

**FRANCHISE DISCLOSURE DOCUMENT**  
**SOTHEBY'S INTERNATIONAL REALTY AFFILIATES LLC**

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**Sotheby's**  
INTERNATIONAL REALTY

The franchise is for a real estate brokerage offering with defined real estate brokerage services from a specified location under the name Sotheby's International Realty®.

The total investment necessary to begin operation of a Sotheby's International Realty® franchise is approximately \$47,250 to \$331,950 for a conversion real estate office, and \$128,750 to \$519,250 for a start-up real estate office. This includes \$0 to \$25,000 that must be paid to the franchisor or an affiliate as an initial franchise fee. The initial franchise fee for a residential franchise is \$25,000 for the first Branch Office, \$12,500 for the second Branch Office and \$7,500 for each additional Branch Office.

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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issued: March 30, 2026

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 New Jersey. 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 New Jersey than in your own state.
2. **Spousal Guaranty.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Minimum Royalty Payments.** You may be required to make minimum annual royalty payments, regardless of your sales levels. Your inability to make these payments may result in termination of the license for an additional office or offices.

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.

**NOTICE REQUIRED  
BY  
STATE OF MICHIGAN**

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

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

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

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE  
RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current- reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, Consumer Protection Division (Attention: Franchise), 525 West Ottawa Street, G. Mennen Williams Building, 1<sup>st</sup> Floor, Lansing, Michigan 48909, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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## EXHIBITS

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- G List of Franchisees as of December 31, 2025
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## ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, “we,” “our,” or “us” means Sotheby’s International Realty Affiliates LLC, the franchisor. “You” means the person or entity that buys the franchise, the franchisee. If the franchisee is a corporation, partnership or other entity, “you” includes the franchisee’s owners.

### **The Franchisor, its Parents and Affiliates.**

We are a Delaware limited liability company, originally incorporated on February 6, 2004, and converted to a limited liability company on July 2, 2007. We do not do business under any other name. We have no predecessors. We are a wholly owned subsidiary of Anywhere Real Estate Services Group LLC (“Anywhere Services Group”), a Delaware limited liability company, a direct wholly owned subsidiary of Anywhere Real Estate Group LLC, a Delaware limited liability company (“Anywhere Group”). Anywhere Group is a direct wholly owned subsidiary of Anywhere Intermediate Holdings LLC (“Anywhere Intermediate”), a Delaware limited liability company, and a direct wholly owned subsidiary of Anywhere Real Estate Inc., a Delaware corporation (“Anywhere”). Anywhere is a direct wholly owned subsidiary of Compass, Inc., d/b/a Compass International Holdings, a Delaware corporation (“Compass” and/or “CIH”). Anywhere Brands LLC (“Anywhere Brands”), a Delaware limited liability company, which is a wholly owned subsidiary of Anywhere Services Group, provides to us administrative and other services and Anywhere Services Group and its subsidiaries provide certain shared services as described below. Our principal business address, as well as the principal business address of Anywhere Brands, Anywhere Services Group, Anywhere Group, Anywhere Intermediate and Anywhere, is 175 Park Avenue, Madison, New Jersey 07940. There are no predecessors that need to be disclosed in this Item 1.

On February 17, 2004, Sotheby’s International Realty Licensee LLC, a Delaware limited liability company with a principal place of business in New Jersey (the “Licensee Entity”), acquired the exclusive rights to license, and sublicense, the Sotheby’s International Realty<sup>®</sup> name and related trademarks to sublicensees and/or to prospective franchisees under an agreement by and among the Licensee Entity, SPTC Delaware, LLC, a Delaware limited liability company (as assignee of SPTC, Inc., a Nevada corporation) (“SPTC”), Sotheby’s, a Michigan corporation, and Anywhere Group (as assignee of Cendant Corporation (“Cendant”) (an entity from which Anywhere Group was created by virtue of a tax-free spin-off) (the “Trademark License Agreement”). The exclusive license granted by the Trademark License Agreement is for an initial 50-year period and provides the Licensee Entity a unilateral right to extend the exclusive license, in its sole discretion, for an additional 50-year term. We were subsequently granted an exclusive license, for a co-terminus period, from the Licensee Entity to sublicense the Marks to prospective franchisees through an agreement with the Licensee Entity (the “Trademark Sublicense Agreement”).

On October 12, 2012, Anywhere, consummated an initial public offering of shares of common stock and its shares became listed on The New York Stock Exchange under the symbol, “HOUS.” Following the Merger (as defined in the next paragraph), Anywhere’s common stock ceased to be listed on the New York Stock Exchange. Although Anywhere is no longer subject to public company reporting requirements, Anywhere Group and Anywhere issue joint audited annual financial statements for 2025 and continue to serve as our Guarantors.

On January 9, 2026, Anywhere, Compass, and Velocity Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Compass (“Merger Sub”), completed transactions contemplated by the previously announced Agreement and Plan of Merger, dated as of September 22, 2025 (the “Merger Agreement”), by and among Anywhere, Compass and Merger Sub. Pursuant to the Merger Agreement, at the effective time of the merger, Merger Sub merged with and into Anywhere, with Anywhere surviving as a wholly owned subsidiary of Compass the “Merger”). Compass consummated an initial public offering of shares of its Class A common stock on April 1, 2021 and such shares are listed on The New York Stock

Exchange under the symbol, “COMP,” Compass’ principal business address is 110 Fifth Avenue, 4<sup>th</sup> Floor, New York, New York 10011.

We operate as a subsidiary of Anywhere Group and Anywhere (our parent companies, which, in turn, are subsidiaries of Compass), and Anywhere Group and Anywhere guarantee the performance of our obligations under the franchise agreements we sign with you and other franchisees. Compass, Anywhere Group and Anywhere, directly or through wholly owned subsidiaries, including franchisors of other real estate franchise systems (the “Real Estate Affiliates”) operate and/or grant other third-parties the right to operate real estate brokerage businesses which may compete with your business. We share common management and oversight with the Real Estate Affiliates and Anywhere Advisors LLC (f/k/a Realogy Brokerage Group LLC or RBG, and NRT) (“Anywhere Advisors”), a direct subsidiary of Anywhere Services Group, which owns and operates real estate brokerages under our service marks and the service marks of certain Real Estate Affiliates and other service marks (as described below). As of January 1, 2020, we and Anywhere Advisors have had shared leadership (as described in Item 2); however, we and Anywhere Advisors continue to operate as separate and distinct from one another under the shared oversight structure.

Compass, Anywhere Services Group and Anywhere Brands provide dedicated teams in the fields of technology and data, marketing, product development, lead management, business consulting and support and learning. These teams may provide enhanced shared services to us, certain Real Estate Affiliates and Anywhere Advisors. These dedicated teams may provide enhanced shared services to Compass Brokerage (defined below in this Item 1 under the heading “Business Experience of Certain Other Affiliates”) in the future. Personnel of Anywhere Brands, including its division Anywhere Franchise Brands, may exercise executive control and decision-making over certain Real Estate Affiliates and us and have access to competitive and other information about us and the Real Estate Affiliates, as well as information about Anywhere Advisors and Compass Brokerage. As the executive team of the ultimate parent company, the Compass executive team oversees all Anywhere subsidiaries; except as set forth in Item 2, they do not participate in the day-to-day management of us or the Real Estate Affiliates.

Compass, Anywhere, Anywhere Group, Anywhere Services Group and their subsidiaries, including Anywhere Brands offer goods and services to you and other of our franchisees, as well as the franchisees of the Real Estate Affiliates. Compass, Anywhere, Anywhere Group, Anywhere Services Group and their subsidiaries, including Anywhere Brands, reserve the right to develop systems and resources for use in the operation of a real estate brokerage business and to determine which of the Real Estate Affiliates and us, if any, will be permitted to offer such resources and systems to franchisees. See Item 8. Compass, Anywhere, Anywhere Group, Anywhere Services Group and its subsidiaries may also develop resources and systems for exclusive use by Anywhere Advisors and/or Compass Brokerage.

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

### **Business Experience of Franchisor and Franchises Offered.**

We began offering franchises for real estate brokerage offices in May 2004. We have never offered franchises in any other lines of business, nor owned or operated real estate brokerage offices of the type described in this disclosure document. However, before the date of the Trademark License Agreement, Sotheby’s International Realty, Inc., a Michigan corporation, granted certain residential real estate brokerage businesses the right to utilize the Sotheby’s International Realty® Marks under a terminable affiliate license agreement (the “Sotheby’s Realty Affiliates”). Anywhere Advisors acquired the stock of Sotheby’s International Realty, Inc. on the date of the Trademark License Agreement. As of the date of the Trademark License Agreement, there were approximately 155 Sotheby’s Realty Affiliates. As an inducement for signing a Sotheby’s International Realty franchise agreement, certain of the Sotheby’s Realty Affiliates may have been provided with favorable modifications to the standard Franchise Agreement included in Exhibit C which may amend the initial franchise

fees, royalty rate, marketing fund contributions, term and, in some cases, grant a limited and conditional exclusive area of protection for a specified period of time. All proposed modifications to the franchise agreements for the Sotheby's Realty Affiliates were based upon our determination of the business circumstances at the time and were in writing.

We do not own or operate any real estate offices in the United States, although our Related Parties (defined below and in the Franchise Agreement) do operate such offices (as described below).

"Related Party" or "Related Parties," means, with respect to a particular "Person" (defined in the Franchise Agreement as "an individual, a partnership, a trust, a corporation, a limited liability company, an association and any other incorporated or unincorporated organization or entity"), a Person who, directly or indirectly, owns or controls that Person is owned or controlled by a Person, or is under common control with that Person. Control, in this context, means the possession of executive power to direct or to cause the direction of the management and policies of a Person, whether through voting power, ownership, by contract or otherwise.

We offer franchises for real estate sales offices in the United States to owners of existing real estate brokerage businesses and in certain cases to newly formed real estate brokerages as described below in this Item 1 in certain eligible markets (the "Franchise" or the "Business"). In the Trademark License Agreement, we were granted an option to acquire the exclusive rights to offer real estate brokerage franchises internationally; we have exercised this option. The grant of each Franchise is made under, and is authorized by, the Trademark License Agreement. The Franchise authorizes you to operate a real estate sales office using the Sotheby's International Realty® service mark and other trademarks, service marks, designs, logos and other commercial symbols we periodically designate (collectively, the "Marks"), and using a system that we have developed which includes access to brand specific systems, productivity resources, basic business development support, education, real estate referral and broker communications procedures, marketing and advertising services, products and other support funded by our brand marketing fund ("Brand Marketing Fund" or "BMF") and various other items (the "System"), all in accordance with the terms of our Real Estate Franchise Agreement ("Franchise Agreement") and the mandatory provisions of the Policies and Procedures Manual ("P&P Manual").

The eligible markets are those geographic areas, determined by us, in which the median sales price ("MSP") for homes sold in that area during the most recent 12 full calendar months for which data is available immediately before entering into a Franchise Agreement with the prospective franchisee (the "Measurement Period") is at least 1.5 times the MSP for the United States during the Measurement Period (the "Eligible Market"). Usually, franchises are granted to owners of existing real estate brokerage businesses, in Eligible Markets, for conversion to a franchised office. We also reserve the right, based upon our evaluation of the market, to impose additional requirements, including but not limited to: (i) elimination, suppression and or segregation of certain listings such as third party Internet Data Exchange listings from appearing on your company's website; (ii) use of a website that is created by us, a Related Party, or a vendor we approve; and/or (iii) a prohibition against your company and/or your independent sales associates from creating any mobile applications. The existing real estate brokerage businesses, however, must also meet certain eligibility criteria which are listed below (the "Guidelines"). Additionally, in certain situations, we may grant a Franchise to a newly formed residential brokerage business provided the business is located in an Eligible Market and is, or will be, composed of agents substantially all of whom, immediately before the granting of the Sotheby's International Realty franchise were affiliated with a licensed real estate broker that would have satisfied the Guidelines.

A prospective franchisee will satisfy the Guidelines if it satisfies any one of the following guidelines for the geographic area (as we have the right to determine) wherein the prospective franchisee is located and will principally operate (the "Geographic Market"):

- (a) the average selling price (“ASP”) for homes sold or purchased by the customers of the prospective franchisee in transactions brokered by the prospective franchisee in the Geographic Market during the Measurement Period is in the top 40% of selling prices for all homes sold in the Geographic Market; **or**
- (b) during the Measurement Period, the prospective franchisee is ranked in the top 40% in terms of home purchases or sales brokered in the Geographic Market based on the aggregate sales price of residential real estate transactions actually closed (the “Transaction Value”); **or**
- (c) the prospective franchisee is ranked first, second or third in the Geographic Market in terms of highest ASP for homes sold or purchased during the Measurement Period in the Geographic Market or highest Transaction Value for homes sold or purchased in the Geographic Market during the Measurement Period; **or**
- (d) the prospective franchisee owns or operates a newly formed residential brokerage office, which office is or will be composed of independent sales associates substantially all of whom, immediately before the time the office would become part of the Franchise were affiliated with a licensed broker that would have satisfied the guidelines in one of clauses (a), (b) or (c) above with respect to the Measurement Period.

In addition, in certain instances, we may grant a Franchise to a prospective franchisee that does not satisfy any of the Guidelines listed above. This exception is available to us if the prospective franchisee, together with all franchisees that became Sotheby’s International Realty® franchisees during the immediately preceding Measurement Period and who became eligible under this exception, would not represent more than 10% of the total number of all franchises granted during the Measurement Period.

Once you satisfy the Guidelines for a particular Office, you will be deemed to have satisfied the Guidelines for the term of the Franchise Agreement. In the event you seek to open an additional Office in a new market, each new market to be served must satisfy the Eligible Market criteria.

Under the Trademark License Agreement, the offices that Anywhere Advisors acquired were deemed to satisfy the Eligible Market standards and to have met the Guidelines. The criteria for opening new offices, however, equally apply to all other offices owned and operated, or to be owned and operated, by Anywhere Advisors.

We have the right to determine whether the market is an Eligible Market and whether you have satisfied the Guidelines. To help us make this determination, we also have the right to require you to provide us with the information we prescribe. We have the right to determine whether a proposed Office location is acceptable for operation of the Franchise, and you must allow us to physically inspect any Office location you propose.

If you meet our financial, professional, operational and other standards (including the Guidelines and our current Office appearance requirements), operate in an Eligible Market in which we seek to be represented and agree to pay our initial franchise fee, we may grant you a Franchise. The Franchise permits you to use the Sotheby’s International Realty® service mark and other Marks we periodically designate from a specified office location (the “Main Office”) and other authorized Office locations (the Main Office and each authorized Office location are collectively referred to as a “Sotheby’s International Realty® Office” or “Office”) in connection with the performance of real estate brokerage services for Residential Real Estate, the performance of Authorized Commercial Services and the performance of Approved Auction Business (each as defined in Item 16 of this disclosure document). If you received our prior written consent, or provide a list of Excluded Businesses that may be operated from the Office(s), as required under the Franchise Agreement (see Section 4.2 of the Franchise Agreement).

You will be required to sign the Franchise Agreement (Exhibit C), Guaranty of Payment and Performance (Exhibit B to the Franchise Agreement) and Security Agreement (Exhibit F to the Franchise Agreement and Exhibit D-3). For additional Branch Offices (as defined in the Franchise Agreement) that we approve, you will be required to sign our Location Addendum to the Franchise Agreement (see Exhibit C-1).

We have a franchise sales incentive program under which we may waive or reduce the initial franchise fee and provide other business benefits for prospective franchisees that meet the eligibility requirements. As of the issuance date of this disclosure document, the initial franchise fee for the Main Office under this program is waived and we provide other business benefits, including financial incentives. This program may be modified without notice at any time. We may establish and/or eliminate any benefits as we deem in the best interests of the System.

We may from time to time introduce pilot programs to qualifying franchisees who operate at least one franchised office. These pilot programs may be offered in geographic test markets or to certain franchisees to test new business strategies, agent recruitment and/or agent outreach program, operating models or products and services. These pilot programs may provide different fee structures, minimum production requirements or other terms. Terms and conditions of each pilot will vary depending upon the circumstances and the particular market. We and our Related Parties may offer pilot programs to our franchisees, franchisees of the Real Estate Affiliates and company owned offices under Anywhere Advisors and Compass Brokerage, in the same or different markets than your market.

We may also permit a qualifying existing franchisee with a Main Office to open a limited purpose office. Limited purpose offices are designed to accommodate special market conditions and related situations, and as of the issuance date of this disclosure document include the following: Development Offices, Satellite Offices, Seasonal Offices, Administrative Offices and Gallery Offices, as described below (“Limited Purpose Offices”). The terms of each Limited Purpose Office will vary based on its particular function and other circumstances. We have the right to waive or vary the criteria described below in our reasonable business judgment. We enter into a limited number of new Limited Purpose Office Addenda each year and rarely enter into one at the time a franchisee signs its franchise agreement.

To obtain a Limited Purpose Office, you must sign the applicable then-current “Limited Purpose Office Addendum” to your Franchise Agreement. While we reserve the right, at any time, to modify the terms of the Limited Purpose Office Addenda, they typically: (i) will be for a one-year term (although we have the right to permit to extend this period for one or more additional one-year terms); (ii) require the payment of a non-refundable initial franchise fee in the range of \$1,000 - \$3,750; (iii) contain a 30-day mutual termination right; (iv) prohibit or limit your ability to transfer your rights under the Limited Purpose Office Addendum, without our approval; (v) require all Gross Revenue (defined in Exhibit C of the Franchise Agreement) from the respective Limited Purpose Office to be reported through your Main Office and to be aggregated with the Main Office for all purposes under the Franchise Agreement; and (vi) will not hinder or prevent us from placing a new franchise location in close proximity to the Limited Purpose Office. Some Limited Purpose Office types prohibit signage and will not appear as locations on our website.

We reserve the right, at any time, to modify, discontinue or add to the Limited Purpose Offices. Our current Limited Purpose Offices are the following:

Development Offices: A “Development Office” is intended to make allowances for the unique opportunities for marketing first sale properties in developments. Development Offices are located in a development and only permit marketing of residential real estate within the development. Although all Gross Revenue is reported through your Main Office and aggregated with the Main Office for all purposes under the Franchise Agreement, the Development Office requires a separate BMF contribution (as of the issuance date of this

disclosure document the BMF minimum monthly contribution amount per Office is \$117 per month and is subject to change annually). You and your independent sales associates are not permitted to include a Development Office on any business cards, stationery or on your website; however, the Development Office must be operated in accordance with the P&P Manual. If we grant you a Development Office, you will sign a “Development Office Addendum” to the Franchise Agreement. (“Exhibit C-2”). If a Development Office is later converted to a Branch Office, we have the right to charge you the difference in the initial franchise fee owed for a Branch Office. As of the issuance date of this disclosure document, there is no initial franchise fee for a Development Office. While Development Offices are included as franchised outlets in Item 20, as of December 31, 2025, less than 1% of all franchised outlets were Development Offices.

