

FRANCHISE DISCLOSURE DOCUMENT



Keller Williams Realty, Inc.
1221 South Mopac Expressway
Suite 400
Austin, Texas 78746
(512) 327-3070
www.kw.com
franchise@kw.com

We have developed a distinctive business system that involves the delivery of real estate brokerage services and other services through KELLER WILLIAMS® REALTY Market Centers. In this Disclosure Document, we offer the right to develop and operate Market Centers in specific Awarded Areas. We have authorized third parties to act as our Regional Representatives in specific regions. See Item 1 for more details concerning our Regional Representatives.

The total investment necessary to begin operation of a Market Center ranges between \$182,430 to \$335,697. This includes \$35,430 to \$36,447 that must be paid to us. If you sign a Business Center Addendum to our franchise agreement, the total investment necessary to begin operation of a Business Center ranges between \$29,600 to \$88,150. This includes \$2,500 that must be paid to us. If we authorize additional concepts, we may impose a reasonable initial fee for each concept you offer.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Debbie Gardner in our Franchise Systems Department at 1221 South Mopac Expressway, Suite 400, Austin, Texas 78746.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contract(s) carefully. Show your contract(s) 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.

Date of Issuance: April 26, 2024, as amended August 5, 2024

The settlement approval process and details of the settlement are in the *Sitzer* summary.

Joshua Sitzer and Amy Winger, on behalf of themselves and all others similarly situated vs. The National Association of Realtors, Realty Holdings Corp., Homeservices of America, Inc., RE/MAX Holdings, Inc., and Keller Williams Realty, Inc., Civil Action No. 4:19-cv-00332-SRB, in the United States District Court for the Western District of Missouri. Plaintiffs filed this *Moehrl* copycat Class Action Complaint on March 30, 2020, which alleges that the Defendants in this case conspired to require Plaintiff home sellers to pay buyer brokers' commissions at an inflated rate when listing a property on four Multiple Listing Service ("MLS") sites within Missouri, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. Plaintiffs are suing for violation of the Sherman Act and are seeking treble damages, attorneys' fees and injunctive relief. The court certified a class consisting of Missouri home sellers and denied the Defendants' motions for summary judgment. A three week trial was held on October 16, 2023. On October 31, 2023, a jury issued a verdict against all Defendants in the case awarding the plaintiffs damages in the amount of \$1,786,310,872 (which under antitrust law may be increased to \$5,358,932,616) to be reduced by existing and possible future settlements entered into between the Plaintiffs and specific Defendants. On February 1, 2024, we entered a nationwide class settlement that settled the claims brought in this case (including the jury verdict), the *Moehrl* case (discussed above), and the *Umpa* case (discussed below) when, on May 9, 2024, the court in *Sitzer* ordered final approval of the settlement. The definition of the settlement class and scope of the release also resolved the claims alleged in the *Bauman*, *Burton*, *QJ Team*, *Grace*, *Martin*, *Willsim Latham, LLC*, and *Jensen* cases discussed herein wherein the court in *Sitzer* ordered final approval of the settlement.

The total amount of the settlement is \$70 million. The payment schedule is as follows: We deposited \$50 million into a qualified settlement fund on April 30, 2024; \$10 million into the qualified settlement fund upon the later of (i) 14 days following final approval of the settlement by the court in *Sitzer*, and (ii) September 15, 2026; and \$10 million into the qualified settlement fund upon the later of (i) 14 days following final approval of the settlement by the court in *Sitzer*, and (ii) September 15, 2027.

The court granted preliminary approval of the nationwide settlement on February 1, 2024. The members of the settlement class had until April 13, 2024 to opt out of the settlement or to object to the settlement. The court granted final approval after a hearing on May 9, 2024. ~~Because the court issued final approval of the settlement, the settlement will take effect and become final after the time to appeal expires (30 days) or upon the favorable resolution of any appeals challenging the settlement.~~ An appeal has been filed by some of the objectors to the settlement. The appeal will be heard by the Eighth Circuit Court of Appeals.

