5%	Over \$2,000,000 to \$4,000,000
3%	Over \$4,000,000

Property Management Revenues/Royalty: Franchisee shall pay a flat 5% royalty on Property Management Revenues (the “Property Management Royalty”). Property Management Revenues are not included in your Gross Receipts for purposes of calculating the Royalties percentage on other Commercial Real Estate Services, unless we give our express written consent to do so. We have an unrestricted right to grant, condition or withhold such consent.

Property Management Revenues in which a royalty is paid to us will count towards calculating awards and ranking in our awards programs

ESTABLISHED PROGRAM EXAMPLE (for illustration purposes only):

If Franchisee receives \$925,000 in Gross Receipts on January 2, \$25,000 of which is in Property Management Revenues, Franchisee pays:

	\$900,000**	x	7%	=	\$63,000	
	\$25,000	x	5%	=	\$1,250	Property Management Royalty
Gross Receipts	\$925,000				\$64,250	Total Royalties

If Franchisee receives \$1,815,000 in additional Gross Receipts on February 5, \$15,000 of which is in Property Management Revenues, Franchisee pays:

	\$1,100,000**	x	7%	=	\$77,000	
	\$700,000	x	5%	=	\$35,000	
	\$15,000	x	5%	=	\$750	Property Management Royalty
Gross Receipts	\$1,815,000				\$112,750	Total Royalties

If Franchisee receives \$1,725,000 in additional Gross Receipts on March 5, \$25,000 of which is in Property Management Revenues, Franchisee pays:

	\$1,300,000**	x	5%	=	\$65,000	
	\$400,000	x	3%	=	\$12,000	
	\$25,000	x	5%	=	\$1,250	Property Management Royalty
Gross Receipts	\$1,725,000				\$78,250	Total Royalties

***Includes Auction Revenues and Brokerage Revenues. Auction Royalties and Production Royalties also are combined.*

The Royalties on all subsequent Gross Receipts in that calendar year are at a 3% rate, except for the 5% Property Management Royalty rate on Property Management Revenues.

4.2.9 Franchisee’s Pre-Conversion Sales will be counted in determining the applicable Commercial Real Estate Services Program. Pre-Conversion Sales, amounts excluded from the payment of Royalties, as provided on Schedule A, and revenues from other excluded transactions of every kind shall not be combined with other Gross Receipts for purposes of the SVN awards calculations.

SPECIALTY PROGRAM:

4.2.10 **The Auction Services Program.** Franchisees approved to operate under the

Auction Services Program pay Royalties according to the Commercial Real Estate Services Program for which Franchisee qualifies, as designated above in Sections 4.2.7, 4.2.8 and 4.2.9.

4.3 Special Accounts; SVNIC Referrals

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

4.3.2 In the case of any Transaction Closing that results from a lead or referral (but not including a co-listing arrangement) to Franchisee by any SVNIC staff member or independent contractor, any Regional Developer, Area Services Representative or recruiter for SVNIC or one of its Related Parties, including any Special Accounts business and Property Management contracts, Franchisee shall pay SVNIC a referral fee, which is anticipated to range from ten percent (10%) to fifty percent (50%) of Franchisee's Gross Receipts from such Transaction Closing, and is established on a case by case basis. Any such referral fee is in lieu of the Royalties payable under Section 4.2.6, 4.2.7 or 4.2.8, as applicable. The term "Related Party" is not intended to include Franchisee or other persons or Franchise Entities merely because they have executed Franchise Agreements with SVNIC.

4.4 No Referral Fees

Franchisee shall not offer or make any gift, referral fee or other payment or gratuity to any SVNIC employee or any Regional Developer (not including any bona fide co-listing fee, or other payment required hereunder, which is payable to SVNIC or its Related Party by or through such employee or Regional Developer), nor shall Franchisee solicit, offer or make any gift, referral fee or other payment or gratuity to or from any other franchisee of SVNIC or its Related Party for the purpose, or having the effect, of evading or reducing the Royalties payable by Franchisee or such other franchisee.

4.5 Marketing Contribution; Franchisee Councils and Co-operatives and Related Payments

4.5.1 Franchisee shall pay, or cause to be paid, to SVNIC a marketing contribution (the "Marketing Contribution") in the applicable amount as specified below. The amount of the Marketing Contribution you pay is determined by the Program under which you are approved to operate your Franchise, as provided in Section 2.1 of this Agreement. SVNIC shall expend the Marketing Contributions under its branding program in accordance with Section 7.2. We reserve the right to adjust

the payment period (e.g., from monthly to annually, quarterly or other payment period) as we deem appropriate with a minimum ninety (90) calendar day written notice to you, and the Marketing Contribution payment amount shall be adjusted accordingly on a pro rata basis.

The Marketing Contributions under the Commercial Real Estate Services Programs and the Specialty Program are as follows:

COMMERCIAL REAL ESTATE SERVICES PROGRAMS:

The Team Program: Franchisees approved to operate under the Team Program shall pay a Marketing Contribution to SVNIC in the amount of \$500 per month.

The Established Program: Franchisees approved to operate under the Established Program shall pay a Marketing Contribution to SVNIC in the amount of \$750 per month if Franchisee has less than \$2,500,000 in Gross Receipts during a calendar year. If Franchisee has more than \$2,500,000 in a calendar year, beginning Jan. 1 of the following year, Franchisee will pay .5% of Franchisee's Gross Receipts for the prior year (or Gross Receipts multiplied by .005), divided into 12 equal monthly installments payable to SVNIC through such following year.

SPECIALTY PROGRAMS:

The Auction Services Program. Franchisees approved to operate under the Auction Services Program pay the Marketing Contribution amount that corresponds with the applicable Commercial Real Estate Services Program for which Franchisee qualifies, as designated above.

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

4.6 Minimum Annual Royalty

4.6.1 Except as may be provided in Section 4.6.2, below, Franchisee agrees to pay to SVNIC the Royalties, as provided in Section 4.2, and further agrees that, commencing with Franchisee's first full calendar year under this Agreement, Royalties paid by Franchisee in any calendar year shall not be less than the applicable Minimum Annual Royalty. The applicable Minimum Annual Royalty is determined by the Program under which you are approved to operate your Franchise, as provided in Section 2.1 of this Agreement. The Minimum Annual Royalties under the Commercial Real Estate Services Programs and the Specialty Program are as follows:

COMMERCIAL REAL ESTATE SERVICES PROGRAMS:

The Team Program: The Minimum Annual Royalty shall be \$20,000/Calendar Year.

The Established Program: The Minimum Annual Royalty shall be \$35,000/Calendar Year.

SPECIALTY PROGRAMS:

The Auction Services Program: Franchisees approved to operate under the Auction Services Program pay the Minimum Annual Royalty amount that corresponds with the applicable Commercial Real Estate Services Program for which Franchisee qualifies, as designated above.

4.6.2 Beginning with the first full calendar year following the Effective Date of this Agreement, if the Royalties Franchisee paid to SVNIC in a calendar year total less than the applicable Minimum Annual Royalty, Franchisee shall pay SVNIC by ~~April 1~~ January 31 of the following calendar year an amount equal to the deficiency between the Royalties paid and the required Minimum Annual Royalty. Such a Royalties deficiency ~~in any two (2) full consecutive calendar years~~ is good cause for termination of this Agreement, as provided in Section 12.3, below. Except for the year in which this Agreement becomes effective, the applicable Minimum Annual Royalty will be adjusted on a pro rata basis for any partial year under the Agreement.

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

4.7 Allowances and Other Payments

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

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

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

4.7.4 If Franchisee is late on payment of any amount(s) owed to SVNIC or its Related Parties, SVNIC may, at its option, initially request that Franchisee commit to a repayment plan, which will include the amount(s) owed by Franchisee, applicable late fees, administrative fees, and interest, as described in Section 4.8.4, below, and sign a promissory note, in lieu of sending Franchisee a notice of default. If Franchisee does not comply with the payment plan and promissory note, SVNIC will send Franchisee a written notice of default in accordance with Section 12.2, herein.

4.8 Time and Manner of Payments

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

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

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

4.8.4 Late Charges and Interest. Franchisee agrees to pay to SVNIC the entire amount of any and all sums owed to SVNIC by Franchisee promptly when due. If Franchisee fails to pay any amount owed to SVNIC when due, including, but not limited to, Royalties, Marketing Contributions, the Minimum Annual Royalty and the Initial Franchise Fee, Franchisee shall pay to SVNIC, in addition to all other amounts which are due but unpaid and in addition to any other remedies SVNIC may have, (i) interest on the unpaid amounts from the due date thereof at a rate of 10% per annum, or the highest rate allowable under Applicable Law, (ii) an administrative fee in the amount of \$100 to cover the costs associated with collecting the delinquent amounts owed to SVNIC, and (iii) any and all other related charges and expenses incurred by SVNIC, including, but not limited to, reasonable attorney's fees, and bank charges and fees (and interest on such fees and charges.) As provided in Section 4.2.6, transactions in which Royalties are not paid when due do not count towards awards and rankings.

4.8.5 At the request of Franchisor, Franchisee agrees to complete and execute an "Electronic Funds Transfer Agreement" (attached as Schedule G to this Agreement) and any other form, including, without limitation, an "Electronic Debit Authorization" (attached as Schedule H to this Agreement), to authorize and direct Franchisee's bank or financial institution to transfer electronically, on a monthly basis, directly to SVNIC's account and to charge to Franchisee's account all amounts due to SVNIC. Franchisee agrees to maintain a balance in its account sufficient to allow SVNIC to collect the amounts owed when due. Franchisee is responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph.

4.9 Intranet Services Agreements

4.9.1 Franchisee agrees to sign SVNIC's current form of "Franchisee Intranet Services Agreement," attached hereto as Schedule J, and pay the applicable "Email Licensing Fee ~~of Twenty-Five Dollars (\$25)~~" for each active "svn.com" email account, as specified in the Franchisee Intranet Services

Agreement, in exchange for the right to use the Intranet Services provided by SVNIC and to receive a personal "svn.com" email address and account. Franchisee must use its unique "svn.com" email address and account for any and all communications related to its SVN Franchise and Franchisee may not use any other personal email accounts in connection with the operation of its SVN Franchise. Franchisee additionally agrees to ensure that all of its employees, independent contractors and representatives, who will have access to SVNIC's Intranet Services and/or an SVNIC email account, execute SVNIC's current form of "Authorized User Intranet Services Agreement," which includes non-disclosure and non-competition provisions for Authorized Users who are not Franchisees; such form of agreement will be provided to Franchisee by SVNIC.

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

4.10 Taxes or Other Assessments

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

4.10.2 Credit Card Fee. If Franchisee uses a credit card to pay obligations under this Agreement, SVNIC may collect a credit card fee ("Credit Card Fee") equal to 3.9% of the total amount charged to such credit card. The Credit Card Fee will be used to cover processing fees charged by

SVNIC's credit card processing vendor and related administrative costs. This service is offered solely for Franchisee's convenience.

4.11 Right to Waive

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

ARTICLE 5

OBLIGATIONS OF SVNIC

5.1 Training and Guidance

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

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

5.1.3 Mandatory Training. If Franchisee is a new SVN Franchisee, at least one owner of the SVN Franchise must attend and complete to SVNIC's satisfaction a training program called "SVN I Jumpstart" within 9 months of executing this Agreement. SVN I Jumpstart is optional for existing SVN franchisees; however, upon renewal, Franchisor recommends that at least one owner of the renewing SVN franchisee attend and complete to SVNIC's satisfaction the training program. The training is held at various hotel conference room locations throughout the United States, as determined by SVNIC. Franchisee must pay SVNIC a fee ranging from \$499 to \$649 for this training, which is typically 4 to 5 days in duration. Franchisee is responsible for any travel, lodging and incidental expenses incurred by Franchisee during training. If Franchisee is a new SVN Franchisee and at least one owner of Franchisee does not attend and satisfactory complete SVN I Jumpstart training within 9 months of executing this Agreement, SVNIC may, at its sole discretion, grant Franchisee additional time to satisfactory complete SVN I Jumpstart or terminate this Agreement. If SVNIC elects to terminate this Agreement, Franchisee will not receive a refund, in whole or in part, of the Initial Franchise Fee paid to SVNIC.

5.1.4 SVN Annual Conference. Franchisee or its Managing Director must attend the SVN Annual Conference offered by Franchisor each year. Franchisee must pay Franchisor a fee to attend this conference, which fee will vary depending upon the selected location. The conference is typically 2.5 days in duration. Franchisee is responsible for any travel, lodging and incidental expenses incurred by Franchisee or its Managing Director in attending the conference. If Franchisee or its Managing

Director cannot attend the annual conference, Franchisee may apply for an exception or request a substitute representative from the Franchise Business to attend the conference on behalf of Franchisee. Franchisor will evaluate each request on a case-by-case basis and decide at Franchisor's sole discretion whether to make an exception for Franchisee's particular situation.

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

5.2 Pre-Opening Services

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

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

5.3 Continuing Services

5.3.1 SVNIC will, at no additional charge, provide through online technology selected by SVNIC, proposal templates and brochure templates for Franchisee's use in creating its own customized packages. Franchisee is required to use the "svn.com" website template in the operation of the Franchise. SVNIC will make available to Franchisee at no additional charge electronic versions (if available), of various sales aids and marketing materials for use in connection with the Franchisee's Commercial Real Estate Services, developed at the times and in the amount that SVNIC elects. SVNIC may at its option make other versions of such materials, such as non-electronic versions, available at the then-current charge.

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

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

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

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

5.3.6 Franchisee will be granted the opportunity to participate in sales contests and

qualify for annual awards in accordance with SVNIC's Policies. Additionally, SVNIC may offer SVN Franchisees the option to participate in extra-curricular company programs, ~~such as the "Partners Circle,"~~ for a reasonable fee. Participation by Franchisee in any such extra-curricular company program will be optional.

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

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

5.4 Possible Regional Developer or Area Services Representative

SVNIC has the right to license from time to time and in its discretion an independent regional developer under a Regional Developer Agreement (a "Regional Developer") or an area services representative (an "Area Services Representative") to perform possible training, franchise marketing and support services on SVNIC's behalf in a prescribed geographical area and to be compensated with a share in Royalties and other revenues received from franchisees in such area. If SVNIC elects to license a Regional Developer or Area Services Representative to provide any such services in the area in which your Franchise is located, you agree to accept such services in satisfaction of any applicable obligation that SVNIC may have to you under this Agreement. If your Franchise is located in an area covered by a Regional Developer (i.e., Florida), the Regional Developer will have access to all documents you execute pertaining to the Franchise Business, including, but not limited to, your Franchise Agreement and any exhibits and/or amendments thereto. SVNIC does not currently offer licenses or franchises for Regional Developers.

ARTICLE 6

COMMERCIAL REAL ESTATE SERVICES AND OPERATING THE FRANCHISE

6.1 Franchisee Business Address

The Franchise shall be located at the Franchisee Business Address set forth in Section 1.1. If Franchisee is establishing a new business and has not determined the address on the Effective Date, Franchisee shall notify SVNIC of said address as soon as the office location is determined by Franchisee, subject to acceptance by SVNIC. Franchisee's office location must comply with any and all applicable laws, including, but not limited to, any state and local regulations and licensing requirements. If Franchisee desires to relocate the Franchise or to establish and operate the Franchise at an additional location, Franchisee must first apply for consent from SVNIC to relocate at a new Franchisee Business Address or to open a Satellite Office location, as applicable, and sign any related amendments or addenda, including, but not limited to, the Satellite Office Addendum attached hereto as Schedule I.

Additionally, Franchisee must execute a General Release and submit any other information and documentation as is then customarily required by SVNIC at the time the request is made. Any new Franchisee Business Address or Satellite Office must be located in Franchisee's Primary Market Area and must meet the standards and requirements as set forth in the Manuals. SVNIC has an unrestricted right to grant, condition, or deny any relocation or Satellite Office request. If Franchisee wishes to open a Satellite Office at a location outside its Primary Market Area, Franchisee must apply for a separate SVN Franchise and execute a separate Franchise Agreement for the new location. Any relocation of the Franchised Business or the opening of any additional offices related to the Franchised Business, whether inside Franchisee's Primary Market Area or outside its Primary Market Area, without Franchisor's prior written approval shall be a breach of this Agreement and Franchisor, at its sole discretion, may (i) refuse to recognize the new office or location and prohibit any listings from the new office or location; (ii) charge Franchisee a royalty of 15% of the Gross Receipts earned at such location; and/or (iii) terminate this Agreement.

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

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

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

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

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

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

6.3 Approved Services and Listings

6.3.1 Except as SVNIC may otherwise expressly agree in writing, Franchisee and each of its Broker in Charge and Authorized Salespersons shall (a) devote its full time and best efforts exclusively to the Franchise, (b) offer, sell, solicit and provide only Approved Services from or through the Franchise, (c) not conduct any other business (except as provided in Section 6.3.7), and (d) not use the Marks or System in connection with any other goods, services, or business or in connection with any non-exclusive listings of your SVN Franchise.

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

6.3.3 **The Auction Services Program.** As of the Effective Date of this Agreement, SVNIC requires Franchisees approved to operate under the Auction Services Program to coordinate all Auction Services activities through SVNIC's selected facilitating company, although SVNIC reserves the right to waive or modify this requirement in its sole discretion. If you are approved to operate your Franchise under the Auction Services Program, you must comply with Policies and practices established by SVNIC for coordinating Auction Services activities and for working with any designated facilitating company. SVNIC reserves the right to modify, eliminate, replace or add to such Policies, practices and requirements as it considers appropriate from time to time.

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

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

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

6.3.7 Franchisee is prohibited from offering or selling any goods or services other than Approved Services. If Franchisee wishes to offer any services other than the Approved Services, Franchisee must obtain prior written approval from SVNIC before offering any such service. SVNIC may in its sole discretion permit Franchisee to offer certain goods or services independently of the Franchise ("Permitted Outside Services"), subject to Franchisee's compliance with various conditions, which may include requirements that Franchisee use separate telephone number(s), business cards and letterhead for Permitted Outside Services, omitting the Marks and otherwise avoiding any perception that the Permitted Outside Services are provided by, through or in connection with the SVN Franchise. Permitted Outside Services may only be offered and provided by Franchisee to the extent that such services are identified on the attached Schedule E, as it may be amended by the parties in writing from time to time. SVNIC reserves the right to inspect, copy and audit all books and records relating to any Permitted Outside Service so as to ensure that there is no diversion of Royalties or other fees owing to SVNIC.

6.4 Approved Suppliers; Business Cards, Stationery and Business Signs

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

6.4.2 If we designate a supplier to provide support services to you, such as the supplier RIC, you may be required to execute a Franchisee Support Services Agreement, in a form similar to Schedule K, attached hereto. Such support services may include, but are not limited to, public relations and marketing support; access to advertising campaign materials, templates for proposals and brochures; training; accounting, administrative and financial; and any other support required to promote and expand the Franchise.

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

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

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

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

6.5 Manuals and Policies

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

6.6 Compliance with Applicable Law

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

6.7 Intranet

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

6.8 Titles

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

6.9 Operating Expenses

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

6.10 Franchisee Acting as Principal

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

6.11 Non-Disparagement

Franchisor and Franchisee mutually agree that disparaging remarks or negative behavior are counter-productive, damage the flow of open communications, and, if sent to third parties (including other franchisees, vendors, customers, or the media), can damage the brand and System, and, consequently, negatively impact both parties. Therefore, during the Term of this Agreement and after its expiration, Franchisee and Franchisor, and their respective officers, directors, shareholders, members, and owners, each agree not to make any disparaging remarks, whether orally, in writing, or

electronically, in any media, including without limitation via print publication or other writing, spoken communication, email, or social media, concerning the other, including officers, directors, or employees of the other, or about the other's products, services, character, reputation, actions, omissions, business expertise, or business methods. Franchisee and Franchisor each agree and acknowledge that the reputation of the other is of a unique character and value and that any disparaging remarks regarding the other would cause reputational harm that would be difficult to measure. Thus, if either party violates the provisions of this section it shall pay to the other as liquidated damages, and not as a penalty, the sum of \$1,000 for each such violation or, Franchisor may choose to terminate the Franchise Agreement for one or more violations of this provision by Franchisee. Notwithstanding any other provision of this Section, Franchisee and Franchisor each reserve the right to communicate candidly with anyone as necessary in order to: (i) comply with a legal process; (ii) convey information to a party's business, legal, tax, or other similar advisers; or (iii) discuss Franchisee's experience with the SVN franchise via one-on-one phone conversations initiated solely by a prospective franchisee who obtains Franchisee's contact information through Franchisor's FDD, and not through online, electronic, Twitter, Instagram, Snapchat, Facebook, or other smart phone app, social media site or similar posting made by you in violation of this Section 6.11.

ARTICLE 7 ADVERTISING

7.1 General Requirements

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

7.1.2 If Franchisee receives three (3) notices of violation from SVNIC within a 120-day period, without remedy, for violating any part of Section 7.1.1, above, Franchisee will receive a written notice of default from SVNIC and Franchisee must pay SVNIC a fine equal in amount to the monthly Marketing Contribution for a period of six (6) months. Such fine will be paid monthly, at the same time and in the same manner as the Marketing Contribution. Any and all fines collected by SVNIC will be contributed to a fund that benefits SVN Franchisees through marketing programs, conference registrations and other activities related to the SVN Franchise. SVNIC's right to payment under this Section is in addition to any and all rights and remedies available to it under this Agreement, at law or in equity, as a result of Franchisee's breach or otherwise.

7.2 Marketing Contributions and Branding Program

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

7.2.2 If SVNIC expends less than the total of all Marketing Contributions contributed

by SVN franchisees during any fiscal year, such excess shall be accumulated for use during the subsequent year (s), as SVNIC deems appropriate.

7.2.3 SVNIC will use all Marketing Contributions contributed by SVN franchisees for costs and expenses related to national, regional, or local, advertising, public relations, marketing or promotional campaigns or programs (collectively, “marketing programs”) as SVNIC considers appropriate, and which may include marketing studies; production and purchase of advertising; and Web site-related and internal expenses, including administrative fees of SVNIC and its Related Parties reasonably associated with such activities. The cost, media, content, format, style, timing, allocation of funds for any such activities and all other matters relating to any such activities or marketing programs will be determined by SVNIC as it chooses. SVNIC has the unrestricted right to compensate and/or reimburse itself and/or any of its Related Parties for salaries, administrative costs, overhead and other expenses incurred in marketing program-related activities, including but not limited to “in-house advertising agency” services, creative concepts, research, production, placement, and media purchasing, as well as collection, legal and accounting expenses related to the marketing programs and associated activities. SVNIC is not obliged to allocate or expend Marketing Contributions to benefit any particular SVN franchisee or group of franchisees on a pro rata or proportional basis or otherwise. SVNIC may make copies of advertising materials available to Franchisee with or without additional reasonable charge.

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

7.3 Internet Usage

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

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

7.3.3 Franchisee will comply with all Policies and requirements established by SVNIC regarding Internet key word purchases, social network pages, videos or any other publication on the Internet in which the Marks are used. Upon termination or expiration of this Agreement, Franchisee will cease all use of the System and all use of the Marks in all media, including, but not limited to, ~~web-~~ [siteswebsites](#), web pages and social media. Franchisee will instruct in writing all online directories,

search engines, and other advertising publishers as necessary to take down and remove any directory listings and advertisements for Franchisee containing the Marks and will not use or authorize the use of links or similar reference devices associated with any use of the Marks. Franchisee will deliver copies of such instructions to SVNIC within three (3) calendar days of the termination or expiration of this Agreement. Franchisee agrees that electronic commerce is a rapidly developing field and that SVNIC may impose conditions and requirements in addition to the provisions of this Section 7.4-7.3 and may establish and modify Policies concerning use of the Internet and Franchisee will comply with all such Policies.

7.3.4 On termination or expiration of this Agreement any previous consent or approval given by SVNIC to use a domain name and/or URL as provided under Section ~~7.4-2~~7.3.2, if any, shall automatically terminate, and Franchisee shall take all actions that SVNIC requires to disassociate Franchisee from the ~~Web site~~website and the domain name ~~and transfer~~, including transferring any such domain name to SVNIC and/or URL to SVNIC, or alternatively, canceling any such domain name and/or URL at SVNIC's request. Franchisee shall bear all costs associated with any such transfer or cancelation of any domain name and URL.

ARTICLE 8

REPORTS, BOOKS AND RECORDS, INSPECTIONS

8.1 General Reporting

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

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

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

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

8.2 Under-Reporting

Franchisee shall maintain accurate and complete Financial Records which SVNIC shall have the right, during and after the Term, to audit with Franchisee's full cooperation, including permitting SVNIC and its representatives to copy and examine physically or by electronic or other methods, upon reasonable prior notice. If any audit or other investigation reveals an under-reporting or under-recording error of two percent (2%) or more for any Transaction Closing or any relevant reporting period, then Franchisee shall reimburse SVNIC upon demand for its costs and expenses of the audit/inspection plus interest at the highest compound rate authorized by law until paid. Financial Records, tax returns and other records relating to the operation of Franchisee's Franchise shall be maintained by Franchisee for such periods as may be prescribed in the Manuals or as provided under Applicable Law, whichever period is longer.