Gallery Offices: A “Gallery Office” is located within two miles of one of your Branch Offices in a high foot traffic area and will consist of a small storefront office of under 2,000 square feet that provides a place for clients to view home sales listings on flat panel monitors and for independent sales associates and/or staff, if applicable, to answer questions. Although all Gross Revenue is reported through your Main Office and aggregated with the Main Office for all purposes under the Franchise Agreement, the Gallery Office requires a separate BMF contribution (as of the issuance date of this disclosure document the monthly minimum and maximum BMF contributions are \$117 and \$3,121, respectively, and are subject to change annually). The Gallery Office must be operated in accordance with the P&P Manual. If a Gallery Office is later converted to a Branch Office, we have the right to charge you the difference in the initial franchise fee owed for a Branch Office. If we grant you a Gallery Office, you will sign a “Gallery Office Addendum” to the Franchise Agreement. (“Exhibit C-4”). The non-refundable initial franchise fee for a Gallery Office is \$3,750. Gallery Offices are classified in our reporting system as Branch Offices for purposes of Item 20 and as of December 31, 2025, less than 5% of all franchised outlets were Gallery Offices.

Satellite Offices: A “Satellite Office” is a real estate brokerage office principally intended to be located in a market that we believe will not sufficiently support a Branch Office operating under a standard Franchise Agreement. The locations must be in a non-metropolitan statistical area, as established by the Office of Management and Budget and published by the U.S. Department of Commerce, with a town population of less than 10,000 people. If we grant you a Satellite Office, you will sign a Satellite Office Addendum to the Franchise Agreement. The non-refundable initial franchise fee for a Satellite Office is \$1,000. If a Satellite Office is later converted to a Branch Office, we have the right to charge you the difference in the initial franchise fee owed for a Branch Office. While Satellite Offices are included as franchised outlets in Item 20 as of December 31, 2025, less than 1% of all franchised outlets were Satellite Offices.

Seasonal Offices: A “Seasonal Office” is located in a recreational area with a very small “off season” population that we believe cannot sufficiently support a year-round Sotheby’s International Realty® franchise operation. The Seasonal Office Addendum to the Franchise Agreement permits you to close your Office for a portion of the year because of the seasonal nature of your market area. The time when your particular Office will have to be fully open and operating each year will be described in the Addendum, but no Seasonal Offices will be open for less than three or more than six consecutive months each year. While Seasonal Offices are included as franchised outlets in Item 20, as of December 31, 2025, there were no Seasonal Offices.

Administrative Offices: An “Administrative Office” is located in the immediate vicinity of your Office(s) and must be solely used to accommodate your Office space deficiencies in a manner and at a location that will be unnoticed by the public. The Administrative Office cannot: (i) be used for personal client/customer contacts; (ii) be advertised as a real estate sales office location in any manner; (iii) appear on business cards or stationery; or (iv) have exterior signage and interior signage shall consist of a small window etching and/or a directory listing. You must also comply with any other terms and conditions we may require from time to time for the operation of an Administrative Office. Based on the limited role Administrative Offices serve in the operation of a Franchise, they are not included as franchised outlets in Item 20.

**Business Experience of Real Estate Affiliates.**

The Real Estate Affiliates that offer franchises that may compete with you include those listed below. The principal business address of these Real Estate Affiliates is the same as ours.

<b>Real Estate Affiliates</b>	<b>Began or will Begin Franchising</b>	<b>Predecessor Began Franchising</b>
Century 21 Real Estate LLC <sup>1</sup>	1995	1972
Coldwell Banker Real Estate LLC <sup>2</sup>	1982	N/A
ERA Franchise Systems LLC <sup>3</sup>	1996	1972
Better Homes and Gardens Real Estate LLC <sup>4</sup>	2008	N/A
Corcoran Group LLC <sup>5</sup>	2019	N/A
At World Franchising, LLC d/b/a @properties <sup>6</sup>	2020	N/A
Christie’s International Real Estate, LLC <sup>7</sup>	2022	N/A

<sup>1</sup>**Century 21 Real Estate LLC (“Century 21”).** Century 21 offers residential real estate brokerage franchises to be operated under the service mark “CENTURY 21®.” Century 21 began granting real estate franchises directly to brokers in 1995. From 1972 until 1995, Century 21 only granted subfranchises. These subfranchises authorized the grantees, called subfranchisors, to offer CENTURY 21® franchises to real estate brokers within protected territories. In 1995, Century 21 merged with the United States subfranchisors and in 1996 began selling CENTURY 21® franchises directly. As of December 31, 2025 franchisees operated 1,685 CENTURY 21 real estate brokerage offices in the United States. Century 21 does not own or operate any real estate brokerage offices in the United States and has never granted franchises in other lines of business.

<sup>2</sup>**Coldwell Banker Real Estate LLC (“Coldwell Banker”).** Coldwell Banker offers residential real estate brokerage franchises to be operated under the service mark “Coldwell Banker®” and commercial real estate brokerage franchises to be operated under the service mark “Coldwell Banker Commercial®.” Coldwell Banker has been offering residential real estate franchises since 1982 and commercial real estate franchises since 1998. As of December 31, 2025, franchisees operated 1,297 Coldwell Banker® residential real estate brokerage franchises and 134 Coldwell Banker Commercial® real estate brokerage offices in the United States. Coldwell Banker has never offered franchises in any other type of business or operated any other type of business.

<sup>3</sup>**ERA Franchise Systems LLC (“ERA”).** ERA offers residential real estate brokerage franchises to be operated under the service mark “ERA®.” In 2010, ERA began offering franchises to be operated under the service mark “ERA Powered®,” allowing certain qualified applicants to operate franchises using the ERA tools and systems and ERA service marks, including “ERA Powered®,” while maintaining their own trade name as the prominent trade name in their company identity. References to ERA® real estate brokerage offices may also mean ERA Powered® brokerage offices. ERA, directly and through its predecessor, has been offering real estate brokerage franchises since 1972. As of December 31, 2025, franchisees operated 434 ERA® Real Estate and ERA Powered® brokerage offices in the United States. ERA has never offered franchises in any other type of business or operated any other type of business.

**4Better Homes and Gardens Real Estate LLC (“BHGRE”).** BHGRE offers residential real estate brokerage franchises to be operated under the service mark “Better Homes and Gardens® Real Estate.” BHGRE has been offering real estate franchises since 2008. As of December 31, 2025, franchisees operated 362 Better Homes and Gardens® Real Estate brokerage offices in the United States. BHGRE has never offered franchises in any other type of business or operated any other type of business.

**5Corcoran Group LLC (“Corcoran”).** Corcoran began offering residential real estate brokerage franchises to be operated under the service mark “Corcoran®” in January 2019. As of December 31, 2025, franchisees operated 108 Corcoran® brokerage offices in the United States. Corcoran has never offered franchises in any other type of business or operated any other type of business.

**6At World Franchising, LLC d/b/a @properties (“@properties”).** @properties offers residential real estate brokerage franchises to be operated under the service mark “@properties” and other related marks. @properties is a Delaware limited liability company that was formed on July 7, 2020 and that has a principal place of business located at 806 N. Peoria St., Chicago, IL 60642. @properties has been offering real estate franchises since August 2020. As of December 31, 2025, franchisees operated 5 @properties real estate brokerage offices in the United States. @properties has never offered franchises in any other type of business or operated any other type of business.

**7Christie’s International Real Estate, LLC (“CIRE”).** CIRE offers residential real estate brokerage franchises to be operated under the service mark “CHRISTIE’S INTERNATIONAL REAL ESTATE.” CIRE is a Delaware limited liability company that was incorporated on June 2, 1995 and was converted from a corporation to a limited liability company on December 1, 2021 and that has a principal place of business located at 806 N. Peoria Street, Chicago, IL 60642. CIRE has been offering real estate franchises since March 2022. As of December 31, 2025, CIRE franchisees operated 38 real estate brokerage offices in the United States. CIRE has never offered franchises in any other type of business or operated any other type of business.

Each other Real Estate Affiliate may, in the future, offer franchises using its own franchise disclosure document, and there may be additional Real Estate Affiliates formed in the future. Because the Real Estate Affiliates may establish and grant other third-parties the right to establish brokerages in close proximity to your Sotheby’s International Realty® office locations, you may face competition from any of these brokerage systems (or new brokerage systems) and their company-owned and franchised real estate brokerage offices for customers, independent sales associates, managers, employees and other business, including relationships with title, mortgage, escrow and relocation services. Each Real Estate Affiliate has total discretion where to operate and permit its franchisees to operate real estate brokerage offices and has the express right to act in its own interest and the interest of its brokerage system in authorizing, conducting and supporting businesses that will compete with you and our franchisees.

As of December 31, 2025, there were approximately 18,000 real estate brokerage offices operating under our Marks and the marks of the Real Estate Affiliates worldwide.

#### **Business Experience of Certain Other Affiliates.**

Anywhere Advisors was originally formed as a Delaware corporation on August 29, 1997, but was converted to a Delaware limited liability company on July 2, 2007, and changed its name from NRT to RBG on February 17, 2020, then changed its name from RBG to Anywhere Advisors LLC on July 13, 2022. Anywhere Advisors is a subsidiary of Anywhere Services Group and shares the same principal business address as ours. As of the issuance date of this disclosure document, Anywhere Advisors directly owns and operates real estate brokerage offices doing business as Coldwell Banker®, Coldwell Banker Commercial® and Sotheby’s International Realty®. In addition, Anywhere Advisors indirectly owns and operates real estate brokerage

offices doing business as Corcoran<sup>®</sup> and Corcoran Sunshine<sup>®</sup> through its direct wholly owned subsidiary NRT New York LLC, a Delaware limited liability company (“NRT NY”), whose principal place of business is 660 Madison Avenue, 12<sup>th</sup> Floor, New York, NY 10065.

As of December 31, 2025, Anywhere Advisors owned and operated 484 Coldwell Banker<sup>®</sup> residential real estate brokerage offices, 1 Coldwell Banker Commercial<sup>®</sup> real estate brokerage offices and 37 Sotheby’s International Realty<sup>®</sup> real estate brokerage offices. In addition, as of December 31, 2025, NRT NY owned and operated a total of 25 Corcoran<sup>®</sup> real estate brokerage offices and 1 Corcoran Sunshine<sup>®</sup> office. Anywhere Advisors and NRT NY operate mainly in metropolitan areas and compete directly with franchisees in the areas in which they operate. Anywhere Advisors and NRT NY may compete with you and other franchisees in your market to solicit customers, independent sales associates, managers, employees, and other business, including relationships with title, mortgage, escrow and relocation services. There are no restrictions on Anywhere Advisors and NRT NY regarding competition with franchisees.

Compass, directly and through certain subsidiaries and affiliates (some of which previously offered franchises), is a residential real estate brokerage firm, operating in over 95 markets in the United States with over 400 offices and over 33,000 affiliated agents. These Compass businesses and affiliated agents operate under the names and marks “COMPASS,” “URBAN COMPASS,” “WASHINGTON FINE PROPERTIES,” and “LATTER AND BLUM” (collectively referred to as “Compass Brokerage”). Compass does not grant franchises under the Compass brand, but its affiliated agents may operate and offer and sell real estate, including soliciting and accepting clients and listings to buy and sell real estate, throughout the United States (subject to state and local real estate licensing laws), and this may include within the geographic area where you operate.

Our affiliate @properties has several affiliates that operate residential real estate brokerage businesses under the “@properties” mark and @properties system. As of December 31, 2025, these affiliates operate 36 company owned real estate brokerage offices.

Our affiliate, Christie’s International Real Estate Europe Limited, has offered licenses for real estate brokerage businesses under the marks outside of the United States since 2005. Christie’s International Real Estate Europe Limited’s principal business address is 8 King Street, London, SW1Y 6QT, United Kingdom. It does not operate the same type of business that is described under this Disclosure Document, and its primary business activities are offering licenses and supporting international affiliates.

Anywhere Group offers and administers franchises and master licenses in Canada, the territories of the United States and outside the United States for the Better Homes and Gardens<sup>®</sup> Real Estate system, and the Coldwell Banker<sup>®</sup>, ERA<sup>®</sup>, CENTURY 21<sup>®</sup>, Sotheby’s International Realty<sup>®</sup> and Corcoran<sup>®</sup> systems. These licenses may grant exclusive rights to the licensee for a particular territory to operate real estate brokerage offices under the respective Marks and, in some cases, to sublicense the marks to others for use in the operation of real estate brokerage offices.

Anywhere Services Group offers services and products to the Real Estate Affiliates, including those offered under the Strategic Partnership Program (See Item 8).

Anywhere Advisors through a pilot program offers certain transaction coordinator services for a fee to our franchisees and franchisees of the Real Estate Affiliates. This service provides administrative support for the contract-to-close process. If a franchisee chooses to use this service, it will sign a contract directly with Anywhere Advisors, which govern the parameters of the service.

Cartus Corporation (“Cartus”), a wholly owned subsidiary of Anywhere Services Group, provides global relocation services to public and private sector employers and their employees. In addition to offering other

services, Cartus refers relocating customers to brokers in the United States, including participating franchisees of the Real Estate Affiliates and Anywhere Advisors. Cartus' principal place of business is at 100 Reserve Road, Danbury, Connecticut 06810.

Anywhere Leads, Inc. (f/k/a Realogy Lead Management Services, Inc.) ("Leads Group"), a part of Anywhere Brands, provides lead generation to certain of our franchisees, the franchisees of the Real Estate Affiliates and Anywhere Advisors, through the Anywhere Leads Network, in exchange for a split of the commission that the brokers earn on the transaction. Leads Group provides high-quality leads to independent sales agents through both Anywhere driven real estate benefit programs and the Anywhere Leads Network. Where permitted by law, consumers participating in certain real estate benefit programs may receive a financial benefit for using these services (such as cash or a gift card, or real estate brokerage commission credit based on the home purchase/sale price pursuant to the applicable program). Our franchisees, franchisees of the Real Estate Affiliates and Anywhere Advisors are eligible to apply to participate in programs offered by Leads Group. Leads Group is part of Anywhere Brands and shares its principal business address with us, at 175 Park Avenue, Madison, New Jersey 07940.

Anywhere Integrated Services LLC (f/k/a Realogy Title Group) ("Anywhere Integrated Services"), a wholly owned subsidiary of Anywhere Services Group, offers title, escrow and settlement services to customers, real estate companies, corporations and financial institutions primarily in support of residential real estate transactions. Title Resources Guaranty Company ("TRG"), a Texas corporation, in which Anywhere Integrated Services owns an indirect minority interest, underwrites title insurance to protect the purchaser and/or the mortgage lender against loss or damage in the event that title is not transferred properly or a lender's lien is not recorded in proper priority position. Anywhere Integrated Services is also an indirect subsidiary of Anywhere Group. Anywhere Integrated Services and TRG offer products and services to our franchisees, to Anywhere Advisors, and the franchisees of the Real Estate Affiliates. Anywhere Integrated Services additionally offers our franchisees and franchisees of the Real Estate Affiliates, in certain markets, the opportunity to participate in the ownership of a full-service title and/or escrow joint venture majority owned and managed by Anywhere Integrated Services and its affiliated companies. These joint ventures generally operate under either the "Upward Title & Closing" or "Upward Title & Escrow Company" name but may vary based on state and local requirements. Anywhere Integrated Service's principal business address is 1000 Bishops Gate Boulevard, Suite 100, Mt. Laurel, NJ 08054. TRG's principal business address is 8111 LBJ Freeway, Suite 1200, Dallas, TX 75251.

Anywhere Group through its indirect, wholly owned subsidiary, Anywhere Integrated Venture Partner LLC, a Delaware limited liability company ("Anywhere Mortgage Partner"), owns a 49.9% interest in Guaranteed Rate Affinity, LLC, a Delaware limited liability company ("Guaranteed Rate Affinity") and a subsidiary of Guaranteed Rate, Inc., a Delaware corporation ("Guaranteed Rate"), owns a 50.1% interest in Guaranteed Rate Affinity. Guaranteed Rate Affinity began doing business in August 2017. In addition to originating loans for Anywhere Advisors and NRT NY customers, Guaranteed Rate Affinity may market its mortgage lending services to our franchisees and to franchisees of certain Real Estate Affiliates. All mortgage loans originated by the venture are sold to third party investors, and Guaranteed Rate Affinity does not hold any mortgages for investment purposes or perform servicing functions for any loans it originates. Anywhere Mortgage Partner's principal business address is 1000 Bishops Gate Boulevard, Suite 100, Mt. Laurel, NJ 08054, and Guaranteed Rate's principal business address is 3940 N. Ravenswood, Chicago, IL 60613. Guaranteed Rate Affinity's principal business address is 1800 W. Larchmont Ave., Chicago, IL 60613.

Anywhere Group's wholly owned subsidiaries, RealVitalize LLC and RealVitalize Affiliates LLC, each a Delaware limited liability company (collectively "RealVitalize"), partnered with Angi, an operating business of Angi Inc., a Delaware corporation. Angi is the nation's largest network of pre-screened, homeowner-rated home service professionals to offer home sellers with home improvement resources during the home listing process. RealVitalize enables home sellers to make their property ready for sale by providing resources to

fund staging and home improvements with no up-front cost via a consumer program offered in partnership with Angi. The RealVitalize program began doing business in 2019 and as of December 31, 2021, RealVitalize is available nationally through participating Anywhere company-owned and certain Real Estate Affiliate franchise brokerages, with the exception of the States of Rhode Island, Delaware, Louisiana, North Dakota and South Dakota. RealVitalize LLC and RealVitalize Affiliates LLC shares a principal business address with us, at 175 Park Avenue, Madison, New Jersey 07940. Angi, Inc.'s principal business address is 130 E. Washington Street, Ste. 1100, Indianapolis, Indiana 46204.

Compass Concierge LLC offers a program which provides home sellers with access to capital to front the cost of home improvement services. Home sellers can access fund to prepare their home for sale through the Compass partnership with an independent third-party lender. In addition, since early 2023, Compass has maintained alternative home improvement programs with several third-party service providers to help Compass affiliated real estate professionals' clients prepare their homes for listing and sale. These programs are currently offered to real estate brokerage offices under the following names and marks, "Compass," "Urban Compass," "Washington Fine Properties," and Latter and Blum." (collectively referred to herein as "Compass Brokerage"), Christie's and @properties, and may be offered to us and other Real Estate Affiliates in the future.