Gary Bauman, Mary Jane Bauman, and Jennifer Nosalek, individually and on behalf of all others similarly situated vs. MLS Property Information Network, Realty Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc., Civil Action No. 1:20-cv-12244, in the United States District Court for the District of Massachusetts. Plaintiffs filed this *Moehrl* copycat Class Action Complaint on December 17, 2020, which alleges that the Defendants in this case conspired to require Plaintiff home sellers to pay buyer brokers' commissions at an inflated rate when listing a property on a Multiple Listing Service ("MLS") site, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. Plaintiffs are suing for violation of the Sherman Act and are seeking treble damages, attorneys' fees and injunctive relief. The court denied the defendants' motions to dismiss, and discovery has proceeded. On February 1, 2024, we entered a nationwide class settlement under which the definition of the settlement class and scope of the release would resolve the claims alleged in this case if the court in *Sitzer* orders final approval of the settlement. The settlement approval process and details of the settlement are in the *Sitzer* summary.

Judah Leeder individually and on behalf of all others similarly situated, vs. The National Association of Realtors, Realty Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC, and Keller Williams Realty, Inc., Civil Action No. 1:21-cv-00430, in the United States District Court for the Northern District of Illinois. Plaintiffs filed this *Moehrl* copycat Class Action Complaint on January 27, 2021, which alleges that the

John Davis v. Keller Williams Realty, Inc.; Gary Keller; Josh Team; Business MAPS, Ltd; and Business MAPS Management, LLC; Civil Action No. 1:23-cv-1017, in the United States District Court Western District of Texas, Austin Division (“WD of TX Litigation”). Keller Williams Realty, Inc., Gary Keller, Josh Team, Business MAPS, Ltd., and Business MAPS Management, LLC are “Original Defendants.” On August 29, 2023, Plaintiff filed the WD of TX Litigation against Keller Williams Realty, Inc. (“KWRI”); Gary Keller; Josh Team; Business MAPS, Ltd., and Business MAPS Management, LLC, after the United States District Court, Northern District of Texas, Fort Worth Division ordered Plaintiff to arbitrate his claims in the case captioned *John Davis v. Inga Dow, Keller Williams Realty, Inc., Gary Keller, and Josh Team* matter summarized above (“Initial Litigation”). Plaintiff’s claims in the WD of TX Litigation are based on the alleged facts and circumstances underpinning Plaintiff’s claims alleged in the Initial Litigation and, as such, the WD of TX Litigation is an attempt by Plaintiff to circumvent the decision from the United States District Court, Northern District of Texas, Fort Worth Division ordering Plaintiff to arbitrate his claims. In the WD of TX Litigation, Plaintiff’s claims are plead as violations of the RICO Act, violations of the Sherman Act, and intentional fraudulent inducement. Plaintiff also alleges a claim for breach of contract against KWRI and a claim for general partner liability against Business MAPS Management, LLC. On September 27, 2023, KWRI, Gary Keller and Team filed in the Initial Litigation a motion to find Davis in contempt. That motion is fully briefed, and we await a ruling. On November 20, 2023, Davis filed an Amended Complaint adding Jesse Herfel as a co-plaintiff (together with Davis, “Plaintiffs”) and John Keller; 72Sold, Inc.; Johnathan Dupree; Marc King; Jason Abrams; Matt Green; William Soteroff; KWx, LLC; Livian LLC, and KW Southwest Region, LLC as “Additional Defendants.” The Original Defendants and the Additional Defendants, except for 72Sold, Inc., are hereby referred to as “Defendants.” The Amended Complaint reasserts the claims plead as violation of the RICO Act (as to certain Defendants); violations of the Sherman Act (as to certain Defendants); and general partner liability against Business MAPS Management, LLC; and adds a claim for embezzlement (as to certain Defendants). Defendants filed a motion to compel the Plaintiffs’ claims to arbitration and, in the alternative, to dismiss Plaintiffs’ claims. Defendants will continue to vigorously defend against the matter.