8.3 Employment Practices

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

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

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

establishing and implementing its own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

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

8.4 Personnel

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

ARTICLE 9

MARKS

9.1 Use of Marks

9.1.1 Subject to Section 9.3 and to any Applicable Law requiring Franchisee's Business Entity name to be included with the Marks, the Franchisee herein licensed is authorized to do Business only under the d/b/a identified in Section 1.1 of this Agreement and as provided in Section 9.5 of this Agreement. Franchisee shall use and display such of the SVN Marks and only such signs, advertising and slogans as SVNIC may from time to time prescribe or approve and in accordance with SVNIC's Policies. SVNIC will not approve any d/b/a which references a geographic name or area. If Applicable Law requires Franchisee to include the Marks in or with its Business Entity name, Franchisee must first change its Business Entity name to remove any such geographic name or area reference. Upon expiration or sooner termination of this Agreement, SVNIC may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf, any and all documents necessary in SVNIC's judgment to end and cause the discontinuance of Franchisee's use of the Marks, and SVNIC is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so. During the Term, Franchisee shall identify its business as an independently owned and operated Franchise of the SVN System, with the tagline, "All SVN Offices Independently Owned and Operated," clearly displayed on, but not limited to, all invoices, letterhead, order forms, receipts, checks, business cards, posted notices located on the premises of the Franchise and in other media and advertisements as SVNIC may direct from time to time. If Franchisee is a Business Entity, it shall not use SVN Marks, or SVNIC's trade name, or any words or symbols which are confusingly similar to the Marks, as all or part of Franchisee's separate Business Entity name. Franchisee shall not display the trademark, service mark, trade name, insignia or logotype of any other person or Business Entity in connection with the operation of the Franchise without the express prior written consent of SVNIC. Nothing herein shall give Franchisee any right, title or interest in or to any of the Marks, except a mere privilege and license during the Term, to display and use the same according to the terms and conditions herein contained. All use of the Marks anywhere shall inure

solely to the benefit of SVNIC. All goodwill accrued by, and due to, Franchisee's use of the Marks anywhere shall be the sole and exclusive property of SVNIC.

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

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

9.2 Defense of Marks

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

9.3 Modification or Substitution of Marks

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

9.4 Acts in Derogation of the Marks

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

unless such proposed change is first approved in writing by SVNIC.

9.5 Name Registration

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

9.6 Other Business

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

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

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

SVN I Smith Group

www.svnsmithgroup.com

9.8 Survival

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

ARTICLE 10

NON-COMPETITION AND CONFIDENTIALITY COVENANTS

10.1 Non-Competition

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

10.2 Confidential Materials and Practices

SVNIC may disclose to certain Restricted Persons through training programs, guidance and management assistance, or in the Manuals or other confidential communications, certain of SVNIC's proprietary and confidential information, which may include its Policies and the contents of the Manuals, marketing concepts, any SVNIC Technology System, financial results, sales and profit information, transactions data, Special Accounts information and relationships, and operating methods, technology platforms and techniques (the "Confidential Materials and Practices"). No Restricted Person shall acquire any interest in the Confidential Materials and Practices other than the right to use them to operate the Franchise pursuant to and in accordance with this Agreement, during the Term, and Franchisee shall take all reasonable steps to insure that each Restricted Person, Broker in Charge and Authorized Salesperson shall: (i) not use the Confidential Materials and Practices in any Franchise or other endeavor other than in connection with the Franchise; (ii) maintain absolute confidentiality of the Confidential Materials and Practices during and after the Term of this Agreement; and (iii) make no unauthorized copy of any portion of the Confidential Materials and Practices. Franchisee shall operate and implement all reasonable procedures prescribed from time to time by SVNIC to prevent unauthorized use and disclosure of the Confidential Materials and Practices, including without limitation, implementing restrictions and limitations as SVNIC may prescribe on disclosure to employees and independent contractors and use of non-disclosure and non-competition agreements with Franchisee's employees and independent contractors who may have access to the Confidential Materials and Practices, and delivering executed copies of such agreements to SVNIC. If any court of competent jurisdiction should deem the non-disclosure of Confidential Materials and Practices requirement of this Section to be overbroad, and reduces the scope herein, you agree to comply with the revised, reduced Section during and for a period of five (5) years (or less if reduced by a court ruling) following the expiration, termination or transfer of this Agreement.

ARTICLE 11

ASSIGNMENT

11.1 Assignment by SVNIC

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

11.2 Assignment by Franchisee

11.2.1 Approval Required by SVNIC. The rights and duties created by this Agreement are personal to Franchisee. Franchisee and any Owner may make any direct or indirect Assignment only with SVNIC's prior written consent. If Franchisee is a corporation, limited liability company, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the percentage of

ownership interest reflected in Schedule B to this Agreement must promptly be reported to SVNIC. SVNIC reserves the right to grant, condition or deny a request for consent, but shall not unreasonably withhold such consent. No Assignment may be made by Franchisee if the remaining term of this Agreement is six (6) months or less. Any purported assignment contrary to the provisions of this Agreement shall be void and of not force or effect.

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

11.2.3 Conditions for Approval. SVNIC shall not unreasonably withhold its approval of a proposed Assignment, provided that the following conditions are met: (i) Franchisee must be in full compliance with this Agreement; (ii) Franchisee must be current in all payments due to SVNIC; (iii) the assignee's total net worth must ~~not exceed five percent (5%) of the total revenues of SVNIC~~ meet SVNIC's criteria for approval; (iv) the assignee must meet the then-current criteria for new franchisees, including, but not limited to, passing a background check; (v) the assignee must execute a new Franchisee Agreement in the then-current form generally being offered by SVNIC to new franchisees (which may contain terms substantially different from this Agreement); (vi) the assignee must successful complete any then-required training; (vii) the execution of a General Release by Franchisee; and (viii) Franchisee must pay SVNIC a Transfer Fee in the amount of \$5,000. The Transfer Fee, less any administrative costs incurred by Franchisor to review the proposed transfer and evaluate the prospective transferee, is refundable if the proposed transfer is not approved by Franchisor. If SVNIC shall not consent to such a written request within thirty (30) calendar days after its receipt of Franchisee's request, the proposed Assignment shall be deemed disapproved. Franchisee represents and warrants that the information set forth in Schedule "B" hereto is accurate and complete in all material respects and Franchisee shall notify SVNIC in writing within ten (10) calendar days of any change therein and provide such additional information as SVNIC may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

11.2.4 Assignment to a Corporation, LLC or Other Entity. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation, limited liability company or other legally formed entity that is wholly-owned by Franchisee and formed for the convenience of ownership, it may do so, subject to the prior written consent of SVNIC, and without payment of a transfer fee, so long as the terms and conditions of the this

Agreement remain unchanged, and the Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company or other legally formed entity. If Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation, limited liability company, or other legally formed entity as he or she had in Franchisee prior to the transfer.

11.3 Guaranty by Owners and Broker in Charge

11.3.1 If Franchisee is an entity, each Owner of a ten percent (10%) or greater interest in Franchisee must execute this Agreement on behalf of Franchisee in his or her capacity as an officer, shareholder and/or member of Franchisee. Concurrently with the signing of this Agreement, each Owner of a ten percent (10%) or greater interest in Franchisee must execute a written guaranty in a form prescribed by SVNIC, personally, irrevocably and unconditionally guaranteeing, jointly and severally, the full payment and performance of Franchisee's obligations to SVNIC and to SVNIC's Related Parties. SVNIC reserves the right to require the Broker in Charge to sign such a guaranty if at any time Franchisee (or an Owner/Guarantor of Franchisee, if Franchisee is a Business Entity) is not the Broker in Charge. SVNIC's current form of Guaranty is attached hereto as Schedule C.

11.3.2 If an Owner acquires a ten percent (10%) or greater interest in Franchisee after the execution of this Agreement, such Owner must execute an assumption agreement, in a form satisfactory to SVNIC, whereby such Owner assumes all obligations of Franchisee under this Agreement and agrees to be bound by all of the terms and provisions of this Agreement. Additionally, such Owner must execute SVNIC's current form of Guaranty, attached hereto as Schedule C.

11.4 Death or Disability of Franchisee

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

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

Business, or to any creditor of Franchisee for any supplies, inventory, or services purchased by the Franchise Business during any period in which it is managed by a Broker in Charge appointed by SVNIC. If SVNIC elects to temporarily operate the Franchise Business on behalf of Franchisee, Franchisee agrees to indemnify and hold SVNIC harmless from any and all claims arising from acts and omissions of SVNIC.

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ARTICLE 12

DEFAULT AND TERMINATION

12.1 Termination by Franchisee

12.1.1 Franchisee may terminate this Agreement upon not less than thirty (30) calendar days prior written notice to SVNIC, given at any time during the first six (6) months of the Term, without payment of a Termination Fee (defined below), unless Franchisee is entering into this Agreement for a renewal term. Franchisee may terminate this Agreement after the first six (6) months of the Term by giving not less than thirty (30) calendar days prior written notice to SVNIC, accompanied by a payment equal to \$2,000 times the number of full or partial calendar months remaining in the Term as of the date of Franchisee's notice ("Termination Fee"). The effectiveness of any termination of this Agreement by Franchisee pursuant to Section 12.1 is expressly contingent upon SVNIC's receipt prior to the termination date of SVNIC's then current form of General Release signed by Franchisee (and Owner(s) of Franchisee, if Franchisee is a Business Entity).

12.1.2 Upon termination pursuant to Section 12.1.1, Franchisee shall have no obligation to make any further payments pursuant to Article 4 except for outstanding balances for expenses incurred by the Franchisee and on account of Gross Receipts received or receivable by Franchisee (a) on or before the effective date of such termination, or (b) after the date of termination on account of any verbal or written purchase agreement or letter of interest, or any listing agreement or representation agreement entered into by Franchisee (or any of its Broker in Charge or Authorized Salespersons), existing before the date of termination (including any successor agreement executed after termination, replacing a substantially similar agreement executed prior to termination with respect to the same or related parties and property). The foregoing notwithstanding, Franchisee is not obligated to pay SVNIC any Property Management Royalties or otherwise on Property Management Revenues generated after the date of termination in connection with Property Management Services customer agreements in effect as of the termination date. Franchisee acknowledges that Franchisee's indemnification and other obligations under Section 15.2 of this Agreement survive any termination or expiration of this Agreement.

12.2 Termination by SVNIC with Notice and Opportunity to Cure

Subject to Section 12.3, or as otherwise expressly provided in this Agreement, Franchisee shall have ten (10) calendar days, or five (5) calendar days in the case of any default in the timely payment of sums due to SVNIC or any of its Related Parties, after SVNIC's written notice of default within which to remedy any default under this Agreement and to provide evidence of such remedy to SVNIC. If any such default is not cured within that time period, or such longer time period as Applicable Law may require or as SVNIC may specify in the notice of default, this Agreement and all rights granted under it shall, at

SVNIC's option, thereupon automatically terminate without further notice or opportunity to cure.

12.3 SVNIC's Option to Terminate without Notice

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

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

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

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

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

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

(f) If Franchisee violates Article 10;

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

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

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

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

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

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

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

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

12.4 Cross-Default

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

12.5 Notice Required by Law

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

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

If this Agreement is terminated by SVNIC under Section 12.2, 12.3 or 12.4, above, SVNIC reserves the right to charge Franchisee a fee, not as a penalty or as liquidated damages, but as a means of helping to mitigate internal and outside costs, efforts and expenses incurred by SVNIC in terminating the Agreement as a result of the material breach by Franchisee. Such fee shall be payable by Franchisee within five (5) calendar days of demand by SVNIC and shall be up to an amount equal to \$2,000 times the number of full or partial calendar months that would have been remaining in the Term as of the termination date, if Franchisee's breach had not resulted in such termination. SVNIC's right to payment under this Section is in addition to any and all rights and remedies available to it under the Agreement, at law or in equity, as a result of Franchisee's breach or otherwise. This provision shall survive the termination of this Agreement.

ARTICLE 13

RIGHTS AND OBLIGATIONS UPON TERMINATION

13.1 General

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

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

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

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

~~(c)~~ Franchisee shall within three (3) calendar days of the termination or expiration of this Agreement deliver to SVNIC all materials on which the Marks are displayed, or, at SVNIC's election, destroy, obliterate, delete, and otherwise remove all use of the Marks from any and all materials in Franchisee's possession and/or control, including any and all use of the Marks on all documents or things (including those in an electronic format) that are used, marketed, promoted, advertised, offered for sale, displayed-, broadcast, transmitted, or in any other way shown, used or disseminated by or on behalf of Franchisee;

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

~~(e)~~ if any Franchisee insurance obligation required under the Manuals or this Agreement imposes coverage requirements applicable to any period beyond the transfer, termination or expiration of this Agreement, such obligation shall survive the termination, transfer or expiration of this

Agreement, and Franchisee shall provide evidence of such coverage within five (5) calendar days of any request for the same from SVNIC. If Franchisee fails to maintain any such applicable coverage SVNIC can, but is not obligated to, obtain such coverage for Franchisee and shall be reimbursed by Franchisee as provided in Section 14.1, below, within ten (10) days of receipt of invoice.

13.2 Holding Over

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

ARTICLE 14 INSURANCE

14.1 Insurance

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

- a. An occurrence-based commercial general liability insurance policy with minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate;
- b. A professional liability (errors and omissions) insurance policy with minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate;
- c. An automobile insurance policy for each vehicle used in the SVN Franchise, which policy

shall insure against public liability for bodily injury in the minimum amount of \$100,000 per person and \$300,000 per occurrence and for property damages in the minimum amount of \$100,000; and

- d. Workers' compensation insurance (per local requirements) and any other insurance and/or coverage requirements established under applicable law.
- e. Extended Reporting "Tail" Coverage with minimum limits of \$1,000,000 per claim for a period of three (3) years after this Agreement is terminated, transferred or expires.

All of these insurance policies, other than workers' compensation, must: (i) be subject to our approval, which shall not be unreasonably withheld; (ii) contain separate endorsements naming us as additional named insured or provide comparable coverage acceptable to us in our discretion; (iii) not be subject to cancellation or modification, except on thirty (30) days advance written notice to us; and (iv) contain an express waiver of any and all rights of subrogation against us. Franchisee shall maintain the required commercial general liability and errors and omissions insurance policies/coverage for not less than 24 calendar months following the termination or cancellation of your final SVN Franchise Agreement. If you operate a Satellite Office(s), you must carry and maintain the required insurance for each office location. You must pay all premiums on the policies as they are due. You must pay all premiums on the policies as they are due. If you do not have or maintain insurance as specified under this Agreement and in the Manuals or fail to provide us any certificates of required insurance, endorsements, or other evidence of insurance acceptable to us, we can, but are not obligated to, purchase the applicable coverage. In that case, you shall reimburse us for the cost of the premium and all other related costs within 10 days of receipt of invoice. We can, but are not required, to deviate from any insurance related requirements we establish based on then current carrier or industry practices, substitute coverage acceptable to us or for other reasons we consider commercially appropriate.

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

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

14.2 Additional Insured Endorsement

All insurance shall name Franchisor as an additional insured, waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change or cancellation to any such policy. The "Additional Insured Endorsement" must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional

insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the term of this Agreement.

ARTICLE 15

RELATIONSHIP OF PARTIES

15.1 Independent Contractor

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

15.2 Indemnity by Franchisee

We will not assume any liability or be deemed liable for any agreements, representations, or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchise you conduct pursuant to this Agreement, including, but not limited to, any of Franchisee's transactions pending as of the Effective Date, with respect to which SVNIC shall not be or become a party or broker of record, and whether or not caused by any negligent or willful action or failure to act by you or your Owners, officers, directors, employees, independent contractors, agents, or successors or assigns. You will defend and indemnify SVNIC and all of its past, present and future partners, shareholders, members, direct and indirect parent companies, subsidiaries, affiliates, Related Parties, officers, directors, employees, attorneys, agents and representatives (individually and collectively, the "Indemnitees") and hold Indemnitees harmless against and from all fines, suits, proceedings, claims, demands, actions, losses, damages, costs, fees (including attorneys' and accountants' fees and court/arbitration costs and related expenses, and interest on such fees, costs and expenses) and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with your Franchise and/or related to any act, error and/or omission of yours, your Owner(s), or your employees, including, but not limited to, the offer/sale of any product or service, the ownership and/or operation of your Franchise and/or any transfer of any interest in this Agreement or the Franchise (the "Claims"). The obligation to defend herein will be triggered as soon as any third-party demand is made upon the Indemnitees, or by the initiation of litigation or arbitration against the Indemnitees, in accordance with applicable Massachusetts law. Unless you agree to defend and indemnify the

Indemnitees without any reservation of rights (in which case Indemnitees will agree to be represented by legal counsel chosen or selected by you), then Indemnitees have the right to select and retain their own legal counsel and conduct their own defense as they deem appropriate. Payment of reasonable legal fees and costs incurred by Indemnitees will be paid for, or immediately reimbursed, by you, within ten (10) days of receipt of request or invoice from the Indemnitees. In such instances Indemnitees can control the disposition including litigation of any such Claims to the extent they deem appropriate and settle any such matter, and you agree to indemnify Indemnitees for the full amount of the loss or settlement incurred by them in the disposition of all such Claims. You may appoint separate independent counsel to represent your interests in such Claims, all at your expense. Indemnitees are entitled to the indemnification and other rights provided herein, regardless of whether or not punitive damages are awarded against any Indemnitees. Your indemnification and defense obligations under this Section shall survive the termination, expiration or transfer of this Agreement.

15.3 Indemnity by SVNIC

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

ARTICLE 16

NOTICES

16.1 General

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand or delivered by reputable overnight courier; one (1) Business Day after confirmed transmission by facsimile, telegraph or other electronic system (with confirmation copy sent by regular U.S. mail); or three (3) Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, addressed to:

If to SVNIC: SVNIC
 33 Arch Street, Floor 17
 Boston, Massachusetts 02110
 Attn: President

If to Franchisee: Franchisee Business Address

Any party may change his or its address by giving ten (10) calendar days prior written notice of such change to all other parties.

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ARTICLE 17
DISPUTE RESOLUTION

17.1 Dispute Resolution

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

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

17.2 Arbitration if Judicial Reference Not Enforceable

17.2.1 **General** Except as provided in Section 17.3 and except as precluded by Applicable Law, any Claim, as defined in Section 17.1.1, above, between SVNIC, its Related Parties, Owners, directors, officers, members, agents and/or employees, on the one hand, and Franchisee and/or its Related Parties, Owners, guarantors, directors, officers, members, agents and/or employees, on the other hand, shall be resolved by binding arbitration as provided in this Section 17.2. Arbitration shall be conducted before and in accordance with the then-prevailing Arbitration Rules of Procedure of Judicate West (“Judicate”) or its successor, or, if Judicate is not able or willing to conduct the arbitration, before and in accordance with the then prevailing Commercial Rules of the American Arbitration Association (“AAA”). An arbitration shall be conducted by one arbitrator, who must be a lawyer substantially experienced in franchising. Any award must be in writing and judgment upon any award rendered may be entered in any court having jurisdiction thereof. Upon request by either party, the arbitrator shall provide a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs connected therewith. The parties shall hold arbitration proceedings, awards, and related discussions confidential, except for such disclosure as may be required by law. Claims which would constitute a compulsory counter-claim, if brought in court under the state law selected in Section 18.7 must be filed in an arbitration proceeding brought under this Agreement or be barred. The substantive law applied in such arbitration shall be as provided in Section 18.7. The arbitration and the parties' agreement therefor shall be deemed to be self-executing, and if either party fails to appear at any properly-noticed arbitration proceeding, an award may be

entered against such party despite said failure to appear. The arbitral decision shall be binding and conclusive on the parties. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration.

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

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

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

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

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

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

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

17.3 Preliminary Relief and Undisputed Debts

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

17.4 Damages

Any non-waiveable rights to punitive, exemplary, multiple or similar damages you or we may have under any statute or regulation shall be fully effective. Otherwise and to the extent permitted by law, any recovery on any Claim under this Agreement shall be limited to actual damages sustained by the injured party, with you and we waiving claims for punitive, exemplary, multiple or similar damages.

17.5 Survival and Enforcement

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

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

FRANCHISEE’S
INITIALS

SVNIC INITIALS

ARTICLE 18

MISCELLANEOUS PROVISIONS

18.1 SVNIC’s Right to Cure Defaults

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

18.2 Waiver and Delay

No waiver by either party of any breach, series of breaches or defaults in performance by the other party, or failure to insist upon strict compliance with or performance of the other party's obligations under this Agreement, any other agreement between SVNIC and Franchisee, or the Manuals, shall constitute a waiver with respect to any subsequent breach thereof or a waiver of a party's right at any time thereafter to require exact and strict compliance. No failure, refusal or neglect of SVNIC to exercise any right, power or option given to it hereunder or under any other agreement between SVNIC and Franchisee, whether entered into before, after or contemporaneously with the execution of this Agreement, shall constitute a waiver with respect to any subsequent right to exercise any such right, power or option. SVNIC will consider written requests by Franchisee for SVNIC's consent to a waiver of any obligation imposed by this Agreement. Franchisee agrees, however, that SVNIC is not required to act uniformly with respect to waivers, requests and consents as each request will be considered on a case by case basis, and nothing shall be construed to require SVNIC to grant any such request. Any waiver granted by SVNIC shall be without prejudice to any other rights SVNIC may have, will be subject to continuing review by SVNIC, and may be revoked, in SVNIC's sole discretion, at any time and for any reason, effective upon ten (10) calendar days prior written notice to Franchisee. SVNIC makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee by providing any waiver, approval, consent, assistance, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request.

18.3 Survival of Covenants

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

18.4 Successors and Assigns

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

18.5 Joint and Several Liability

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

18.6 General Release

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

18.7 Governing Law

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

18.8 Entire Agreement

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

18.9 Titles for Convenience

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

18.10 Gender and Construction

All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any Article or Section hereof may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval or authorization of SVNIC which Franchisee may be required to obtain hereunder may be given or withheld by SVNIC in its sole discretion, and on any occasion where SVNIC is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets SVNIC's Policies or satisfaction, SVNIC may do so in its sole subjective judgment.

SVNIC has the right to elect in its sole discretion to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, to the fullest extent permitted by law without liability.

18.11 Severability

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

18.12 Counterparts

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

18.13 Fees and Expenses

Should any party hereto commence any action or proceeding for the purpose of enforcing, or preventing the breach of, any provision hereof, whether by arbitration or by judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of such party's rights or obligations hereunder, each party shall bear its own costs and expenses incurred in connection therewith, including, but not limited to, attorneys' fees.

18.14 Cumulative Remedies

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

18.15 Timing Is Important

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

18.16 Force Majeure

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection

with the services provided by the Franchised Business; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the operation of the Franchised Business. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the term of this Agreement.

ARTICLE 19

ACKNOWLEDGMENT

19.1 General

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

19.2 Due Execution

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

19.3 Representations by Franchisee

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

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

19.3.3 FRANCHISEE FURTHER REPRESENTS THAT IT UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, COVENANTS AND OBLIGATIONS OF THIS AGREEMENT AND ALL SCHEDULES AS

BEING REASONABLY NECESSARY TO (1) MAINTAIN SVNIC'S HIGH STANDARDS OF QUALITY AND SERVICE; (2) MAINTAIN UNIFORMITY OF THOSE STANDARDS AT FRANCHISED LOCATIONS; AND (3) PROTECT AND PRESERVE THE GOODWILL OF THE MARKS, AND THAT FAILURE TO MAINTAIN SVNIC'S STANDARDS CAN RESULT IN TERMINATION OF THIS AGREEMENT.

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

[Signatures on Following Page]

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

“SVNIC”:

SVN International Corp., a Delaware corporation

By: _____

Print Name: _____

Its: _____

“FRANCHISEE”

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

Each Owner of Franchisee with a 10% or greater interest:

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

APPENDIX 1
DEFINITIONS

“Agreement” means this Franchise Agreement.

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

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

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

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

“Area Services Representative” means a regional representative appointed by SVNIC in a geographical area who may assist SVNIC in delivering certain services to SVN franchisees.

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

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

“Auction Royalty” means the royalty fees due to SVNIC from Auction Services Program participants based on Auction Revenues included in Gross Receipts.

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

financial instruments.

“Auction Services Program” means the Specialty Program for Franchisees that derived at least 75% of their gross revenues in the immediately preceding fiscal year from eligible Auction Services.

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

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

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

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

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

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

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

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

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

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

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

“Electronic Payment” means payments from Franchisee’s account, and at Franchisee’s sole cost and expense, by electronic funds transfer, credit or debit card payment, or such other automatic payment mechanism that SVNIC may designate, in accordance with the Electronic Payment Policies set forth in the Manuals.

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

“Established Program” means the Program for those eligible Franchisees who operate certain established and highly qualified Commercial Real Estate Services firms. This Program is generally offered to existing commercial real estate brokerage firms with over three years’ experience, with five or more agents and a substantial historical earnings track record, typically with three-year median annual revenues of over \$500,000.

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

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

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

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

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

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

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

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

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

“Gross Receipts” means gross fees, commissions or other compensation calculated at their fair market value in United States currency, received or receivable (as that term is defined in Subsection 4.2.1 of the Franchise Agreement) by Franchisee (directly or indirectly), whether in cash, equity position, credit or for barter (and, if for credit or barter, whether or not payment is received), or for any other consideration, in connection with all Commercial Real Estate Services. Gross Receipts also include without limitation all revenues, Property Management Revenues, project management fees, consulting fees, Auction Revenues, finder and referral fees, and commissions received or receivable by or on behalf of Franchisee’s salespersons, agents and representatives in connection with any products or services that are promoted or sold under any of the Marks, including Commercial Real Estate Services, approved Residential Real Estate Portfolio Brokerage Services, Leasing Services, Ancillary Services, multiple listing fees, taxes, commissions, overrides, bonuses and salaries, without deduction for Franchisee’s costs or expenses.