Anywhere Group, through Anywhere Services Group owns a 50% interest in RESO-CA JV LLC, a Delaware limited liability company ("RESO"), a joint venture formed on November 17, 2021, between Anywhere Services Group and Sotheby's, a privately held Delaware corporation, the world's largest marketplace for art and luxury, which owns a 50% interest. RESO owns an 80% indirect interest in Concierge Auctions, LLC, a Delaware limited liability company doing business as an online auction platform for luxury real estate. Concierge Auctions was founded in 2008 and serves as a global luxury real estate auction marketplace that partners with real estate agents to host luxury online auctions for clients. Concierge Auctions will continue to operate independently, partnering with agents across the real estate industry, including agents affiliated with Anywhere brands. RESO can be contacted through its registered agent, Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808.

Anywhere Marketing LLC ("Anywhere Marketing"), an indirect subsidiary of Anywhere, provides optional marketing products and services to agents affiliated with our franchisees, franchisees of certain Real Estate Affiliates, and Anywhere Advisors. The materials may be created by us, our Related Parties, or through third-party vendors for sale and resale. All fees associated with the products and services are paid directly to Anywhere Marketing. Anywhere Marketing is a Delaware limited liability company and shares its principal business address with us at 175 Park Avenue, Madison, New Jersey 07940.

We may license our Marks to Anywhere Integrated Services, Guaranteed Rate Affinity, RealVitalize, and RESO for use in connection with their product offerings. In addition, we may license our Marks to third party providers of services or products ancillary to the delivery of real estate brokerage services or to third party providers of services or products offered to our franchisees.

Proper Title, LLC, is an Illinois limited liability company formed on November 21, 2011, with its principal business address at 110 5th Avenue, New York, New York, 10111. Proper Title currently provides title insurance to all @properties franchisees; however, it may supply title insurance to certain of the other Real Estate Affiliates in the future. It has never offered franchises in this or any other line of business, and it does not operate the same type of business that is described under this disclosure document.

OriginPoint, LLC, is a Delaware limited liability company formed on July 2, 2021, with its principal business address at 1800 West Larchmont Ave, Suite 305, Chicago, Illinois 60613. OriginPoint may provide mortgage services to certain Real Estate Affiliates in the future. It has never offered franchises in this or any other

line of business, and it does not operate the same type of business that is described under this disclosure document.

**Competition.** The residential real estate brokerage industry is a mature industry. You will be competing with other unaffiliated and chain-affiliated real estate brokerage offices in your market area. Some of those offices might be other Sotheby's International Realty® offices (including, perhaps, some Sotheby's International Realty® franchise offices operated by prior Sotheby's Realty Affiliates, as defined above, which have terminated their previous affiliate license agreements and entered into franchise agreements, which franchise agreements may have substantially different terms than those in your franchise agreement), or franchised offices of the Real Estate Affiliates or offices of our Related Parties, Anywhere Advisors, NRT NY, and Compass Brokerage. You may face competition for independent sales associates, customers (buyers and sellers), listings, property management, and related real estate business in your market area from other Sotheby's International Realty® franchisees, franchisees of the Real Estate Affiliates, Anywhere Advisors, NRT NY, and Compass Brokerage. We do not restrict your competition, although we encourage our franchisees to work collaboratively for the success of the System. The market for real estate services is typically the most developed in more populous areas. In resort areas, the market for residential real estate may be seasonal. Your ability to compete may be affected by the quality of independent sales associates, the location of offices, the services provided to independent sales associates, the number of competing offices in the vicinity, including competing offices under different business models, affiliation with a recognized brand name, community reputation and other factors. Your success may also be affected by national, regional and local economic conditions.

**Laws Applicable to the Real Estate Brokerage Business.** Each of the states in which we grant franchises has laws and regulations governing the operation of a real estate brokerage office. You must comply with the regulatory requirements in your market area. An individual must be licensed by the state as a real estate broker before that person may provide real estate brokerage services. You should consult with the appropriate state licensing authority before entering into a Franchise Agreement. There will also be other laws and regulations, including federal laws like the Real Estate Settlement Procedures Act ("RESPA"), that may impact many important ways that you do business, including how you represent your clients and customers, your client agreement provisions, your real estate license, your relationship with your independent sales associates, how you handle your accounting and your revenues, what fees you may charge and with whom they can be split, if any, how you advertise and how you hold yourself and your independent sales associates out to the public. Additionally, there has recently been significant litigation and regulatory scrutiny regarding the manner in which commissions are communicated, negotiated or paid that may affect your operations in the future. We urge you to familiarize yourself with these laws, regulations and related litigation by asking a legal advisor or an appropriate state agency about them. Some states may have home protection, home warranty, residential service contract or insurance laws and regulations.

## ITEM 2. BUSINESS EXPERIENCE

### **President and Chief Executive Officer: Philip A. White, Jr.**

Mr. White was appointed our President and Chief Executive Officer on January 31, 2013. From March 1, 2019 to May 2022, Mr. White also served as President and Chief Executive Officer of the company-owned Sotheby's International Realty® offices.

### **Chief Financial Officer, Brands and Anywhere Advisors, Compass International Holdings: Roger Favano**

Mr. Favano was appointed Chief Financial Officer of Anywhere Brands and Advisors for Compass International Holdings in January 2026. Prior to this role, Mr. Favano was Chief Financial Officer of

Anywhere Brands LLC from February 2018 to January 2026, while also serving as the Senior Vice President and Chief Financial Officer for Anywhere Advisors since August 2017.

**Chief Marketing Officer: Arthur Bradley Nelson**

Mr. Nelson was appointed our Chief Marketing Officer in November 2019. Mr. Nelson also serves as Chief Marketing Officer of the company-owned Sotheby's International Realty® offices. Prior to this position, Mr. Nelson served as Senior Vice President, Private Client Services from March 2019 to November 2019 and Senior Vice President, Marketing of the company-owned Sotheby's International Realty® offices from September 2013 to March 2019.

**Senior Vice President of Global Servicing and Strategy: Tammy Fahmi**

Ms. Fahmi was appointed our Senior Vice President, Global Servicing and Strategy in December 2021. Prior to this role, Ms. Fahmi served as our Vice President, Global Operations and International Servicing from March 2020 through November 2021.

**Senior Vice President, Affiliate Membership Sales: Joseph Bernardo, III**

Mr. Bernardo was appointed our Senior Vice President, Affiliate Membership Sales in February 2014.

**ITEM 3. LITIGATION**

**A. Pending Litigation Against Us.**

None

**B. Resolved Litigation Against Us.**

1. Brazen Real Estate, Inc. d/b/a Brazen Sotheby's International Realty and Joseph Brazen v. Sotheby's International Realty Affiliates LLC, Philip A. White, Jr., Francis Santangelo; Realogics, Inc., Realogics Brokerage LLC d/b/a Sotheby's International Realty, Dean Jones and Stacy Jones. (Case No. 18-2-00618-8, Superior Court, King County, Washington). On January 5, 2018, plaintiffs filed a complaint against us, our President and CEO, Philip A. White, Jr., and our then Senior Vice President of Global Operations, Francis X. Santangelo (collectively the "SIRA Defendants"), alleging that we violated the Washington's Franchise Investment Protection Act by failing to renew Brazen Real Estate's franchise upon expiration, as well as breach of contract and certain alleged torts such as constructive termination and civil conspiracy. Plaintiffs also named another of our franchisees, Realogics Brokerage LLC d/b/a Realogics Sotheby's International Realty, and its guarantors, Dean Jones and Stacy Jones. The claims against Realogics and the Joneses include civil conspiracy, commercial disparagement, and unjust enrichment. Defendants all filed motions to dismiss, but the motions were not heard since all parties reached settlement agreements. Plaintiffs and the SIRA Defendants reached a confidential settlement agreement on October 25, 2018, for payment to plaintiffs in the amount of \$175,000, and the settlement was funded on November 20, 2018. The other defendants subsequently settled with Plaintiff.

**C. Other Pending Litigation.**

1. Christopher Moehrl, individually and on behalf of others similarly situated v. The National Association of Realtors, Realogy Holdings Corp., HomeServices of America, Inc., Re/Max Holdings, Inc., and Keller Williams Realty, Inc., (Case No. 1:19-cv-01610, United States District Court for the Northern District of Illinois). On March 6, 2019, plaintiff, Christopher Moehrl, filed a putative class action against Anywhere and the other named defendants. Plaintiff claims that the defendants engaged in a continuing contract, combination, or conspiracy to unreasonably restrain trade and commerce in violation of Section 1

of the Sherman Act, because defendant The National Association of Realtors (“NAR”), established mandatory anticompetitive policies for the MLSs and its member brokers regarding the setting and payment of the buyer broker commission. Plaintiff further alleges that the defendant franchisors conspired with NAR by requiring their respective franchisees to comply with NAR’s policies and Code of Ethics. Plaintiff seeks a permanent injunction enjoining the defendants from requiring sellers to pay the buyer broker or to otherwise restrict competition among buyer brokers, an award of damages and/or restitution, including treble damages with joint and several liability, attorneys’ fees and costs of suit. On April 15, 2019, a related case was filed in the same district against the same defendants, making similar claims and seeking similar relief on behalf of the same potential class. The related case is captioned Sawbill Strategic, Inc. v. The National Association of Realtors, HomeServices of America, Inc., Keller Williams Realty, Inc., Realogy Holdings Corp., and Re/Max Holdings, Inc. (Case No. 1:19-cv-02544, United States District Court for the Northern District of Illinois). On May 17, 2019, Anywhere and the other defendants filed Motions to Dismiss the Moehrl matter. On June 14, 2019, plaintiffs in the Moehrl and Sawbill matters filed a Consolidated Amended Class Action Complaint, which consolidated the two Illinois actions and added certain additional plaintiffs and defendants. On August 9, 2019, Anywhere and the other defendants filed Motions to Dismiss the consolidated complaint and on October 2, 2020, the Court denied NAR’s and other defendants’ motions to dismiss, and the parties began conducting discovery. In a separate Department of Justice (“DOJ”) investigation into NAR, on November 19, 2020, the DOJ simultaneously filed a complaint against NAR and a proposed equitable settlement that requires NAR to repeal and modify certain of its rules and policies, including certain MLS rules and policies that are the subject of plaintiffs’ allegations. The defendant franchisors are not the subject of the DOJ investigation or defendants in the DOJ complaint. Plaintiffs’ motion for class certification was filed on February 23, 2022. Defendants filed their opposition on June 14, 2022, plaintiffs filed their reply on August 22, 2022, and on March 29, 2023, the Court granted the motion for class certification with two classes certified, a damages class and an injunctive class. The damages class covers sellers of residential real estate (with certain exemptions) who paid a commission to a brokerage affiliated with any franchisor defendant from March 6, 2015 through December 21, 2020 in 20 MLSs in various parts of the country that do not overlap with the Burnett MLSs and that include approximately five of the country’s ten largest MLSs, estimated to cover approximately 3.5 million transactions. The injunctive class covers current and future sellers of residential real estate (with certain exceptions) who are presently listing or will in the future list their home for sale in one of the 20 MLSs. Fact discovery was completed on December 9, 2022. On April 12, 2023, Anywhere and the other defendants filed a petition with the United States Court of Appeals for the Seventh Circuit (the “Seventh Circuit”) to pursue an interlocutory appeal of the decision on class certification, which the Seventh Circuit denied on May 24, 2023. On October 5, 2023, Anywhere entered into a nationwide Settlement Agreement with the Moehrl and Burnett plaintiffs for \$83.5 million (the “Anywhere Settlement Agreement”). In exchange for monetary, injunctive, and cooperation commitments outlined in the Anywhere Settlement Agreement, plaintiffs and the “Settlement Class” agree to release and discharge Anywhere and its respective subsidiaries, related entities, affiliated franchisees, and independent contractors, from any and all claims arising from or relating to conduct that was alleged or could have been alleged in the Moehrl and Burnett actions based on any or all of the same factual predicates for the claims alleged in the Moehrl and Burnett actions, including but not limited to commissions negotiated, offered, obtained, or paid to brokerages in connection with the sale of any residential home. On November 20, 2023, the Court granted the motion for preliminary approval of the Anywhere Settlement Agreement. The Court granted final approval of the Anywhere Settlement Agreement on May 9, 2024. The final approval has been appealed by several parties and is currently pending in the Eighth Circuit Court of Appeals.

2. Scott and Rhonda Burnett, Ryan Hendrickson, Jarod Breit, Scott Trupiano, and Jeremy Keel, on behalf of themselves and all others similarly situated v. National Association of Realtors, Realogy Holdings Corp., HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, Re/Max LLC and Keller Williams Realty, Inc., (Case No. 4:19-cv-00332-SRB, United States District Court for the Western District of Missouri). On April 29, 2019, this related case was filed in the United States District Court for the Western District of Missouri, against the same defendants as in the Moehrl case, making similar claims and seeking

similar relief, including an award of damages and/or restitution, including treble damages, with joint and several liability, attorneys' fees and costs of suit, on behalf of plaintiffs in Missouri and Kansas. On June 21, 2019, plaintiffs filed an amended Complaint. In addition to the Sherman Act federal claims asserted in the Moehrl litigation, the Burnett plaintiffs also allege violations of the Missouri Merchandising Practices Act and state antitrust laws and seek an award of damages and/or restitution, punitive damages, attorneys' fees and costs of suit, and a permanent injunction enjoining the defendants from requiring home sellers to pay buyer-broker commissions or from otherwise restricting competition among brokers. On July 10, 2019, defendants in the Missouri case filed two Motions to Transfer to the Northern District of Illinois. Those motions were denied on August 19, 2019, and August 22, 2019, respectively. On August 5, 2019 Anywhere and the other defendants filed Motions to Dismiss, which were denied on October 16, 2019. On November 13, 2019, defendants' Answers were filed, and the parties began conducting discovery. On April 1, 2020, defendants filed a Motion to Stay Proceedings for 60 days due to COVID-19, but the Court denied the motion on April 7. In a separate DOJ investigation into NAR, on November 19, 2020, the DOJ simultaneously filed a complaint against NAR and a proposed equitable settlement that requires NAR to repeal and modify certain of its rules and policies, including certain MLS rules and policies that are the subject of plaintiffs' allegations. The defendant franchisors are not the subject of the DOJ investigation or defendants in the DOJ complaint. Plaintiffs filed their motion for class certification on May 24, 2021. Mediation took place on June 29, 2021 but was unsuccessful. On June 30, 2021, plaintiffs filed a Second Amended Complaint, dropping one of the original named defendants, The Long & Foster Companies, Inc., two of the original named plaintiffs, Joshua Sitzer and Amy Winger, and adding three new proposed class representatives. Plaintiffs also revised the class definition by limiting it to sellers who used a listing broker affiliated with one of the defendants. On November 12, 2021, defendants filed opposition to the class certification and plaintiffs' reply was filed on January 28, 2022. On April 22, 2022, the Court granted class certification of home sellers who from April 29, 2015 to present, used a listing broker affiliated with one of the franchisor defendants in four MLSs that primarily serve the State of Missouri, estimated to cover over 310,000 transactions. The class for the alleged violations of the Missouri Merchandising Practices Act includes Missouri residents only commencing on April 29, 2014. On May 6, 2022, plaintiffs filed a Third Amended Complaint which adds plaintiffs for the MLSs where there previously was no named representative, and defendants filed their answers on May 20, 2022. Defendants filed their motions for summary judgment on August 29, 2022, plaintiffs filed their consolidated opposition on October 10, 2022, defendants filed their replies on November 7, 2022, and the motions were heard at oral argument on November 17, 2022. The Court denied Defendants motions for summary judgment on December 16, 2022. On December 30, 2022, defendants petitioned the Court to certify the order for immediate appeal. Plaintiffs filed their opposition to the motion to certify on January 13, 2023, and defendants filed their reply on January 27, 2022. The court denied the motion to certify on January 27, 2023. On December 1, 2022, Anywhere filed a motion for continuance of the scheduled February 21, 2023 trial date, which was granted by the Court on December 13, 2022. This case went to trial on October 16, 2023, with all defendants except the Anywhere defendants and Re/Max LLC. On October 5, 2023, Anywhere entered into the na The Court granted final approval of the Anywhere Settlement Agreement on May 9, 2024. The final approval has been appealed by several parties and is currently pending in the Eighth Circuit Court of Appeals. For more information about the Anywhere Settlement Agreement, see the Moehrl litigation disclosure immediately above in this Item 3.

Copycat Antitrust Cases: Since October 2023, dozens of copycat antitrust lawsuits with similar or related claims, seeking similar relief on behalf of the same potential class, were filed against various real estate brokerages, NAR, MLSs, and/or state and local Realtor Associations, about a third of which name Anywhere, its subsidiaries, the Real Estate Affiliates and/or franchisees of us and the Real Estate Affiliates. In those cases, plaintiffs have generally either agreed to dismiss or stay the actions against Anywhere, its subsidiaries or franchisees pending the conclusion of the appeals of the trial courts' grant of final approval of the nationwide Anywhere Settlement Agreement in the Moehrl and Burnett matters, as described in the Moehrl litigation disclosure in this Item 3.