Paul Morris v. Gary Keller; Tom Lamphere; Jan Richey; CalTex Millennium, LLC; and Keller Williams Realty, Inc., Civil Action No. 23STCV21862, in the Superior Court of California, County of Los Angeles (“Litigation”). Gary Keller, Tom Lamphere, Jan Richey, CalTex Millennium, LLC, and Keller Williams Realty, Inc. are “Defendants.” Plaintiff filed the Litigation on September 11, 2023, alleging a claim for intentional tort against Defendants and a claim for unjust enrichment against Keller Williams Realty, Inc. On January 4, 2024, Plaintiff filed a First Amended Complaint, alleging claims for Intentional Interference with a Prospective Business Advantage, Negligent Intentional Interference with a Prospective Business Advantage, and Unfair Competition against Defendants. Defendants filed a motion to compel Plaintiff’s claims to arbitration and the court granted the motion. No demand in arbitration has been filed. Defendants will continue to vigorously defend against the matter.

Dr. Jeff Isaacs v. Keller Williams Realty, Inc., Makai Southeast, LLC, Equestrian Palms, LLC, Case No. 23-CIV-81393-RLR/BER, in the United States District Court for the Southern District of Florida. Plaintiff filed this putative class action on June 12, 2023 alleging that Keller Williams Realty, Inc. is vicariously liable for the alleged violations of the Telephone Consumer Protection Act, 47 U.S.C. § 227, the Racketeer Influenced Corrupt Organization Act, 18 U.S.C. § 1962(c), abuse of process, and a violation of the Fair Housing Act, 42 U.S.C. § 3604, by an independent real estate agent associated with a franchisee market center. Plaintiff named the franchisee market center as a defendant as well. Plaintiff seeks actual and/or statutory damages, costs and injunctive relief. On November 15, 2023, Plaintiff filed an amended complaint to include a claim against KWRI and Makai Southeast, LLC for violations of the Sherman and Clayton Antitrust Acts, 15 U.S.C. §§ 1-2, and 15. On December 6, 2023, we filed a motion to dismiss. The Magistrate Judge recommended that the District Court grant our motion to dismiss in its entirety but allowed “one final opportunity to re-plead.”— Plaintiff has not filed an amended complaint. We will continue to vigorously defend against the matter.

Shauntell Burton, individually and on behalf of those similarly situated v. National Association of Realtors, Keller Williams, LLC, and Keller Williams Realty, Inc., Case No. 7:23-CV-056660-JD, in the

above), and the *Sitzer* case (discussed above) if the court in *Sitzer* orders final approval of the settlement. The settlement approval process and details of the settlement are in the *Sitzer* summary.

Willisim Latham, LLC, et al., individually and on behalf of all others similarly situated v. MetroList Services, et al., Case No. 24-cv-67, in the United States District Court Central District of California. Plaintiffs filed this *Moehrl* copycat Class Action Complaint on January 18, 2024, which alleges that the Defendants in this case conspired to require Plaintiff home sellers to pay buyer brokers' commissions at an inflated rate when listing a property on the MetroList Multiple Listing Service site in California, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. Plaintiffs are suing for violation of the Sherman Act and are seeking treble damages, attorneys' fees and injunctive relief. On February 1, 2024, we entered a nationwide class settlement under which the definition of the settlement class and scope of the release would resolve the claims alleged in this case if the court in *Sitzer* orders final approval of the settlement. The settlement approval process and details of the settlement are in the *Sitzer* summary.

Dalton K. Jensen, et al., individually and on behalf of all others similarly situated v. The National Association of Realtors, et al., Case No. 24-cv-109, in the United States District Court of Utah. Plaintiffs filed this *Moehrl* copycat Class Action Complaint on February 9, 2024, which alleges that the Defendants in this case conspired to require Plaintiff home sellers to pay buyer brokers' commissions at an inflated rate when listing a property on certain Multiple Listing Service ("MLS") sites within Utah, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1. Plaintiffs are suing for violation of the Sherman Act and are seeking treble damages, attorneys' fees and injunctive relief. On February 1, 2024, we entered a nationwide class settlement under which the definition of the settlement class and scope of the release would resolve the claims alleged in this case if the court in *Sitzer* orders final approval of the settlement. The settlement approval process and details of the settlement are in the *Sitzer* summary.