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

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

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

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

“Intranet Services Agreement” means an Intranet Agreement between SVNIC and the Franchisee and Franchisee’s users.

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

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

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

“Marketing Contribution” shall mean the amounts required to be paid by Franchisee pursuant to Section 4.5, and the marketing contributions paid by other SVN franchisees (which may differ among SVN franchisees).

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

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

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

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

“Partner” means any partner of a Partnership.

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

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

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

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

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

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

“Production Royalty” is the royalty fee that you must pay SVNIC on Gross Receipts other than Property Management Revenues and Auction Revenues, as specified in Sections 4.2.7, 4.2.8 and 4.2.9 of this Agreement, as applicable.

“Program” means the type of SVN Franchise classification, including but not limited to, the Team Program, Established Program, and Specialty Program, which includes the Auction Services Program.

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

“Property Management Royalty” means the royalty fee that you must pay to SVNIC based on Property Management Revenues included in your Gross Receipts.

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

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

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

“Regional Developer” means an independent person/company appointed by SVNIC who assists SVNIC in delivering certain services to SVN franchisees and in recruiting, soliciting, screening and recommending franchisees to own and operate SVN Franchises.

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

“Residential Real Estate Brokerage Services” means acting as a broker, salesperson, agent or finder for or on behalf of sellers, buyers, lessors, tenants or others in connection with the listing, co-

listing, offering, selling, managing, purchasing, exchanging, leasing, renting of any Residential Property and personal property ancillary thereto.

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

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

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

“Satellite Office” means an additional Franchisee Business Address associated with an SVN Franchise.

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

“Specialty Programs” means a specialized Program(s) offered in addition to the Team Program and Established Program to certain eligible franchisees. Currently, the only Specialty Program offered is the Auction Services Program.

“Secondary Market Area” means a geographical area in addition to the area comprising the Primary Market Area and which, if designated by SVNIC, is for the performance of a limited type of service or purpose by Franchisee, as described in Section 2.3 of this Agreement.

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

“SVN Franchise” means a system for the operation of a commercial real estate services business operated under the Marks as it may be modified by SVNIC from time to time and which includes, but is not necessarily limited to, various operating methods; SVNIC support sites (“SVNIC Technology Systems”), inclusive of any online tracking system, online publisher and/or other software/technology platform or system tools SVNIC may implement over time; techniques; Policies; distinctive signs; Confidential Materials and Practices; record-keeping and marketing techniques.

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

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

“SVN System Transaction” means a transaction whereby Commercial Real Estate Services are provided in connection with, or by referral from, (i) any broker, salesperson or Related Party of SVNIC, or

(ii) an SVN franchisee, or any person or Business Entity associated with, or acting on behalf of any SVN franchisee other than Franchisee.

“SVNIC” means SVN International Corp.

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

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

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

“Team Program” means the Program for those qualified franchisees involved in building a coordinated functional team in their defined Primary Market Area. This Program is generally offered to three or more licensed sales agents functioning as a team with three-year median annual revenues of over \$250,000, but less than \$500,000, with a proactive strategy to add additional agents.

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

“Termination Fee” means a payment due SVNIC equal to \$2,000 times the number of full or partial calendar months remaining in the Term as of the date of Franchisee’s notice to terminate this Agreement under Section 12.1.1 of this Agreement.

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

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

“URL” means uniform resource locator.

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

SCHEDULE "A"

EXCLUDED TRANSACTIONS APPROVED BY SVNIC

COMMERCIAL REAL ESTATE SERVICES PROGRAMS: (CHECK THE APPLICABLE BOX(ES))

- Please check if none.
- See Attached. A Production Royalty will not be charged on the transactions listed on the attachments.
- Property Management Services.

A Property Management Royalty is due on all Property Management Revenues except as follows: A Property Management Royalty will not be charged on the first \$_____ in Property Management Revenues received by Franchisee each calendar year from the pre-existing accounts identified on the attached list, beginning on the Effective Date of this Agreement and ending __ (Month) _____ (Day), ____ (Year)__. A Property Management Royalty will be due on all Property Management Revenues of every kind thereafter.

(Attach List)

SCHEDULE "B"

FRANCHISEE INFORMATION

Franchisee is a (check as applicable):

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

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

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

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

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

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

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

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

Franchisee Representations and Acknowledgments:

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

COMMERCIAL REAL ESTATE SERVICES PROGRAMS: (Each Franchisee must review and sign below)

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

“FRANCHISEE”

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

SPECIALTY PROGRAM: (Each Auction Services Program Franchisee also must review and sign below)

As an Auction Services Program participant, Franchisee acknowledges and accepts the following provision:

As of the Effective Date of this Agreement, SVNIC has engaged a Regional Developer, JDA Investments, LLC (“JDA”), to provide consulting, franchise marketing and franchisee support services for franchisees participating in the Auction Services Program. JDA, a Florida limited liability company, is contractually obligated to SVNIC to deliver Auction Services Program training and support services to Franchisee and other Auction Services Program participants and is responsible for the fulfillment of SVNIC’s obligations to Auction Services Program participants. JDA, through its affiliate, SVN Auction Services LLC, must assist franchisees in the Auction Services Program on the proper use of the SVN System and any applicable tools and resources. JDA also operates an SVN Franchise under a separate National Advisor License Agreement (a previous version of the Franchise Agreement). JDA shall receive from SVNIC a portion of Franchisee’s Royalties and of Initial Franchise Fees Franchisee pays to SVNIC under the Franchise Agreement. JDA is an independent contractor and not an SVNIC employee, affiliate, or Related Party. Franchisee expressly agrees to accept such JDA services in satisfaction of any applicable obligation that SVNIC may have to Franchisee under the Franchise Agreement and in lieu of any performance of the same by SVNIC, for so long as SVNIC engages JDA (or another Regional Developer or Area Services Representative) to provide any such services. Further, as of the Effective Date, Franchisor’s policy is to require Franchisee and other Auction Services Program participants to coordinate Franchisee’s Auction Services activities through SVN Auction Services, LLC, and to comply

with any Policies Franchisor establishes in connection therewith. Franchisor reserves the right to modify, add or eliminate all such Policies in the future.

"Franchisee" (An Auction Services Program participant):

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

SCHEDULE "C"

GUARANTY

For value received and in consideration for and as an inducement to SVN International Corp., a Delaware corporation, and/or Assignee, (hereinafter called "SVNIC") to enter into the Franchise Agreement ("Agreement") with _____ ("Franchisee"), the undersigned _____, (individually and collectively, "Guarantor(s)") each undertake to perform this personal guaranty. Guarantor(s) do hereby personally, irrevocably and unconditionally guarantee to SVNIC, jointly and severally, the (i) punctual and full payment of all monies owed to SVNIC and (ii) the full and timely performance and observance of all the terms, covenants and conditions to be performed and observed by Franchisee, its Broker in Charge and all Authorized Salespersons and Associate Advisors included and added to the Franchise Agreement under the terms and conditions thereof. Guarantor(s) further agree to be personally bound by, and liable for, the breach of any provision in the Franchise Agreement and waive any right Guarantor(s) may have to require that an action be brought against Franchisee or any other person as a condition of any Guarantor(s) liability hereunder.

Each of the undersigned waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Franchise Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and SVNIC and any settlement, compromise or adjustment thereof.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor(s) hereby waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor(s) under this Guaranty, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor(s) waive notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor(s) hereby agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney's fees, reasonable costs of investigations, court costs, and arbitration fees and expenses, and interest on such fees, costs, and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor(s) hereby acknowledge and agree to be individually bound by all covenants contained in the Franchise Agreement and all terms and conditions of the Franchise Agreement requiring Franchisee to comply with confidentiality and non-disclosure provisions, as well as post termination covenants against competition and other post termination obligations, to the fullest extent permitted under applicable law. This Guarantee shall terminate upon the expiration or termination of the Franchise Agreement, except that all obligations and liabilities of Guarantor(s) that arise from events that occurred on or

before the effective date of such termination shall remain in full force and effect until satisfied or discharged by Guarantor(s), and all covenants that by their terms continue in force after termination or expiration of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guarantee, but only for defaults and obligations existing at the time of death, and the obligations of the other Guarantor(s) will continue in full force and effect.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

The parties agree that this Agreement is to be performed in Massachusetts and shall be governed by and construed in accordance with the laws of the State of Massachusetts. The parties specifically agree that any legal proceeding relating to this Agreement must be venued exclusively in the U.S. District Court or state court in the most immediate state judicial district encompassing the Franchisor's then-current headquarters (currently Boston, Massachusetts) and having subject matter jurisdiction. Each of the parties consents to personal jurisdiction and venue in any such action in such location. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by general judicial reference or arbitration pursuant to Articles 17 and 18 of the Franchise Agreement (except as otherwise provided in Articles 17 and 18 of the Franchise Agreement). Articles 17 and 18 of the Franchise Agreement are incorporated in and will apply to this document as if fully set forth herein.

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

GUARANTOR(S) OF ENTITY

**PERCENTAGE OF
FRANCHISEE OWNERSHIP**

DATE

OWNER GUARANTOR

Signature

_____ %

DATE

Print Name

OWNER GUARANTOR

Signature

_____ %

DATE

Print Name

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

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

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

Type of Permitted Outside Service:

Trade Name under which to be conducted:

Other Conditions (subject to Additional SVN Policies):

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

SCHEDULE "F"
SVN CORE COVENANTS

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

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

"Franchisee"

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer's Name)

Its: _____
(Title/Capacity)

Date: _____

SCHEDULE "G"

ELECTRONIC FUNDS TRANSFER AGREEMENT

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

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

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

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

B. Upon execution and delivery of this Agreement, Franchisee shall execute and deliver two (2) originals of the "Electronic Debit Authorization" attached as Schedule H to the Franchise Agreement, which authorizes Franchisee's bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor's bank account(s). Upon Franchisor's request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens after the date of this Agreement) in connection with such EFT.

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

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

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

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

“Franchisor”

SVN International Corp., a Delaware corporation

By: _____

Its: _____

“Franchisee”

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

SCHEDULE "H"
ELECTRONIC DEBIT AUTHORIZATION

FRANCHISOR: SVN INTERNATIONAL CORP.

FRANCHISOR ID NUMBER: _____

The undersigned hereby authorizes SVN International Corp. (the "Franchisor"), to initiate debit entries to the undersigned's checking account indicated below and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: _____

Branch: _____

City State and Zip Code: _____

Transit/ABA No.: _____

Account Number: _____

This authority is to remain in full force and effect until the underlying obligations under the Franchise Agreement have been satisfied in full or released in writing by Franchisor.

This authorization further confirms my understanding of Schedule G to the Franchise Agreement signed by me/us in which I/we expressly agree that this authorization shall apply to any and all Depositories and bank accounts with which I/we open accounts during the term of the Franchise Agreement and any renewals. Without limiting the generality of the foregoing, I/we understand that if I/we close any bank account, I/we are obligated immediately to: (i) notify Franchisor thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) established with any Depository in the future.

DATE: _____

ID NUMBER: _____

PRINT NAME(S):

SIGNATURE(S):

SCHEDULE "I"

SATELLITE OFFICE ADDENDUM

This **SATELLITE OFFICE ADDENDUM** (this "Addendum") dated _____, 20____, is attached to and made a part of that certain Franchise Agreement, including all exhibits thereto by and between SVN International Corp., a Delaware corporation, ("SVNIC"), and _____, [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as "Franchisee" or "you, with reference to the following facts:

RECITALS

WHEREAS, SVNIC and Franchisee have executed the Franchise Agreement effective as of _____, 20____ (the "Existing Agreement"), wherein Franchisee is obligated to operate an SVN Business at the Franchisee Business Address as specified in the Existing Agreement;

WHEREAS, Franchisee desires to own or lease and operate an additional office displaying the SVN® Marks and using the SVN System at an additional address in its Primary Market Area (a "Satellite Office"), as specified below;

WHEREAS, the Satellite Office is and shall for all purposes be and appear to be an SVN commercial real estate services office, and except as provided herein, shall be operated in the same manner as other franchised SVN commercial real estate services offices;

WHEREAS, except as it may be modified by this Addendum, the Existing Agreement and all of its terms and provisions are hereby ratified and affirmed; and

WHEREAS, capitalized terms used in this Addendum shall have the meaning as set forth in the Existing Agreement, unless otherwise provided herein.

NOW, THEREFORE, the parties agree as follows:

1. Term and Termination of Addendum; No Right To Renew. This Addendum is coterminous with the Existing Agreement and shall expire on the "Franchise Expiration Date" as defined in the Existing Agreement, unless earlier terminated as provided herein. This Addendum can be terminated i) by Franchisee, subject to SVNIC's receipt of at least 30 days advance written notice and a fully signed mutual termination agreement in a form satisfactory to SVNIC, which will include a General Release by you and your Owners, if you are a Business Entity, ii) by SVNIC, pursuant to Article 12 of the Existing Agreement, and iii) automatically, effective upon the termination of the Existing Agreement. A breach of this Addendum is a breach of the Existing Agreement. Franchisee acknowledges and agrees that Franchisee has no right to renew this Addendum, regardless of whether or not Franchisee enters into any successor franchise agreement.

2. Satellite Office Fee; Related Policies and Requirements. Franchisee shall deliver to SVNIC a fully-earned, non-refundable fee of \$1,000 along with a signed copy of this Addendum. Franchisee agrees to comply with the Manuals, and with any Policies, specifications, guidelines or

standards we may establish from time to time regarding Satellite operations, including any insurance requirements, and any guidelines regarding advertising, office identification, or any other matters.

3. Business Address. The Business Address of the Satellite Office is: _____,
which is approved by SVNIC in advance. The Business Address must be in Franchisee's Primary Market Area, unless otherwise expressly authorized by SVNIC in writing and in advance.

4. Senior Advisor. Satellite Office Manager (Franchisee's Satellite Office must at all times be under the management of a Senior Advisor who has been identified to SVNIC, unless otherwise expressly authorized by SVNIC in writing.) Franchisee's Senior Advisor Manager for the Satellite Office is: _____.

5. Other Senior Advisors. Franchisee's other Senior Advisors working out of the Satellite Office are: _____.

6. Advisors. Franchisee's Authorized Salespersons at the Satellite Office are: _____.

7. Associate Advisors. Franchisee's Associate Advisors at the Satellite Office are: _____.

8. Guaranty. Each of the Owners of Franchisee shall execute a personal guaranty in the form annexed as Schedule "C" to the Existing Agreement, guaranteeing the payment and performance of all of Franchisee's obligations under this Addendum.

9. Royalties. Franchisee shall pay, or cause to be paid, to SVNIC Royalties on its Gross Receipts derived from Commercial Real Estate Services performed from or out of the Satellite Office, as set forth in Article 4 of the Existing Agreement. Such Royalties and Gross Receipts shall be combined with those generated from or out of the Franchisee Business Address identified in the Existing Agreement for reporting, performance standards, awards and other purposes.

10. Marketing Contribution. Franchisee shall pay, or cause to be paid, to SVNIC, a Marketing Contribution for this Satellite Office, which is currently payable in the amount of \$250 per month and which SVNIC shall expend under its branding program in accordance with Section 7.2 of the Existing Agreement. SVNIC reserves the right to adjust the payment period (e.g., from monthly to annually, quarterly or other payment period) as it deems appropriate with a minimum 90 calendar day written notice to Franchisee and the Marketing Contribution payment amount shall be adjusted accordingly on a pro rata basis.

11. Pre-Opening Services. Franchisee acknowledges and agrees that SVNIC's obligations pursuant to Section 5.2 of the Existing Agreement are already satisfied.

12. Notices. The addresses for notices required to be sent under this Addendum are the same as those set forth in Article 16 of the Existing Agreement.

13. Transfer. SVNIC has granted this Addendum to Franchisee because SVNIC believes that Franchisee and/or Owners may have the management skills, resources and other personal qualities necessary to operate the Franchise in multiple offices. Therefore, this Addendum is not transferable, with or without the Existing Agreement. This Addendum may not be transferred by Franchisee without SVNIC's prior written consent, which SVNIC has the right to grant or withhold, in addition to the other provisions of Article 11 of the Existing Agreement.

14. Effect of Addendum. Except as expressly amended by this Addendum, the terms of the Existing Agreement remain in full force and effect. In the event of any conflict or inconsistency between the provisions of the Existing Agreement and the provisions of this Addendum, the provisions of the Existing Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed effective as of the date of execution by SVNIC (the "Effective Date").

"SVNIC"

SVN International Corp., a Delaware Corporation

By: _____

Its: _____

Date of Execution: _____

"Franchisee"

(Print name of Franchisee here)

[a corporation]

[a partnership]

[a limited liability company],

(Signature line)

By: _____

(Print Signer's Name)

Its: _____

(Title/Capacity)

Date: _____

SCHEDULE "J"

FRANCHISEE INTRANET SERVICES AGREEMENT

This FRANCHISEE INTRANET SERVICES AGREEMENT (this "Agreement") is attached to and made a part of that certain Franchise Agreement, including all exhibits thereto, executed contemporaneously herewith and dated effective as of _____, 20__, (the "Effective Date") by and between SVN International Corp., a Delaware corporation ("SVNIC"), and _____, [an individual, as sole proprietor] [individuals] [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as "Franchisee" or "you," (the "Franchise Agreement") with reference to the following facts:

RECITALS

WHEREAS, SVNIC and Franchisee have entered into the Franchise Agreement under which Franchisee operates an SVN Franchise.

WHEREAS, the services referenced herein ("Intranet Services") have been created for or are operated by SVNIC to facilitate communication between and among its franchisees ("Franchisees"), employees and authorized third parties in connection with the operation of an SVN Franchise.

WHEREAS, the term "Intranet Services," as used in this Agreement, may include, but is not limited to, access to various administration tools for the input/delivery of SVN Franchise information and data as requested/required by SVNIC, email, online publishing, online marketing, online syndication, resource portals, dashboards, online discussion forums, file libraries, access to the Intranet computing and information services and software, information, receipted communications, training materials and manuals, interactive forums, and other content chosen by SVNIC from time to time in its sole discretion. In addition, third parties may provide information, software and other content, licensed by SVNIC, which may be accessed over the Intranet Services.

WHEREAS, capitalized terms used in this Addendum shall have the meaning as set forth in the Franchise Agreement, unless otherwise provided herein.

WHEREAS, SVNIC wishes to provide Intranet Services to Franchisee and, in exchange for the privilege of obtaining access to the Intranet Services, Franchisee hereby agrees to the terms and conditions as stated in this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. INTRANET SERVICES

SVNIC hereby grants Franchisee the right, with a standard web browsing program not supplied by SVNIC (a "Browser") to use, pursuant to this Agreement, the Intranet Services, which may contain information, software, images, audio and video clips, graphics and other material (collectively, the "Content"), solely for Franchisee's use in performing services for the applicable SVN Franchise. The right granted to Franchisee hereunder is revocable, non-exclusive, and non-transferable. Franchisee may not share its access with others or distribute Content not intended for public distribution, without written

permission of SVNIC. Franchisee may not use, access, copy or disclose any Content in any manner after the termination of this Agreement, except to the extent any such Content is otherwise available to the general public. Franchisee understands that SVNIC may limit Franchisee's access to Intranet Services as it deems appropriate to Franchisee's role in the SVN Franchise and in its sole discretion.

2. RULES OF CONDUCT ON THE INTRANET

Franchisee may use the Intranet Services for lawful purposes only. Franchisee may not post to, upload to, or distribute or otherwise publish through the Intranet Services, any Content that (a) is libelous, defamatory, obscene, disrespectful, inflammatory, pornographic, abusive, harassing or threatening, offensive or otherwise objectionable to SVNIC in its sole and absolute discretion, (b) contains viruses or other contaminating or destructive features, (c) violates the rights of others, such as Content that infringes any copyright, trademark, patent, trade secret or violates any right of privacy or publicity, or (d) constitutes unsolicited bulk e-mail, junk mail, spam or chain letters, or (e) otherwise violates any applicable laws or regulations. Franchisee may not use the Intranet Service for any commercial purpose other than providing services to the applicable SVN Franchise and may not disclose any information or Content to any person or company that is not otherwise available to the general public unless authorized under this Agreement. Franchisee shall not allow any person to access the Intranet Services (a "User") who is not expressly authorized by SVNIC in writing. Franchisee may not distribute over the Intranet Services any advertising or solicitation of funds or goods and services unrelated to the applicable SVN Franchise business. Franchisee may not, without the written approval of SVNIC, send unsolicited advertising or promotional material. Franchisee shall comply with the email-related and other User policies posted on the my.svn.com dashboard from time to time.

3. USE REQUIREMENTS

Franchisee is responsible for reading and paying appropriate attention to warnings, notices and instructions presented in various areas of the Intranet Services. As part of the authorization process, Franchisee may be given a User ID and password. Franchisee must provide accurate, complete, and current information, as required by SVNIC, and agrees to provide SVNIC with any updates to that information promptly after such changes occur. Franchisee agrees to comply with the terms of any third-party software license as applicable to the use of the Intranet Services and any communication from SVNIC advising of such compliance requirements.

4. DISCLAIMER AS TO CONTENT

4.1 SVNIC does not and cannot review generally the content posted by all Users at all times ("Users' Content") and is not responsible for such Users' Content. However, SVNIC reserves the right to cancel access to, and/or delete, move, or edit any Users' Content, including Franchisees', that it may determine, in its sole discretion, violates this Agreement or any law/regulation, or is otherwise inappropriate in SVNIC's judgment. Franchisee shall remain solely responsible for all Users' Content posted by Franchisee or by any other person using an account related to your SVN Franchise. SVNIC shall have the right, but not the obligation, to correct any errors or omissions in any Users' Content, as it may determine in its sole discretion. SVNIC does not and shall not be deemed to verify, endorse or in any way vouch for the accuracy, completeness, truthfulness or reliability of any service, opinion, advice, communication, information or other content on or made available through the Intranet Service.

4.2 SVNIC does not represent or endorse the accuracy or reliability of any Users' Content displayed, or posted on any social network, message board, listing service, blog or otherwise distributed

through the Intranet Services by any User, information provider or any other third party. SVNIC expressly disclaims any liability related to Users' Content, and you acknowledge that any reliance upon such Users' Content shall be at your sole risk.

5. OWNERSHIP OF CONTENT AND EXPECTATION OF PRIVACY

5.1 Franchisee acknowledges and agrees that SVNIC may reproduce, distribute, transmit, or publish any software, file, information, communication or other content received or accessed through the Intranet Services.

5.2 Upon the execution of this Agreement, SVNIC will create personal "svn.com" email addresses and accounts for Franchisee and its employees, independent contractors and representatives who will be working on SVN related business. These addresses and accounts will provide Franchisee and its employees, independent contractors and representatives with access to our Technology Systems, including, but not limited to, Google Apps and BuildOut™. SVNIC may charge Franchisee a fee for access to and use of the online marketing system, which is currently "BuildOut," and for any other online software program it may provide Franchisee access to (e.g., CoStar™). SVNIC will provide initial passwords to Franchisee for use in setting up personal "svn.com" email accounts. Once account setup is complete, Franchisee agrees to change all initial passwords to unique passwords, which password will be unknown to SVNIC and others. After Franchisee and its employees, independent contractors and representatives change the initial passwords, SVNIC will not have access to Franchisee's personal "svn.com" email accounts.

5.3 Franchisee agrees to pay SVNIC ~~an~~ the then-current "Email Licensing Fee ~~in the amount of,~~ which is currently Twenty-Five Dollars (\$25) ~~for~~ for each active "svn.com" email address/account at the Franchise business per calendar quarter, upon receipt of invoice from SVNIC. SVNIC may upgrade its email hosting plan and increase the Email Licensing Fee accordingly. SVNIC will provide Franchisee with 30 days' prior written notice of any increase to the Email Licensing Fee. SVNIC will charge Franchisee for each active "svn.com" email address/account assigned to Franchisee, its employees, independent contractors and representatives, at the end of each calendar quarter.

5.4 Franchisee acknowledges and agrees that SVNIC is not responsible or liable for the privacy in or to any communications transmitted via the Intranet Services. In the event of a dispute between you and your employee, an independent contractor, or representative, or another individual or entity, SVNIC will only produce related emails, attachments to emails and/or email history in SVNIC possession in response to a legal request in writing, signed by an authorized official of the requesting agency and issued under an appropriate law (e.g., a subpoena, court order, warrant, etc.) If SVNIC believes a request is overly broad, SVNIC will seek to narrow it. SVNIC will attempt to notify you via email before any information is disclosed. SVNIC reserves the right to voluntarily produce (e.g., without a subpoena, court order, etc.) any and all documents, including, but not limited to, yours, your employees, independent contractors and representatives' emails, and any attachments thereto, that are sent to or sent from SVNIC and thus in SVNIC's possession, in order to defend SVNIC and its Related Parties.

5.5 Franchisee acknowledges and agrees that SVNIC is not responsible for or obligated to "back-up" any email data pertaining to Franchisee's personal "svn.com" email accounts. Provided they obtain appropriate authorization in advance, Franchisee is permitted to back-up and obtain access to any email data of its employees, independent contractors and representatives both during their engagement with Franchisee and/or during a 30-day period following a termination.

6. MISUSE OF ACCOUNT/PASSWORDS

No Franchisee or employee, independent contractor or representative shall use another User's account/password.