3. Jennifer Nosalek, Randy Hirschorn, and Tracey Hirschorn, individually and on behalf of all other similarly situated, v. MLS Property Information Network, Inc., Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.), Century 21 Real Estate LLC, Coldwell Banker Real Estate LLC, Sotheby's International Realty Affiliates LLC, Better Homes and Gardens Real Estate LLC, ERA Franchise Systems LLC, HomeServices of America, Inc. BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC and Keller Williams Realty, Inc. (Case 1:20-cv-12244, U.S. District Court for the District of Massachusetts). On December 17, 2020, plaintiffs filed a purported class action against MLS Property Information Network, Inc., Anywhere, HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc., wherein the plaintiffs take issue with NAR policies and rules similar to those at issue in the Moehrl and Burnett matters, but rather than objecting to the national policies and rules published by NAR, this lawsuit specifically objects to the alleged policies and rules of a broker-owned MLS, including in part by one of Anywhere's company owned brokerages. The plaintiffs allege that defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and seek a permanent injunction, enjoining the defendants from continuing conduct determined to be unlawful. Anywhere was served on December 24, 2020. On March 1, 2021, Anywhere and each of the other defendants filed separate motions to dismiss. On April 15, 2021, the plaintiffs filed a consolidated opposition to the defendants' motions to dismiss, and the defendants filed their respective replies on May 17, 2021. The motion to dismiss was denied on December 10, 2021. On February 1, 2022, defendants' Answers were filed. On March 1, 2022, plaintiffs filed an Amended Complaint, dropping two named plaintiffs, Gary and Mary Jane Bauman, and adding two new proposed class representatives, Randy Hirschorn and Tracey Hirschorn. The Amended Complaint modifies the proposed class definition to exclude certain persons related to the court or defendants. The Amended Complaint is otherwise identical to the original Complaint. Plaintiffs' unopposed motion for leave to file a second amended complaint was granted on January 9, 2023. The Second Amended Complaint, among other things, substituted Anywhere Real Estate Inc. for Realogy Holdings Corp. and added certain entities as defendants, including certain Anywhere wholly-owned franchisor subsidiaries, namely Century 21 Real Estate LLC, Coldwell Banker Real Estate LLC, Sotheby's International Realty Affiliates LLC, Better Homes and Gardens Real Estate LLC, and ERA Franchise Systems LLC; removed the Count II state law claims that the plaintiffs voluntarily dismissed; and redefined the covered area as limited to home sales in Massachusetts, and removing sales in New Hampshire and Rhode Island. On January 23, 2023, MLS Property Information Network, Inc., HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc. filed their answer to the Second Amended Complaint. The Anywhere defendants filed their answer to the Second Amended Complaint on February 21, 2023. On June 30, 2023, MLS Property Information Network, Inc. filed a motion for preliminary approval of a proposed settlement between MLS Property Information Network, Inc. (only) and plaintiffs. No other defendants are included in the proposed settlement. A preliminary approval hearing was held on August 9, 2023, at which time the Court raised certain concerns about the terms of the proposed settlement. The settling parties must submit additional substantiation or amend the terms of the settlement by September 5, 2023. On September 7, 2023, the Court granted preliminary approval of the MLS Property Information Network settlement and set a hearing date of January 4, 2024 for final approval, which the Court subsequently moved to March 7, 2024, in response to a statement of interest and motion to extend filed by the Department of Justice ("DOJ") so that it could evaluate the proposed settlement and its competitive effects. On February 14, 2024, the Court entered a stay on all claims against the Anywhere defendants in light of Anywhere's nationwide settlement in the Moehrl and Burnett matters, which would cover the claims against them in this matter. The final approval of Anywhere's nationwide settlement in the Moehrl and Burnett matters has been appealed by several parties and is currently pending in the Eighth Circuit Court of Appeals. On March 17, 2025, the DOJ filed a statement of interest indicating that it believes the Court should deny preliminary approval of the MLS Property Information Network settlement. On June 3, 2025, the DOJ withdrew its objection to the MLS Property Information Network settlement in light of additional injunctive relief added to it. On September 29, 2025, the Court granted final approval of the MLS Property Information Network Settlement.

4. Batton, Bolton, Brace, Kim, James, Mullis, Bisbicos and Parsons v. 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. (Case No. 1:21-cv-430, U.S. District Court, Northern District of Illinois) (formerly captioned *Leeder*). On January 25, 2021, plaintiff filed a purported class action against NAR, Anywhere, HomeServices of America, Inc. BHH Affiliates, LLC, HSF Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC and Keller Williams Realty, Inc., wherein the plaintiff raises claims regarding the NAR policies and rules similar to those at issue in the Moehrl, Burnett and Nosalek matters (and plaintiff filed a related claim in the same district court where the Moehrl case is pending), plus NAR's policy regarding access to lockboxes. However, the plaintiff brings this claim on behalf of himself and other buyers of real estate rather than on behalf of sellers, and claims that buyers were harmed due to inflated commissions that resulted in inflated home prices. Plaintiff further alleges that buyers are harmed by NAR's policy that allows buyer agents to market their services as free when the buyer agent receives a portion of the sell-side commission, and thus the buy-side commission is allegedly embedded in the inflated purchase price. In addition, plaintiff alleges a nationwide class including real estate transactions listed on all MLSs controlled by NAR rather than a specific subset of MLSs. The plaintiff alleges that defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and that defendants were unjustly enriched, and seeks a permanent injunction, enjoining the defendants from continuing conduct determined to be unlawful. Anywhere was served on January 28, 2021. On April 20, 2021, defendants filed a joint motion to dismiss. On June 4, 2021, plaintiff filed an opposition to the motion to dismiss. Defendants' reply was filed on July 6, 2021. On May 2, 2022, the Court granted defendants' motion to dismiss without prejudice. On July 6, 2022, the plaintiff filed an Amended Class Action Complaint. The amended complaint is substantially similar to the original complaint but, in addition to the federal Sherman Act and unjust enrichment claims, plaintiffs have added two claims based on certain state antitrust statutes and consumer protection statutes. On September 7, 2022, the defendants filed a motion to dismiss. Plaintiffs filed their opposition on October 21, 2022. Defendants filed their reply on November 22, 2022. By order, dated February 20, 2024, the Court granted the motion to dismiss in part and denied it in part, dismissing the federal antitrust claims and the consumer protection statute claims under Kansas and Tennessee law. By Minute Order, dated February 28, 2024, the Court ordered defendants to answer the Amended Class Action Complaint and file any Motion to Dismiss for lack of personal jurisdiction by April 15, 2024. On April 15, 2024, Anywhere filed its Answer to the Complaint, along with a Motion to Dismiss for Lack of Personal Jurisdiction. The motion was denied on November 22, 2024. On June 18, 2024, the parties filed a Joint Motion for a Partial Stay of Proceedings pending the Final Approval Order of the Anywhere Settlement Agreement in the Burnett and Moehrl matters, staying the claims of the Batton plaintiffs' purported class representatives that would be covered by the Anywhere Settlement Agreement. On October 9, 2024, the Court ordered the partial stay. Several parties, including purported class representatives in the Batton matter, have appealed final approval of the Anywhere Settlement Agreement in the Burnett and Moehrl matters, and the appeal remains pending before the Eighth Circuit Court of Appeals. On December 2, 2024, the unstayed plaintiffs in the Batton matter filed a motion for leave to file a Second Amended Complaint, seeking to add additional plaintiffs and causes of action. On February 13, 2025, the Court ordered the parties to meet and confer about additional class representatives that plaintiffs seek to add to the Complaint but indicated from the bench that the Court was not inclined to allow the inclusion of additional causes of action. Plaintiffs filed their Motion for Class Certification on September 22, 2025. On October 22, 2025, Anywhere filed a motion to Strike or, in the alternative, to stay all proceedings related to Class Certification because Plaintiffs' Class Certification motion improperly sought to include buyer claims by sellers that released their claims in the Anywhere Settlement in Burnett and Moehrl, and which were subject to an injunction under that settlement. By Order, dated November 13, 2025, the Court struck Plaintiffs' Motion for Class Certification without prejudice and stayed all class certification proceedings in the matter pending further order of the court (though fact discovery continues under the Order). As described further below, we are attempting to settle the claims against Anywhere in the Batton matter via an opt-in procedure provided in another home buyer antitrust litigation (Tuccori v. At World Properties, et al.).

Tuccori v. At World Properties, et al., United States District Court for the Northern District of Illinois (“Tuccori Case”), is a case that consolidated several purported class actions filed by home buyers. On October 15, 2025, the court in the Tuccori Case granted preliminary approval of a nationwide settlement entered by several real estate brokerages related to the home buyer claims (“Tuccori Settlement”). The Tuccori Settlement, as preliminarily approved by the court on October 15, 2025, included an opt-in procedure under which other companies not specifically named as defendants but which are subject to similar home buyer claims could opt into the Tuccori Settlement, subject to preliminary and final court approval of such an opt-in settlement. On February 22, 2026, Anywhere opted into the Tuccori Settlement via an Opt-In Settlement Agreement (“Anywhere Opt-In Settlement” with Anywhere being an “Opt-In Settlor”). On February 23, 2026, the Tuccori plaintiffs filed a motion for preliminary approval of the Anywhere Opt-In Settlement and several other opt-in settlements by other real estate brokerages. The Anywhere Opt-In Settlement calls for payment by Anywhere of \$9,602,500 upon it becoming effective.

Upon Anywhere’s entry into the Anywhere Opt-In Settlement, the Batton Plaintiffs took several steps to attempt to block it, including seeking: 1) an injunction against Anywhere proceeding with the Anywhere Opt-In Settlement, 2) an order relating the Tuccori case to the Batton case, and 3) an order appointing Batton counsel as interim class counsel. The injunction and relation motions were denied and, on March 4, 2026, the Tuccori court granted preliminary approval of the Anywhere Opt-In Settlement. Batton counsel will have the opportunity to seek to appoint itself as interim class counsel and to object to the Anywhere Opt-In Settlement at a final approval hearing in Tuccori. A final approval hearing will be set later, after notice to the class and opportunity to object or opt out of the class. The Anywhere Opt-In Settlement, if finally approved by the court and sustained on any appeal, will release Anywhere and all of its respective past, present, and future direct and indirect parents (including holding companies), subsidiaries, related entities and affiliates, associates (all as defined in SEC Rule 12b-2 promulgated pursuant to the Securities Exchange Act of 1934), predecessors, and successors, and all of their respective franchisees, and sub-franchisors from any and all state and federal claims regardless of the cause of action arising from or related to conduct that was or could have been alleged in the Tuccori Case or against Opt-In Settlor in the Batton Case (as described in the prior paragraphs) based on any or all of the same factual predicates as those claims, including but not limited to claims based on antitrust laws, consumer protection or other state laws, and/or anticompetitive conduct relating to the commissions negotiated, offered, obtained, or paid to brokerages, or the impact of the foregoing on the purchase price, in connection with the purchase or sale of residential real estate.

5. Ronald Chinitz, Sarah Bumpus, David Gritz, Micheline Peker, Nathan Rowan, Cheryl Rowan, Daniel Caruso, and Paramjit Lalli, individually and on behalf of a class of similarly situated persons v. Realogy Holdings Corp., Realogy Intermediate Holdings LLC, Realogy Group LLC, Realogy Services Group LLC, Realogy Brokerage Group LLC (f/k/a NRT LLC), and Mojo Dialing Solutions, LLC, (Case No. 3:19-cv-03309-JD, U.S. District Court, Northern District of California, San Francisco Division). This is a putative class action originally filed against Anywhere Advisors LLC on June 11, 2019. On April 13, 2020, plaintiffs filed a Second Amended Putative Class Action Complaint adding the other Realogy defendants. Anywhere Advisors and the other Anywhere defendants submitted a combined motion to dismiss in July 2020. Plaintiffs filed a Third Amended Putative Class Action Complaint on February 12, 2021, adding additional plaintiffs. Plaintiffs allege that Anywhere Advisors affiliated agents violated the Telephone Consumer Protection Act (TCPA) by contacting consumers on the National Do Not Call registry, by not maintaining an internal Do Not Call registry, and by using a prerecorded message to contact consumers without their consent. Plaintiffs further allege that Anywhere Advisors and the Anywhere defendants permit affiliated agents to partner with autodialing companies such as defendant Mojo. Plaintiffs seek relief on behalf of the National Do Not Call Registry class, an Internal Do Not Call class, an Artificial or Pre-recorded Message class, and a California Business & Professional Code sec. 17200 class for California cell phone users. Anywhere Advisors’ motion to dismiss was denied. Discovery is complete. Plaintiffs filed a motion for class certification on August 20, 2021, and the Anywhere defendants filed opposition on September 24,

2021. The parties participated in mediation, which terminated without resolution. On March 23, 2022, the Court certified the National Do Not Call Registry Nationwide class, and the National Artificial or Prerecorded Message class. The Court also certified the National Internal Do Not Call class. Certification was denied for the Artificial or Prerecorded Message Mojo class. The Anywhere defendants filed a Petition for Permission to Appeal in the Ninth Circuit Court of Appeals on April 6, 2022. The Petition for Permission to Appeal was denied. Class notices were sent out in July 2022. On March 29, 2023, plaintiffs filed a motion to narrow the classes. On April 12, 2023, Anywhere opposed plaintiffs' motion to narrow the classes and sought to decertify them. On April 24, 2023, the Court vacated the April 27, 2023 hearing and pretrial conference and the jury trial was set to commence on May 15, 2023, and on May 25, 2023 set a jury trial date for January 29, 2024 and a pretrial conference for January 11, 2024. On November 27, 2023, the Court entered an Order setting a hearing on the class definition issue for February 8, 2024, which was continued to May 23, 2024. The pretrial conference and trial dates were vacated pending further order. On August 15, 2024, the Court denied plaintiffs' application to amend the class definition. On December 13, 2024, the parties submitted a Notice of Settlement, followed by plaintiffs' filing on January 21, 2025, of a Motion for Preliminary Approval of Class Action Settlement and for Certification of Settlement Classes. The Court held a hearing on the Motion for Preliminary Approval on February 27, 2025 and on March 10, 2025 the Court signed the Order granting the preliminary approval. Plaintiffs filed a Motion for Final Approval of the Class Action Settlement on July 24, 2025, which the Court heard on January 29, 2026, and for which a ruling remains pending. All of the Anywhere defendants deny all allegations.

6. Homie Technology, Inc., a Delaware corporation v. National Association of Realtors, an Illinois non-profit association; Anywhere Real Estate Inc., a Delaware corporation; Keller Williams Realty, Inc., a Texas corporation; HomeServices of America, Inc., a Delaware corporation; HSF Affiliates, LLC, a Delaware limited liability company; RE/MAX LLC, a Delaware limited liability company; and Wasatch Front Regional Multiple Listing Service, Inc., a Utah corporation (Case No. 2:24-cv-00616, U.S. District Court, Central District of Utah). Plaintiff alleges that defendants engaged in a conspiracy involving the creation of a market structure that facilitated boycotts of new entrants, such as Homie Technology ("Homie"), by real estate brokerages in the Wasatch Front Regional Multiple Listing Service ("Wasatch MLS"). Plaintiff alleges that the conspiracy is contained in NAR rules that govern access to the Wasatch MLS, which allegedly creates substantial barriers to competition. Plaintiff alleges that Anywhere played an active role in NAR by requiring its branded franchisees and company owned brokerages to join and implement NAR's anticompetitive rules, including the NAR Code of Ethics, Buyer-Broker Compensation Rule, Commission-Filter Rules and Practices, Commission-Concealment Rules, Free-Service Rule, and the Clear Cooperation Policy. On October 18, 2024, Anywhere filed a Joint Motion to Dismiss. On February 20, 2025, the parties argued the Motion. On July 15, 2025, the Court granted Anywhere's Motion to Dismiss and dismissed all claims, with prejudice. On August 7, 2025, Plaintiff filed a Notice of Appeal of the dismissal of its claims. The appeal has been fully briefed, and we are awaiting a schedule from the court for argument. Anywhere denies all allegations and will vigorously defend Plaintiff's appeal.

7. Anywhere Real Estate/Compass Merger Related Litigation. Anywhere filed with the SEC a definitive proxy statement on December 2, 2025 (the "Definitive Proxy Statement") for the solicitation of proxies in connection with the special meeting of Anywhere's stockholders to be held on January 7, 2026, to vote upon, among other things, matters necessary to adopt and complete the proposed merger with Compass (the "Merger").

Following the filing of the Definitive Proxy Statement, three complaints have been filed by purported stockholders of Anywhere as individual actions with respect to the Merger. These cases are summarized below:

John McDaniels v. Anywhere Real Estate Inc., Michael J. Williams, Fiona Dias, Matthew J. Espe, V. Ann Hailey, Bryson R. Koehler, Joseph Z. Lenz, Duncan Niederauer, Egbert L. J. Perry, Ryan M. Schneider, Enrique

Silva, Chris Terrill, and Felicia Williams (Index No, 656379/2025, Supreme Court of the State of New York, County of New York, December 10, 2025).

John Marino v. Anywhere Real Estate Inc., Michael J. Williams, Fiona Dias, Mathew J. Espe, V. Ann Hailey, Bryson R. Koehler, Joseph Z. Lenz, Duncan Niederauer, Egbert L.J. Perry, Ryan Schneider, Enrique Silva, Chris Terrill and Felicia Williams (Index No. 656398/2025, Supreme Court of the State of New York, County of New York, December 11, 2025).

Dean Drulias v. Fiona Dias, Matthew Espe, Bryson Koehler, V. Ann Hailey, Joseph Lenz, Duncan Niederauer, Egbert Perry, Ryan Schneider, Enrique Silva, Sherry Smith, Chris Terrill, Felicia Williams, Michael Williams, Anywhere Real Estate Inc., and Compass, Inc. (Case No. MRS-C-000133-25, Superior Court of New Jersey, Morris County, General Equity Division, December 18, 2025).

The plaintiffs in each of these cases are purported Anywhere shareholders who filed suit naming as defendants Anywhere Real Estate Inc., its Board of Directors, and its Chief Executive Officer. The Drulias complaint also names Compass, Inc. as a defendant. The complaints generally allege that, among other things, the Definitive Proxy Statement is misleading and contains certain disclosure deficiencies and/or incomplete information regarding the Merger in violation of applicable federal or state law. The complaints seek, among other things: (i) a direction that the Anywhere make corrective and complete disclosures; (ii) to enjoin the consummation of the Merger and the other transactions contemplated by the merger agreement unless and until the information purportedly omitted from the Definitive Proxy Statement is disclosed; (iii) rescission or rescissory damages in the event the Merger and the transactions contemplated by the merger agreement are consummated; (iv) an award of costs of the actions, including attorneys' and expert fees; and (v) any other relief the court may deem just and proper. The complaints collectively assert causes of action for Negligent Misrepresentation, Negligent Misrepresentation and Concealment, Negligence, and violations of the New Jersey Uniform Securities Law and California Corporations Code § 25401. In the Drulias case, a settlement in principle was reached among the parties and, on December 28, 2025, a Memorandum of Understanding was executed under which Anywhere or its successors will cause \$450,000 to be paid to Plaintiffs' attorneys. Anywhere believes that the claims asserted are without merit and that no supplemental disclosures to the Definitive Proxy Statement are required or necessary under applicable laws. However, in order to avoid the risk of delay and to minimize the potential expense associated therewith, and without admitting any liability or wrongdoing, Anywhere and Compass voluntarily made certain disclosures on a Form 8-K filed on December 29, 2025, that supplement those contained in the Definitive Proxy Statement. On January 2, 2026, the Drulias plaintiff filed a notice voluntarily discontinuing the action with prejudice.