On December 29, 2023, DRO L.A. LP ("Claimant") filed a Statement of Claim against Keller Williams Realty, Inc. with the American Arbitration Association, Case No. 01-23-0005-997, alleging claims for Declaratory Judgment, Anticipatory Repudiation, and Violation of California Franchise Relations Act for Termination Without Cause against Keller Williams arising from Keller Williams' decision to not enter into a new regional representative agreement after Claimant's Regional Representative Agreement expired on its terms. On February 7, 2024, Keller Williams filed a Response and Answering Statement to Claimant's Statement of Claim. On April 12, 2024, the Claimant filed a First Amended Statement of Claim, adding claims for Wrongful Termination, Failure to Renew, and Fraud in the Inducement. KWRI filed a Response and Answering Statement to Claimant's First Amended Statement of Claim, and on April 26, 2024, the parties filed Cross-Motions for Summary Judgment. [KWRI's Motion for Summary Judgment was granted, and whatever claims of DRO that remain will be heard at a hearing currently scheduled for January 15, 2025.](#) We will continue to vigorously defend against the matter.

~~*Eric Delgado, an individual v. Keller Williams Realty, Inc., Set Group, Inc. d/b/a/ Keller Williams Encino Sherman Oaks; Terri L. Arias; and Does 1-10*, Case No. 01-23-0005-9971, in the Superior Court of the State of California, County of Los Angeles, Northwest District. Plaintiff filed the Complaint on December 29, 2023, which alleges claims for Declaratory Judgment, Declaratory Judgment of Non-Infringement, and Unfair Competition under California Business & Professional Code § 17200 et seq. against Keller Williams Realty, Inc.; and claims for Conversion and Civil Recovery of Stolen Property Received under California Penal Code § 496 against Set Group, Inc. d/b/a/ Keller Williams Encino Sherman Oaks and Terri L. Arias. Keller Williams has not yet been served with this Complaint. Defendants will vigorously defend against the matter.~~

Jerri L. Moulder P.C. and Jerri L. Moulder, individually and on behalf of all other similarly situated v. Keller Williams Realty, Inc., Case No. 5:24-cv-00292, in the United States District Court for the Western District of Texas at San Antonio. Plaintiffs filed a Class Action Complaint on March 22, 2024, alleging claims for Breach of Contract, Declaratory Relief, and Unjust Enrichment against Keller Williams Realty, Inc. arising from the approval of the Keller Williams International Associate Leadership Council ("IALC"), a council of Keller Williams real estate Associates, to implement changes to the Keller Williams Policies & Guidelines Manual, a policy and guidelines manual created and maintained by the IALC. The changes would reduce the amount of distributions from the Profit Sharing Program to eligible

Keller Williams Associates who leave (or have already left) Keller Williams and join (or have already joined) a competitor. These changes have not been implemented and may never go into effect depending on an upcoming May 16, 2024 IALC vote to repeal the changes before they are implemented. . Plaintiffs seek to represent a nationwide class of individuals who joined a Keller Williams franchise before April 1, 2020, are eligible to receive distributions from the Profit Sharing Program, and have left Keller Williams and joined a competitor or will leave Keller Williams and join a competitor. Since this action was filed, other plaintiffs have filed copycat class action complaints in various federal courts throughout the U.S. based on the same yet-to-be implemented IALC approved changes to the Profit Sharing Program. Each of the Complaints is brought by a plaintiff who would be a member of the nationwide class alleged in the *Jerri L. Moulder P.C.* lawsuit. We have not yet responded to any of the complaints, but we intend to vigorously defend against the matter.