7. MODIFICATIONS TO INTRANET SERVICES AND THIS AGREEMENT

7.1 SVNIC may, at any time, by notice published electronically using the Intranet Services, modify this Agreement and/or Intranet Services User policies. Franchisee will comply with all such modifications/policies.

7.2 SVNIC, in its sole discretion and without notice, may discontinue, add to or revise any part of the Intranet Services and modify, supplement, delete, discontinue or remove any Content appearing on or transmitted through the Intranet Services.

7.3 If SVNIC advises you that all or part of the Manuals or other specifications, standards and operating procedures are posted on a website or dashboard, you agree that it is your responsibility to monitor the website and/or dashboard for any changes, additions or deletions in the information provided.

7.4 Failure to comply with the terms of this Agreement may result in disciplinary action (including possible termination of any SVN Franchise relationship) and/or subject Franchisee to termination of Franchisee's rights under this Agreement and/or legal action by SVNIC.

8. INTRANET SERVICES AVAILABILITY AND TERM

8.1 SVNIC uses reasonable efforts to sustain system availability. SVNIC is not responsible for any down time. SVNIC is not responsible for any technical difficulties resulting from the Internet access, computer hardware or software, or otherwise.

8.2 SVNIC reserves the right, in its sole discretion, to restrict, suspend or terminate Franchisee's right to use all or any part of the Intranet Services at any time without cause, notice or liability and without any obligation.

8.3 SVNIC may change, suspend or discontinue all or any aspect of the Intranet Services, including any related database or Content, at any time, without prior notice or liability.

8.4 This Agreement will automatically terminate at such time as Franchisee is no longer an SVN Franchisee, unless earlier terminated as provided in this Agreement. Upon termination, transfer or expiration of this Agreement, you agree to immediately pay to us any amounts then owed to us and/or an Affiliate or designee and discontinue all use of, and to return to us upon our request and as applicable, any software, technology, materials, documents, disks, manuals or any other information provided to you by us, including any backup copies. The confidentiality, non-disclosure and non-use provisions of Sections 1 and 2, above, as well as the provisions of the Franchise Agreement, including, but not limited to, Sections 5, 9, 10, 12, 13, 15, 16, 17, 18 and 19 shall survive the termination, transfer and/or expiration of this Agreement, along with any other provision that by its nature survives such termination, transfer and/or expiration.

9. COPYRIGHT AND LICENSES

9.1 SVNIC reserves all copyrights and other rights in and to any Content available through the Intranet Services and which is identified as, claimed by SVNIC as, or known by Franchisee to be, proprietary to SVNIC or other User. The Content on the Intranet Services is protected under applicable copyright law, including as a collective work. All copying, modification, distribution, publication or other use by Franchisee, or by any user of Franchisee's account, of any such Content or other works is prohibited, except as expressly permitted by SVNIC.

9.2 Franchisee grants to SVNIC and its Related Parties a non-exclusive, paid-up, perpetual and worldwide right to copy on any medium, distribute, display, perform, translate, adapt, modify and otherwise use in connection with the business of SVNIC and its Related Parties any and all software, files, information, communications and other content which Franchisee places on the Intranet.

10. USE OF DATA, INFORMATION, AND COMMUNICATIONS.

Franchisee acknowledges and agrees that SVNIC may share with other persons or entities User lists. "User lists" includes name and other identifying data of Franchisees and other users.

Franchisee acknowledges that User lists may be used for:

1. Directing e-mail or other communications from SVNIC to the Franchisee.
2. Sharing User Lists with SVN franchises and Related Parties.
3. Directing limited commercial or promotional communications to Franchisees pursuant to SVNIC's Supplier Program.
4. Other uses as deemed appropriate solely by SVNIC for its internal information and records and for the conduct of business between SVNIC and its franchises and Related Parties.

SVNIC may provide information and records relating to Franchisee and Users to courts, law enforcement agencies, or others involved in prosecuting claims or investigations upon request for conduct or conditions alleged or believed to be illegal or to violate or threaten the rights of any person or entity.

11. MISCELLANEOUS PROVISIONS

11.1 SVNIC can limit access for any additional authorized User for your SVN Franchise to certain website pages and/or portions of the Intranet Services; can require such User to sign an authorized User's agreement in a form approved and provided to you by SVNIC; and reserves the right to charge a reasonable fee for any such additional User. You agree in all events that you are responsible for ensuring that your employees, agents and representatives do not have access to the Intranet Services and Content unless authorized in writing by SVNIC and as provided in this Agreement.

11.2 Franchisee may not use, access, copy or disclose, or permit any other person/entity to use, access, copy or disclose, any Content in any manner after the termination of this Agreement unless it is clearly available to the general public.

11.3 Intranet Services and Content are Confidential Information for purposes of the Franchise Agreement and Franchisee shall treat them accordingly.

11.4 Franchisee represents and warrants that Franchisee has purchased or intends to purchase shortly computer equipment and system components (the "Computer Equipment") meeting our standards and specifications as of the date of this Agreement. You understand and agree that SVNIC has the right to modify the Computer Equipment specifications from time to time and that your Computer Equipment may or may not be compatible with, or upgradeable to meet, any new specification necessary to operate the Intranet Services or any component at a future date.

11.5 You acknowledge and agree that the Intranet Services and/or Content, now or in the future, may contain a utility or employ a security device designed to prevent unauthorized use if this Agreement and/or the Franchise Agreement is terminated or you default under any term of this Agreement or the Franchise Agreement. IF YOU HAVE BEEN NOTIFIED BY US IN WRITING OF A DEFAULT UNDER THIS AGREEMENT OR NOTIFIED BY US OF A DEFAULT UNDER THE FRANCHISE AGREEMENT, OR IF THIS AGREEMENT EXPIRES OR IS TERMINATED FOR ANY REASON, YOU MAY NOT HAVE ACCESS TO ANY CONTENT OR YOUR DATA AND YOU MAY EXPERIENCE A DISRUPTION OF BUSINESS AS A RESULT OF AN INABILITY TO ACCESS OUR INTRANET SERVICES AND/OR DATA. You acknowledge and agree that security of the systems is essential to preserve, among other things, the goodwill of the SVN Franchise system and may be accidentally or inadvertently activated. Under no circumstances will SVNIC or any of its Related Parties or designees be liable to you for any damages, regardless of the nature or source, resulting from the activation of this security utility or device at any time during or after the term of this Agreement.

11.6 You agree to require your employees, agents, contractors or other parties authorized by you (and by us) for access to the Intranet Services and/or Content to abide by the terms and conditions of this Agreement/any additional User agreement and to be responsible for their failure to comply therewith.

11.7 To the extent that any provision of this Agreement conflicts with the terms of the Franchise Agreement, the Franchise Agreement shall control.

12. DEFAULT AND TERMINATION

12.1 SVNIC reserves the right to restrict, suspend or terminate Franchisee's right to use all or any part of the Intranet Services at any time without cause, notice or liability and without any obligation, if Franchisee is in default of any SVN Franchise Agreement or any other Agreement between SVNIC and/or SVNIC's Related Parties and Franchisee.

12.2 This Agreement may be terminated as follows:

i. Termination with Right to Cure: If either party defaults in the performance of any term or condition of this Agreement such party shall have 30 days after receipt of written notice to cure such default by correcting the same. If the defaulting party fails to cure such default within the 30-day period, the party not in default shall have the right to terminate this Agreement without further notice to the other party. A default by you under this Agreement includes but is not limited to a failure to pay any fee obligation on a timely basis, to remain in Good Standing under any SVN Franchise Agreement or to use the Intranet Services and/or Content as intended by this Agreement.

ii. Termination by Us without Opportunity to Cure: SVNIC may choose in our sole discretion to terminate this Agreement, effective upon delivery of written notice to you and without opportunity to cure, if you:

- a. Cease to be an SVN Franchisee or Franchisee Owner;
- b. Breach any non-disclosure provision of this Agreement or terms of use; or
- c. Attempt an unauthorized transfer of this Agreement or any property provided to you hereunder.

13. DISCLAIMER OF WARRANTIES AND EXCLUSION OF LIABILITY

13.1 **"AS IS, AS AVAILABLE."** THE INTRANET SERVICES AND THE CONTENT ARE DISTRIBUTED ON AN "AS IS, AS AVAILABLE" BASIS. NEITHER SVNIC, ANY THIRD-PARTY CONTENT/HOSTING SERVICES/DEVELOPMENT SERVICES PROVIDERS, NOR OUR OR THEIR RESPECTIVE AGENTS MAKE ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICE, ANY CONTENT OR ANY PRODUCTS OR SERVICES SOLD THROUGH THE SERVICE. YOU EXPRESSLY AGREE THAT THE RISK AS TO THE QUALITY AND PERFORMANCE OF THE SERVICE AND THE ACCURACY OR COMPLETENESS OF THE CONTENT IS ASSUMED SOLELY BY YOU. NEITHER SVNIC NOR ANY PROVIDER OF THIRD-PARTY CONTENT/HOSTING SERVICES/DEVELOPMENT SERVICES OR OUR OR THEIR RESPECTIVE AGENTS WARRANT THAT THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE; NOR DOES SVNIC, ANY THIRD-PARTY CONTENT PROVIDER, OR THEIR RESPECTIVE AGENTS MAKE ANY WARRANTY AS TO THE RESULTS TO BE OBTAINED FROM USE OF THE SERVICE OR THE CONTENT.

13.2 NEITHER SVNIC, ANY THIRD-PARTY CONTENT PROVIDER NOR OUR OR THEIR RESPECTIVE AGENTS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE SERVICE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.3 SOME JURISDICTIONS DO NOT ALLOW EXCLUSION OF IMPLIED WARRANTIES OR LIMITATION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. IN SUCH JURISDICTIONS, THE LIABILITY OF SVNIC, THIRD PARTY CONTENT PROVIDERS AND THEIR RESPECTIVE AGENTS SHALL BE LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW.

14. INDEMNITY

Franchisee hereby agrees to indemnify, defend and hold SVNIC and its Related Parties, and all of their respective officers, directors, members, employees, owners, agents, information providers, affiliates, SVNICs and approved suppliers (collectively, the "SVNIC Representatives") harmless from and against any and all liability, losses, costs and expenses (including attorneys' fees, and interest on such costs and expenses) incurred by SVNIC or any SVNIC Representative in connection with any claim by a third party arising out of any use of the password and/or the Intranet Services by Franchisee, including but not limited to any violation of this Agreement or placement on or over, or retrieval from or through, the Intranet Services of any software, file, information, communication or other content. SVNIC

reserves the right, at its own expense, to assume the exclusive defense and control of any matter otherwise subject to indemnification.

15. ASSIGNS, CONDITIONS TO TRANSFER, CUMULATIVE RIGHTS

This Agreement is binding on the undersigned and their assigns and successors. Transfer or assignment of Franchisee’s rights or delegation of obligations under this Agreement and/or in connection with Intranet Services is prohibited and any attempted transfer will be void. SVNIC can assign or delegate in whole or in part any or all of SVNIC’s rights and/or duties under this Agreement. Any invalid or unenforceable provision shall be deemed modified to the extent required, and the parties shall be bound thereby. SVNIC’s failure to exercise any remedy hereunder shall not be construed as a waiver of any of its rights hereunder. The rights and remedies provided in this Agreement are cumulative and neither party will be prohibited from exercising any rights or remedies under this Agreement or as permitted under law.

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

“SVNIC”

SVN International Corp., a Delaware corporation

By: _____

Its: _____

“FRANCHISEE”

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

SCHEDULE "K"

FRANCHISEE SUPPORT SERVICES AGREEMENT

This FRANCHISEE SUPPORT SERVICES AGREEMENT (this "Agreement") is attached to and made a part of that certain Franchise Agreement, including all exhibits thereto, executed contemporaneously herewith and dated effective as of _____, 20__, (the "Effective Date") by and between SVN International Corp., a Delaware corporation ("SVNIC"), Real Impact Corporation, a U.S. Virgin Islands corporation ("RIC"), and _____, [an individual, as sole proprietor] [individuals] [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as "Franchisee" or "you," (the "Franchise Agreement") with reference to the following facts:

RECITALS

WHEREAS, SVNIC and Franchisee have entered into the Franchise Agreement under which Franchisee is authorized to operate an SVN Franchise.

WHEREAS, as part of the Franchise Agreement, the Franchisee will require certain services ("Support Services") to operate, promote, expand and develop the SVN Franchise.

WHEREAS, the term "Support Services," as used in this Agreement, may include, but is not limited to, public relations support, brand strategy including activities to achieve national and international brand expansion and awareness, design of logos, brand marks and other graphic art for marketing materials, updated market information and real estate listing tools, access to advertising campaign materials, templates for proposals and brochures, development of policies and manuals on standards procedures for the operation of Franchise (including updates, supplements and revisions as may be implemented from time to time), review of best practices, on-boarding training, national trainings, SVN I Jumpstarts, accounting, virtual assistance, and any other training or support required to promote and expand the Franchise. These services are being offered in addition to the services listed in the Franchisee Intranet Services Agreement.

WHEREAS, in a certain Support Services Agreement dated October 1, 2014, by and between SVNIC and RIC (the "Support Services Agreement"), RIC has agreed to assist SVNIC in providing Support Services to SVN Franchisees.

WHEREAS, SVNIC has designated RIC as an approved supplier to perform the Support Services pursuant to Section 6.4 of the Franchise Agreement.

WHEREAS, capitalized terms used in this Agreement shall have the meaning as set forth in the Franchise Agreement, unless otherwise provided herein.

NOW, THEREFORE, in consideration of the promises and covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

[Remainder of Page Intentionally Left Blank]

1. SERVICES AND TERM OF AGREEMENT

Franchisee, in order to operate the SVN Franchise licensed by SVNIC, requires assistance with training, marketing and other services referred herein as Support Services.

SVNIC has approved RIC as the supplier of Support Services to Franchisee, and has contracted with RIC to provide Support Services to Franchisee. RIC will maintain adequate staffing and resources to provide the Support Services covered under this Agreement.

Franchisee, pursuant to Section 6.4 of the Franchise Agreement, hereby acknowledges that such Support Services can and will be offered by RIC from its designated office in U.S. Virgin Islands.

RIC hereby agrees to provide Support Services to the Franchisee and commits to provide adequate staffing and resources to provide the Support Services covered by this Agreement.

The term of this Agreement will begin on the date of this Agreement and will remain in full force and effect during the Term of the Franchise Agreement, subject to earlier termination as provided in this Agreement.

2. COMPENSATION

In consideration of the Support Services provided by RIC under this Agreement, SVNIC will pay RIC, on behalf of Franchisee, a service fee equal to a share of thirty to forty percent (30%-40%) of the Royalties ("Support Service Fee") payable by Franchisee under Section 4.2 of the Franchise Agreement. The Support Service Fee shall be due and payable in the same manner and jointly with the Royalties determined in the Franchise Agreement but will not be construed to represent a royalty fee.

It is anticipated that both Royalties and Support Service Fees will be pooled and shared between SVNIC and RIC proportionately to the rights and services provided to Franchisee as stated above.

To provide for a unified billing system, SVNIC will be responsible for invoicing and collecting the Support Service Fees from Franchisee as RIC's authorized collecting agent. Support Service Fees will be subsequently remitted to RIC in the form and manner mutually agreed between SVNIC and RIC.

Should Franchisee contract with a virtual administrator, assistant or freelancer for services that are not provided under the Franchise Agreement, the payment for such work will not be included in the Support Service Fees and will be charged and contracted for separately.

Any collection action against Franchisee will be taken on behalf of both SVNIC and RIC.

3. MODIFICATIONS TO SUPPORT SERVICES AND THIS AGREEMENT

3.1 SVNIC and RIC may, at any time, by notice published electronically using the Intranet Services, or otherwise in writing, modify this Agreement and/or Support Services policies. Franchisee agrees to comply with all such modifications and policies.

3.2 SVNIC and RIC, in their sole discretion and without notice, may discontinue, add to or revise any part of the Support Services Agreement.

3.3 SVNIC and RIC will use reasonable efforts to sustain Support Services availability. SVNIC and RIC are not responsible for any interruptions in these services resulting from technological, natural or other reasonable causes.

3.4 SVNIC and RIC reserve the right, in their sole discretion, to restrict, suspend or terminate Franchisee's right to use all or any part of the Support Services, at any time without cause, notice or liability and without any obligation.

3.5 SVNIC and RIC may change, suspend or discontinue all or any aspect of the Support Services at any time, without prior notice or liability.

3.6 This Agreement will automatically terminate at such time as Franchisee is no longer an SVN Franchisee, unless earlier terminated as provided in this Agreement. Upon termination, transfer or expiration of this Agreement, you agree to immediately pay to us any amounts then owed to us and/or an Affiliate or designee and discontinue all use of, and to return to us upon our request and as applicable, any software, technology, materials, documents, disks, manuals or any other information provided to you by us, including any backup copies. The confidentiality, non-disclosure and non-use provisions of the provisions of the Franchise Agreement, including, but not limited to, Sections 5, 9, 10, 12, 13, 15, 16, 17, 18 and 19 shall survive the termination, transfer and/or expiration of this Agreement, along with any other provision that by its nature survives such termination, transfer and/or expiration.

4. DEFAULT AND TERMINATION

4.1 SVNIC and RIC reserve the right to restrict, suspend or terminate Franchisee's right to use all or any part of the Support Services at any time without cause, notice or liability and without any obligation, if Franchisee is in default of any SVN Franchise Agreement or any other Agreement between SVNIC, RIC, their Related Parties and Franchisee.

4.2 This Agreement may be terminated as follows:

i. Termination with Right to Cure: If either party defaults in the performance of any term or condition of this Agreement such party shall have 30 days after receipt of written notice to cure such default by correcting the same. If the defaulting party fails to cure such default within the 30-day period, the party not in default shall have the right to terminate this Agreement without further notice to the other party. A default by you under this Agreement includes but is not limited to a failure to pay any fee obligation on a timely basis, to remain in Good Standing under any SVN Franchise Agreement or to use the Support Services and/or Content as intended by this Agreement.

ii. Termination by Us without Opportunity to Cure: We may choose in our sole discretion to terminate this Agreement, effective upon delivery of written notice to you and without opportunity to cure, if you:

- a. Cease to be an SVN Franchisee or Franchisee Owner;
- b. Breach any non-disclosure provision of this Agreement or terms of use; or
- c. Attempt an unauthorized transfer of this Agreement or any property provided to you hereunder.

5. DISCLAIMER OF WARRANTIES AND EXCLUSION OF LIABILITY

5.1 NEITHER SVNIC OR RIC, ANY THIRD-PARTY CONTENT PROVIDER, NOR OUR OR THEIR RESPECTIVE AGENTS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE SERVICE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

5.2 SOME JURISDICTIONS DO NOT ALLOW EXCLUSION OF IMPLIED WARRANTIES OR LIMITATION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. IN SUCH JURISDICTIONS, THE LIABILITY OF SVNIC AND RIC, THIRD PARTY CONTENT PROVIDERS AND THEIR RESPECTIVE AGENTS SHALL BE LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW.

6. ASSIGNS, CONDITIONS TO TRANSFER, CUMULATIVE RIGHTS

This Agreement is binding on the undersigned and their assigns and successors. Transfer or assignment of Franchisee's rights or delegation of obligations under this Agreement and/or in connection with Support Services is prohibited and any attempted transfer will be void. SVNIC and RIC can assign or delegate in whole or in part any or all of SVNIC and RIC's rights and/or duties under this Agreement. Any invalid or unenforceable provision shall be deemed modified to the extent required, and the parties shall be bound thereby. SVNIC and RIC's failure to exercise any remedy hereunder shall not be construed as a waiver of any of its rights hereunder. The rights and remedies provided in this Agreement are cumulative and neither party will be prohibited from exercising any rights or remedies under this Agreement or as permitted under law.

[Signatures on Following Page]

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

“SVNIC”:

SVN International Corp., a Delaware corporation

By: _____

Its: _____

“RIC”:

Real Impact Corporation,
a U.S. Virgin Islands corporation

By: _____

Its: _____

“Franchisee”

(Print name of Franchisee here)

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

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

(Signature line)

By: _____
(Print Signer’s Name)

Its: _____
(Title/Capacity)

**EXHIBIT D
TO FRANCHISE DISCLOSURE DOCUMENT
RENEWAL ADDENDUM TO FRANCHISE AGREEMENT**

**RENEWAL ADDENDUM
TO THE SVN FRANCHISE AGREEMENT**

This **RENEWAL ADDENDUM TO THE SVN FRANCHISE AGREEMENT** (this "Addendum") is attached to and made a part of that certain Franchise Agreement, including all exhibits thereto, executed contemporaneously herewith and dated effective as of _____, 20__, (the "Effective Date") by and between SVN International Corp., a Delaware corporation ("SVNIC"), and _____, [an individual, as sole proprietor] [individuals] [a corporation] [a partnership] [a limited liability company], hereinafter individually and collectively known as "Franchisee" or "you," (the "Franchise Agreement") with reference to the following facts:

RECITALS

WHEREAS, SVNIC and Franchisee have executed the Franchise Agreement effective as of the expiration date of the Franchisee's existing Franchise Agreement (the "Existing Agreement"), with respect to that certain Franchise at the Franchisee Business Address.

WHEREAS, capitalized terms used in this Addendum shall have the meaning as set forth in the Franchise Agreement, unless otherwise provided herein.

NOW, THEREFORE, the parties agree as follows:

1. Initial Franchise Fee. Notwithstanding anything to the contrary in Section 4.1 of the Franchise Agreement, you shall not be required to pay an Initial Franchise Fee to SVNIC.
2. Renewal Fee. You shall pay a renewal fee of \$1,000 to SVNIC simultaneously with your execution of this Agreement in accordance with Section 3.2 of the Existing Agreement. If you own and operate multiple SVN Franchises, you will not be required to pay a renewal fee.
3. Royalties and Minimum Annual Royalty. Notwithstanding anything to the contrary in Sections 4.2 and 4.6 of the Franchise Agreement, the parties acknowledge and agree that all Royalties, including the applicable Minimum Annual Royalty, shall be calculated and paid under the Franchise Agreement as though the Franchise Agreement had been in effect since the beginning of the calendar year in which it is executed and without any pro rata adjustments in amounts due thereunder.
4. Term. The renewal term shall be for a period of five (5) years. Under certain circumstances, SVNIC may, in its sole discretion, allow you to renew for a longer period of time up to ten (10) years.
5. Training. You acknowledge that you received all training promised to you under the Existing Agreement.
6. Pre-Opening Services. You acknowledge with respect to Section 5.2.1 of the Franchise Agreement, that you have already received one copy of the Manuals pursuant to the Existing Agreement.
7. Termination by Franchisee. Section 12.1.1 of the Franchise Agreement is hereby deleted and replaced with the following paragraph.

D-1

“12.1.1 National Advisor may terminate this Agreement only after the first 6 months of the Term and only by giving not less than 30 days prior written notice to SVNIC, accompanied by a payment to SVNIC equal to \$2,000 times the number of full or partial calendar months remaining in the Term as of the date of Franchisee’s notice (“Termination Fee”).” The effectiveness of any termination of this Agreement by Franchisee pursuant to this Section is expressly contingent upon SVNIC’s receipt prior to the termination date of SVNIC’s then current form of General Release signed by Franchisee (and Owner(s) of Franchisee, if Franchisee is a Business Entity).

8. Insurance. Franchisee must meet as of the Effective Date of the Franchise Agreement and demonstrate to SVNIC upon request and to its satisfaction that Franchisee has met during the term of the Existing Agreement, the insurance coverage requirements established by SVNIC under Section 14.1 of the Franchise Agreement and as specified in the Manuals.

9. Effect of Addendum. Except as expressly amended by this Addendum, the terms of the Franchise Agreement remain in full force and effect. In the event of any conflict or inconsistency between the provisions of the Franchise Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed effective as of the “Effective Date” of the Franchise Agreement.

“SVNIC”

SVN International Corp., a Delaware Corporation

By: _____

Its: _____

Date: _____

“Franchisee”

[Print name of Franchisee(s) here]

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

By: _____
(Signature)

Print: _____
(Print Signer’s Name)

Its: _____

Date: _____

EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2020

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

SVN INTERNATIONAL CORP	
Balance Sheet	
March 31, 2020	
Assets	
Cash and cash equivalents	\$900,824
Accounts and notes receivable	585,248
Prepaid expenses and other assets	1,686,350
Total current assets	3,172,421
Property and equipment, net	2,273
Total assets	3,174,694
Liabilities and Owners' Equity	
Liabilities	
Accounts payable and accrued liabilities	\$498,213
Total current liabilities	498,213
Total liabilities	498,213
Owners' equity	
Additional Paid-in capital	6,183,000
Retained earnings (Accumulated Deficit)	-3,902,285
Current earnings	395,766
Total Owners' equity	2,676,481
Total liabilities and owners' equity	3,174,694

SVN International Corp.	
Income Statement	
For the three months ended March 31, 2020	
Revenues	
Property Management Revenue	\$19,029
Marketing revenue	213,325
Total International Fees & Royalties	53,863
Initial Franchise Fees Domestic	59,163
Total Revenues	1,994,504
Controllable Expenses	
Salaries Benefits and Related Expenses	471,620
Commissions and Outsourced Services	384,596
Total Franchisee Training	37,771
Tradeshows, Advertising, and Marketing	281,388
Travel, Meals, and Entertainment	70,101
Meetings	28,780
General and Administrative	179,273
Rent	16,094
Telecommunication and Software Costs	12,055
Insurance	22,844
Audit, Tax and Regulatory Compliance	49,517
Controllable Expenses	1,554,039
Profit After Controllable Expenses	440,465
Non Controllable Expenses	
Depreciation and Amortization	1,912
Advertising - RL	27,000
Audit, Tax and Regulatory Compliance	7,564
Other Income (Expense)	-8,223
Total Non Controllable Expenses	44,700
Net Income (Loss)	\$395,766



SVN International Corp.