#### **D. Other Resolved Litigation.**

1. Sheri Dodge and Neil Dodge and Ram Agrawal and Sarita Agrawal, individually and on behalf of all others similarly situated v. PHH Corporation, Realogy Holdings Corp., PHH Home Loans LLC, PHH Mortgage Corporation, RMR Financial, LLC, NE Moves Mortgage LLC, PHH Broker Partner Corporation, Realogy Group LLC, Realogy Intermediate Holdings LLC, Title Resource Group LLC, West Coast Escrow Company, TRG Services Escrow, Inc., Equity Title Company, NRT LLC, Realogy Services Group LLC and Realogy Services Venture Partner LLC formerly captioned as: Timothy L. Strader, Sr. and Lester L. Hall, Jr., individually and on behalf of all others similarly situated v. PHH Corporation, Realogy Holdings Corp., PHH Mortgage Corporation, PHH Home Loans LLC, RMR Financial, LLC, NE Moves Mortgage LLC, PHH Broker Partner Corporation, Realogy Group LLC, Realogy Intermediate Holdings LLC, Title Resource Group LLC, West Coast Escrow Company, TRG Services Escrow, Inc., NRT LLC, Realogy Services Group

LLC and Realogy Services Venture Partner LLC, (Case No. 8:15-CV-01973, United States District Court, Central District of California). This is a purported class action filed on November 25, 2015, by four California residents against 15 defendants, including Realogy Holdings and certain of its subsidiaries, PHH and PHH Home Loans, alleging violations of Section 8(a) of RESPA. Plaintiffs seek to represent two subclasses comprised of all persons in the United States who, since January 31, 2005, (1) obtained a RESPA-covered mortgage loan from either (a) PHH Home Loans or one of its subsidiaries, or (b) one of the mortgage services managed by PHH for other lenders, and (2) paid a fee for title insurance or settlement services to TRG or one of its subsidiaries. Plaintiffs allege, among other things, that PHH Home Loans operates in violation of RESPA and that the other defendants violate RESPA by referring business to one another under agreements or arrangements that are prohibited by RESPA. Plaintiffs seek treble damages and an award of attorneys' fees, costs and disbursements. The amended class action complaint was filed on December 10, 2015, and served on the Realogy and TRG entities on December 18, 2015. On February 5, 2016, defendants filed a motion to dismiss the case claiming that not only do the claims lack merit, but they are time-barred under RESPA's one-year statute of limitations. On April 5, 2016, the Court granted defendants' motion to dismiss with leave for the plaintiffs to amend their complaint. Plaintiffs filed a second amended complaint on April 21, 2016, and a third amended complaint on May 12, 2016, without material modifications to address the original complaint's deficiencies. On October 6, 2016, the Court denied defendants' May 26, 2016, motion to dismiss plaintiffs' third amended complaint, without prejudice to defendants' ability to move for summary judgment after discovery. Defendants filed an answer to the third amended complaint on October 20, 2016. On May 19, 2017, the parties held a mediation session, at which they agreed in principle to a settlement of \$17M, pursuant to which the Realogy defendants would pay approximately \$8.5 million (or one-half of the settlement) and the PHH defendants would pay the remaining \$8.5M. Realogy and PHH agreed to pay \$5,000 each to plaintiffs Hall and Strader in exchange for a dismissal of their claims, which occurred outside the class settlement. The individual settlement agreements with plaintiffs Hall and Strader are fully executed and settlement payments to Hall and Strader were funded in August 2017. On July 31, 2017, a Fourth Amended Complaint was filed, dismissing Hall and Strader and adding Sheri Dodge, Neil Dodge, Ram Agrawal and Sarita Agrawal as plaintiffs. At a hearing on the plaintiffs' motion for preliminary approval of the settlement held October 19, 2017, the Court indicated that if certain modest revisions were made to the settlement agreement and an amended motion for preliminary approval filed, the Court would grant preliminary approval. On January 29, 2018, the Court issued an order granting preliminary approval of the settlement and class notices were set out in February 2018. The hearing on the final approval of the settlement occurred on August 16, 2018, and the Court granted final approval of the settlement. Final judgment was entered on August 27, 2018, and the matter was dismissed. On September 10, 2018, Realogy paid its portion of the settlement in the amount of \$8,375,000.

## **E. Regulatory Proceedings.**

1. The Department of Housing and Urban Development ("HUD") and the FTC conducted a joint regulatory investigation of the activities of Property I.D. Associates, LLC ("Associates"), a joint venture between Property I.D. Corporation, Cendant Real Estate Services Group LLC and Coldwell Banker Residential Brokerage Corporation. The regulatory investigation also included predecessor joint ventures of Associates, as well as other joint ventures formed by Property I.D. Corporation. Associates and its predecessors provide hazard reports in the California market. HUD and the FTC issued subpoenas seeking documents and information from Cendant, Coldwell Banker Residential Brokerage Corporation, Coldwell Banker Residential Brokerage, Coldwell Banker and Century 21. According to these subpoenas, the investigation concerned whether the activities of Associates violated the Real Estate Settlement and Procedures Act ("RESPA"), 12 U.S.C. §2607 et seq. (which governs the mortgage process for federally funded loans) and Section 5 of the Trade Commission Act, 12 U.S.C. §45 (which regulates antitrust matters and anti-competitive behavior) for allegedly receiving compensation for referrals by operating a sham joint venture. Cendant cooperated in the investigation and responded to requests for information and document

requests from HUD, and document requests from the FTC. On October 24, 2006, the FTC issued a letter advising that it had closed its investigation.

On May 23, 2007, HUD filed a lawsuit in the Central District of California, United States District Court, against Realogy, NRT, Coldwell Banker Residential Brokerage (collectively, the “Realogy parties”), Property I.D., several Prudential Real Estate franchisees, and the joint venture companies between Property I.D. and these former joint venture partners. The lawsuit alleges that Natural Hazard Disclosure Reports (“NHD Reports”) are settlement services under RESPA, although acknowledges that NHD Reports are not an enumerated service identified in that statute, or identified in the regulations. Because NHD Reports are allegedly settlement services, HUD further alleges that the defendants violated RESPA in their operation of the various joint ventures. In July 2007, the Realogy parties filed a motion to dismiss the lawsuit on the grounds that there is no statutory basis to seek disgorgement under RESPA, and no basis for seeking injunctive relief as the allegedly unlawful Realogy Group joint venture was terminated on June 30, 2006. On August 8, 2007, the Court entered a Stipulation extending the briefing on the motions to dismiss. On January 18, 2008, HUD filed an opposition to the motions to dismiss filed by all defendants. On February 15, 2008, the Realogy parties filed their reply to HUD’s opposition, which was denied on April 28, 2008. In May 2008, HUD and the Realogy parties agreed to settle the matter with no imposition of fines or penalties and a permanent injunction to refrain from future joint ventures for hazard disclosure reports operated in violation of RESPA. The Settlement Agreement has been fully executed and the Consent Decree and Release were filed with the Court on February 9, 2009. The Court dismissed the case on July 14, 2009.

2. The Office of the Attorney General of the State of Washington. The Washington Office of the Attorney General is conducting an investigation concerning contracts, combinations, unfair or deceptive practices, unfair methods of competition, or conspiracies in restraint of trade or commerce in the market of services provided by residential real estate brokers to Washington home buyers and sellers and the effect that NAR’s offer of compensation and clear cooperation rules has had on them, which may involve possible past or current violations of RCW 19.86.020, RCW 19.86.030, RCW 19.86.040, RCW 19.86.050 and the Sherman Act, 15 U.S.C. § 1. In February 2024, the Washington Office of the Attorney General issued a Civil Investigative Demand for Production of Documents to certain companies involved in real estate brokerage activities in the State of Washington, including certain of our Real Estate Affiliates, which include certain document requests and interrogatories, for the period January 1, 2015 to present, in connection with the investigation. Anywhere and its Real Estate Affiliates will continue to work with the Office of the Attorney General to provide the requested information. There could potentially be similar requests by the Office of the Attorney General of the State of Washington to the other Anywhere Real Estate Affiliates, and if so, Anywhere and its Real Estate Affiliates will assist with such requests.

**F. Franchisor – Initiated Actions.**

None

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

**ITEM 4. BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

## ITEM 5. INITIAL FEES

If you are purchasing a Franchise from us, you will pay us an initial franchise fee of \$25,000 for the Main Office when you sign the Franchise Agreement. If we approve you for a Sotheby’s International Realty® franchise, we will countersign the Franchise Agreement. The initial franchise fee is non-refundable and is fully earned by us upon our countersignature. As further described in Item 1, we have a franchise sales incentive program under which we may waive or reduce the initial franchise fee and provide other business benefits for prospective franchisees that meet the eligibility requirements. As of the issuance date of this disclosure document, the initial franchise fee for the Main Office under this program is waived.

The initial franchise fee for your second office, a Branch Office, will be \$12,500 and for any subsequent Branch Office will be \$7,500 and due when the Branch Office is added to the Franchise Agreement. If you are an existing franchisee and acquire another qualifying real estate brokerage business that you combine into your Office(s), without adding a new Branch Office, we will not charge you an additional initial franchise fee. If you are approved to open additional Sotheby’s International Realty® Branch Office(s), you will sign a Location Addendum to your Franchise Agreement to amend it to reflect the existence and location of the additional Branch Office(s) (see Location Addendum, Exhibit C-1). We may condition the approval of additional offices on certain other terms and conditions, and we have the right to extend the term of your current Franchise Agreement term for 10 years, which terms will be included in the Location Addendum.

We do not refund any initial franchise fees, except that we will refund your Initial Franchise Fee if we do not accept you as a franchisee. You must pay us any franchise fees in a lump sum. We have the right to vary, waive (in whole or in part), reduce, negotiate or make an exception to our published fee structure and/or payment terms for any reason, including, without limitation, large or otherwise significant transactions. We also have the right to negotiate conversion funding or other incentives that may vary in type, amount and duration. Our exercise of these rights may have the effect of directly or indirectly decreasing the initial franchise fee. See Item 10.

If we permit you to open a Limited Purpose Office, we will charge you a one-time fee between \$1,000 and \$3,750. As of the issuance date of this disclosure document, no fee is charged for a Development Office. See Item 1.

In 2025, initial franchisee fees paid by franchisees ranged from \$0 to \$25,000 for a Main Office and \$0 to \$12,500 or \$0 to \$7,500 for a second or subsequent Branch Office, respectively.

## ITEM 6. OTHER FEES [1]

Name of Fee [2] [3]	Amount	Due Date	Remarks
Royalty Fees	6% of “Gross Revenue” [4], [7]	Upon close of each transaction	You may be entitled to a partial rebate of Royalty Fees paid on Gross Revenue pursuant to the Luxury Premium Award program as described in Section 7.2 and Exhibit E of the Franchise Agreement. [5]
Brand Marketing Fund (BMF) Contribution [6]	2% of Gross Revenue monthly with a minimum of \$723 and a maximum	Payable within 20 days after being invoiced.	We have the right to increase the minimum and maximum BMF contributions each year based, in part, on changes in certain indices, including the “Consumer Price Index.” (see

Name of Fee [2] [3]	Amount	Due Date	Remarks
	of \$3,121 per office per month as of January 1, 2026 [4], [7]		Section 12.1 of the Franchise Agreement).
Minimum Annual Royalty Fee	Will vary	Payable by January 10 <sup>th</sup> of the following calendar year, but only if your Royalty Fee payments for the calendar year are less than the Minimum Annual Royalty Fee.	We reserve the right to charge a Minimum Annual Royalty Fee for new Branch Offices opened in certain markets, which fee will vary based upon the market and specific circumstances. Minimum Annual Royalty Fees and any potential future adjustment thereto will be negotiated and set forth in your Franchise Agreement or addenda thereto.
Localization Platform/Productivity Suite	see remarks	To be determined	<p>We provide a Localization Platform, at no additional cost, as an alternative website solution for brokers and affiliated agents. Any enhancements or additional tools used in connection with the Localization Platform and any Multiple Listing Service or Services ('MLS' or 'MLS(s)') fees charged by the MLS providers are paid for directly by the broker and agents.</p> <p>As of the issuance date of this disclosure document, we, through Anywhere and a select Approved Supplier, provide a Productivity Suite, which consists of a customer relation management system ("CRM"), presentation tool, e-mail marketing solution, recruiting tool, and agent and broker websites. The Productivity Suite is optional and is provided to franchisees at no extra cost.</p> <p>Any enhancements or additional tools offered by the Approved Supplier that are not included in the Productivity Suite offering may require an additional cost be paid by you directly to the Approved Supplier.</p> <p>Various fees may apply to purchases made through the Productivity Suite, and third-party products and services. Additionally, your Multiple Listing Service or Services ('MLS' or 'MLS(s)') may assess fees to list properties on select applications within the Productivity Suite, as more fully described in Items 7 and 11. MLS fees</p>

Name of Fee [2] [3]	Amount	Due Date	Remarks
			<p>are paid directly to the MLS(s) for which you are a member.</p> <p>If an application programming interface (“API”) to any portion of the Productivity Suite or Leads Engine, is made available to you through a third party, you may be responsible for development, integration, and service fees paid by you directly to that third party for the use of such API.</p>
CIH Platform	See remarks	To be determined	<p>As of the issuance date of this disclosure document, the CIH Platform is only offered to Compass Brokerage offices. However, the CIH Platform will be offered to Anywhere Advisors and NRT NY brokerage offices during 2026 and is expected to be offered to franchisees of the Real Estate Affiliates beginning in early 2027. The CIH Platform is optional, and we and/or our Related Parties have the right to charge for it in the future.</p> <p>The CIH Platform is Compass’ end-to-end proprietary technology platform allowing real estate professional to perform their primary workflows, from first contact to close, with a single log-in. The CIH Platform includes an integrated suite of cloud-based software for customer relations management, marketing, client service, brokerage services and other critical functionalities, all custom-built for the real estate industry.</p>
Leads Engine	See remarks	To be determined	<p>As of the issuance date of this disclosure document, Leads Engine, Anywhere’s proprietary product, is offered at no additional cost and you are not required to use it.</p> <p>Leads Engine works in tandem with the Productivity Suite at no additional cost, but we have the right to charge for Leads Engine in the future, which we estimate may be between \$0 - \$5,000 per year.</p>

Name of Fee [2] [3]	Amount	Due Date	Remarks
Computer Software Maintenance and Support	\$1,000 - \$3,000 per year	As incurred	As of the issuance date of this disclosure document, we do not charge for software upgrades and updates, but we have the right to do so in the future and require reasonable payment to us or a Related Party. This range estimates those fees.
Transfer Fees	\$5,000 per transfer	Before transfer	We charge this fee to process the sale or Transfer of the Franchise (as defined in Section 15.4 of the Franchise Agreement). There is no charge if you transfer to an entity you own 100%, or if the transfer meets certain other criteria, as described in the Franchise Agreement.
Audit Fees	See remarks	Upon receipt of audit report	<p>You must immediately pay us any fees that the audit reveals were due during the audit period but not paid, plus interest at Prime plus 2%. If you fail to cooperate with an audit, fail to keep readily auditable records, cancel or reschedule the audit, or if the audit exposes a deficiency of 5% or more in amounts due for any consecutive 3-month period, you must also pay all of our audit costs plus fees past due, interest, late charges and costs. As of the issuance date of this disclosure document, the estimated cost for an audit is a minimum of \$450 per day; however, we and our Related Parties have the right to increase the minimum per diem rate by up to 10% per year.</p> <p>For existing franchisees, the criteria that may require payment of audit fees may vary according to the terms of their Franchise Agreement.</p>
Late Charges and Interest	See remarks	Upon demand	All past due payments will bear interest at the highest legal rate (not to exceed 1.5% per month) plus the highest allowable legal late charge.
Liquidated Damages	See remarks	Upon "early termination"	Upon "early termination" of the Franchise Agreement (that is, any termination before the Expiration Date (as defined in the Franchise Agreement), other than a mutual termination or a termination expressly permitted by you under the Franchise Agreement), you must immediately pay us liquidated damages. Liquidated

Name of Fee [2] [3]	Amount	Due Date	Remarks
			<p>damages will be equal to the combined monthly average of Royalty Fees, advertising contributions, and any other fees under this Franchise Agreement (without regard to any fee waivers, rebate or other reductions) paid or payable during the "Calculation Period," multiplied by the lesser of (i) 36, or (ii) the number of full months remaining in the Term. The Calculation Period shall be the 5 year period immediately preceding termination, or, if you have not been operating for a 5 year period, each full calendar month preceding termination from the Opening Date.</p>
Orientation	\$0 for first attendee; \$1,500 for each additional attendee	Prior to attendance	<p>We currently do not charge tuition for the initial "Orientation" for your Responsible Broker (defined in Item 11 and the Franchise Agreement) (or designee) and we will cover their reasonable travel and lodging expenses (no incidental expenses) in connection with Orientation for your first Office. However, for any additional attendees from your first Office you will have to pay the registration fee, travel, lodging and incidental expenses.</p> <p>For each additional Office, we will pay the registration fee and lodging expenses for one Orientation attendee only and you must pay all travel and incidental expenses. For any additional attendees from an additional office, the registration, lodging, travel and incidental expenses are your responsibility. If you acquire the Franchise through a transfer or assignment, then you are responsible for travel, lodging and incidentals for all attendees and we may charge you a registration fee.</p> <p>As of the date of this disclosure document, the registration fee of Orientation for each additional attendee is \$1,500. See Items 7 and 11 for more information.</p>
Education Fees and Expenses	See remarks	See remarks	Additional educational resources may be available on an optional basis. If you elect to attend any optional education courses, you must pay for course fees, if

Name of Fee [2] [3]	Amount	Due Date	Remarks
			any, and all travel, lodging, meal and other expenses.
Special Assistance	As negotiated	When assistance is provided	We may provide special assistance upon your request. Charges will be based upon the assistance needed.
Limited Purpose Office Initial Franchise Fee	\$0 - \$3,750	Payable prior to opening a Limited Purposes Office approved by us.	See Items 1 and 5 for more information.
Global Networking Event Fee	\$2,295- \$2,495 per registrant for conference, depending on date fee paid	Due by the first day of Conference. Fee discounted if you pay early.	Fee subject to adjustment each time the Conference is held. Attendance is recommended but not required.
Leadership Forum	\$2,695 - \$2,795 per registrant, depending on date fee paid	Due by the first day of the Forum. Fee discount if you pay early.	Although Leadership Forum is not being held in 2026, when offered, the fee is subject to adjustment each time the Forum is held. Attendance is recommended but not required.
Costs and Attorney Fees	Will vary	Payable when we invoice you.	Reimbursement of our costs for enforcing the Franchise Agreement if you breach it.
Indemnification	Will vary	Upon 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 because of your operation of the Business or any Excluded Businesses you operate and any acts and omissions of you, your Owners, employees, brokers or your independent sales associates.
Insurance	Cost of insurance	On demand after payment	If you fail to obtain and maintain required insurance, we have the right to obtain insurance on your behalf, and you must promptly reimburse us for the cost of that insurance. (See Items 7 and 8)
Taxes	Will vary	Payable when we invoice you.	Payable in the event we have to pay value added taxes on the fees you pay us.
Relocation/ Improvement Fees	Will vary	Payable to third parties as incurred	If your Office(s) do not meet our current minimum office appearance standards, we may require you to upgrade or relocate such Office(s). Costs and terms will be established by your suppliers.
Product/Service Fees	Will vary [8]	Due when ordered or used.	We and our Related Parties have the right but not the obligation to introduce and make available real estate related

Name of Fee [2] [3]	Amount	Due Date	Remarks
			<p>services and products, including, but not limited to, mortgage origination, escrow, property management, insurance, home warranties, agent recruitment and outreach, transaction coordinator services, software, technology, and communications systems for a fee.</p> <p><u>Essential Services and Products.</u> If we advise you through written notice that a service or product is an essential element of the System and must be utilized, you will, at your sole expense, at the then-current fees and costs: (i) obtain all necessary equipment, technology, services or products, which we advise you are necessary to use the essential element service or product; and (ii) begin using such product or service within 90 days after your receipt of the written notice.</p> <p><u>Optional Services or Products.</u> If you voluntarily elect to use an optional service or product, you will pay us, our Related Party or any Approved Supplier any fees and costs associated with such service or product.</p> <p>We offer various programs through our Related Parties, third parties or Approved Suppliers in which you may elect to participate. The programs include professional certification programs, special advertising programs, succession planning, agent recruitment and outreach, and on-line services, including web-based applications.</p>

**Notes to first Item 6 table above (Other Fees):**

- [1] As of the issuance date of this disclosure document, the only acceptable payment procedure to us is through the use of a designated web-based, self-service application for electronic payment.
- [2] All fees are imposed by and payable to us or our Related Parties, without offset, unless we have stated otherwise in this table. Except for the Royalty Fee and BMF Fee, we uniformly impose the fees described in this table.
- [3] All fees paid to us, to our Related Parties, or to the BMF are non-refundable, except that we will refund your initial franchise fee if we do not accept you as a franchisee.