Mauricio Cardero v. Keller Williams Realty, Inc., No. 24-cv-21490, in the United States District Court for the Southern District of Florida, Miami Division. Plaintiff filed this putative class action on April 19, 2024 alleging that Keller Williams Realty, Inc. is liable for the alleged violations of the Telephone Consumer Protection Act, 47 U.S.C. § 227, by an independent real estate agent associated with a franchisee market center. Plaintiff seeks actual and/or statutory damages, costs and injunctive relief. We will vigorously defend against the matter.

Mark Ortega v. Keller Williams Realty, Inc. And KWWD, LLC, No. 24-cv-332, in the United States District Court for the Western District of Texas, San Antonio Division. Plaintiff filed an amended complaint in this putative class action case on June 26, 2024 alleging that Keller Williams Realty, Inc. and a franchisee market center are liable for the alleged violations of the Telephone Consumer Protection Act, 47 U.S.C. § 227, by an independent real estate agent associated with the franchisee market center. Plaintiff seeks actual and/or statutory damages, costs and injunctive relief. We will vigorously defend against the matter.

Matthew Fetick and David Williams v. Gary Keller, William Soteroff, Mike McCarthy, John Clidy, Michele McBride, Mitch Johnson, and Silver Springs Endeavors, LLC, No. 24-cv03329-KNS, in the United States District Court for the Eastern District of Pennsylvania. Plaintiffs' claims are plead as violations of the RICO Act (against all defendants); and fraudulent misrepresentation, libel, and conversion (against Mr. Clidy and Ms. McBride). Defendants will vigorously defend against the matter.

CONCLUDED

Eric Delgado, an individual v. Keller Williams Realty, Inc., Set Group, Inc. d/b/a/ Keller Williams Encino Sherman Oaks; Terri L. Arias; and Does 1-10, Case No. 01-23-0005-9971, in the Superior Court of the State of California, County of Los Angeles, Northwest District. Plaintiff filed the Complaint on December 29, 2023, which alleges claims for Declaratory Judgment, Declaratory Judgment of Non-Infringement, and Unfair Competition under California Business & Professional Code § 17200 et seq. against Keller Williams Realty, Inc. ("KWRI"); and claims for Conversion and Civil Recovery of Stolen Property Received under California Penal Code § 496 against Set Group, Inc. d/b/a/ Keller Williams Encino Sherman Oaks and Terri L. Arias. On or about May 21, 2024, Delgado dismissed with prejudice his claims against KWRI in exchange for KWRI approving the sale of his and his entity's interest in KWRI franchisee Set Group, Inc. d/b/a/ Keller Williams Encino Sherman Oaks to his former partner Terri L. Arias and releasing Delgado and his entity's responsibilities under the SET Group franchise agreement and Delgado's personal guaranty, except for certain post-transfer obligations, indemnification obligations, and deidentification obligations specified in the parties' settlement documentation.

Inga Dow v. Keller Williams Realty, Inc., John Davis, Go Management, LLC, David Osborn, Smokey Garrett, and Gary Keller; Civil Action No. 4:21-CV-1209-P, in the United States District Court, Northern District of Texas, Fort Worth Division. Plaintiff filed this action on November 2, 2021, alleging claims against Keller Williams Realty, Inc. under Title VII of the Civil Rights Act of 1964, the Texas

Inc., arising from claims that JR Group, Inc. breached a written contract with Mr. Cunningham by failing to repurchase his shares in JR Group, Inc. Plaintiff is pursuing a single cause of action against us for breach of the implied covenant of good faith and fair dealing. Plaintiff alleges that we failed to timely consider and act upon a request for approval of a transfer of his ownership interest. Plaintiff seeks an award of damages, costs of suit and for other relief deemed just and proper by the Court. We filed a motion to compel contractual arbitration, which was granted. The parties to the suit participated in a settlement conference in the Alameda Superior Court on July 18, 2017. Following the settlement conference, without a finding or admission of liability, we agreed to a settlement. Pursuant to this settlement, we paid \$25,000 to Mr. Cunningham, approved the transfer of Mr. Cunningham's ownership interest in JR Group, Inc., and approved the transfer of the ownership interest of Andrew Greenwell, another investor in JR Group, Inc. Mr. Cunningham's lawsuit against us was dismissed, such dismissal precluding Mr. Cunningham from initiating or prosecuting any arbitration proceedings against us.