Financial Statements

As of and for the Years Ended
December 31, 2019, 2018, and 2017

SVN International Corp.

Financial Statements

As of and for the Years Ended December 31, 2019, 2018, and 2017

SVN International Corp.

Contents

	Page
Independent Auditor's Report	3
Financial Statements	
Balance Sheets	5
Statements of Income	6
Statements of Stockholders' Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 19



Independent Auditor's Report

Board of Directors
SVN International Corp.
Boston, Massachusetts

We have audited the accompanying financial statements of SVN International Corp. (the "Company"), a Delaware Subchapter S-Corporation, which comprise the balance sheets as of December 31, 2019, 2018, and 2017, and the related statements of income, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019, 2018, and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 6 to the consolidated financial statements, in January 2020, the World Health Organization ("WHO") has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

BDO USA, LLP

June 4, 2020

Financial Statements

SVN International Corp.

Balance Sheets

<i>December 31,</i>	2019	2018	2017
Assets			
Current assets			
Cash	\$ 879,000	\$ 574,000	\$ 971,000
Production royalties receivable	447,000	414,000	402,000
Accounts receivable, net of allowance for doubtful accounts of \$41,000, \$32,000, and \$67,000, respectively	36,000	145,000	175,000
Prepaid expenses and other assets	1,185,000	1,530,000	1,084,000
Total current assets	2,547,000	2,663,000	2,632,000
Property and equipment, net	4,000	11,000	10,000
Other long-term assets	-	59,000	59,000
Total assets	\$ 2,551,000	\$ 2,733,000	\$ 2,701,000
Liabilities and Stockholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	\$ 459,000	\$ 761,000	\$ 799,000
Total current liabilities	459,000	761,000	799,000
Total liabilities	459,000	761,000	799,000
Commitments, contingencies and subsequent events			
Stockholders' equity			
Class A Common stock, par value of \$0.001; 100,000 shares authorized, 51,000 shares issued and outstanding	-	-	-
Class B Common stock, par value of \$0.001; 100,000 shares authorized; 51,000 shares issued and outstanding	-	-	-
Additional paid-in capital	6,183,000	6,412,000	6,412,000
Notes due from stockholders	(188,000)	(405,000)	(393,000)
Accumulated deficit	(3,903,000)	(4,035,000)	(4,117,000)
Total stockholders' equity	2,092,000	1,972,000	1,902,000
Total liabilities and stockholders' equity	\$ 2,551,000	\$ 2,733,000	\$ 2,701,000

See accompanying notes to financial statements.

SVN International Corp.

Statements of Income

<i>For the years ended December 31,</i>	2019	2018	2017
Revenues			
Production royalties	\$ 7,459,000	\$ 7,904,000	\$ 7,769,000
Other revenue	939,000	646,000	307,000
	8,398,000	8,550,000	8,076,000
Operating expenses			
Salaries, benefits, and related expenses	5,116,000	5,233,000	5,088,000
General and administrative	3,188,000	3,203,000	2,846,000
Depreciation and amortization	7,000	5,000	47,000
	8,311,000	8,441,000	7,981,000
Operating income	87,000	109,000	95,000
Other income			
Interest income, net	13,000	10,000	15,000
Gain on sale of investments	61,000	-	-
	74,000	10,000	15,000
Income before taxes	161,000	119,000	110,000
Provision for taxes	29,000	37,000	5,000
Net income	\$ 132,000	\$ 82,000	\$ 105,000

See accompanying notes to financial statements.

SVN International Corp.
Statements of Stockholders' Equity

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Notes Due From Stockholders	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances, December 31, 2016	51,000	\$ -	51,000	\$ -	\$ 6,412,000	\$ (477,000)	\$ (4,222,000)	\$ 1,713,000
Payments on notes due from stockholders	-	-	-	-	-	97,000	-	97,000
Interest on notes due from stockholders	-	-	-	-	-	(13,000)	-	(13,000)
Net income	-	-	-	-	-	-	105,000	105,000
Balances, December 31, 2017	51,000	-	51,000	-	6,412,000	(393,000)	(4,117,000)	1,902,000
Interest on notes due from stockholders	-	-	-	-	-	(12,000)	-	(12,000)
Net income	-	-	-	-	-	-	82,000	82,000
Balances, December 31, 2018	51,000	-	51,000	-	6,412,000	(405,000)	(4,035,000)	1,972,000
Interest on notes due from stockholders	-	-	-	-	-	(12,000)	-	(12,000)
Settlement of note due from stockholders	-	-	-	-	-	229,000	-	229,000
Member distribution	-	-	-	-	(229,000)	-	-	(229,000)
Net income	-	-	-	-	-	-	132,000	132,000
Balances, December 31, 2019	51,000	\$ -	51,000	\$ -	\$ 6,183,000	\$ (188,000)	\$ (3,903,000)	\$ 2,092,000

See accompanying notes to financial statements.

SVN International Corp.

Statements of Cash Flows

<i>For the years ended December 31,</i>	2019	2018	2017
Cash flows from operating activities			
Net income	\$ 132,000	\$ 82,000	\$ 105,000
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	7,000	5,000	47,000
Provision for doubtful accounts	47,000	-	44,000
Interest on note due from stockholder	(12,000)	(12,000)	(13,000)
Gain on sale of investment	(61,000)	-	-
Interest on note receivable	-	-	(2,000)
Changes in operating assets and liabilities:			
Production royalties receivable	(33,000)	(12,000)	(36,000)
Accounts receivable	62,000	30,000	9,000
Prepaid expenses and other assets	345,000	(446,000)	(158,000)
Accounts payable and accrued liabilities	(302,000)	(38,000)	261,000
Net cash provided by (used in) operating activities	185,000	(391,000)	257,000
Cash flows from investing activities			
Sale of investment	120,000	-	-
Purchases of property and equipment	-	(6,000)	(4,000)
Payments on notes due from stockholders	-	-	97,000
Net cash (used in) provided by investing activities	120,000	(6,000)	93,000
Net increase (decrease) in cash	305,000	(397,000)	350,000
Cash, beginning of year	574,000	971,000	621,000
Cash, end of year	\$ 879,000	\$ 574,000	\$ 971,000
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	\$ 2,000	\$ 2,000	\$ 2,000
Income taxes	\$ 29,000	\$ 37,000	\$ 5,000
Supplemental schedule of non-cash activities			
Conversion of convertible promissory note (investing)	\$ -	\$ -	\$ 59,000
Accrued interest on notes receivable and notes due from stockholders (investing)	\$ 12,000	\$ 13,000	\$ 15,000
Settlement of note receivable from stockholder	229,000	-	-
Distribution to stockholder	(229,000)	-	-

See accompanying notes to financial statements.

SVN International Corp.

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

SVN International Corp., formerly known as Sperry Van Ness International Corporation (the “Company”) is a Delaware Subchapter S - Corporation which was formed on May 18, 2001. During May 2016, the Company changed its name from Sperry Van Ness International Corporation to SVN International Corp. The primary purpose of the Company is to offer franchise licenses to individuals and companies (collectively, the “Affiliates”) for the operation of commercial real estate brokerage businesses, providing services in connection with the listing, offering, selling, purchasing, exchanging, leasing and renting of commercial real estate property under the trade name of Sperry Van Ness, in exchange for a production royalty fee.

As of December 31, 2008, the Company was owned by the R. Rand Sperry Family Trust dated March 18, 1986, as amended and restated, (“Sperry Family Trust”), the Mark E. Van Ness Living Trust dated September 24, 2004, (“Van Ness Living Trust”), and the Orange County Community Foundation (“OCCF”). During 2009, the Sperry Family Trust sold its share of the Company to the Van Ness Living Trust for \$295,000. On November 3, 2009, the shares held legally or beneficially by Mr. Van Ness, including those received in the sale, were assigned to Premier Trust, Inc. (“Premier”), as Trustee of the Company’s parent, the Advisereal 2009 Irrevocable Trust (“Advisereal”). The Company’s founders, R. Rand Sperry and Mark E. Van Ness are the trustees for the Sperry Family Trust and Van Ness Living Trust, respectively. On January 31, 2011, OCCF sold its share of the Company to one of the executives of the Company for approximately \$63,000. See Note 4, *Stock Transaction*.

The ownership percentages of the Company as of December 31, 2019, 2018, and 2017 are broken down as follows:

<i>December 31,</i>	2019	2018	2017
	% Holding	% Holding	% Holding
Advisereal	90%	90%	90%
Company executive	10%	10%	10%
Total	100%	100%	100%

Basis of Presentation

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in the United States of America (“GAAP”).

Business Risks

Credit Risk

Financial instruments which potentially expose the Company to concentration of credit risk consist primarily of cash. Cash is maintained at financial institutions and at times, balances may exceed federally insured limits. The Company has not experienced any losses related to these balances.

SVN International Corp.

Notes to Financial Statements

Liquidity

The Company has an accumulated deficit of \$3,903,000 since inception to December 31, 2019. The Company is dependent on continued generation of positive cash flow from operations to fund its business. However, there can be no assurance that the Company will continue to generate positive cash flows from operations. The Company believes they have sufficient cash on hand to fund operations through May 2021.

Economic Dependence

The Company derives a substantial amount of its revenues from production royalties received from its franchisees. The ability to earn production royalties is dependent on the financial successes of the franchisees. If sales trends or economic conditions worsen for the franchisees, the Company's ability to collect and earn production royalties may decline. Additionally, refusal on the part of the franchisees to renew their franchise agreements may result in decreased production royalties. A decline in production royalties could cause a material adverse impact on the Company's financial condition and operating results. For the years ended December 31, 2019, 2018, and 2017 the Company recognized approximately \$7,459,000, \$7,904,000, and \$7,769,000, respectively, in production royalties from its franchisees. There is no guarantee that such production royalties will be sustainable in the future.

Industry Risks

The Company's revenues are generated primarily from transactions in the commercial real estate industry. The commercial real estate industry's performance has a direct impact on the Company's financial results. The commercial real estate market is impacted by numerous factors, including, but not limited to, the general economy, interest rates and demand for real estate in local markets. Changes in one or more of these factors could either favorably or unfavorably impact the volume of transactions and prices for commercial real estate. Consequently, given the continued volatility in the commercial real estate industry, the adverse impact on the Company's operating results could continue in the near term.

These industry risks are generally outside of the Company's control. Any adverse conditions within the commercial real estate industry could have an adverse effect on the Company's operating results.

Production Royalties Receivable

Production royalties receivables consist of production royalty revenue fees due from the Company's Affiliates. These receivables are usually collected within 60 days. The risk of uncollectable amounts is limited and historically has been insignificant. As such, the Company does not provide for an allowance for doubtful accounts relating to production royalties receivables.

Accounts Receivable

Accounts receivable consists primarily of initial franchise fees, marketing fees and other revenue fees due from the Company's Affiliates. These receivables are usually collected within 90 to 180 days. Uncollectible accounts are written off against an allowance for doubtful accounts.

SVN International Corp.

Notes to Financial Statements

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of their Affiliates to make required payments. Management estimates its allowance based on specifically identified amounts that are believed to be uncollectible. Accounts receivable aging characteristics and receivable growth along with management's judgment are factors considered in assessing the overall adequacy of the allowance. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Ultimate losses may vary materially from current estimates and the amount of the provision may be either greater or less than actual charge-offs.

The changes in the allowance for doubtful accounts for accounts receivable for the years ended December 31, 2019, 2018, and 2017 are as follows:

	2019	2018	2017
Beginning balance, January 1	\$ 32,000	\$ 67,000	\$ 37,000
Provision for doubtful accounts	47,000	-	44,000
Write-offs	(38,000)	(35,000)	(14,000)
Ending balance, December 31	\$ 41,000	\$ 32,000	\$ 67,000

Notes Receivable/Investment

During the year ended December 31, 2014, the Company entered into a convertible promissory note with an unrelated third-party BuildOut Inc. ("Buildout"), whereby the Company loaned \$50,000, at 5% per annum, payable in full on July 1, 2015. On July 29, 2015, the Company extended the maturity date of the loan to January 31, 2016. On January 31, 2016, the Company extended the maturity date of the loan to July 31, 2016. On March 14, 2017, the Company extended the maturity date of the loan to July 31, 2017. On June 6, 2017, the Company converted the promissory note into 10,900 series A-1 preferred stock with a par value of \$0.0001 from Buildout. This investment was accounted for under the cost method as the Company neither controls nor has significant influence over the investee. On March 5, 2019 the Company sold its investment for \$120,000 and recognized \$61,000 in gain on sale of investment on the accompanying statements of income.

Property and Equipment, Net

Property and equipment are recorded at cost. Depreciation and amortization are calculated under the straight-line method over the estimated useful lives of the assets (or lease term, if shorter).

	Estimated Lives
Furniture and equipment	5 years
Computer software and hardware	2-5 years

Maintenance and repairs are charged to expense as incurred. Significant renewals and betterments are capitalized.

SVN International Corp.

Notes to Financial Statements

Impairment of Long-Lived Assets

In accordance with Accounting Standards Codification (“ASC”) No. 360, “Property, Plant and Equipment,” the Company reviews long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The carrying amount of a long-lived asset is considered impaired when anticipated undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Any long-lived assets held for disposal are reported at the lower of their carrying amounts or fair value less cost to sell. As of December 31, 2019, the Company did not identify any impairment of their long-lived assets.

Internal Use Software Costs

The Company capitalizes software development costs for internal use in accordance with ASC No. 350, “Intangibles - Goodwill and Other.” Capitalized internal software development costs are included in property and equipment and are amortized using the straight-line method over an estimated useful life of three years.

For the years ended December 31, 2019, 2018 and 2017, \$0, \$0, and \$6,000, of software costs were capitalized, respectively. As of December 31, 2019, 2018 and 2017, the carrying value of capitalized software under development was \$0, \$1,000, and \$2,000, respectively, and is reported in property and equipment, net on the accompanying balance sheets.

Revenue Recognition

The Company recognizes revenue from two sources.

Production Royalty Revenue

Production royalty revenues are earned from Affiliates in accordance with the respective franchise agreements and are recognized as earned and collection is reasonably assured in accordance with ASC No. 952, “Franchisors” (“ASC 952”). The Company reflects the production royalties in the statements of income on a net basis.

Other Revenue

The Company also provides support services to its Affiliates and independent contractor agents. The majority of other revenue is earned and recognized as support services are provided. Franchise fee revenue is recorded in accordance with ASC 952. Auction services and property management revenue is recognized as services are performed. Other revenue consists of the following:

<i>Years ended December 31,</i>	2019	2018	2017
Initial franchise fees	\$ 728,000	\$ 515,000	\$ 211,000
Other	211,000	131,000	96,000
	\$ 939,000	\$ 646,000	\$ 307,000

SVN International Corp.

Notes to Financial Statements

Advertising/Marketing

Advertising, branding, and marketing costs are expenses as incurred. During the years ended December 31, 2019, 2018, and 2017, such costs approximated \$715,000, \$522,000, and \$514,000, respectively.

Such expenses reflect the effect of marketing fees earned from franchisees of approximately \$833,000, \$858,000, and \$801,000, for the years ended December 31, 2019, 2018 and 2017, respectively. These costs are included in general and administrative expense in the accompanying statements of income.

Income Taxes

The Company has elected to be taxed for federal and state income tax purposes as an S-Corporation. Accordingly, taxable income is included in the income tax returns of the stockholders and therefore no provision for income taxes has been included in the financial statements, other than the applicable state statutory franchise taxes for S-Corporations.

The Company accounts for its uncertain tax positions in accordance with the Income Taxes Topic of the Codification. Under this guidance, the Company reviews its filing positions for all open tax years in all U.S. federal and state jurisdictions where the Company is required to file. The Company recognizes a liability for each uncertain tax position at the amount estimated to be required to settle the issues. As of December 31, 2019, 2018, and 2017, the Company has determined it has no uncertain tax positions requiring accrual under the Codification. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The tax years subject to examination by major tax jurisdictions include the years 2015 and forward by the U.S. Internal Revenue Service (“IRS”), and the years 2014 and forward for certain states.

Use of Estimates

The preparation of the Company’s financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 2019, 2018, and 2017, and revenues and expenses for the years then ended. Actual results could materially differ from these estimates in the near term. Significant balance sheet items, which could be materially affected by such estimates, include accounts receivable allowance for doubtful accounts.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue From Contracts With Customers* (“ASU 2014-09”), which provides guidance on how an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and on accounting for costs to obtain or fulfill a contract with a customer. The ASU also requires expanded disclosure regarding the nature, amount, timing and uncertainty of revenue that is recognized. In July 2015, the FASB issued ASU 2015-14, which delayed the effective date of ASU 2014-09 by one year. In June 2020, the FASB issued ASU 2020-05, which delayed the effective date of ASU 2014-09 by additional one year. ASU 2014-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2019, and can be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption, with early application permitted as of the

SVN International Corp.

Notes to Financial Statements

original effective date. The Company is in the process of evaluating the impact of adoption of ASU 2014-09 on its financial statements.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. The core principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. The standard was originally scheduled to effective for nonpublic entities for fiscal years beginning after December 15, 2019. In November 2019 the FASB issued ASU 2019-10, “Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)” which delay the effective date by one year to December 2020. In June 2020, the FASB issued ASU 2020-05, which delayed the effective date by an additional year to December 2021. The Company is currently evaluating the standard and the impact on its financial statements and footnote disclosures

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows* (Topic 230). The updated standard addresses eight specific cash flow issues with the objective of reducing diversity in practice. ASU 2016-15 is effective for non-public business entities for annual reporting periods beginning after December 15, 2019, including interim periods within those annual reporting periods. Early adoption is permitted. The Company is assessing the impact of the adoption of ASU 2016-15 on its financial statements.

2. Property and Equipment, Net

Property and equipment, net, consists of the following:

<i>December 31,</i>	2019	2018	2017
Furniture and equipment	\$ 36,000	\$ 36,000	\$ 29,000
Computer hardware and software	506,000	506,000	507,000
	542,000	542,000	536,000
Accumulated depreciation and amortization	(538,000)	(531,000)	(526,000)
	\$ 4,000	\$ 11,000	\$ 10,000

Depreciation expense was \$7,000, \$5,000, and \$47,000, for the years ended December 31, 2019, 2018, and 2017, respectively.

3. Retirement Plan

The Company provides a defined contribution plan (the “Plan”) under Section 401(k) of the Internal Revenue Code to all eligible employees who have reached the age of 21. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. Participants may contribute up to 15% of their annual eligible compensation, up to defined IRS limits. Participants are entitled to

SVN International Corp.

Notes to Financial Statements

retirement benefits at age 59½. The Plan requires the Company to match 50% of employee contributions up to 5% of the employees' compensation. Contribution expense approximated \$35,000, \$37,000, and \$25,000, during the years ended December 31, 2019, 2018, and 2017, respectively, and is included in salaries, benefits, and related expenses in the accompanying statements of income.

4. Related Party Transactions

Stock Transaction

On January 31, 2011, one of the Company's executives acquired 10% ownership of the Company for \$63,000, which ownership was previously owned by OCCF. In connection with this acquisition of stock, the Company loaned funds to the executive to fund the stock acquisition. The Company loaned the executive \$63,000, under a promissory note dated February 4, 2011, due in one single installment of principal and accrued interest on or before February 4, 2014. During 2019, 2018, and 2017, the Company advanced an additional \$0, \$0, and \$0, respectively, to the executive. The promissory note has been extended subsequent to the original maturity date and is now due on December 31, 2020. The promissory note carries interest of 3% per annum. During 2019, 2018, and 2017, the Company recognized approximately \$5,000, \$6,000, and \$5,000, respectively, of interest income, related to this note. The promissory note is shown as a reduction of total stockholders' equity on the accompanying balance sheets. The following table reflects the activity for the note due from stockholders for the years ended December 31, 2019, 2018, and 2017:

	2019	2018	2017
Balances, January 1,	\$ 183,000	\$ 177,000	\$ 172,000
Advances on note due from stockholder	-	-	-
Accrued interest	5,000	6,000	5,000
Balances, December 31,	\$ 188,000	\$ 183,000	\$ 177,000

Stockholder Distributions

During the year ended December 31, 2019, the Company settled a note receivable from a shareholder as a stockholder distribution of \$229,000. The Company did not make any Stockholder distributions during the years ended December 31, 2018, and 2017.

Commercial Real Estate Transactions

From time to time, the Company will be a party to certain commercial real estate transactions whereby an affiliated entity of the Company is the buyer, seller, or asset manager of the property.

Real Impact Corporation

During the year ended December 31, 2014, the shareholders of the Company formed Real Impact Corporation ("RIC") in the United States Virgin Islands. The Company and RIC entered into a Service Agreement on October 1, 2014 whereby, RIC is providing support services to the Company. These services include, but are not limited to, public relations support, brand strategy, training, and back office support. The Company has an unsecured note receivable from RIC. The note carries interest of 3% per annum and is due in one lump sum on September 30, 2016. On October 1, 2016, the note was extended to December 31, 2017, and was fully paid off prior to maturity during 2017. During

SVN International Corp.

Notes to Financial Statements

2019, 2018, and 2017, the Company recognized approximately \$0, \$0, and \$0, respectively, of interest income, related to this note. Interest was collected during each of the years ended December 2019, 2018, and 2017. The note receivable is shown as a reduction of total stockholders' equity on the accompanying balance sheets. The Company incurred outsourced service expenses to RIC of \$2,667,000, \$2,811,000, and \$2,836,000, for the years ended December 31, 2019, 2018, and 2017, respectively, which are included in general and administrative expenses in the accompanying statements of income. In addition, the Company has prepaid support services and has accrued \$744,000, \$942,000, and \$879,000, as of December 31, 2019, 2018, and 2017, respectively, which is included in prepaid expenses and other assets on the accompanying balance sheets. The following table reflects the activity for the note due from stockholder for the years ended December 31, 2019, 2018 and 2017:

	2019	2018	2017
Balances, January 1,	\$ -	\$ -	\$ 97,000
Payments on note due from stockholder	-	-	(97,000)
Balances, December 31,	\$ -	\$ -	\$ -

Note Receivable

During the year ended December 31, 2014, the Company loaned CREvine, LLC ("CREvine") \$111,000. During 2015, the Company loaned CREvine an additional \$87,000 and converted the loan into a formal loan agreement whereas the loan carried interest at 3% per annum and was due in one lump sum on December 31, 2019. During 2019, 2018, and 2017, the Company recognized approximately \$7,000, \$6,000, and \$8,000, respectively, of interest income. Certain owners of CREvine are shareholders of the Company. The note receivable was settled on December 31, 2019, and was treated as a Member Distribution of \$229,000. The note receivable is shown as a reduction of total stockholders' equity on the accompanying balance sheets. The following table reflects the activity for the note due from stockholder for the years ended December 31, 2019, 2018 and 2017:

	2019	2018	2017
Balances, January 1,	\$ 222,000	\$ 216,000	\$ 208,000
Accrued interest	7,000	6,000	8,000
Member Distribution	(229,000)	-	-
Balances, December 31,	\$ -	\$ 222,000	\$ 216,000

5. Commitments and Contingencies

Litigation

The Company's commitments and contingencies include various claims and legal actions arising in the normal course of business. In the opinion of management, these matters will not have a material adverse effect on the Company's financial position or results of operations.

SVN International Corp.

Notes to Financial Statements

Legal Services Program

The Company previously offered a program where it had agreed to pay, after a \$50,000 deductible, the legal services expense, exclusive of out of pocket expenses, related to brokerage service litigation for its independent contractor agents at related brokerages and Affiliates. The first \$50,000 of legal expenses is shared between the Company and the independent contractor in the same proportion as their commission split. All costs over \$50,000 were covered by the Company's error and omissions insurance policy with an insurance company. The Company historically charged the independent contractor agents a set monthly fee for this service and deferred recognition of the fees received from the independent contractor or agent under the legal services program. Such fees are accreted as revenue over a two-year service period. Legal costs are recognized as incurred. The legal services program was terminated on August 31, 2008 and the Company purchased tail insurance coverage through August 24, 2017.

Franchisor Obligations to the Company's Franchisees

In connection with the Company's franchise agreements, the Company is obligated to provide certain services to its franchisees, as defined. Such services include, but are not limited to, providing certain training, access to interactive software, access to National Advisors, and national and regional brand marketing services.

During 2016, the Company entered into new franchise agreements with franchisees located in Cuba and Poland where the initial franchise fees were \$150,000 and \$325,000, respectively. The initial franchise fees are payable in accordance with the franchise agreements and the Company recognizes revenue when collectability of such fees is reasonably assured. The Company recognized \$0 from franchise fee revenue in 2019, 2018, or 2017 related to these agreements. The agreement with Poland was terminated in 2019 and outstanding Franchise fees of \$200,000 will not be collected. The remaining franchise fees of \$100,000 related to Cuba will be recognized when collectability is reasonably assured and is expected to be paid as follows: Cuba's \$100,000 will be paid after Master Franchisee receives approval from the United States Office of Foreign Asset Control ("OFAC") to conduct business in the Territory.