- [4] “Gross Revenue” is defined in Exhibit C to the Franchise Agreement and includes all compensation received or receivable in connection with the Business.
- [5] We have an annual “Luxury Premium Award” (“LPA”) program under which you may be eligible to receive a partial rebate of Royalty Fees paid. To qualify for the LPA, you must be compliant with your Franchise Agreement, achieve certain levels of Gross Revenue, participate in various programs and meet other reasonable conditions that we set in the Franchise Agreement or P&P Manual. If during any calendar quarter we send you a default notice and you fail to cure the default before the end of the quarter, all of your Gross Revenue for that quarter may be excluded from the calculation of our LPA for that year, even though you later cure the default. In addition, if you are in default on the day the LPA is paid, the LPA payment will be canceled. In addition, if you remain in default as of December 31<sup>st</sup> of the calendar year in which LPA is paid, then the LPA will be forfeited. Payment of LPA is conditioned upon you having at least 15 months left before the Expiration Date of your Franchise Agreement.
- The maximum amount of the LPA is 3% of your qualifying Gross Revenue during the applicable annual period. Generally, we make annual LPA payments, if earned, by April 15 of the following year. We have the right, however, to pay any or all of the LPA in advance of the award date. We have the right to grant credits, to advance funds and/or to make other financial accommodations to a franchisee based on its projected Luxury Premium Award. We have the right to set various conditions for Luxury Premium Awards and increase or decrease the percentage and/or dollar amounts in the above table, but no change in any year may be greater than 20% of the percentage and/or dollar amounts then in effect (see Section 7.2 of the Franchise Agreement).
- [6] You must start paying BMF contributions on the first day of the month following the Opening Date set forth in the Franchise Agreement. BMF monthly minimum and maximum contributions for each Gallery Office pursuant to a Gallery Office Addendum are \$117 and \$3,121, respectively. The monthly BMF contribution for a Development Office pursuant to a Development Office Addendum is \$117.
- [7] We have the right to negotiate increases or decreases in, vary or waive, cap or alter the amount, form or calculation of the Royalty Fee and BMF Fee. We have in the past reduced, waived, or capped fees on certain transactions and we have the right to do so again in the future. We consider factors including geography, historical Gross Revenue, compliance with System standards, franchisee tenure in the System, and the real estate industry market factors in determining the applicable Royalty Fee and BMF Fee.
- [8] Although we do not currently assess any of these charges, we have the right to do so in the future for products and services which we deem to be essential to the operation and quality of the franchise, and you will be required to pay them to comply with your Franchise Agreement. We have the right to require you to purchase equipment, products or services that will allow your Office(s) to offer or use the required product or service. You may also incur fees and costs like these for services or products we offer that are available but not required. See Item 8 and Section 6.3.2 of the Franchise Agreement for more information.

**ITEM 7. ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT - CONVERSION OFFICE[1]**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made [2]</b>
Initial Franchise Fee [3]	\$0 - \$25,000	Lump sum or financed	Upon signing the Franchise Agreement	Us
Real Estate [4]	Not included in total	Lump sum or open account	As incurred	Suppliers, Landlord
Leasehold Improvements [5]	\$0 - \$105,000	Progress Payments	Before Opening	Contractors
Building Signs [6]	\$750 - \$25,000	Lump sum, leased or financed	Within 60 days of signing the Franchise Agreement	Suppliers
Yard Signs and Frames/Posts [7]	\$6,700 - \$12,000	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Open House Signs [8]	\$900 - \$2,500	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Miscellaneous Rider Signs [9]	\$250 - \$500	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Name Badges [10]	\$500 - \$750	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Miscellaneous [11]	\$250 - \$500	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Printed Materials [12]	\$5,000 - \$25,000	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Insurance [13]	\$500 - \$4,000	Lump sum or open account	Before Opening	Rated carriers
Legal Expenses [14]	\$0 - \$4,000	As incurred	Before Opening	Attorneys
Orientation – Travel Expenses and Costs [15]	\$400 - \$2,700	As incurred	At the next scheduled Orientation, generally within 180 days of signing the Franchise Agreement	Airlines, restaurants, hotels, etc.
Computer Equipment for Electronic Data Transfer System [16]	\$6,000 - \$12,000	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Website [17]	\$1,000 - \$35,000	As incurred	Within 30 days of signing the Franchise Agreement	Suppliers
MLS/Data Feed Transmission [18]	\$0 - \$8,000	Lump sum or open account	As incurred	Suppliers
Additional Launch Expenses (Grand Opening) [19]	\$5,000 - \$20,000	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Advertising Agency, Media, Entertainment

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made [2]
Interior Branding [20]	\$5,000 - \$10,000	Lump sum or open account	Within 30 days of signing the Franchise Agreement	Suppliers
Additional Funds (first 3 months after opening) [21]	\$15,000 - \$40,000	As incurred	As incurred	Suppliers
<b>Total</b>	<b>\$47,250 - \$331,950</b>			

**Notes to first Item 7 table above (Conversion Office):**

The table above provides an estimate of the initial investment needed to convert an existing single office real estate brokerage business to a Sotheby's International Realty® office.

- [1] The estimates are based upon the assumption that the Office will be between 1,800 and 3,500 square feet and will accommodate up to 30 people (including employees and independent sales associates). If the appearance of your Office does not meet our current office standards, we may not grant you a Franchise or require you to refurbish the Office before opening your business under the Sotheby's International Realty® name. We are unable to estimate the cost, if any, of refurbishing your Office since it will depend upon its existing condition.
- [2] All payments you make to us or our Related Parties are non-refundable and are not financed, unless otherwise stated. Payments you make to parties other than us or our Related Parties may be refundable and/or financed at the option of the other party. We or a Related Party may offer financing to assist you in paying certain conversion or opening costs associated with your affiliation with the System, or offer financing to you for acquisition opportunities or other business related expenses, if you are an existing franchisee. Financed amounts will vary under the circumstances. Any financing will be offered through our applicable form of promissory note. See Item 10 for our current financing terms. This footnote applies to the table above, as well as to the table below.
- [3] These fees are negotiable by us. We have the right to vary, negotiate or waive (in whole or in part) the initial franchise fee. The initial franchise fee for your Main Office is \$25,000 and the initial franchise fee for your second office, a Branch Office, is \$12,500, and for any subsequent Branch Office is \$7,500. The one-time fee for a Limited Purpose Office is between \$1,000 and \$3,750. We have right to reduce or waive the initial franchise fee for eligible franchisees pursuant to our franchise sales incentive program. As of the issuance date of this disclosure document, the initial franchise fee for the Main Office under this program is waived. See Item 5.
- [4] If you do not own adequate office space, you must lease an office from which you can operate your Sotheby's International Realty® franchise. A range of \$0 to \$50,000 per year is estimated to cover occupancy costs incurred by franchisees dispersed over a broad geographic area, some of whom own their own real estate and some of whom lease their office space.
- [5] In many instances a tenant may be able to negotiate a lease that provides for the landlord to bear most or all the cost of tenant improvements. However, as a tenant you may have to incur leasehold improvement costs. The length of the lease may have a bearing on tenant or leasehold improvement costs you must pay. Typical build-out costs are generally between \$35 to \$75 per square foot when significant construction and tenant improvements are necessary, depending on the type of structure.

Leasehold improvement costs may be higher for a franchisee who does not already have a real estate brokerage office that will serve as the Office.

- [6] Simple single face box signs are estimated to cost between \$750.00 to \$1,200.00 and large building signs are estimated at \$25,000 (excluding installation costs.)
- [7] Yard signs are estimated at \$25 to \$60 per sign with metal frames estimated at \$35 each, and \$85 per post.
- [8] Open house signs are estimated at \$17 to \$90 per sign.
- [9] Rider signs are estimated at \$20 to \$25 per sign, depending upon the supplier selected.
- [10] Name badges are estimated at \$6 to \$20 each, depending on materials and clasp mechanisms.
- [11] Includes items such as flags, banners, lapel pins, logo apparel and sales recognition boards.
- [12] Includes non-photo business cards at \$70 per 500, envelopes, stationery, assorted brochures and miscellaneous display materials.
- [13] The insurance deposits and premiums may vary by state and depending upon your Business may be higher or lower than this range. You may have additional costs as a result of the size of your Business or number of Offices, the types of coverage and policies you carry, your claim history, or if you elect to purchase more than the minimum coverage limits required under the Franchise Agreement (see Section 17.2 of the Franchise Agreement).
- [14] Your legal expenses will vary depending upon numerous factors, including your jurisdiction, market prices and whether you retain legal counsel to review this disclosure document and/or the Franchise Agreement and to what extent you seek guidance from legal counsel.
- [15] Shortly after signing your Franchise Agreement, you must attend our “Orientation” program. If this is a new franchise (as opposed to a transfer of the franchise) and Orientation is held in person (as opposed to virtually), we will pay the registration fees, reasonable travel and hotel expenses for one person to attend Orientation (provided the franchisee uses a travel agent approved by us). We will also pay the registration and reasonable hotel expenses for one person for each additional office you operate under the System. However, the covered person must attend the next scheduled Orientation after the Effective Date (or for future Branch Offices, the opening date of the future Branch Office) or you must pay for these costs. We charge a \$1,500 registration fee for each additional attendee at Orientation. If you sign a Franchise Agreement in connection with a transfer of a Sotheby’s International Realty® franchise or if you appoint a new manager, you must pay for travel, hotel, meals and other expenses of the manager.
- [16] We estimate the costs for a computer hardware and software system meeting our minimum requirements for an office of 30 people (including employees and/or independent sales associates) ranges from \$6,000 to \$12,000.
- [17] Implementation cost may increase depending upon the complexity of the functionality on your site or other unusual technical requirements, as well as your decision to implement enhanced web site options (at your cost) that are available through our Approved Suppliers (such as the “Cascading Platform”). You are required to modify any existing website dedicated to your existing real estate brokerage business to conform with our brand policies and procedures. You are not required to use our Approved

Suppliers and may use a different computer or software consultant to assist you in complying with this requirement.

- [18] To minimize the potential for data issues between an MLS and our reporting system, which may include double entry of independent sales associates, staff, listing and transaction date, you can elect to send independent sales associate, staff, listing and/or transaction data to our reporting system, via a third-party vendor, or directly if your brokerage can accommodate ours or our Related Parties' API requirements. Costs vary per approved vendor and are optional.

Franchisees are responsible for all fees assessed by their MLS or MLS(s) feed provider(s). For sothebysrealty.com, IDX search capabilities may also be implemented to include listings from your MLS or MLS(s) feed providers, which may be subject to fees based upon local MLS rules and such fees may vary by MLS, including costs associated with entering into agreements with each MLS. See Item 11. These average estimated costs range from \$0 - \$3,000 for your first three months as described above; however, some MLS's may charge lower or higher monthly fees. Such MLS costs would be ongoing throughout the term of your Franchise Agreement and paid directly to the MLS(s). MLS integration is not required by you, but if you opt to integrate your MLS(s) into these optional products and services, including the Productivity Suite, you are responsible for all set-up and ongoing fees assessed by the MLS or MLS feed provider(s).

- [19] Additional launch expenses to include costs for launch event and launch advertisements.
- [20] Internal Branding: EGallery flat screen television with a dedicated Apple TV with the Apple TV app enabled property/brochure rack, interior signage.
- [21] Estimate includes Royalty Fees, BMF contributions, utilities, employee salaries and benefits, communications related expenses, general administrative expenses and organizational costs you may incur during the first 3 months of your operation as a Sotheby's International Realty® office. You also may incur additional miscellaneous expenses during this 3-month period, such as promotional costs announcing your affiliation with us, the cost of sending additional managers to Orientation and the cost of consulting an attorney, accountant or other professional advisor. In addition, you may incur additional legal expenses for advice on new or evolving federal or state laws associated with brokerage or general business obligations during your first 3 months of operation. Since you are already operating an existing real estate brokerage business, you will be best suited to determine the additional funds you will need to operate the office during the first 3 months after conversion. We do not guarantee that you will not have additional expenses converting the business. No financial performance representation is made or implied.

**ADDITIONAL ESTIMATED INITIAL INVESTMENT - START-UP OFFICE[1]**

On a limited basis, we may grant a Franchise to a newly formed residential brokerage business provided the business is located in an Eligible Market and is, or will be, composed of independent agents substantially all of whom, immediately before the granting of the Franchise were affiliated with a licensed real estate broker that would have satisfied the Guidelines. The following table provides an estimate of the additional costs that may be incurred to open a new Sotheby’s International Realty® office.

<b>Item</b>	<b>Amounts</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Facility and Space Planning [2]	\$9,000 - \$17,500	Lump sum or open account	Before Opening	Architects, consultants
Furnishings and Communications Equipment [3]	\$27,000 - \$87,500	As incurred	Before Opening	Suppliers, Anywhere Services Group
Security and Other Deposits [4]	\$7,500 - \$17,700	Lump sum or open account	Before Opening	Utilities, landlord
Prepaid Business Expenses [5]	\$3,000 - \$4,600	Lump sum	Before Opening	Rated carriers, government agencies, suppliers
Additional Funds (first 3 months after opening) [6]	\$35,000 – \$60,000	As incurred for other expenses	After Opening	Employees, suppliers, and utilities
<b>Total Additional Cost for New Start-Up Office</b>	<b>\$81,500 - \$187,300</b>			
<b>Total Initial Investment for Conversion Office (from Conversion Office table above)</b>	<b>\$47,250 - \$331,950</b>			
<b>Total Investment for New Start-Up Office</b>	<b>\$128,750 - \$519,250</b>			

**Notes to second Item 7 table above (Additional Investment – Start-Up Office):**

- [1] The estimates are based upon the assumption that the office will be between 1,800 and 3,500 square feet and will accommodate up to 30 people (including employees and independent sales associates).
- [2] As a start-up franchisee, you may be required to purchase a variety of services to design and plan the office including space layout, office theme design, remodeling and accessory specifications, budgets and financing. The fee for the services will vary depending on your needs and on the size of the office; however, we estimate that costs are generally between \$5 to \$8 per square foot, depending on layout and design plans.
- [3] Furnishings and communications equipment costs can range significantly depending on the requirements of your business.

- [4] These figures include deposits for rent and utilities. Leasehold deposits and other monthly rental costs may exceed these estimates in certain areas.
- [5] These figures include insurance premiums, license fees and other miscellaneous expenses.
- [6] In addition to the Additional Funds described in the Conversion Table above, as a start-up company, we estimate that you will need these additional funds. This means that as a start-up company and office, you should plan to have a total of \$50,000 to \$100,000 in working capital available through your first 3 months after opening. You should discuss your cash flow needs and capital budgets with a professional accountant or advisor knowledgeable in planning new business enterprises. This figure does not include any amounts you may need for personal or living expenses. Payments for debt service, if any, are not included in this estimate. This estimate is in addition to the “Additional Funds” estimate included in the first table in this Item 7. We do not guarantee that you will not have any additional expenses starting the business. No financial performance representation is made or implied.

The first table above provides an estimated range of the costs you might incur during your first 3 months after the conversion of an existing real estate brokerage office to a Sotheby’s International Realty® office. The first and second tables above (when read together) provide an estimated range of the costs you might incur through your first 3 months operating a new start-up Sotheby’s International Realty® office. Your actual costs may vary from these estimates, depending upon factors including: whether you are converting an existing office or starting a new one; your tastes (e.g., upgraded office décor and furnishings); your management skill, business acumen and experience; local economic conditions; the local market for real estate services; competition; the volume of business you transact; commission and independent agent split rates; whether you will act as the broker of record or will hire or recruit one; the size of your facilities and staff; and the scope of your real estate operation, if any, prior to entering into the Franchise Agreement.

The estimates in the above tables are based on our estimate of national average costs, market conditions prevailing as of the issuance date of this disclosure document, and our and our Related Parties’ experience in the real estate brokerage business, specifically the experience of our Related Party, Anywhere Advisors, which has operated company-owned real estate brokerages under our marks and the marks of certain of the Real Estate Affiliates in the United States since 1997. We strongly recommend that you review the figures and estimates in this and other Items carefully with a business advisor before you sign the Franchise Agreement.

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

We require ongoing maintenance of quality and uniformity throughout the Sotheby’s International Realty® System by identifying certain standards and specifications governing the use of the Marks in your day-to-day business, including on business cards, stationery, signage, and in related advertising and marketing. Accordingly, you must purchase building signs, yard signs, stationery, business cards and other Sotheby’s International Realty trademark-bearing items used in your real estate business that meet the mandatory standards and specifications as described in both the P&P Manual and the Identity Standards Manual incorporated into the P&P Manual. We have the right to change the P&P Manual and/or Identity Standards Manual periodically.

We consider the mandatory specifications, standards and other requirements contained in the P&P Manual and Identity Standards Manual to be of critical importance to the success of the System and may require that you deal only with suppliers that have been approved by us.

We do not have specific standards or specifications for the furniture, fixtures and equipment that you use in your Office(s), except that we have minimum computer equipment requirements you must comply with to access

our reporting system, as further described in Item 11. However, you may purchase computer equipment that meets these requirements from any source. All furniture, fixtures, and equipment you use in your Offices must be in good condition and create an overall professional image for your Office(s).