Jana Caudill and Leaders, LLC d/b/a Red Key Realty Leaders v. Keller Williams Realty, Inc., Case No. 1:13-CV-04693 in the United States District Court for the Northern District of Illinois Eastern Division. Plaintiff Leaders, LLC is a former franchisee of Keller Williams Realty, Inc., and Jana Caudill is both a principal of Leaders, LLC and a former Keller Williams Realty, Inc. employee. Plaintiffs filed a complaint on June 27, 2013 and subsequently amended their complaint on July 9, 2013, alleging that Keller Williams Realty, Inc. breached a contract with Plaintiffs by disclosing the terms of a confidential settlement agreement in its Franchise Disclosure Document. Plaintiffs sought an award of damages, including liquidated damages or in the alternative actual damages in an unspecified amount, plus attorneys' fees, costs and the prohibition of future disclosures. We filed an answer, affirmative defenses and counterclaims. On April 9, 2015, the District Court granted partial summary judgment to us on the grounds that plaintiffs had failed to establish causation and damages, and rejected the claim for liquidated damages as unenforceably disproportionate in light of plaintiffs' lack of actual damages from the disclosure. On September 27, 2015, the District Court issued a further opinion denying plaintiffs' request for a permanent injunction against future disclosures, dismissing our alternative counterclaims for reformation of the settlement agreement, and entering a final order of judgment. Plaintiffs then appealed to the Seventh Circuit in *Jana Caudill and Leaders, LLC d/b/a Red Key Realty Leaders v. Keller Williams Realty, Inc.*, Case No. 15-3313, United States Circuit Court (7th Cir.). The Seventh Circuit affirmed the District Court's judgment on July 6, 2016.

We did not file any royalty collection or other suits against our market center franchisees during our previous fiscal year.

Other than the ~~27~~²⁹ actions described above, no litigation is required to be disclosed in this Item. However, in the ordinary course of conducting a real estate business, our franchisees have been named in lawsuits related to the sale of real estate, and we, our Predecessor and some of the persons identified in Item 2 have been named as well. We do not consider these actions to be material.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Disclosure Document.

**ADDENDUM TO THE KELLER WILLIAMS REALTY, INC.
DISCLOSURE DOCUMENT FOR WASHINGTON**

(Market Center)

1. Item 5 of this Disclosure Document is amended by adding the following:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. 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.
8. 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.
9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.
This provision supersedes any other term of any document executed in connection with the franchise.

State Effective Dates

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

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

State	Effective Date
California	June 4, 2024 Pending
Hawaii	May 6, 2024 Pending
Illinois	April 30, 2024 Pending
Indiana	April 30, 2024 Pending
Maryland	May 15, 2024 Pending
Michigan	April 26, 2024
Minnesota	June 24, 2024 Pending
New York	July 1, 2024 Pending
North Dakota	Pending
Rhode Island	May 1, 2024 Pending
South Dakota	April 29, 2024
Virginia	May 20, 2024 Pending
Washington	Pending
Wisconsin	April 29 August 5, 2024

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

**ITEM 23
RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Keller Williams Realty, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Keller Williams Realty, Inc. 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 make any consideration that relates to the franchise relationship. Connecticut and Michigan require that Keller Williams Realty, Inc. 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. Iowa and Maine require that Keller Williams Realty, Inc. give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, Keller Williams Realty Inc. in connection with the proposed franchise sale.

If Keller Williams Realty, Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20590 or the appropriate state agency listed in Exhibit K.