During 2015, the Company entered into a franchise agreement with a franchisee located in Canada where the initial franchise fees were \$300,000. The initial franchise fees were payable in accordance with the franchise agreement and the Company recognizes revenue when collectability of such fees is reasonably assured. During the years ended December 31, 2019, 2018 and 2017, the Company recognized \$9,000, \$0, and \$9,000, respectively, in franchise fee revenue related to the Canada initial franchise agreement which is recorded in other revenue in the accompanying statements of income. This agreement was terminated in 2019, and remaining franchise fees of \$189,000 will not be collected.

During 2015, the Company entered into a new franchise agreement with a franchisee located in Mexico where the initial franchise fees were \$400,000. The initial franchise fees were payable in accordance with the franchise agreement and the Company recognized revenue when collectability of such fees was reasonably assured. During the years ended December 31, 2019, 2018 and 2017 the Company recognized \$0, \$0, and \$22,000, respectively, in franchise fee revenue related to the Mexico initial franchise agreement which is recorded in other revenue in the accompanying statements of income. This agreement was terminated in 2019, and remaining franchise fees of \$316,000 will not be collected.

SVN International Corp.

Notes to Financial Statements

The Company is obligated to pay commissions equal to 40% of these initial franchise fees to consultants and employees of the Company. As of December 31, 2019, 2018, and 2017, \$55,000, \$0, and \$18,750, has been recognized and is payable to such consultants and employees. The balance is included in accounts payable and accrued liabilities on the accompanying balance sheets. As the remaining initial franchise fees are paid, the related commission expense will be recognized.

During 2018, the Company entered into a new franchise agreement with a franchisee located in Romania where the initial franchise fees were \$199,000. The initial franchise fees are payable in accordance with the franchise agreement and the Company recognizes revenue when collectability of such fees is reasonably assured. During the year ended December 31, 2018, the fees were paid in full.

During 2018, the Company obtained a letter of intent (LOI) with a potential franchisee located in Australia where the deposit was approximately \$14,000, paid December 2018 and total initial franchise fees were approximately \$227,000. The initial franchise fees are payable in accordance with the franchise agreement and the Company recognizes revenue when collectability of such fees is reasonably assured. Approximately \$159,000 was payable upon execution of agreement in March 2019 with the balance of approximately \$54,000 to be paid over the next 5 years. Upon execution of the agreement in March 2019, \$159,000 was paid in full.

During 2019, the Company obtained a letter of intent (LOI) with a potential franchisee located in Romania where the deposit was \$100,000 and total initial franchise fees were \$500,000. The initial franchise fees are payable in accordance with the franchise agreement and the Company recognizes revenue when collectability of such fees is reasonably assured. \$100,000 was payable upon execution of agreement in December 2019 with the balance of \$400,000 to be paid over the next 5 years. Upon execution of the agreement in December 2019, \$100,000 was paid in full.

Leases

The Company leases its corporate office in Boston, Massachusetts on a month to month basis. In addition, the Company had a commercial operating lease, for \$1,000 a month which ended in February 2016. On March 1, 2016, the lease was extended through February 2018 and was not renewed subsequently. Total net rent expense for the years ended December 31, 2019, 2018, and 2017, was approximately 75,000, \$56,000, and \$55,000, respectively, which includes common area maintenance and parking charges, and is included in general and administrative expenses on the accompanying statements of income.

Corporate Social Responsibility Program

During 2007, the Company agreed to fund corporate social responsibility through the Sperry Van Ness Legacy Foundation and other charitable contributions. The Company's contributions for Sperry Van Ness Legacy Foundation are in the form of matching contributions for amounts contributed by franchisees and employees; while the other charitable contributions are determined by the founders throughout the year. For the years ended December 31, 2019, 2018 and 2017 the Company did not contribute to this program. No amounts were received from franchisees under this program during 2019, 2018, and 2017.

SVN International Corp.

Notes to Financial Statements

Indemnification

The Company may enter into certain indemnification provisions under its agreements with other companies in its ordinary course of business, typically with business partners, suppliers, contractors, customers and landlords. The Company believes the estimated fair value of these indemnification agreements is minimal and has no liabilities recorded for these agreements as of December 31, 2019, 2018, and 2017.

6. Subsequent Events

The Company evaluated all subsequent events that occurred after December 31, 2019 through June 4, 2020, which represents the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company’s results of future operations, financial position, and liquidity in fiscal year 2020.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

On May 12, 2020, the Company entered into a loan agreement (“PPP Loan”) with Celtic Bank under the Paycheck Protection Program (the “PPP”), which is part of the CARES Act administered by the United States Small Business Administration (“SBA”). As part of the application for these funds, the Company in good faith, has certified that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Company. This certification further requires the Company to take into account our current business activity and our ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. Under this program, the Company received proceeds of \$249,000 from the PPP Loan.

SVN International Corp.

Notes to Financial Statements

In accordance with the requirements of the PPP, the Company intends to use proceeds from the PPP Loan primarily for payroll costs, rent and utilities. The PPP Loan has a 1.00% interest rate per annum, matures on May 12, 2022 and is subject to the terms and conditions applicable to loans administered by the SBA under the PPP. Under the terms of PPP, all or certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act, which the Company continues to evaluate. Further, if despite the good-faith belief that given the Company's circumstances all eligibility requirements for the PPP Loan were satisfied, if it is later determined the Company had violated any applicable laws or regulations or it is otherwise determined the Company was ineligible to receive the PPP Loan, it may be required to repay the PPP Loan in its entirety and/or be subject to additional penalties.

The Company continues to examine the impact that the CARES Act may have on its business. Currently, The Company is unable to determine the impact that the CARES Act will have on its financial condition, results of operation or liquidity

EXHIBIT F
TO FRANCHISE DISCLOSURE DOCUMENT

TABLES OF CONTENTS
TO THE
CONFIDENTIAL OPERATIONS MANUAL AND BRANDING GUIDE

(~~116~~117 TOTAL MANUAL PAGES)

**SVN INTERNATIONAL CORP.
CONFIDENTIAL OPERATIONS MANUAL
TABLE OF CONTENTS**

PREFACE ([9-11](#) Pages)

1. How to Use This Manual.....	viii
2. Important Contact Information.....	ix

CHAPTER 1: OPERATING THE FRANCHISE ([40-41](#) Pages)

1. THE FRANCHISEE/FRANCHISOR RELATIONSHIP	1
1.1. Independent Contractors/Sublicensing.....	1
1.1.1. Independently Licensed and Operated	1
1.2. Area Services Representatives and Regional Developers	2
1.3. You Are the CEO of this Business.....	2
1.4. Business Operations	3
2. FRANCHISE PROGRAMS.....	4
3. FRANCHISE REQUIREMENTS.....	5
3.1. Training Programs	6
3.1.1. Training Material	6
3.1.2. SVN Events & Training Calendar.....	7
3.1.3. Ongoing Training Information	7
3.2. Meeting Attendance.....	10
3.3. Franchise Communications	11 12
3.3.1. Email Policy.....	11 12
3.3.2. Email Etiquette Reminders.....	12 13
3.3.3. Product Council Communication Hub	13
3.3.4. National Email Blasts	13
3.3.5. Social Media	14 15
3.4. Reporting Requirements	14 15
3.4.1. Notification of Incidents	15 16
3.4.2. Financial Reports.....	15 16
3.4.3. Ancillary Services v. Outside Services.....	16
3.4.4. Taxes, Assessments and Tax Records	16 17
3.4.5. Audits and Inspections	17
3.5. Your Primary Market Area and Business Location	17 18
3.5.1. Satellite Offices	18 19
3.5.2. Services Outside of Your Primary Market Area/Co-Listing	19
3.5.3. SVNIC Referral Fees	20 21
3.5.4. Your BuildOut Company Profile, Business Address, and User Profile	20 21
3.6. Variances	21 22
3.6.1. How to Request a Variance	21 22
3.6.2. Requesting New Products	21 22
3.6.3. Non-Competition	22 23
3.7. Assignments.....	22 23
3.7.1. Right of First Refusal.....	22 23

3.7.2. Conditions for Approval	22 <u>23</u>
4. SUMMARY OF FEES	23 <u>24</u>
4.1. Production Royalties and Fees	23 <u>24</u>
4.1.1 Gross Receipts.....	23 <u>24</u>
4.1.2 Description of Other Fees	24 <u>25</u>
4.1.3 Remittance of Production Royalty Payments.....	26 <u>27</u>
4.1.4 Sales Transaction Production Royalties	26 <u>27</u>
4.1.5 Lease Transaction Production Royalties	27 <u>28</u>
4.1.6 Production Royalties on Excluded Ancillary Services or Outside Services.....	27 <u>28</u>
4.1.7 Remittance of Marketing Contributions	27 <u>29</u>
4.1.8 Remittance of Other Fees	28 <u>29</u>
4.2. Late Fees and Cures	28 <u>29</u>
5. FRANCHISE STANDARDS	28 <u>30</u>
5.1. Protecting the Brand.....	29 <u>30</u>
5.2. Real Estate Contracts and Signatures	30 <u>31</u>
5.3. Guidelines for Hours of Operation	30 <u>32</u>
5.3.1. Holiday Hours	30 <u>32</u>
5.4. Office Cleanliness Guidelines.....	31 <u>32</u>
5.4.1. Office Appearance Guidelines	31 <u>32</u>
5.5. Standard of Conduct Guidelines	31 <u>33</u>
5.5.1. Ethics.....	32 <u>33</u>
5.5.2. Telephone.....	32 <u>34</u>
5.5.3. Intranet and Electronic Communications Policy.....	32 <u>34</u>
5.5.4. Framing Policy Position.....	33 <u>34</u>
5.6. Approved Products and Services.....	33 <u>35</u>
5.6.1. Approved Listings and Co-Listing	34 <u>35</u>
5.6.2. Syndication	35 <u>36</u>
5.6.3. Franchisee Acting as Principal	35 <u>37</u>
5.6.4. Approved Third Party Vendors	35 <u>37</u>
5.6.5. Business Card Addresses 36 <u>and Designations</u>	38 <u>38</u>
5.6.6. Equipment and Signs	37 <u>39</u>
5.6.7. Office Equipment; Computer Equipment; Internet	37 <u>39</u>
5.7. Cyber Security, Privacy and Data Protection	38 <u>39</u>
5.8. Communication	38 <u>40</u>
5.9. Email Signature Uniformity	39 <u>41</u>

CHAPTER 2: PERSONNEL (12 Pages)

1. Overview and Disclaimer	41 <u>42</u>
2. Employment and SVN Requirements.....	41 <u>42</u>
2.1. Elements of a Job Description.....	43 <u>44</u>
2.1.1. BuildOut Access Requirements.....	43 <u>44</u>
2.1.2. No Use of SVN Services after Termination.....	43 <u>44</u>
2.1.3. Franchisee Staff Transfers	44 <u>45</u>
3. Setting a Pay Scale	44 <u>45</u>
4. The Hiring Process	45 <u>46</u>
4.1. The Interview Process.....	45 <u>46</u>
4.1.1. Interviewing.....	45 <u>46</u>

4.1.2. Legally Permitted Questions	4546
4.1.3. Describing the Job	4546
4.1.4. References & Background Checks.....	4546
4.2. Starting the New Advisor/Contractor/Staff.....	4647
5. Paperwork.....	4647
5.1. Creating an Advisor/Contractor/Staff Handbook.....	4647
5.2. Personnel Forms.....	4748
6. Managing Staff	4950
6.1. Training and Coaching.....	4950
6.1.1. SVN System Orientation – SVN I Jumpstart®.....	4950
6.1.2. Training Timeline Suggestions for New “Advisor” Staff	4951
6.1.3. SVN Elite	5051
6.1.4. Awards and Incentives.....	5152
6.2. Termination	5152
6.2.1. Your Responsibilities at Termination.....	5152
6.3. Safety	5153
6.4. Client Care	5253
6.5. Handling Complaints.....	5253
6.6. Advisor/Staff Transfers	5253

CHAPTER 3: BUSINESS OPERATIONS ([9-10](#) Pages)

1. Overview.....	5354
2. Ongoing Operations	5354
2.1.1. Insurance.....	5455
3. Sales and Service	5556
3.1.1. Getting Connected to the Network - BuildOut	5556
3.1.2. The SVN Dashboard.....	5556
3.1.3. The SVN Difference PowerPoint55Power Point	56
3.1.4. SVN Live® Open Sales Call56Property Broadcast	57
3.1.5. Investor Forums	5758
3.1.6. Trade Shows	5859
3.1.7. Product Councils	5859
3.1.8. SVN Website	5960
3.1.9. Awards and Incentives.....	5960
3.1.10. SVN System for Growth® (S4G).....	5960
3.1.11. SVN Certified Specialist Program	60
4. Business Activities.....	5961
4.1. Marketing Your Listing	5962
4.1.1. Day 1	5962
4.1.2. Week 1	6062
4.1.3. Month 1.....	6062
4.1.4. Month 2.....	6062
4.1.5. Month 3.....	6063
4.1.6. After Close of Escrow.....	6163
4.2. Ongoing	6163

CHAPTER 4: BUSINESS ADMINISTRATION (4 Pages)

1. Key Performance Indicators and Profitability ~~62~~64

 1.1. Financial Statements..... ~~62~~64

 1.2. Sales ~~62~~64

 1.2.1. Client Volume ~~62~~64

 1.2.2. Percent of SVN Product Sold ~~62~~65

 1.2.3. Percent of Existing Clients ~~63~~65

 1.2.4. Percent of Existing Clients Sales ~~63~~65

 1.2.5. GCI Under Contract ~~63~~65

 1.2.6. Listed GCI Fees ~~63~~65

 1.2.7. Proposals ~~63~~65

 1.2.8. Recruiting Interviews..... ~~63~~65

 1.3. Costs..... ~~63~~66

 1.4. Labor Costs ~~64~~66

 1.5. Same Business Sales (Year Over Year) ~~64~~66

2. Managing the Numbers..... ~~64~~66

 2.1.1. Weekly ~~64~~66

 2.1.2. Monthly..... ~~64~~66

2.2. Incident Reports..... ~~65~~67

(~~74~~78 TOTAL PAGES IN OPERATIONS MANUAL)

**SVN INTERNATIONAL CORP.
BRANDING GUIDE
TABLE OF CONTENTS**

Introduction (1 Page) 1

Quick Branding Guidelines (1 Page)..... 2

General Purpose and Significance of Trademarks (3 Pages)..... 3

How to Care For & Protect the SVN® Trademarks (5 Pages) 6

SVN Logos, Colors, and Typography (3 Pages)..... 11

SVN | Xpressdocs (1 Page) 14

General Materials (9 Pages)..... 15

- Disclaimers
- Business Cards
- Preprinted Stationery
- Postcards, Newsletters, Brochures
- Print Ads and Digital Ads
- Trade Publications

Electronic Media (8 Pages) 24

- Slicks and White Papers
- Email Guidelines
- Individual Office & Advisor Websites
- Social Media: Online Profiles and Channels
- The SVN Difference Presentation and Video
- SVN | Live® ~ Weekly Property Broadcast

Commercial Signage (3 Pages) 32

BuildOut (1 Page) 35

Special Events (1 Page) 36

Publicity (2 Pages)..... 37

Preferred Vendors (1 Page) 39

Personal Use/Promotion (2 Pages)..... 40

Notice Regarding Any Use of the SVN Name and Marks (1 Page)..... 42

(42 TOTAL PAGES IN BRANDING GUIDE)

**EXHIBIT G
TO FRANCHISE DISCLOSURE DOCUMENT**

LIST OF SVN FRANCHISEES

- **Current Franchisees as of December 31, ~~2018~~[2019](#)**
- **Franchisees who ceased to do business under the Franchise Agreement in ~~2018~~[2019](#)**

Current Franchisees as of December 31, ~~2018~~2019

Franchisee	Name	Address	Phone Number	State
Kahn Properties, Inc.	Gayle Kahn Belcher	3600 Clairmont Ave S Birmingham, AL 35222	(205) 933-7788	AL
AVAT Realty, LLC	Ava Terry Andrew Agee	303 Williams Avenue SW, Suite 421 Huntsville, AL 35801	(256) 534-7401	AL
JJ Mottram Company LLC	John J. Mottram	1712 Platt Place Montgomery, AL 36117	(334) 356-1771	AL
Kahn Properties, Inc.	Gayle Kahn Belcher	3600 Clairmont Ave S Birmingham, AL 35222	(205) 933-7788	AL
Toomey Property Advisors, LLC	Justin B. Toomey	169 Dauphin Street, Suite 201 Mobile, AL 36602	(251) 680-3663	AL
ArkBest Realty, LLC	Skip Davidson	724 Garland Street Little Rock, AR 72201	(501) 320-5124	AR
Desert Commercial Advisors, LLC	Danny Lee Perry Laufenberg	5343 N 3200 E. 16th Street Camelback Rd., Suite 100280 Phoenix, AZ 85016 85018	(480) 425-5500	AZ
SFRhub Advisors, LLC	Jeffery Cline Michael Finch Wendy Nelson	2400 E. Arizona Biltmore Circle, Bldg 4, Suite 1400, Phoenix, AZ 85018	(480) 719-2496	AZ
RealStar Advisors, LLC	David Laney Suzanne Debruge	7301 N. 16th Street, Suite 102 Phoenix, AZ 85020	(480) 719-2496	AZ
CorCol Companies, LLC	Denelle LoCoco	190 S. Madison Ave, Suite 3 Yuma, AZ 85364	(928) 277-8211	AZ
ArkBest Realty, LLC	Skip Davidson	724 Garland Street Little Rock, AR 72201	(501) 320-5124	AR
M J M and Associates Inc.	Mark Mimms	1100 W. Shaw Avenue, Suite 132 Fresno, CA 93711	(559) 222-9909	CA
M&M Industries, Inc.	Mark D. O'Brien Matthew T. Renshaw	800 S. Figueroa Street Suite 925 Los Angeles, CA 90017	(212) 618-4191	CA
Rich Investment Real Estate Partners, Inc.*	David Rich	10940 Wilshire Blvd., Suite 1600, Los Angeles, CA 90024 Satellite Offices located at: • 2021 Sperry Avenue, Suite 21, Ventura, CA 93003 • 611 South Palm Canyon Drive, Suite 7568 Palm Springs, CA 92264	(310) 500-1239	CA

Franchisee	Name	Address	Phone Number	State
		<ul style="list-style-type: none"> • 15250 Ventura Blvd., Suite #520 Sherman Oaks, CA 91403 • 5023 N Parkway Calabasas Suite DS11 Calabasas, CA 91302 		
Avamash, Inc.	Randhir "Randy" S. Hayer	189 W. El Portal Drive Merced, CA 95348 Satellite Offices located at: <ul style="list-style-type: none"> • 400 East Bellevue Road, Atwater, CA 95301 • 42 Martin Street Gilroy, CA 95020 	(209) 455-3800	CA
Insight Commercial, Inc.	Brett R. Larson Janet F. Kramer Steve Castellanos	25425 Jefferson Ave., Suite 101 Murrieta, CA 92560	(951) 600-8634	CA
Axxcess Realty Advisors, LLC	Craig Morris	4340 Von Karman Ave., Suite 200 140 Newport Beach, CA 92660	(949) 544-3539	CA
Delta Group Realty, Inc.	John R. Williams	7599 Redwood Blvd., Suite 214 Novato, CA 94945	(415) 897-4422	CA
RIG CRE, Inc.	David Rich Hamayak (Hamo) - Rostamian	20 N. Raymond Avenue, Suite 300 Pasadena, CA 91103	(626) 243-5298	CA
Don Ellwanger	Don Ellwanger	915 University Ave. 1221 Vanderbilt Way Sacramento, CA 95825	(916) 456-8389	CA
Walter R. Helm	Walter R. Helm	3900 Knollwood Ct. Sacramento, CA 95821	(916) 920-4432	CA
HTC Realty Group, Inc.**	Jim Taylor Scott Cook	4849 Ronson Ct., Suite 216 San Diego, CA 92111	(858) 452-9100	CA
Iron Investments, Inc. (San Diego)	Cameron Irons	4455 Murphy Canyon Road, Suite 200 San Diego, CA 92123	(619) 442-9200	CA
Kevin D. Chin	Kevin D. Chin	1674 Post Street, Suite 1 San Francisco, CA 94115	(415) 922-2900	CA
QAV & Associates, Inc.	Catherine House Deborah Quok	369 Pine Street, # 726 103 San Francisco, CA 94104	(415) 464-6401	CA
Sperry Van Ness-MCRE, Inc. Kevin D. Chin	Michael Miyagishima Kevin D. Chin	Four Embarcadero Center 1674 Post Street , Suite 1400-831 San Francisco, CA 94111 94115	(415) 837-1200 922-2900	CA
FGG, Inc. West Capital Group	Dinesh Gupta Paul Getty Robin Santiago	2025 Gateway Place 177 Park Avenue , Suite 485 200 San Jose, CA 95110 95113	(408) 392-8822 803-5003	CA

Franchisee	Name	Address	Phone Number	State
KJK Inc.	Kevin Jerome King	890 Monterey St., Suite I San Luis Obispo, CA 93401	(410) 244-0000	CA
MG Property Advisors Inc.	Gary Gustafson	101 Lucas Valley Road, #240 San Rafael, CA 94903	(415) 472-1660	CA
Iron Investments, Inc. (Santa Ana)	Cameron Irons	120 W. 5th Street, Suite 210 Santa Ana, CA 92701	(714) 446-0600	CA
Insight Commercial, Inc.	Brett R. Larson Janet F. Kramer Steve Castellanos	27570 Commerce Center Drive #219 Temecula, CA 92590	(951) 600-8634	CA
CompassRock, LLC	David Woodward Kevin Donahue Tony Yousif	10700 E. Bethany Drive, Suite 101 Aurora, CO 80113	(855) 903-0056	CO
Doug Carter, LLC	Douglas L. Carter	415 N. Tejon Street Colorado Springs, CO 80903	(719) 520-1600	CO
DCRG, LLC	Al Stepan Kevin Matthews Michael Thanasouras Stephen J. Kawulok Scott Maesel Troy Meyer	414 14th Street, Suite 100 Denver, CO 80202 <u>Satellite Office located at:</u> 2032 Lowe Street, Suite 101 Fort Collins, CO 80525	(303) 632-8784	CO
Thomas M. Hamm & Company, Inc.	Thomas M. Hamm	54 Hedge Brook Lane Stamford, CT 06903 Satellite Office located at: 317 West 83rd Street, #5E New York, NY 10024	(203) 968-1800	CT
Every & Associates, LLC	Lauri A. Every	1 Governors Row West Hartford, CT 06117	(860) 559-6802	CT
<u>Kidwell, Byron & Company</u>	<u>Jack "Keith" Kidwell</u>	<u>1700 N.W. 64th Street, Suite</u> <u>470 Fort Lauderdale, FL 33309</u> <u>Satellite Office located at:</u> <u>460 West 84th Street</u> <u>Miami, FL 33014</u>	<u>(954) 771-1212</u>	<u>FL</u>
<u>First Coast Commercial Brokers, LLC</u>	<u>W.B. "Colin" Nicholson III</u> <u>W.B. "Nick" Nicholson, Jr.</u>	<u>4348 Southpoint Blvd., Suite</u> <u>310</u> <u>Jacksonville, FL 32216</u>	<u>(904) 281-1990</u>	<u>FL</u>
SVN Florida, Inc.	Jeff Anderson Jerry Anderson Sarah Anderson	810 Saturn Street, #24 Jupiter, FL 33477 <u>Satellite Offices located at:</u> •174 W. Comstock Ave, Suite 115 Winter Park, FL 32789; •7065 Westpointe Blvd, Suite 206 Orlando, Florida, 32835 •2044 Constitution Blvd.	(386) 547-4968	FL

Franchisee	Name	Address	Phone Number	State
		<p>Sarasota, FL 34231</p> <ul style="list-style-type: none"> • 2452 NE 3rd Street Suite B Ocala, FL 34470 • 2340 Drew Street <u>2295 S. Hiawasse St.</u>, Suite 300 <u>309</u> Clearwater <u>Orlando</u>, FL 33765 <u>32835</u> 		
Kidwell, Byron & Company <u>Ralston Dantzler Realty, LLC</u>	<p>Jack "Keith" Kidwell <u>Dean Saunders</u></p> <p><u>Gary Ralston</u> <u>Todd Dantzler</u></p>	<p>1700 N.W. 114 N. 64th Street <u>Tennessee Avenue</u>, Suite 470 Fort Lauderdale, FL 33309 <u>300</u> <u>Lakeland, FL 33801</u></p> <p>Satellite Office located at: <u>5761 NW 37th Ave., Suite 103</u> Miami, FL 33142 <u>356 NW Lake City Avenue</u> <u>Lake City, FL 32055</u></p>	(954) 771-1212 <u>(863) 877-2841</u>	FL
Moecker Realty Auctions <u>Saunders Real Estate, LLC</u>	<p>Philip Von Kahle, Michael Phelan and Keith Kidwell <u>Dean Saunders</u></p>	<p>1883 Marina Mile Blvd <u>114 N. Tennessee Avenue</u>, Suite 106 Fort Lauderdale, FL 33315 <u>300</u> <u>Lakeland, FL 33801</u></p>	(954) 252-1560 <u>(863) 877-2841</u>	FL
KOVA Commercial, LLC	Anthony L. Emma, Jr.	<p>9130 Galleria Plaza, Suite 100 Naples, FL 34109</p> <p>Satellite Office <u>Offices</u> located at:</p> <ul style="list-style-type: none"> • <u>3033 Winkler Avenue</u> Fort Myers, FL 33916 • <u>317 N. Collier Blvd.</u> <u>Marco Island, FL 34145</u> 	(239) 315-7002	FL
Alliance Commercial Real Estate Advisors	<p>Barbara Coomber Carl Lentz Chris Butera John Trost Tim Davis</p>	<p>1275 West Granada Blvd, Suite 5B Ormond Beach, FL 32174</p> <p>Satellite Office located at: <u>3316A Beach Blvd.</u> <u>Jacksonville, FL 32207</u></p>	(386) 310-7900	FL
Lotus 18, LLC	<p>Ashley Bloom J. Chris Malkin</p>	<p>2044 Constitution Boulevard Sarasota, FL 34231</p> <p>Satellite Office located at: 4161 Tamiami Trail, #501 Port Charlotte, FL 34321</p>	(941) 366-1004	FL
RealtyOne Real Estate Services, LLC	Larry Starr	<p>1626 Ringling Blvd., Ste. 500 Sarasota, FL 34236</p> <p>Satellite Office located at: 1401 Manatee Avenue West Bradenton, FL 34205</p>	(941) 387-1200	FL
SouthLand Commercial, LLC	<p>R. Carlton Dean, Jr. <u>Francis P. Rentz</u></p>	2065 Thomasville Road, First Floor	(850) 877-6000	FL