We or Anywhere Services Group maintains a list of “Approved Suppliers” that provide trademark-bearing items to be used by our franchisees. Many of these Approved Suppliers participate in Anywhere Services Group’s preferred vendor program (the “Strategic Partnership Program”) which provides a variety of third-party products and services to our franchisees and franchisees of certain Real Estate Affiliates for optional purchase. We and/or Anywhere Services Group negotiate purchasing arrangements for certain products and services, including price terms, for the benefit of franchisees. Trademark-bearing products, including signage and stationery, may only be purchased from an Approved Supplier unless you receive our prior written permission to use another supplier. Among the criteria we consider in permitting you to use an alternative supplier is whether the supplier is able to produce the product or service in compliance with our mandatory standards and specifications and other requirements. You must submit product samples and specifications to us for inspection, testing and approval. Our analysis of another supplier in these circumstances usually takes up to 30 days. We do not charge testing and/or inspection fees. We or Anywhere Services Group may limit the number of Approved Suppliers to obtain volume discounts and/or assure consistent quality and adequate supplies for franchisees. We or Anywhere Services Group may revoke a supplier’s approved status, upon notice to the supplier, if the supplier no longer meets our criteria, if it breaches its agreement with us or Anywhere Services Group, or if the products and services offered are no longer competitive in price or quality.

We do not assume any liability for the acts or omissions of, or guarantee the performance of, any supplier, whether approved or not. There are no Approved Suppliers in which an officer of ours owns a material interest.

As of the issuance date of this disclosure document, we offer a Productivity Suite through an Approved Supplier, which includes the following: (i) a CRM, (ii) presentation tool, (iii) agent and broker websites, (iv) a recruiting tool for brokers, and (v) an e-mail marketing solution (collectively referred to as the “Productivity Suite”). The Productivity Suite is provided to franchisees at no extra cost; however, marketing elements of the Productivity Suite may be funded in part or entirely by the BMF. Your use of the Productivity Suite is optional and not subject to a separate fee; however, we have the right to charge for the Productivity Suite in the future, which will be provided at the then-current fee charged by the Approved Supplier. Any enhancements or additional tools offered by the Approved Supplier that are not included in the Productivity Suite offering may require an additional cost to the Approved Supplier. As described in Item 7, franchisees are responsible for all fees assessed by their MLS or MLS(s) or MLS feed provider(s), which may vary by MLS.

Anywhere’s proprietary product, Leads Engine, is used by brokers to manage their lead routing business rules and works in tandem with the Productivity Suite. Franchisees are automatically provided with Leads Engine when they join the System. We do not currently charge a fee for Leads Engine, but we have the right to do so, as described in Items 6 and 8, which we may estimate may be between \$0- \$5,000 per year.

We and our Related Parties have the right, subject to any franchisee election to opt-out, to submit listings to third party listing portal aggregators or services, whether web-based or otherwise (“Listing Services”) that will display those listings on public websites. Franchisees may have the option of purchasing related enhancements or other services and items directly from such Listing Services.

We and our Related Parties offer Leads Engine, the proprietary consumer website and our reporting system (as described in Item 11); however, we and our Related Parties only require franchisees to use the reporting system. We provide the reporting system to you without charge; however, you must obtain appropriate connectivity and browser software for this application, as well as any platform upgrades that may be necessary (see Item 11).

The Productivity Suite will continue to be offered to certain Real Estate Affiliates; however, Compass currently offers the CIH Platform, which is an end-to-end proprietary technology platform allowing real estate professional to perform their primary workflows, from first contact to close, with a single log-in and without leaving the platform, to Compass Brokerage. The CIH Platform will be offered to real estate brokerage offices under Anywhere Advisors and NRT NY during 2026 and is expected to be offered to franchisees of the Real Estate Affiliates beginning early 2027. The CIH Platform is optional, and we and/or our Related Parties have the right to charge for it in the future. however, marketing elements of the Productivity Suite may be funded in part or entirely by the BMF.

The CIH Platform includes an integrated suite of cloud-based software for customer relations management, marketing, client service, brokerage services and other critical functionalities, all custom-built for the real estate industry.

The CIH Platform includes capabilities such as: (i) a CRM; (ii) Business Tracker, which provides real estate professional with a centralized view of their entire business; (iii) marketing content creation and management; (iv) a collaborative workspace for real estate professionals to collaborate with clients in real time; (v) Comparative Market Analysis; (vi) AI-driven client prospecting recommendations; (vii) AI-driven content; (viii) transaction management, and a variety of other capabilities that assist real estate professionals in the management of their businesses.

We do not provide you with any special benefits, including opportunities to acquire additional franchises, if you purchase products and services through an Approved Supplier or the Strategic Partnership Program. There are no purchasing or distribution cooperatives. We estimate that the required purchases and leases by a franchisee for the initial conversion of its businesses to a Sotheby's International Realty® Office, or for the initial opening of a startup Sotheby's International Realty® Office will range from 20% to 30% of the total costs for converting or opening the Office. We estimate that required purchases by a conversion or start-up franchisee on an ongoing basis typically will equal less than 5% of the franchisee's total operating expenses per year.

We and our Related Parties have the right to receive fees, payments, rebates, commissions or other consideration (collectively "Consideration") from Approved Suppliers, vendors affiliated with the Strategic Partnership Program, Listing Services, or other vendors from which you opt to purchase products, services, including referral services, and other items to be used in your real estate business (collectively the "Vendors"), which may or may not be based on sales to franchisees or reasonably related to services we or our Related Parties provide to these Vendors. For any required purchases of products and services by you or other franchisees from Vendors, we and our Related Parties have the right to receive Consideration from Vendors that is generally 0% to 15% of the price you and other franchisees pay to Vendors for these items. We and our Related Parties have the right to increase or decrease this percentage in the future. We and our Related Parties will retain and use any Consideration we receive from Vendors as we deem appropriate.

In 2025, total net revenues of Anywhere Group were approximately \$6 billion. Of this amount, gross revenue of \$1,584,324, or 0.03% of total 2025 Anywhere Group revenue was from required purchases or leases, or purchases or leases subject to our mandatory standards, specifications and other requirements by the franchisees of the Real Estate Affiliates (except for CIRE and @properties) and us.

You must obtain and maintain for the term of the Franchise Agreement, at your expense, all the minimum insurance coverage we periodically prescribe, as outlined in the P&P Manual or other communication to you. All policies must be in form and content satisfactory to us and must be issued by an insurer(s) rated A-VIII or better in Class X by Alfred M. Best and Company Inc., or comparably rated by Moody's and/or Standard and Poor's or similarly reliable rating services acceptable to us. Coverage shall be written on a primary and non-contributory basis, and any insurance carried by Franchisor shall be excess. We have the right to change the minimum acceptable rating requirement. In addition, all insurance coverage (excluding workers compensation

insurance, cyber insurance and Employment Practices Liability Insurance) must name us, Compass, Inc. and their subsidiaries, successors and assigns as additional insureds, and provide that we will receive 30 days' advance written notice of a cancellation of any policy.

Your insurance coverage must include, at a minimum: (1) if you use an automobile in connection with your business operations, automobile liability coverage, including hired and non-owned autos, with limits of at least \$1,000,000 per occurrence (2) general liability coverage, including contractual liability, Property Management coverage and (if not covered in a separate automobile liability policy) hired and non-owned autos, with limits of at least \$1,000,000 per occurrence, and this coverage shall be provided on a primary and non-contributory basis; (3) professional liability (real estate errors and omissions) coverage, including coverage for Property Management, with limits of at least \$1,000,000 per claim, (4) cyber insurance, specifically third-party coverage, including privacy liability and network security coverage in an amount appropriate for the size of your franchise operations, but in no event should limits be less than \$500,000 per claim; and (5) any additional types of policies and coverage required by law, including without limitation workers' compensation coverage and other policies generally recommended in the industry such as Employment Practices Liability Insurance. See Item 7 for an estimate of the costs relating to your minimum insurance coverage requirements. You should consult with your own insurance agents, brokers, attorneys, or other insurance advisors to determine the level of insurance protection you need and desire, including any insurance coverage it may be advisable for you to require your affiliated agents to obtain, in addition to the coverage limits we require.

All required insurance coverage must commence as of the Opening Date (as defined in the Franchise Agreement) of your Sotheby's International Realty<sup>®</sup> Office and Future Offices (as defined in Section 5.4 of the Franchise Agreement). You must furnish us with certificates of insurance coverage and endorsements, as necessary, or other evidence of insurance as we request at commencement, annually and upon our request, evidencing the existence of such insurance coverage and your compliance with the insurance coverage requirements. We have the right to require specific endorsements, as necessary. Further we have the right to require you to obtain additional types of insurance, to increase limits during the term of the Franchise Agreement or to reduce minimum coverage requirements (with our written approval). If you fail to maintain any required insurance, we have the right, but not the obligation, to obtain any and all required insurance on your behalf and to charge you for the cost. In such case, you must promptly reimburse us for all our costs on demand.

## ITEM 9. FRANCHISEE'S OBLIGATIONS

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

KEY:	● Franchise Agreement:	Exhibit C
	● Location Addendum:	Exhibit C-1
	● Development Office Addendum:	Exhibit C-2
	● Term Extension Addendum:	Exhibit C-3
	● Gallery Office Addendum:	Exhibit C-4
	● Limited Purpose Office Addendum:	Exhibit C-5

Obligations of Franchisee	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 5 of the Franchise Agreement; Section 1 of the Location Addendum; Paragraph B of the Development and Gallery Office Addenda; Paragraph A of the Term Extension Addendum; Section 1 of the Limited Purpose office Addendum	Items 6, 7, 11 and 12
b. Pre-opening purchases/leases	Sections 4, 9, 16.2.3.8 and 16.2.4.7 of the Franchise Agreement	Items 7, and 8
c. Site development and other pre-opening requirements	Sections 2.1-2.4, 4.6, 4.7, 4.9, 4.10, 9 and 11 of the Franchise Agreement	Items 6, 7, 8 and 11
d. Initial and ongoing training	Section 6 of the Franchise Agreement; Section 6 of the Limited Purpose Office Addendum	Items 11 and 15
e. Opening	Sections 1.7, 4.10 and 16.2.3.8 and 16.2.4.7 of the Franchise Agreement	Items 5, 7 and 11
f. Fees	Sections 1.6, 6-9, 11-14 and 15.6 of the Franchise Agreement; Section 1 of the Location Addendum; Sections 1 and 5 of the Development Office Addendum; Section 1 of the Term Extension Addendum; Sections 1 and 6 of the Gallery Office Addendum; Sections 3 and 8 of the Limited Purpose Office Addendum	Items 5, 6, 7, 8 and 11

<b>Obligations of Franchisee</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
g. Compliance with standards and policies/policy manual	Sections 2.1–2.3, 4–6, 9–11, 13, 14 and 16.2.6 and 22.1 of the Franchise Agreement; Section 1 of the Location Addendum; Section 3 of Development Office Addendum; Section 3 of the Gallery Office Addendum; Section 4 of the Limited Purpose Office Addendum	Items 7, 8, 9, 11, 13, 14 and 16
h. Trademarks and proprietary information	Sections 1.7, 2.1.2, 4, 5.3, 10.3, 11.8, 13, 14 and 16 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum	Items 13 and 14
i. Restrictions on products/services offered	Sections 4, 5.1, 6.3, 9.3, 9.5, 11.1, 14, and 20.3 of the Franchise Agreement; Section 3 of the Development Office Addendum; Section 1 of the Term Extension Addendum	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 10, 11.8 and 21.2 of the Franchise Agreement	Items 11 and 16
k. Territorial development and sales quotas	Sections 5 and 16.2.7 of the Franchise Agreement; Section 3 of the Location Addendum; Section 3 of the Term Extension	Item 12
l. Ongoing product/service purchases	Sections 4, 6.3, 9 and 11.1 of the Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 4, 4.6–4.8, 9 and 16.2.6 of the Franchise Agreement; Section 4 of the Gallery Office Addendum	Items 6, 7 and 12
n. Insurance	Section 17.2 of the Franchise Agreement	Items 6 and 8
o. Advertising	Sections 2.1, 4.5.3, 4.11, 4.13, 4.14, 8 and 11.1 of the Franchise Agreement; Section 1 of the Location Addendum; Section 5 of the Development Office Addendum; Section 1 of the Term Extension Addendum; Section 6 of the Gallery Office Addendum	Items 6, 7 and 11
p. Indemnification	Sections 11.7 and 17 of the Franchise Agreement	Item 6
q. Owner's participation/management/staffing	Sections 1.4, 2.3, 10, 21.1 and 13.4 of the Franchise Agreement	Items 11 and 15

Obligations of Franchisee	Section in Agreement	Disclosure Document Item
r. Records and reports	Sections 9.1 and 13 of the Franchise Agreement; Section 4 of the Development Office Addendum	Items 6, 7, 8 and 11
s. Inspections and audits	Sections 4.2.3, 4.2.5 and 13 of the Franchise Agreement	Items 6, 11 and 17
t. Transfer	Sections 13.3, 15 and 20.2 of the Franchise Agreement	Item 6 and 17
u. Renewal	Section 16.1 of the Franchise Agreement; Section 1 of the Location Addendum; Section 2 of the Limited Purpose Office Addendum	Item 17
v. Post-termination obligations	Sections 16.4, 16.7 and 20.4 of the Franchise Agreement	Item 17
w. Non-competition covenants	Section 20 of the Franchise Agreement	Item 17
x. Dispute resolution	Sections 16.6, 16.8, 19 and 22.5 – 22.10 of the Franchise Agreement	Item 17 and cover page
y. Guaranty of Payment and Performance of Franchisee's Obligations [1]	Section 1.4 and Exhibit B of the Franchise Agreement	Item 15

**Notes to Item 9 table above:**

- [1] Each of your “Owners” (and their members, shareholders, partners and spouses, as applicable) must sign a Guaranty guaranteeing your obligations under the Franchise Agreement.

**ITEM 10. FINANCING**

Neither we nor any Related Party is obligated to provide you any financing. We or a Related Party, however, have the right to offer you financing to assist with conversion costs or growth opportunities. This financing will be based on several factors, including without limitation your financial need, credit history, ability to repay, net worth, your business operations, including history of growing your business, and your stability as well as our need for the development of your market area. Depending on these factors, we may offer you financing up to an amount equal to a percentage of the fees we expect to receive from your operations. We have the right to require you to furnish us with financial statements, tax returns and other documents. The terms of any financing, including the amount, the term of repayment, the amount of principal to be repaid, the amount of interest to be paid (where applicable), the security and other relevant terms are subject to negotiation between the parties as described below.

We or a Related Party primarily offers two types of financing. Unless noted below, the financing will be in the form of promissory notes (“Notes”) as set forth in the table below:

Finance Type	Amount Financed	Down Payment	Term	Finance Charges [1]	Payment Terms	Prepayment Penalty	Security Required [5]	Liability Upon Default [6]	Loss Of Legal Rights on Default [6]
Conversion Promissory Note [2]	Varies	None	9-10 years [2]	Only upon a payment default, 18% per annum or the highest rate allowed by law	Equal annual installments with an opportunity for forgiveness of the annual principal installment [3]	None, except no refunds of interest will be paid, which may in effect, result in a prepayment penalty	Personal Guaranty by all persons with any equity interest in franchisee and their spouses; Security Agreement and UCC-1; Pledge of franchisee's future rights to any rebate	Unpaid Loan/Loss of franchise; acceleration of payments and other remedies available to us under the terms of the Note and the Franchise Agreement	Waive various notice, rights and defenses; confess judgment
Expansion Promissory Note [4]	Varies	None	Varies	18% per annum or the highest rate allowed by law, which may, in our discretion, be payable upon a payment default.	Payment over Term with a lump sum payment at Maturity Date	None,	Personal guaranty by all persons with any equity interest in franchisee and their spouses; Security Agreement and UCC-1; Pledge of franchisee's future rights to any rebate	Unpaid Loan/Loss of franchise; acceleration of payments and other remedies available to us under the terms of the Note and the Franchise Agreement.	Waive various notices, rights and defense; confess judgment

**Notes to Item 10 table above:**

- [1] Except as specified herein, we do not impose finance charges in connection with these financing arrangements except for interest charged upon a payment default in the amount of 18% per annum or the highest rate allowed by law.
- [2] We may offer a Conversion Promissory Note (“CPN”) to assist you in paying certain conversion or opening costs associated with your affiliation with the System or in connection with additional Offices you might acquire or open, which may include costs for signage, materials, advertising and marketing programs, transitional expenses, acquisition opportunities, recruiting or other business-related expenses, provided the funds are used for the Franchise. We may also offer funding to franchisees extending the term of their franchise agreement. If we finance these costs, you must execute a CPN, substantially in the form of Exhibit D-1, and an addendum to your Agreement reflecting the terms of the CPN and a General Release in the form of Exhibit C-6, as a condition for funding. The CPN provides for an annual opportunity to achieve forgiveness of a portion of the principal upon satisfaction of certain annual Gross Revenues thresholds. In this event, we will reduce

the outstanding balance by a specified percentage each year until the CPN is effectively forgiven provided you are: (i) in compliance with your Franchise Agreement and any other agreements with us and our Related Parties, including all Notes; and (ii) you maintain certain levels of annual Gross Revenue. The CPN has a maturity date of 9 years from January 1<sup>st</sup> of the first full calendar year after execution of the CPN. If your Franchise Agreement expires or otherwise terminates prior to the CPN maturity date, any outstanding unamortized principal balance remaining on the CPN will be owed on the expiration or termination date of your Franchise Agreement. We condition your receipt of the funding on you signing the CPN within 3 months of the grant of funding.