The franchise sellers are: Mark Willis and Debbie Gardner (each located at 1221 South Mopac Expressway, Suite 400, Austin, Texas 78746, phone: (512) 327-3070); the Regional Operating Principal, _____, and the Regional Director, _____ located at _____; and each of the following person(s) who were instrumental in selling you a Market Center franchise [TO BE COMPLETED BY YOU AT THE TIME YOU SIGN THE RECEIPT]: _____.

Date of Issuance: April 26, 2024, as amended August 5, 2024 (see State Registrations page for specific state effective dates)

The name and address of our registered agent authorized to receive service of process is shown in Exhibit I.

I have received a Disclosure Document issued April 26, 2024, as amended August 5, 2024 (see State Registrations page for specific state effective dates). This Disclosure Document includes the following Exhibits:

- | | |
|---|--|
| A. Financial Statements | I. List of Franchisees |
| B. Market Center Franchise Agreement
(including attachments and state
amendments) | J. Agents for Service of Process |
| C. Business Center Addendum | K. State Administrators |
| D. Temporary New Homes Sales Location
Addendum | L. Table of Contents of the Brand Standards
Manuals |
| E. Mega-Associate Office Addendum | M. Sample Form of General Release |
| F. Commercial Real Estate Addendum | N. Regional Representatives |
| G. Real Estate School Participation Addendum | O. Application Documents |
| H. KW Prep Addendum | P. State Addenda to Disclosure Document |

Dated: _____

Sign Individually or as an Officer

Printed Name

of _____
 (a _____ Corporation)
 (a _____ Partnership)
 (a _____ LLC)

Please return this Receipt by email to the Franchise Systems Department at fdd@kw.com.

**ITEM 23
RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Keller Williams Realty, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Keller Williams Realty, Inc. 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 make any consideration that relates to the franchise relationship. Connecticut and Michigan require that Keller Williams Realty, Inc. 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. Iowa and Maine require that Keller Williams Realty, Inc. give you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, Keller Williams Realty Inc. in connection with the proposed franchise sale.

If Keller Williams Realty, Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20590 or the appropriate state agency listed in Exhibit K.

The franchise sellers are: Mark Willis and Debbie Gardner (each located at 1221 South Mopac Expressway, Suite 400, Austin, Texas 78746, phone: (512) 327-3070); the Regional Operating Principal, _____, and the Regional Director, _____ located at _____; and each of the following person(s) who were instrumental in selling you a Market Center franchise [TO BE COMPLETED BY YOU AT THE TIME YOU SIGN THE RECEIPT]:
_____.

Date of Issuance: April 26, 2024, as amended August 5, 2024 (see State Registrations page for specific state effective dates)

The name and address of our registered agent authorized to receive service of process is shown in Exhibit I.

I have received a Disclosure Document issued April 26, 2024, as amended August 5, 2024 (see State Registrations page for specific state effective dates). This Disclosure Document includes the following Exhibits:

- | | | | |
|----|--|----|---|
| A. | Financial Statements | H. | KW Prep Addendum |
| B. | Market Center Franchise Agreement
(including attachments and state
amendments) | I. | List of Franchisees |
| C. | Business Center Addendum | J. | Agents for Service of Process |
| D. | Temporary New Homes Sales Location
Addendum | K. | State Administrators |
| E. | Mega-Associate Office Addendum | L. | Table of Contents of the Brand Standards
Manuals |
| F. | Commercial Real Estate Addendum | M. | Sample Form of General Release |
| G. | Real Estate School Participation Addendum | N. | Regional Representatives |
| | | O. | Application Documents |
| | | P. | State Addenda to Disclosure Document |

Dated: _____

Sign Individually or as an Officer

Printed Name

of _____

(a) _____ Corporation)

(a) _____ Partnership)

(a) _____ LLC)

Please retain this Receipt for your records.

FRANCHISEE Initials/Date _____

KELLER WILLIAMS REALTY, INC.
MARKET CENTER FRANCHISE AGREEMENT

MC#

| April 26, 2024, as amended August 5, 2024 (FTC)