Franchisee	Name	Address	Phone Number	State
		Tallahassee, FL 32308 <u>Satellite Offices</u> located at: • 📍 3108 West 23rd Street, Panama City, FL 32405 • 📍 120 East Main Street, Suite D Pensacola, FL 32502		
RealtyOne Tampa Real Estate, LLC	Larry Starr Matt Christian	10150 Highland Manor Drive Suite 150 Tampa, FL 33610	(941) 914-6614	FL
Atlanta Elite, Inc.	Brian K. Bell, Jr.	One Atlantic Center, 1201 W. Peachtree Street, Suite 2340 Atlanta, GA 30309	(404) 795-5101	GA
KD Lanclos & Associates	Damien Lanclos	3509 Wakefield Court Augusta, GA 30907	(706) 945-6652	GA
Hokayem Company Inc.	George Hokayem	329 Oak Street, Suite 201 Gainesville, GA 30501	(770) 531-9992	GA
Interstate Auction Management Corp.	John L. Johnson	3300 Holcomb Bridge Rd, Ste 240 Peachtree Corners, GA 30092	(404) 303-1232	GA
Creviston Realty, Inc.	Delman Creviston	10929 Crabapple Road, Suite 201 Roswell, GA 30075	(770) 992-5112	GA
Oconee Properties, Inc.	Matthew L. Smith Robert H. Smith, Sr.	3 School Street Watkinsville, GA 30677	(706) 769-8794	GA
Elepaio Group, Inc. GO Commercial, LLC (Honolulu)	Frank Goodale Greg Ogin	500 Ala Moana Blvd., Suite 7-400 Honolulu, HI 96813	(808) 329-6446	HI
Elepaio Group, Inc. GO Commercial, LLC (Kailua Kona)	Greg Ogin (Putman Clark – Deceased)	75-5722 Kuakini Hwy, Suite 214 Kailua Kona, HI 96740	(808) 329-6446	HI
HD2 Group, LLC	Heath Bullock	5550 Wild Rose Lane, Suite 400 West Des Moines, IA 50266	(515) 554-7412	IA
High Desert Realtors, Inc.	Kevin Cutler Randy Waters	700 S. Woodruff Avenue Idaho Falls, ID 83401	(208) 535-8520	ID
Intermountain Investments, Inc.	Heidi Mickelson	160 Second St. East, Suite 219 Ketchum, ID 83340	(208) 726-0854	ID
Ramshaw Real Estate, Inc.	Alex Ruggieri Jerald “Jerry” Ramshaw	505 West University Ave Champaign, IL 61820	(217) 398-1111	IL
Sperry Van Ness, LLC ***	Alfred Stepan Michael Thanasouras Scott R. Maesel	940 West Adams Street, Suite 200 Chicago, IL 60607	(312) 676-1866	IL

Franchisee	Name	Address	Phone Number	State
		Satellite Office located at: 10700 W Higgins Road, Suite 200 Rosemont, IL 60018		
Landmark Commercial Real Estate, LLC	Neil D. Johnson	25 N Third Street, Suite 200 Geneva, IL 60134	(630) 938-4950	IL
Chicago Auction Company, LLC	Alfred Stepan Diana Peterson Michael Thanasouras Scott Maesel	707 Skokie Blvd., Suite 649 Northbrook, IL 60062	(312) 218-6102	IL
Parke Group, LLC	Diana L. Parent	110 W. Berry Street, Suite 2100 Fort Wayne, IN 46802 <u>Satellite Offices located at:</u> • 8445 Keystone Crossing, Suite 104 Indianapolis, IN 46240 • 8105 Georgia Street Merrillville, IN 46410	(260) 489-8500	IN
The Martin Group, Inc.	Alex Martin Andy Martin Steven Martin	8606 Allisonville Road, Suite 110 Indianapolis, IN 46250 <u>Satellite Office located at:</u> 4004 E. Morgan Avenue, Suite 101 Evansville, IN 47715	(812) 471-2500	IN
HD2 Group, LLC	Heath Bullock	5550 Wild Rose Lane, Suite 400 West Des Moines, IA 50266	(515) 554-7412	IA
The Hurst Group, LLC	Richard S. Hurt	15004 Linden Suite, 100 Leawood, KS, 66224	(913) 538-5568	KS
Stone Commercial Real Estate, LLC	Matthew A. Stone	300 E. Main Street, Suite 220 Lexington, KY 40507	(859) 264-0888	KY
CMW Realty, LLC	Jerry W. Ward Ron Caughron William G. Menish, Jr.	11001 Bluegrass Parkway, Suite 300 Louisville, KY 40299	(502) 297-8797	KY
Platinum Real Estate, LLC	Victor Patel	10554 Mountain Laurel Way Union, KY 41091	(513) 373-4951	KY
GLL, LLC	Benjamin Graham Justin Langlois Steve Legendre	6160 Perkins Road, Ste 200 Baton Rouge, LA 70808	(225) 367-1515	LA
WGLL, LLC	Benjamin Graham Jeff Wilke Justin Langlois Steven Legendre	139 Enterprise Drive Gretna, LA 70056	(225) 367-1515	LA
Gilmore Auction & Realty Co.	David E. Gilmore	3316 Florida Ave., Suite 201 Kenner, LA 70065	(504) 468-6800	LA

Franchisee	Name	Address	Phone Number	State
Commercial Properties Inc.	Erik Urbanek	52 Center Street, Suite 1 Portland, ME 04101	(207) 613-7400	ME
Casal Enterprises, Inc.	Anthony Casalena	3600 Clipper Mill Rd., Suite 205 Baltimore, MD 21211	(443) 552-0223	MD
JCDAWSON Global Solutions, LLC	Jerry Dawson	16701 Melford Blvd, Suite 400 Bowie, MD 20715	(301) 710-0613	MD
Wright Commercial Realty, LLC	Chandra D. Wright	1570 E. Jefferson Street Rockville, MD 20852	(240) 750-6660	MD
Miller Commercial Real Estate & Property Management, Inc.	Amy Miller Brent C. Miller	206 E. Main Street, Salisbury, MD 21801 <u>Satellite Offices located at:</u> • 1 Dudley Court, Bethesda, MD 20814 • 19 Bay Street Easton, MD 21601 • 25020 Shore Parkway, Suite C Onley, VA 23418 • 26286 Seaford Road Seaford, DE 19973	(410) 543-2440	MD
Parsons Commercial Group, Inc.	John R. Parsons, Jr.	1881 Worcester Road, Suite 200 Framingham, MA 01701	(508) 820-2700	MA
Sperry Van Ness / C.M. Neville & Associates, Inc.	Constance "Connie" Neville	P.O. Box 193 Lexington, MA 02420	(781) 696-6241	MA
Miller Commercial Real Estate & Property Management, Inc.	Amy Miller Brent C. Miller	206 E. Main Street, Salisbury, MD 21801 <u>Satellite Offices located at:</u> • 1 Dudley Court, Bethesda, MD 20814 • 19 Bay Street Easton, MD 21601 • 25020 Shore Parkway, Suite C Onley, VA 23418 • 26286 Seaford Road Seaford, DE 19973	(410) 543-2440	MD
Commercial Properties Inc.	Erik Urbanek	52 Center Street, Suite 1 Portland, ME 04101	(207) 613-7400	ME
The Masiello Group Commercial Associates, Inc.	Christopher Masiello	318 Main Street Rockland, ME 04841	(603) 283-1912	ME
Stewart Commercial Group, LLC	Dan Stewart	213 S. Ashley Street, Suite 200A Ann Arbor, MI 48104	(734) 662-5097	MI

Franchisee	Name	Address	Phone Number	State
Sperry Van Ness / Property Investment Advisors, LLC	Robert Pliska	400 W. Maple Rd., Suite 150 Birmingham, MI 48009	(248) 433-1400	MI
API Commercial Real Estate Services, Inc.	Jerome Abood	246 E. Saginaw Street East Lansing, MI 48823	(517) 374-1200	MI
Silveri Company	Allen Emmons Glenn A. Turek Kevin Lipke	580 Cascade West Parkway SE Grand Rapids, MI 49546	(616) 949-6168	MI
David P. De Maagd	David P. De Maagd	1197 Silverstone Road Holland, MI 49424	(616) 399-3955	MI
Northco Real Estate Services, LLC	Frank Jermusek Walt Van Heest	5353 Wayzata Blvd, Ste 400 1600 Utica Avenue South, 9th Floor Minneapolis, MN 55416	(952) 820-1600	MN
Kenny Holloway Real Estate, LLC	Kenny Holloway	2598 Pass Road, Suite A Biloxi MS, 39531	(228) 699-0603	MS
Southgate Realty, LLC	Chamberlan Carothers Eugene Carothers	1700 S. 28th Avenue, Suite C Hattiesburg, MS 39402	(601) 264-4622	MS
Encompass Commercial Realtors, LLC	C. Sterling Scott	6651 N. Oak Trafficway, Suite 14 Kansas City, MO 64118	(816) 436-4600	MO
Infinity Commercial Real Estate Services, LLC	Mark Zvibleman	8706 Manchester Road, Suite 106 St. Louis, MO 63144	(314) 878-0303	MO
Rankin Company, LLC	Thomas Rankin	2808 S. Ingram Mill, Suite A100 Springfield, MO 65804	(417) 887-8826	MO
Infinity Commercial Real Estate Services, LLC	Mark Zvibleman	15400 S. Outer Forty Road, Ste. 204 St. Louis (Chesterfield), MO 63144	(314) 878-0303	MO
Lord Partners, LLC	Kurt Lord	11475 Olde Cabin Road, Suite 230 St. Louis, MO 63141	(314) 862-5560	MO
Holman Norden Properties LLC	Craig Norden William Holman	4660 Mexico Road St. Peters, MO 63376	(636) 628-2111	MO
Southgate Realty, LLC	Chamberlan Carothers Eugene Carothers	1700 S. 28th Avenue, Suite C Hattiesburg, MS 39402	(601) 264-4622	MS
BlackStream Commercial, LLC (Asheville)	Carlos Salgado Ford Elliott Josh Howard	28 Schenck Parkway, Suite 200 Asheville, NC 28803	(864) 637-9302	NC
BlackStream, LLC (Charlotte)	Carlos Salgado Ford Elliott Josh Howard	1318 Central Avenue #E-8 Charlotte, NC 28205	(704) 892-5653	NC

Franchisee	Name	Address	Phone Number	State
Percival Partners, LLC	Charles "Bob" Percival, II James Cox Norman "Joey" J. Godbold, Jr.	4600 Park Rd, Suite 370 Charlotte, NC 28209	(704) 632-1027	NC
Howard Perry & Walston Commercial, LLC (SVN Hotels)	Don Walston Sanjay Mundra	1001 Wade Avenue Raleigh, NC 27605	(919) 789-5215	NC
Howard Perry & Walston Commercial, LLC (SVN HPW Commercial)	Don Walston Sanjay Mundra	1001 Wade Avenue Raleigh, NC 27605	(919) 789-5215	NC
Ali Bubba Tar Heel Commercial Realty, Inc.	Scott A. Godino Jay Taylor Kenneth Lucas	6018 S. Durango Drive, #110 Las Vegas, NV 89113 7424 Chapel Hill Rd. Raleigh, NC 27607	(702) 796-5500 (919) 851-6673	NV NC
T.Y. Johnson Investments, Inc.	Thomas Y. Johnson	325 W. Liberty Street Reno, NV 89501 Satellite Office located at: 305 N. Carson Street #200 Carson City, NV 89701	(775) 825-3330	NV
T Real Estate Solutionshe Masiello Group Commercial Associates, Inc.	Laurence "Larry" Pelletier Christopher Masiello	3 Executive Park Drive, Suite 210 163 S. River Road Bedford, NH 03110	(603) 836-3485 283-1912	NH
3RE Partners, LLC	Gabriel M. Silverstein John B. Aires Jonathan D. Stravitz	556 Eagle Rock Avenue Roseland, NJ 07452	(706) 212-0110	NJ
Team Southwest, Inc.	Timothy House	6565 America's Parkway NE, Ste. 200 Albuquerque, NM 87110	(505) 998-1031	NM
Walt Arnold Commercial Brokerage, Inc. (Albuquerque)	Walter Arnold	6200 Seagull Lane NE, Suite A Albuquerque, NM 87109	(505) 256-1255	NM
Walt Arnold Commercial Brokerage, Inc. (Santa Fe)	Walter Arnold	1000 Paseo De Peralta 1512 Pacheco St, Ste D201 Santa Fe, NM 87501 87505	(505) 503-2646	NM
Falvey Group Ali Bubba, Inc.	Chris Falvey Scott A. Godino	427 New Karner Rd. Albany, NY 12205 6018 S. Durango Drive, #110 Las Vegas, NV 89113	(518) 640-2561 (702) 796-5500	NV NV
T.Y. Johnson Investments, Inc.	Thomas Y. Johnson	325 W. Liberty Street Reno, NV 89501 Satellite Office located at: 305 N. Carson Street #200 Carson City, NV 89701	(775) 825-3330	NV

Franchisee	Name	Address	Phone Number	State
CPEX Real Estate, LLC	Real Impact Corporation Timothy King	81 Willoughby Street, 8th Floor Brooklyn, NY 11201	(718) 687-4210	NY
N.J.M. Realty, Inc.	Nicholas Malagisi	PO Box 1015 Buffalo, NY 14231	(716) 633-9601	NY
Hudson Valley Commercial Realty LLC	Joseph J. Deegan Thomas A. Collins	411 Washington Ave, Suite 201 Kingston, NY 12401	(845)339-9100	NY
Angelic Real Estate, LLC	Gabriel M. Silverstein	1330 Avenue of the Americas, 23rd FL New York, NY 10019	(212) 498-7000	NY
RealSite Group, LLC	Anthony Casalena	123 Third Avenue, Suite 9C New York, NY 10003	(646) 532-7537	NY
Stora Realty Corp.	Steven Stoehrer	299 Park Avenue 311 West 43rd Street, 6th-14th Floor New York, NY 10171 10036 Satellite office located at: 821 West Jericho Turnpike, Suite 2C, Smithtown, NY 11781	(212) 739-0763	NY
Sperry Van Ness / Realty Three Advisors, LLC	Michael E. Lefkowitz, Todd Mendik	310 Hallock Avenue Port Jefferson Station, NY 11776	(631) 389-5500	NY
HWH Advisors LLC	Hans W. Hardisty	465 Violet Avenue Poughkeepsie, NY 12601	(914) 489-7909	NY
Realty Performance Advisors, Inc. (Buffalo)	Catherine Barnum Robert Marvin	400 Linden Oaks, Suite 150 Rochester, NY 14625	(585) 697-0901	NY
Realty Performance Advisors, Inc. (Rochester)	Catherine Barnum Robert Marvin	400 Linden Oaks, Suite 150 Rochester, NY 14625	(585) 697-0901	NY
Realty Performance Advisors, Inc. (Syracuse)	Catherine Barnum Robert Marvin	400 Linden Oaks, Suite 150 Rochester, NY 14625	(585) 697-0901	NY
BlackStream Commercial, LLC (Asheville)	Ford Elliott and Carlos Salgado	18 South Pack Square Asheville, NC 28801	(864) 637-9302	NC
Percival Partners, LLC	Charles "Bob" Percival, II Norman "Joey" J. Godbold, Jr. James Cox	4600 Park Rd, Suite 370 Charlotte, NC 28209	(704) 632-1027	NC
Tom McMahon, Inc.	Thomas J. McMahon	19901 West Catawba Ave, Suite 102 Charlotte, NC 28031	(704) 892-5653	NC
Howard Perry & Walston Commercial, LLC (SVN HPW Commercial)	Don Walston Sanjay Mundra	1001 Wade Avenue Raleigh, NC 27605	(919) 789-5215	NC

Franchisee	Name	Address	Phone Number	State
Howard Perry & Walston Commercial, LLC (SVN Hotels)	Don Walston Sanjay Mundra	1001 Wade Avenue Raleigh, NC 27605	(919) 789-5215	NC
Tar Heel Commercial Realty, Inc.	Jay Taylor Kenneth Lucas	7424 Chapel Hill Rd. Raleigh, NC 27607	(919) 851-6673	NC
Summit Commercial Real Estate Group, LLC	Jerome Fiume	3009 Smith Road, Suite 25 Akron, OH 44333	(234) 231-0200	OH
Commercial Realty Advisors, Inc.	Charles W. Ciolino, Jr.	7800 Laurel Avenue, Suite 150 Cincinnati, OH 45243	(513) 720-1000	OH
Levental Realty, LLC	Eugene Levental	525 Vine Street, Suite 200 Cincinnati, OH 45202	(513) 321-7589	OH
First Place Commercial Realty, LLC	Victor S. Voinovich Sr.	308 Eagleton Ct. #200 Cleveland, OH 44056	(805) 967-9214	OH
Sperry Van Ness / Wilson Commercial Group, LLC	Douglas S. Wilson	Easton Town Center 4200 Regent Street, Suite 200 Columbus, OH 43219	(614) 944-5140	OH
InvesTek, LLC	John D. Aubry	1090 W. South Boundary, Suite 100 Perrysburg, OH 43551	(419) 873-1236	OH
Strayer Group, LLC	Lance C. Warner	226 Wayne Street Sandusky, OH 44870	(419) 625-8218	OH
InterWest Realty, LLC	George W. Huffman	7501 Broadway Extension Oklahoma City, OK 73116	(405) 752-2525	OK
Commercial Real Estate Advisors, LLC	Benjamin Davis Raymond Lord	9321 South Toledo Ave. Tulsa, OK 74137	(918) 201-2005	OK
Bluestone & Hockley Realty, Inc.	Clifford Hockley	9320 SW Barbur Blvd., Suite 300 Portland, OR 97219	(503) 222-3800	OR
SVN - Imbrie Realty, LLC	Ryan Imbrie	10260-10300 SW Greenburg Road, RD. Suite 530-240 Portland, OR 97223	(503) 208-9400	OR
SVN Commercial Advisors, LLC	Curt Arthur	1665 Liberty Street SE, Suite 200 Salem, OR 97302 Satellite Office located at: 711 Country Club Rd, Suite 1B Eugene, OR 97401	(503) 588-0400	OR
Imperial Realty Management Corp.	Darbin T. Skeans Deborah Skeans Tom Skeans	1611 Pond Road, Suite 200 Allentown, PA 18104	(484) 245-1000	PA
Latus Capital Advisors, Inc.	Laura J. Martin	3920 Market Street, Suite 351 Camp Hill, PA 17011	(717) 737-2422	PA
Rahm Pinnacle Real Estate, LLC	Loraine C. Rahm	373 E. Main Street, Suite 105L Collegeville, PA 19426-2600	(215) 569-8787	PA

Franchisee	Name	Address	Phone Number	State
AHIA CRE, LLC	Chichi E. Ahia	2050 Cabot Blvd. Langhorne, PA 19047	(215) 757-2500	PA
Mark D. Berk	Mark David Berk	25 West Second Street Media, PA 19063	(610) 891-8988	PA
Concordis Real Estate Advisors of PA-NJ-DE, LLC	Brian K. Edmonds	1515 Market Street, Suite 800 Philadelphia, PA 19102	(215) 399-0048	PA
SHETH LLC	Shobhan Sheth	3226 Boulevard of the Allies Pittsburgh, PA 15213	(412) 241-2440	PA
Three Rivers Commercial Advisors LLC	Jason Campagna Keane George	309 Smithfield Street, Suite 501 5th Floor Pittsburgh, PA 15222	(724) 918-4428	PA
BlackStream Commercial, LLC (Charleston)	Ford Elliott Carlos Salgado Ford Elliott Josh Howard	1 Main St. 1756 Central Park Road Charleston, SC 29401	(864) 637-9302	SC
BlackStream Commercial, LLC (Columbia)	Ford Elliott Carlos Salgado Ford Elliott Josh Howard	1721 Saunders Street Columbia, SC 29201	(864) 637-9302	SC
BlackStream Commercial, LLC (Greenville)	Ford Elliott Carlos Salgado Ford Elliott Josh Howard	1325 Miller Road, Suite S Greenville, SC 29607 <u>Satellite Office</u> located at: 7C Brendan Way, Suite 1 Greenville, SC 29615	(864) 637-9302	SC
GASC, LLC	Adam Bryant James Bryant Vonnie Majewski Tom DeMint	1538 Fording Island Road, Suite 107 Hilton Head Island, SC 29926 <u>Satellite Offices</u> located at: • 6001 Chatham Center Dr., Suite 120 Savannah, GA 31405 • 575 King Street , Charleston, SC 29402	(843) 837-3754	SC
Healy & Company, LLC	John Healy	800 Broad Street, Suite 200 Rock Hill, SC 29730	(423) 266-5587	SC
Southern Commercial Real Estate, LLC	Mark Mayfield Randy Graham	116 E. Main Street, Suite 201 Rock Hill, SC 29730 <u>Satellite Office</u> located at: 1039 Hunters Run Drive Tega Cay, SC 29708	(803) 325-1000	SC
Wood Properties, Inc.	George Brown	900 S. Gay Street, Suite 1600 Knoxville, TN 37902	(865) 637-7777	TN
Genesis Real Estate Group, LLC	Carnell Scruggs	718 Thompson Lane, Suite 108-185 Nashville, TN 37204	(615) 567-5907	TN

Franchisee	Name	Address	Phone Number	State
Robert H. Burns Company, Inc.	Robert "Bobby" H. Burns	40 Burton Hills Blvd., Suite 200 Nashville, TN 37215	(615) 309-0068	TN
Dunn Commercial Management, Inc.	David Robert Dunn	1202 Corporate Drive West Arlington, TX 76006	(817) 640-9964	TX
Angelic Real Estate, LLC	Gabriel M. Silverstein	111 Congress Ave., Suite 400 Austin, TX 78701	(212) 498-7000	TX
Riverstone C.R.E. Co.	Jess Buenger Jim Jones	809 University Drive East Suite 101-A College Station, TX 77845	(979) 431-4400	TX
DataVest, Inc.	Bruce Marshall	5343 Spring Valley Road Dallas, TX 75254	(214) 261-6306	TX
David Cook Co, LLC	David Cook	14902 Preston Road, Suite 404-724 Dallas, TX 75254	(972) 387-5600	TX
Glen E. Berhow	Glen Berhow	2215 Cedar Springs Road #1012 Dallas, TX 75201	(469) 828-1950	TX
TJF Commercial Real Estate, LLC	Todd Franks	6320 Lyndon B. Johnson Freeway, Suite 228 Dallas, TX 75240	(214) 206-9559	TX
Fortune Real Estate, Inc.	Laura Salome	214 W Franklin El Paso, TX 79901	(915) 544-6208	TX
DFW Trinity Advisors, LLC	James K. Blake Stephen Harold Fithian	3000 Race Street, Suite 100 Fort Worth, TX 76111	(817) 288-5525	TX
Anthony V. Roubik	Anthony V. Roubik	9208 Cardwell Houston, TX 77055	(713) 858-1144	TX
RAM/Meek & Associates	Robert Meek	14310 Sugar Mill Circle Houston, TX 77095	(281) 859-1983	TX
WMN 448 Truett Real Estate, LLC	William "Mike" Norris Blake H. Truett	373 S. Seguin Avenue New Braunfels, TX 78130 4415 71st Street, Suite #12 Lubbock, TX 79424	(830) 358-7800 (806) 776-1279	TX
GPP&I, Inc.	Gerard Pastrano	14546 Brook Hollow Blvd., Ste 394 San Antonio, TX 78232	(210) 354-0400	TX
Austin SA Real Estate Services, LLC	Margaret C. Jones	314 E. Hutchison Street San Marcos, TX 78666	(512) 805-8226	TX
Chester V. Barber	Chet Barber	165 S. Main St., Suite 250 Salt Lake City, UT 84111	(801) 508-2881	UT
Lead Commercial, LLC	Adam Sutton Cynthia Ives Leo Sutton	2005 Old Greenbrier Road, Suite 100 Chesapeake, VA 23320	(757) 523-9300	VA

Franchisee	Name	Address	Phone Number	State
Small Shah Hampton Roads Commercial Real Estate, LLC	Shailesh Shah	3213 Duquesne Dive Chesapeake, VA 23321	(757) 695-3180	VA
Commercial Advisors, LLC	John F. Small, III	836 West 39th Street, Ste A Norfolk, VA 23508	(757) 622-6595	VA
Cornerstone Commercial Real Estate Services-Realty Corporation	Kevin Gray	593 Southlake Blvd. <u>11600 Busy Street</u> , Suite B201 Richmond VA 23236	(804) 774-7001	VA
FreeMarketsCRE, LLC	Mark T. Motley	3600 Deepwater Terminal Rd. Richmond, VA 23234	(804) 232-3300	VA
Commercial Specialists, Inc.	Jim Guisewhite	42 S. Cameron Street, Winchester, VA 22601	(540) 535-0808	VA
Raven-Spectre LLC	Chad Gleason	10400 NE 4th Street, Suite 500 Bellevue, WA 98004	(206) 641-9072	WA
Retter & Company	Dave Retter	329 N. Kellogg Kennewick, WA 99336	(509) 737-9429	WA
Whitecap Real Estate LLC	Candice Chevaillier	320 West Galer Street, Suite 100 Seattle, WA 98119	(206) 284-1000	WA
Cornerstone Property Advisors, LLC	Guy Byrd Matthew Byrd	1303 N. <u>1311 North</u> Washington St., Suite B-D Spokane, WA 99201	(509) 321-2000	WA
The Hintze Group Commercial Real Estate Co.	Jay Hintze Wally Sauthoff	809 S. 60th Street, Suite 202 West Allis, WI 53214	(262) 478-0532	WI
McGuire CRE, LLC	Francis W. McGuire	1001 6th Avenue, Suite 110 Huntington, WV 25701	(304) 529-6033	WV

* Rich Investment Real Estate Partners, Inc. is also an Area Services Representative who assists us in providing certain services in Los Angeles County, California.

~~** HTC Realty Group, Inc. is also an Area Services Representative who assists us in providing certain services in the California Counties of San Diego and Imperial.~~

*** Sperry Van Ness, LLC is also an Area Services Representative who assists us in providing certain services in the Illinois Counties of Cook, Lake, McHenry, Dupage, Will, Kane, Kendall and Kankakee.

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

Franchise Agreements Terminated, Canceled, or Not Renewed, or Otherwise Voluntarily or Involuntarily Ceased to Do Business in the Fiscal Year Ended December 31, ~~2018~~2019

Franchisee	Name	Address	Phone Number	State
RealStar Advisors, LLC	David Laney Suzanne Debruge	7301 N. 16th Street, Suite 102 Phoenix, AZ 85020	(480) 719-2496	AZ
Walter R. Helm	Walter R. Helm	3900 Knollwood Ct. Sacramento, CA 95821	(916) 920-4432	CA
Highland Commercial Sperry Van Ness-MCRE, Inc.	Lachlan “Lock” Richards Michael Miyagishima	11300 Willow Valley Road Nevada City, CA 95959 Four Embarcadero Center Suite 1400-83 San Francisco, CA 94111	(530) 470-1740 (415) 837-1200	CA
Renaissance Commercial FGG, Inc.	Darrell Hoover Michael Gustafson Dinesh Gupta Paul Getty	1600 Dove Street 2025 Gateway Place, Suite 315 485 Newport Beach San Jose, CA 92660 95110 (949) 423-6990 Satellite Office located at: 11801 Pierce Street, 2nd Floor Riverside, CA 92505	(408) 392-8822	CA
HTC Realty Group, Inc.	Jim Taylor, Scott Cook	2555 Camino Del Rio South Suite 201 San Diego, CA 92108	(858) 751-6300	CA

Franchisee	Name	Address	Phone Number	State
Moecker Realty Auctions, LLC	Keith Kidwell Michael Phelan Philip Von Kahle	1883 Marina Mile Blvd Suite 106 Fort Lauderdale, FL 33315	(954) 252-1560	FL
Chicago Auction Company, LLC	Diana Peterson	707 Skokie Blvd., Suite 649 Northbrook, IL 60062	(312) 218-6102	IL
GLL, LLC	Benjamin Graham Justin Langlois Steve Legendre	6160 Perkins Road, Suite 200 Baton Rouge, LA 70808	(225) 367-1515	LA
RAB Commercial Casual Enterprises, Inc.	Mark George Robert Badaglia Anthony Casalena	1124 Meridian Avenue San Jose, CA 95125 100 International Drive 23rd Floor Baltimore, MD 21202	(408) 352-6868 (443) 552-0223	CA MD
Ascent Asset Management Global Solutions, LLC	Michael Murray Jerry Dawson	1547 Gaylord Street Denver, CO 80206 16701 Melford Blvd., Suite 400 Bowie, MD 20715	(720) 684-4364 (301) 710-0613	CO MD
Wright Commercial Realty, LLC	Chandra D. Wright	1570 E. Jefferson Street Rockville, MD 20852	(301) 200-2295	MD
API Commercial Real Estate Services, Inc.	Jerome Abood	919 East Grand River Avenue East Lansing, MI 48823	(517) 374-1200	MI
Kenny Holloway Real Estate, LLC	Kenny Holloway	2598 Pass Road, Suite A Biloxi, MS 39531	(228) 669-0603	MS
Real Estate Solutions, Inc.	Laurence "Larry" Pelletier	3 Executive Park Drive Suite 210	(603) 836-3485	NH

Franchisee	Name	Address	Phone Number	State
		<u>Bedford, NH</u> <u>03110</u>		
<u>Falvey Group, Inc.</u>	<u>Christopher J. Falvey</u>	<u>427 New Karner</u> <u>Road</u> <u>Albany, NY 12205</u>	<u>(518) 640-2561</u>	<u>NY</u>
<u>RealSite Group, LLC</u>	<u>Anthony Casalena</u>	<u>123 Third Avenue,</u> <u>Suite 9C</u> <u>New York, NY</u> <u>10003</u>	<u>(646) 532-7537</u>	<u>NY</u>
Corporate Property Strategies LLC <u>Tom McMahon, Inc.</u>	David Wilk Stephen Weick <u>Thomas J. McMahon</u>	110 S. Poplar St., 19901 West Catawba Avenue Suite Wilmington, DE 19801103 <u>102</u> <u>Cornelius, NC</u> <u>28031</u>	(302) 540- 5959 <u>(704) 892-</u> <u>5653</u>	DE <u>NC</u>
South Investment Property, LLC <u>Rahm Pinnacle Real Estate, LLC</u>	Matthew O. Rotolante <u>Lorraine C. Rahm</u>	7925 NW 12th St. <u>373 E. Main</u> <u>Street, Suite</u> Miami, FL 33126301 <u>105L</u> <u>Collegeville, PA</u> <u>19426-2600</u>	(305) 235- 1500 <u>(215) 569-</u> <u>8787</u>	FL <u>PA</u>
Wilton L. Battles <u>Healy & Company, LLC</u>	Wilton L. Battles, <u>Jr. John Healy</u>	1883 Hicks Rd. <u>Formerly, a</u> <u>South Carolina</u> <u>Franchisee.</u> <u>New Address:</u> <u>800 Broad Street,</u> Suite Rolling Meadows, IL 60008C <u>200</u> <u>Chattanooga, TN</u> <u>37402</u>	(847) 922- 3100 <u>(423) 266-</u> <u>5587</u>	IL <u>SC</u>
Lynch Realty, Inc. <u>TJF Commercial Real Estate, LLC</u>	Kevin M. Lynch <u>Todd J. Franks</u>	680 W. Highgoal Drive Wheeling, IL 60090 <u>6320</u>	(847) 484- 1653 <u>(214) 206-</u> <u>9559</u>	IL <u>TX</u>

Franchisee	Name	Address	Phone Number	State
		Lyndon B. Johnson Freeway, Suite 228 Dallas, TX 75240		
Resort Management WMN 448, LLC	Robert Hasman William (Mike) Norris	4785 S. Durango Drive, Suite 2041 Las Vegas, NV 89147 373 S. Seguin Avenue New Braunfels, TX 78130	(702) 527-7705 (830) 358-7800	NV TX
DealPoint Merrill Properties Corporation Commercial Advisors, LLC	David Frank, Sterling McGregor John F. Small	150 N. Durango Blvd. 836 West 39th Street, Suite Las Vegas, NV 89145 290 A Norfolk, VA 23508	(702) 889-8800 (757) 622-6595	NV VA
Hfeld & Co., LLC Raven-Spectre LLC	Lawrence P. Hfeld Chad Gleason	6565 Americas Parkway NE, Ste. 280 Albuquerque, NM 87110 10400 NE 4th Street, Suite 500 Bellevue, WA 98004	(505) 265-4401 (206) 259-5801	NM WA
RICORE Investment Management, Inc.	John Rickert	11500 Northlake Dr., Suite 100 Cincinnati, OH 45249	(513) 272-6800	OH
WLand Run Commercial Advisors, LLC Chitecap Real Estate LLC	Johnathan Russell Candice Chevaillier	114 NW 6th Street, Suite Oklahoma City, OK 73102 320 West Galer Street, Suite 100 Seattle, WA 98119	(405) 231-5700 (206) 284-1000	OK WA
Tideland Commercial of	Van Watts Francis W.	951 Mr. Joe	(843) 443-	SC WV

Franchisee	Name	Address	Phone Number	State
Myrtle Beach McGuire CRE, LLC	McGuire	White Avenue Myrtle Beach, SC 29577 1001 6th Avenue, Suite 110 Huntington, WV 25701	6999(304) 529-6033	
Tideland Commercial of Charleston, LLC	Owen Van Watts Wesley Brown- Bethune	3600 Rivers Ave. North Charleston, SC 29405	(843) 443-6999	SC
Investec Realty Services, LLC (Nashville)	Anthony Lopes John Snyder Jon Albright	2171 Judicial Drive, Suite 120 Germantown, TN 38138	(901) 507-0688	TN

Franchisee	Name	Address	Phone Number	State
Highland Commercial, Inc.	Lachlan "Lock" Richards	11300 Willow Valley Road Nevada City, CA 95959	(530) 470-1740	CA
Renaissance Commercial, Inc.	Darrell Hoover Michael Gustafson	1600 Dove Street, Suite 315 Newport Beach, CA 92660 <u>Satellite Office located at:</u> 11801 Pierce Street, 2nd Floor Riverside, CA 92505	(949) 423-6990	CA
RAB Commercial, Inc.	Mark George Robert Badagliaccio	1124 Meridian Avenue San Jose, CA 95125	(408) 352-6868	CA
Ascent Asset Management	Michael Murray	1547 Gaylord Street Denver, CO 80206	(720) 684-4364	CO
Corporate Property Strategies LLC	David Wilk Stephen Weick	110 S. Poplar St., Suite 103 Wilmington, DE 19801	(302) 540-5959	DE
South Investment Property, LLC	Matthew O. Rotolante	7925 NW 12th St., Suite 301 Miami, FL 33126	(305) 235-1500	FL
Wilton L. Battles	Wilton L. Battles, Jr.	1883 Hicks Rd., Suite C Rolling Meadows, IL 60008	(847) 922-3100	IL
Lynch Realty, Inc.	Kevin M. Lynch	680 W. Highgoal Drive Wheeling, IL 60090	(847) 484-1653	IL
Resort Management, LLC.	Robert Hasman	4785 S. Durango Drive, Suite 2041 Las Vegas, NV 89147	(702) 527-7705	NV
DealPoint Merrill Properties Corporation	David Frank, Sterling McGregor	150 N. Durango Blvd., Suite 290	(702) 889-8800	NV

Franchisee	Name	Address	Phone Number	State
		Las Vegas, NV 89145		
Hfeld & Co., LLC	Lawrence P. Hfeld	6565 Americas Parkway NE, Ste. 280 Albuquerque, NM 87110	(505) 265-4401	NM
RICORE Investment Management, Inc.	John Rickert	11500 Northlake Dr., Suite 100 Cincinnati, OH 45249	(513) 272-6800	OH
Land Run Commercial Advisors, LLC	Johnathan Russell	114 NW 6th Street, Suite 206 Oklahoma City, OK 73102	(405) 231-5700	OK
Tideland Commercial of Myrtle Beach, LLC	Van Watts	951 Mr. Joe White Avenue Myrtle Beach, SC 29577	(843) 443-6999	SC
Tideland Commercial of Charleston, LLC	Owen Van Watts Wesley Brown- Bethune	3600 Rivers Ave. North Charleston, SC 29405	(843) 443-6999	SC
Investec Realty Services, LLC (Nashville)	Anthony Lopes John Snyder Jon Albright	2171 Judicial Drive, Suite 120 Germantown, TN 38138	(901) 507-0688	TN
Spectrum Commercial Group, Inc.	Heather Hamilton	13906 Lone Rider Trail, Suite 225 Austin, TX 78738	(512) 565-5720	TX
Tamarack Real Estate, LLC	Loree Misch	3300 North Interstate 35, Suite 700 Austin, TX 78705	(512) 695-0014	TX
Libia Cadillo	Libia "Libby" Cadillo	3740 Greenbriar Dr. #541542 Houston, TX 77254	(949) 463-7830	TX
Wes Hallmark & Associates	Wes Hallmark	8008 Slide Rd., #1 Lubbock, TX 79424	(806) 797-2190	TX
K & M Commercial, LLC	Kayvan Mehrbakhsh	459 Herndon Parkway, Ste 21 Herndon, VA 20170	(703) 734-2822	VA
Stanley J. Proden	Stanley J. Proden	127 Birch Street East Amery, WI 54001	(715) 268-6188	WI

The following Franchisee relocated its Franchise Business from New York to Texas in 2019:

<u>Franchisee</u>	<u>Name</u>	<u>City, State</u>	<u>Phone Number</u>
<u>Angelic Real Estate, LLC</u>	<u>Gabriel M. Silverstein</u>	<u>Formerly: New York, NY</u> <u>Currently: Austin, TX</u>	<u>(212) 498-7000</u>

Exhibit H
To Franchise Disclosure Document
GENERAL RELEASE OF ALL CLAIMS

GENERAL RELEASE OF ALL CLAIMS

_____ (“FRANCHISEE”) and _____, an individual (“GUARANTOR”) enter into this General Release on _____ (the “Effective Date”), with reference to the following facts:

1. On _____, **SVN International Corp.**, a Delaware corporation (“FRANCHISOR”), and FRANCHISEE entered into a Franchise Agreement (the “Franchise Agreement”) to operate an SVN® Franchise located at _____ (the “Premises”). GUARANTOR guaranteed FRANCHISEE’s performance under the Franchise Agreement pursuant to a certain Guaranty dated _____ (the “Guaranty”). In consideration of FRANCHISOR’S processing and approval of a [check one of the following boxes] contract renewal, transfer, or other _____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition thereto. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guaranty.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said entities, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future (collectively “Released Claims”), which arose on or before the date of this General Release, including any Released Claims with respect to the Franchise Agreement, the SVN Franchise, the Premises and the Guaranty. FRANCHISEE and GUARANTOR expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of any law of the United States or any state or territory of the United States or of any other relevant jurisdiction, or principle of common law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code, or any New York, Delaware, Illinois, Oklahoma, Texas, or other states counterpart thereto, which provides:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. Choice of Law. This General Release shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to any conflict of laws, except that the provisions of any Massachusetts law regarding franchises will not apply unless jurisdictional, definitional and other requirements for the application of such statute or law are met independently of this Section. Any legal action necessary to enforce the terms and conditions of this General Release, shall be governed by the Dispute Resolution provisions (Article 17) of the Franchise Agreement, except as may be included in any addenda required under Franchisee’s applicable state law, as provided in Article 18 of the Franchise Agreement.

5. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

_____, **an individual**

Print Name: _____

**EXHIBIT I
TO FRANCHISE DISCLOSURE DOCUMENT**

SVNIC PROMISSORY NOTE

**EXHIBIT I
TO FRANCHISE DISCLOSURE DOCUMENT**

SVNIC PROMISSORY NOTE

Amount Financed: \$ _____

This Promissory Note dated [Date] (this "Note") is executed by the undersigned [Name of Franchisee], a/an [State of formation and type of entity if applicable], having its principal place of business at [Address of Franchisee] ("Franchisee"), and by [Name of Guarantor(s)], having its/his/her principal place of business at [Address of Guarantor(s)] ("Guarantor(s)") in the full amount of _____ Dollars (\$ _____) (the "Principal") in connection with that certain SVN® Franchise Agreement between SVN International Corp. ("Holder") and Franchisee, dated [Date of Franchise Agreement] (the "Franchise Agreement"), the obligations of which are guaranteed by Guarantor(s).

Franchisee, or if Franchisee should fail, then Guarantor(s) promises to pay to the order of Holder in the manner hereinafter specified the Principal amount, with interest from and after the date of this Note until paid in full, on or before [Due Date] (the "Due Date").

The Principal amount will be amortized, with interest, at a rate of six percent (6%) per annum (or the maximum rate allowable by law, whichever is less) over a 6-month period, on a monthly basis. Commencing on the **first (1st) day of** [Insert Month and Year]. Franchisee shall make six (6) consecutive, equal monthly payments, each in the amount of _____ Dollars (\$ _____). See attached schedule.

In the event that a payment due under this Note is not made within ten (10) days of the time set forth herein, Franchisee shall pay, in addition to the payment due, a late fee in an amount equal to ten percent (10%) of the payment due.

Such payment of the Principal shall be payable in lawful money of the United States of America by wire transfer or check issued by a US Bank on or before the Due Date, to SVN International Corp - P. O. Box 842466, Boston, MA 02284-2466 at Wells Fargo Bank, N.A, 17775 Santiago Blvd. Villa Park, CA 92861, BANK CONTACT: James McKenna or Josephine Ramos + 1 (201) 226-2966 ABA #: 121000248, SWIFT WFBIUS6S ACCOUNT #: 2607399553 (SVN International Corp - Operating) or at such other place as may hereafter be designated by written notice from Holder to Franchisee.

This Note shall be delivered to Holder together upon execution of the Franchise Agreement. If the payment of Principal is not paid on or before the Due Date, Franchisee, or Guarantor(s) agrees to pay to Holder the additional sum of Five Hundred Dollars (\$500) as a late charge plus interest at the lower rate of either the highest rate allowed by the applicable laws of the State or at ten percent (10%) per annum computed from the due date on the amount of the late payment. Additionally, if the payment of Principal is not paid on or before the Due Date, Holder may, in its sole discretion, immediately upon written notice to Franchisee, cancel this Note, terminate the Franchise Agreement and retain the previous payment(s) of the initial franchise fee and all other fees, if any, paid under or pursuant to the Franchise Agreement. Time is of the essence of this Note. Any such default by Franchisee shall constitute and be treated as a curable default under the Franchise Agreement.

Upon breach of any of the covenants or representations of Franchisee including, but not limited to, a default in the payment of any principal or interest due under the terms of this Note; and/or if Franchisee is not in compliance with all material terms of the Franchise Agreement, and current in all accounts to Holder and its affiliates (“**Good Standing**”); SVN International Corp., or any holder of this Note, may, at its option accelerate maturity hereof, and the unpaid balance will thereupon immediately become due and payable upon written notice from Holder.

When the obligations hereunder become due, and at any time thereafter, the holder may, at its option, demand, sue for collection, or make any compromise or settlement it deems desirable with reference to collateral held hereunder. These obligations may be paid in full at any time without penalty.

No delay or omission on the part of the holder in exercising any right hereunder shall operate as a waiver of such right or any other right under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right and/or remedy on any future occasion.

In addition to the other sums herein specified, Franchisee shall pay on demand all costs of collection and attorneys’ fees incurred or paid by the holder in enforcing this Note when the same has become due.

Franchisee, endorsers, sureties, guarantors and all other parties now or hereafter liable hereon, waive presentment, demand for payment, protest and notice of dishonor, and consent that the holder or owner of this Note shall have the right, without notice, to deal in any way at any time with any party hereto or to grant to any such party any extensions of time for payment of any of said indebtedness or any other indulgence or forbearance whatsoever, or may release any of the security of this Note without in any way affecting the liability of any party hereunder.

In the event that either party initiates any legal proceedings to construe or enforce the terms, conditions and provisions of this Note, including its termination provisions, or to obtain damages or other relief to which either may be entitled by virtue of this Note, the prevailing party shall be paid its reasonable attorneys’ fees and costs by the other party.

This Note shall be governed by and construed in accordance with the laws for the time being applicable in the State of Massachusetts, United States of America. All controversies, disputes or claims arising in connection with, from or with respect to this Note, shall be submitted for arbitration to the American Arbitration Association under its International Arbitration Rules, with the arbitration proceeding to be conducted in Boston, Massachusetts in accordance with all of the terms and conditions of Section 17.2 of the Franchise Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, Franchisee and Guarantor(s) have executed this Note as of _____.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

By: _____

Print Name: _____

GUARANTOR:

By: _____

Print Name: _____

Attachment
Payment and Amortization Schedule

Established Program - Initial Franchise Fee Payment Plan (Half)						
No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1		\$13,750.00	\$2,331.94	\$2,263.19	\$68.75	\$11,486.81
2		\$11,486.81	\$2,331.94	\$2,274.50	\$57.43	\$9,212.31
3		\$9,212.31	\$2,331.94	\$2,285.88	\$46.06	\$6,926.43
4		\$6,926.43	\$2,331.94	\$2,297.31	\$34.63	\$4,629.13
5		\$4,629.13	\$2,331.94	\$2,308.79	\$23.15	\$2,320.34
6		\$2,320.34	\$2,331.94	\$2,320.34	\$11.60	\$0.00

Team Program - Initial Franchise Fee Payment Plan (Half)						
No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1		\$11,250.00	\$1,907.95	\$1,851.70	\$56.25	\$9,398.30
2		\$9,398.30	\$1,907.95	\$1,860.96	\$46.99	\$7,537.34
3		\$7,537.34	\$1,907.95	\$1,870.26	\$37.69	\$5,667.08
4		\$5,667.08	\$1,907.95	\$1,879.61	\$28.34	\$3,787.47
5		\$3,787.47	\$1,907.95	\$1,889.01	\$18.94	\$1,898.46
6		\$1,898.46	\$1,907.95	\$1,898.46	\$9.49	\$0.00

EXHIBIT J
STATE EFFECTIVE DATES

State Effective Dates

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

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

<u>State</u>	<u>Effective Date</u>
<u>California</u>	
<u>Hawaii</u>	
<u>Illinois</u>	
<u>Indiana</u>	
<u>Maryland</u>	
<u>Michigan</u>	
<u>Minnesota</u>	
<u>New York</u>	
<u>North Dakota</u>	
<u>Rhode Island</u>	
<u>South Dakota</u>	
<u>Virginia</u>	
<u>Washington</u>	
<u>Wisconsin</u>	

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

EXHIBIT JK

ACKNOWLEDGMENT OF RECEIPT

- **Item 23 Receipt for your records; and**
- **Item 23 Receipt to tear out, sign, date and return to SVN International Corp.**

RECEIPT
(Your Copy)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If SVN International Corp. ("SVNIC") offers you a franchise, SVNIC must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, SVNIC or an affiliate in connection with the proposed franchise sale.

The state laws of New York and Oklahoma require that SVNIC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

The state laws of Michigan, Oregon and Wisconsin require that SVNIC give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is SVN International Corp., located at 33 Arch Street, Floor 17, Boston, Massachusetts 02110. Its phone number is (877) 697-0830.

Issuance Date: ~~April 5~~ June 4, 2019 2020.

The name, principal business address and telephone number of each franchise seller offering this franchise is: George Slusser, Kevin Maggiacomo, ~~Diane Danielson, Karen Hurd~~, Marc Seinfeld, and ~~Denis Faherty~~ William Stecker, at 33 Arch Street, Floor 17, Boston, Massachusetts 02110, (877) 697-0830; Jerry Anderson, at 810 Saturn Street, #24, Jupiter, FL 34231, (386) 547-4968; Scott Maesel, Michael Thanasouras, and Alfred Stepan, at 940 W. Adams Street, Suite 200 Chicago, IL 60607, (312) 676-1867; ~~Scott Cook, at 4849 Ronson Ct., Suite 216, San Diego, CA 92111, (858) 452-9100~~; and David Rich, at 10940 Wilshire Blvd., Suite 1600, Los Angeles, CA 90024, (310) 500-1239.

Other Franchise Seller(s):

Name: _____

Address: _____

City/State/Zip: _____

Phone: _____

See Exhibit B for our registered agents authorized to receive service of process.

I have received a disclosure document dated ~~April 5~~ June 4, 2019 2020, that included the following Exhibits:

Exhibit A STATE SPECIFIC ADDENDA

- Exhibit B LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- Exhibit C FRANCHISE AGREEMENT & SCHEDULES
- Exhibit D RENEWAL ADDENDUM TO FRANCHISE AGREEMENT
- Exhibit E FINANCIAL STATEMENTS
- Exhibit F TABLES OF CONTENTS TO THE CONFIDENTIAL OPERATIONS MANUAL AND BRANDING GUIDE
- Exhibit G LIST OF SVN FRANCHISEES
- Exhibit H GENERAL RELEASE OF ALL CLAIMS
- Exhibit I SVNIC PROMISSORY NOTE
- [EXHIBIT J STATE EFFECTIVE DATES](#)
- Exhibit ~~J~~K RECEIPTS (ITEM 23 RECEIPTS)

Date

Signature of Prospective Franchisee

(Print Name and Title)

RECEIPT
(Our Copy)

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- [EXHIBIT J STATE EFFECTIVE DATES](#)
- Exhibit ~~J~~K RECEIPTS (ITEM 23 RECEIPTS)

Date

Signature of Prospective Franchisee

(Print Name and Title)