- [3] If you fail to meet the required level of annual Gross Revenue in any calendar year or otherwise fail to meet the requirements for forgiveness under the CPN, we have the right to bill you the agreed upon amount of the annual principal for immediate payment.
- [4] As an alternative to a CPN, we may offer financing opportunities to existing franchisees for acquisition opportunities or other business-related expenses under an interest-bearing Expansion Promissory Note (“Expansion Note”) substantially in the form of Exhibit D-2. Expansion Notes are offered in our discretion based on certain criteria, including the length of time remaining in the Term, your credit worthiness and your business operations. The principal amount must be repaid in full 6 months prior to the Expiration Date of the Franchise Agreement. There is no opportunity to achieve forgiveness of the loan.
- [5] All Notes must be guaranteed by the Franchisee as well as personally guaranteed by all shareholders, partners, interest holders and their respective spouses, as required by us. You must sign a Security Agreement at the time you sign the Franchise Agreement, for all the Business’ assets, including after acquired property and we will file a UCC-1 financing statement for the Business’ assets with the appropriate state government authority. (See Exhibit F to the Franchise Agreement or Exhibit D-3.) We have the right to require additional forms of security. All Notes require that any amounts due to you under the Luxury Premium Award program described in Item 6 may be applied to the interest or principal due under any Note (see Section 7.2 and Exhibit E of the Franchise Agreement).
- [6] For all Notes, the payments are non-refundable. If you are in default under any Note (which includes without limitation defaults under your Franchise Agreement or other agreements with us and our Related Parties) or your Franchise Agreement is otherwise terminated for any reason while any Note is outstanding, all principal and accrued interest payments are accelerated, and you are obligated to pay immediately the entire amount due as well as any collection costs that may be incurred, including court costs and attorneys’ fees. Your failure to pay all amounts when due under any Note may constitute: (i) a default under the Franchise Agreement that may lead to termination of the Franchise Agreement; and (ii) a default under other agreements with us or our Related Parties. Under every Note, you waive various notices, rights and defenses, including your rights to diligence, demand, presentment for payment, notice of nonpayment and protest, and notice of amendments or modifications. You also waive any defense under the statute of limitations and allow that a confessed judgment may be taken against you. (See Exhibits D-1 and D-2.)

We may require you to undergo a six-month operational review of your Franchise prior to the granting of any financing. The review will include a financial analysis, assessment of the use and understanding of our programs, and your adherence to the requirements under the Franchise Agreement.

Except as disclosed above, we do not offer financing that requires you to waive notice, confess judgment or waive a defense against us or the lender, although you may lose your defenses against us and others in a collection action on a Note that is sold or discounted. We have no plans to sell or assign any Note from you or any other franchisee; however, we have the right to do so in the future. Upon any sales or assignment, we will

not remain primarily obligated to provide the financial goods or services. We do not guarantee your obligations to third parties.

We have the right to offer various financing programs to help franchisees with agent recruiting or other business-related expenses. We may also offer various financing programs as part of our franchise sales incentive program. We may or may not require you to sign a CPN and have the right to require you to sign a General Release, in the form of Exhibit C-6, as a condition of financing, whether or not you are required to sign a CPN. Where we grant financial incentives as part of our franchise sales incentive program, other financing may not be available.

If Anywhere Services Group has a lender that provides finance opportunities to franchisees under the Strategic Partnership Program, we or Anywhere Services Group may receive payments from such lender. As of the issuance date of this disclosure document, Anywhere Services Group does not receive payment from any lenders. See Item 8.

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

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

### **Site Selection**

We do not select your Office location or provide you with any assistance in locating your Office location, but the location must be in an Eligible Market. We will conduct an inspection of your proposed Office location to determine if it meets our then current standards and requirements and we have the right to determine that your Office location does not meet our current standards and require you to obtain a location that meets these standards. We do not generally own property leased to franchisees for Office locations. Our approval of your proposed Office location is based in part upon its location, building exterior, signage visibility, building access, parking capacity, landscaping, reception and lobby areas, work areas and broker's and manager's office space. This approval is granted as part of the franchise sales approval process and does not have a separate or specific time limitation. If we do not approve the quality of your Office location, we may issue you a corrective plan. Your Franchise may be conditioned upon completion of the corrective plan within 90 days. That is, if you fail to comply with the corrective plan within 90 days, we may terminate your Franchise Agreement.

Our approval of an Office location means that, based on our inspection and the information you provided to us, the Office location meets our then current minimum standards. You must obtain our advance written approval for each proposed office location and execute a Franchise Agreement and/or a Location Addendum to an existing Franchise Agreement before you exhibit the Sotheby's International Realty® trademarks or offer Sotheby's International Realty® services at them. You may not relocate, close, or consolidate any Office(s) without our prior written permission. If we deny approval of a proposed site, you must submit a new location for approval. You may not open an office unless we have approved the site.

### **Time to Open**

Most franchisees convert an existing real estate brokerage business to a Sotheby's International Realty® Office and complete this process within 45 days after the Effective Date of the Franchise Agreement. A franchisee starting a new business typically opens the Sotheby's International Realty® Office 45 to 60 days after the Effective Date of the Franchise Agreement. The factors that affect this time are mostly within your control or the control of suppliers you select. Some of the factors that may affect the time period for the opening of the Office could be the amount of remodeling necessary to be done, availability of signage, necessity to secure local governmental approvals for zoning or signage, or completion of lease or purchase agreements.

## **Manual and Marks**

We will provide you with access to a copy of the P&P Manual, which contains various suggestions and mandatory specifications, standards and procedures, including trademark and identity standards for use of the Marks, for operation of your office under the Sotheby's International Realty® System, and is made up of other manuals, including without limitation our Identity Standards Manual. You may view the P&P Manual before you sign a Sotheby's International Realty® Franchise Agreement if you sign the Confidentiality Agreement attached to this disclosure document as Exhibit E. The P&P Manual and its updates may be made available to you through our intranet site, access.sir.com (and/or any successor internet portal and/or application). As of the issuance date of this disclosure document, the P&P Manual contained a total of 71 pages and a copy of its table of contents is included in Exhibit J. You will have 90 days to comply with any mandatory provisions that we change in the P&P Manual and you will be responsible for costs associated with such changes (Franchise Agreement, Section 10.2.)

As of the issuance date of this disclosure document, we do not impose requirements as to equipment, fixtures or other fixed assets (except for computers and signage); however, as described in Item 6, we may require franchisees to incur fees and costs at the then-current amounts, for products and services that we deem to be an essential element of the System. Additionally, we may require reasonable changes or upgrades to your Office. You must maintain all Office facilities, office sign(s), yard signs, stationery goods, and all other items in first-class condition and compliant with the P&P Manual. We cannot predict the frequency or cost of future changes to the System that we may require (Section 4.6 of the Franchise Agreement).

We will provide written specifications for the computer and signage requirements in the P&P Manual. The minimum hardware and software requirements are also outlined in this disclosure document. We may also offer resources and services described in the P&P Manual or otherwise for use by the System. We reserve the right to change or modify the P&P Manual at any time, and to discontinue or add resources and/or services offered to the System at any time. We have the right to provide resources (marketing, sales and productivity) and services funded by us directly, provided for a fee, or funded in part or entirely by the BMF.

## **Training**

After you sign your Franchise Agreement, we will provide your Responsible Broker (defined in the Franchise Agreement as your licensed real estate broker as required under the laws of the state in which the Office is located), or other agreed upon individual with Orientation. (Franchise Agreement, Section 6.1.1.) The program is mandatory and must be completed to our satisfaction by one of these persons at the next scheduled Orientation after the Opening Date of your Main Office. Orientation is currently a two day program and may be held virtually, and/or in person at a physical location selected by us. It is anticipated that Orientation will be offered once per calendar year (subject to demand and participation). If you are acquiring a Franchise from us and Orientation is held in person, we will pay the reasonable costs of registration, travel and lodging for your Responsible Broker or other agreed upon individual, provided attendance at Orientation occurs within 12 months of the Opening Date. If held in person, we will also pay the registration and reasonable hotel expenses (as we determine) for one designee for each additional Office you operate under the System. However, the designee must attend the next scheduled Orientation after the Effective Date of your Franchise Agreement (or for additional Branch Offices, the opening date of the additional Branch Office) or you must pay for these costs. For any additional attendees, you must pay these costs for them along with a registration fee, presently \$1,500 for each attendee. If you are acquiring an office through a transfer of an existing franchise, you must pay all costs of registration, travel, lodging, meals and other expenses of your attendees at Orientation.

Orientation covers the subjects listed below. We have the right to substitute instructors and course content. Each instructor will generally have at least one year of experience in the real estate industry or in the industry related

to the course topic and, unless an outside consultant, will have at least 6 months of experience working with us or our Related Parties. We do not provide any on the job training. Tammy Fahmi, our Vice President of Global Operations and International Servicing, currently supervises our training program. Ms. Fahmi joined the Sotheby's International Realty® System in October 2012 as our Vice President, General Counsel.

### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Brand Protection	2.00	0	Virtual or at a physical location selected by Franchisor
Establishing a Presence On-line	2.00	0	Virtual or at a physical location selected by Franchisor
Recruiting	2.00	0	Virtual or at a physical location selected by Franchisor
Using Tools and Systems	2.00	0	Virtual or at a physical location selected by Franchisor
Marketing	3.00	0	Virtual or at a physical location selected by Franchisor
Building a Value Package	2.00	0	Virtual or at a physical location selected by Franchisor
Learning and Development	2.00	0	Virtual or at a physical location selected by Franchisor
<b>TOTAL</b>	<b>15</b>	<b>0</b>	

**Notes to Training Program table above:**

<sup>(1)</sup> We do not provide on the job training.

We will provide you with learning materials during Orientation, which may include oral presentations, videos, recordings, recruiting information and other related materials. All of these learning materials are and will remain our sole property. We have the right to change, discontinue or add any education program for the Sotheby's International Realty® System at any time.

During the operation of your Sotheby's International Realty® Office(s), we will provide recommendations to you with respect to improvements and changes to the System. The guidance may be in the form of bulletins or other written materials, electronic communication, consultation by telephone or in person at your Office(s), or by other means. (Franchise Agreement, Section 6.2.2.)

We also will conduct ongoing education courses, seminars or conferences either online, at our corporate office, in your area or elsewhere, although we have the right to determine if and when these courses may be offered, as well as their duration and content. You must pay for any fees we charge and all your costs of transportation, lodging, meals and other expenses. Your attendance at these courses is voluntary. (Franchise Agreement, Section

6.2.1.) Through our learning platform, we also intend to provide programs which we encourage you and your independent sales associates to complete. We may make online learning materials available for your use. Additional learning resources are currently provided through a specialized learning team dedicated to providing enhanced learning resources to us, Anywhere Advisors and certain Real Estate Affiliates.

Any education, support, advice or resources we or our Related Parties provide to you in connection with the Franchise is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Franchise, and not for the purpose of controlling in or in any way exercising or exerting control over your decisions or the day-to-day operation of the Franchise, including your personnel-related decisions.

## **Marketing and Advertising**

During the term of your Franchise Agreement, we will provide advertising, public relations and promotional campaigns through a Brand Marketing Fund (BMF) to promote and enhance the awareness level and value of the Sotheby's International Realty® Marks and brand worldwide. We have the right to use up to 5% of the BMF for advertising that is principally a solicitation for the sale of franchises to grow the Sotheby's International Realty® System and increase the goodwill of the brand for the benefit of all franchisees.

We manage and administer the BMF under our franchise agreements. The BMF is a contractually generated fund. It is not a trust, and we have no fiduciary or implied duties. BMF contributions are limited to those made by you, other franchisees and Anywhere Advisors. We use the BMF for the development, implementation, production, placement, payment and costs of national and regional (as defined by us) advertising, marketing, promotions, public relations and/or other programs, which may include direct mail (and email), market research, social media, customer surveys and test marketing to promote and further the recognition of the Marks, the System and franchisees generally. The BMF may also be used for other purposes, such as website development, the marketing offerings in the Productivity Suite (and other future platforms that offer similar services including the CIH Platform), online marketing products for broker and agent use, hosting and maintenance for the brand consumer website and accompanying consumer websites and blogs and the System intranet site, search engine marketing and search engine optimization, customer service support, real estate listing enhancement costs and subsidies, listing distribution arrangements, regional and national Sotheby's International Realty® System events and related activities, social media development and learning, awards, sponsorships, Leads Engine maintenance and updates, lead generation, customer loyalty programs, marketing related to agent or broker productivity or other learning resources, system communications, identity standards and website compliance, brand extension development and marketing, talent attraction initiatives, resources and marketing, software development and distribution, quality control measures related to the use of the Marks in all types of platforms and other related activities in support of the Sotheby's International Realty® brand and the Sotheby's International Realty® System. All BMF funds are deposited into our general operating account and are commingled with our general operating funds. (Franchise Agreement, Section 8.3.) We have the right to use part of the advertising fund for joint or collective advertising campaigns with Related Parties.

You must make monthly contributions of 2% of your Gross Revenue to the BMF, with a minimum of \$723 per month and maximum of \$3,121 per month per office (as of January 1, 2026). (Franchise Agreement, Section 8.) Other franchisees may pay different amounts based on the language of their franchise agreements. Although the BMF expenditures are intended to maximize general recognition and customer support for all Sotheby's International Realty® offices, we cannot assure you that your Office(s) will benefit directly from the placement of the advertising. We have no obligation under the Franchise Agreement to place advertising or marketing to directly affect particular markets or regions, including the markets or regions where your Offices are located. We have the right to use our and/or our Related Parties in-house marketing department, as well as national or international agency or agencies, to perform any or all of the above functions on behalf of the brand. We currently use professional advertising and public relations agencies for the creation, development and placement

of the marketing collateral, asset development and promotional materials produced for the BMF, and we have the right to change agencies at any time without notice to you. Our marketing department uses all forms of media (other than broadcast television) for purposes of marketing the Sotheby's International Realty® brand. We also have the right to use the BMF for international advertising and marketing to maximize the goodwill of the Sotheby's International Realty® brand.

We may charge all costs for formulation, development and placement of advertising, marketing, promotional and public relations materials to the BMF. This cost will include marketing staff compensation, travel expenses, and a proportionate share of the compensation for our senior management who devote time and render services for advertising, marketing and promotion or the administration of the BMF. The BMF may compensate us or our Related Parties for out-of-pocket costs on behalf of the BMF, for marketing staff compensation and a portion of our senior management compensation, and for reasonable expenses incurred for rent, overhead, accounting, collection, reporting, technology system support, marketing product development, legal, human resources, finance, operations, management and other services, which we or our Related Parties provide to, or which relate to the administration of or services provided to, the BMF and its programs (collectively "Corporate Services").

We and our Related Parties may provide certain products and/or services to the BMF, including the Corporate Services outlined above, which would otherwise be provided by unaffiliated third parties, and we and our Related Parties will be entitled to compensation by the BMF for such products and/or services. Any products and/or services provided by us or our Related Parties will be provided at a cost comparable to those costs that the BMF would otherwise incur if the products or services were obtained from unaffiliated third parties. We determine the Corporate Services expenses to be charged the BMF using a combination of direct cost calculations in the case of certain Corporate Services expenses directly attributable to Anywhere Brands, and where Corporate Services expenses are shared among us and the Real Estate Affiliates, an allocation methodology. In those cases, where Corporate Services costs are shared, we and our Related Parties determine how much of the overall expenses incurred for Corporate Services for a calendar year are reasonably attributable to services provided to the BMF and the advertising/marketing funds of the Real Estate Affiliates. Those expenses are allocated based on revenue, headcount, usage and similar bases, as we deem appropriate for the specific Corporate Service. This portion of the expense for Corporate Services is then further allocated to the BMF based on the total amount of revenue collected by the BMF in the calendar year as a percentage of the aggregate revenue collected by the BMF and the advertising/marketing funds of the Real Estate Affiliates for the same calendar year. We have the right to periodically modify the allocation process and the methodology described in this paragraph. Specifically, we reserve the right to adjust our method for charging the BMF for Corporate Services to a reasonable management fee calculated as a percentage of the total BMF contributions made by us and our Related Parties, as applicable, and our franchisees for the applicable year according to the following formula: 6% of all BMF revenue up to \$7,000,000 and 3% of all BMF revenue over \$7,000,000. If implemented, this fee will include the Corporate Services described above and will specifically exclude marketing staff compensation and senior management compensation.

We develop the strategy and implementation for brand campaigns with oversight and input from Anywhere Brands and Anywhere Group senior management personnel. We have no obligation to conduct marketing, and we have the sole discretion to determine how, if any, monies in the BMF will be spent. We may engage third party vendors or our Related Parties to provide other various products and services to the System and the brand for overall marketing, advertising and other related activities in support of the Sotheby's International Realty® brand and the Sotheby's International Realty® System, and these vendors or our Related Parties will be paid from the BMF based either directly on invoices charged to us or on an allocation methodology (generally based on usage, headcount or similar bases) for products and services shared among Related Parties. We may target print publications, internet-based advertising vehicles, events and on-site

promotions for BMF expenditures on a national, regional and local level, although that may change in the future as well.

In addition to efforts supported by the BMF, you will also incur certain expenses for marketing, promotional and sales expenses, including resources, to provide marketing and sales support for your business. The BMF may focus heavily on brand recognition. As a result, you will have other marketing and sales expenses for products and services in your local market. You are free to use your own advertising material so long as it is in compliance with the Franchise Agreement and the P&P Manual, including without limitation the Identity Standards Manual contained therein. We have the right to require you and your affiliated sales associates to discontinue any non-compliant usage of the Marks and any use of non-compliant marketing materials, such as signage, company/personnel marketing and advertising of any kind (e.g., digital, print, social media, etc.).

Upon written request, we will furnish you with an annual financial statement for the BMF which is usually available on or about April 30 of each year, in a form provided at our sole discretion. We are not required to cause the BMF to be audited or reviewed by an independent certified public accounting firm. We do not provide periodic accounting of how the BMF revenues are spent unless you request such a report. You may request to inspect the books and records related to the BMF at our principal business address during our normal business hours. If the total contributions to the BMF exceed the expenditures from the fund in any calendar year, the excess will be retained in the fund for future marketing purposes. The BMF may borrow from us or other lenders to cover its deficits or invest any of its surplus for future years.

We anticipate that all of our franchisees will contribute to the BMF, although there is no prohibition against us charging a higher or lower rate for future franchisees. You, and all other franchisees, are required to make the monthly contribution to the BMF as described in Item 6. (Franchise Agreement, Section 8.1). Other franchisees may pay different amounts based on the language of their franchise agreements. The Sotheby's International Realty® offices owned and operated by Anywhere Advisors contribute to the BMF and are generally subject to BMF contributions as other franchisees. Except as provided in Section 8 of the Franchise Agreement, we assume no liability or obligation for collecting amounts due to the BMF or to administering or maintaining the BMF. We have no implied or fiduciary duties, through course of conduct or otherwise, with respect to our administration and/or management of the BMF. We may pursue franchisees for BMF contributions if we deem such action to be in our best interest. We may also forgive, waive, settle or compromise claims made on behalf of or against the BMF. If we proceed against a franchisee for BMF contributions and other amounts due (including Royalty Fees), we will apply a pro-rata portion of any judgment or settlement amount we receive to the BMF based on the BMF claim's proportionate share of the total amount owed to us and the BMF by the franchisee (excluding any lost profits or liquidated damages amounts). We charge the BMF 30% of the attorneys' fees and other collection costs incurred in any action seeking past due recovery of BMF funds. We may defer or reduce a franchisee's BMF contribution.

We have the right to add new services, resources and capabilities funded in part or entirely by the BMF. Other services, resources and capabilities may be provided directly to you or for a fee.

As of the issuance date of this disclosure document, we have no dedicated advertising advisory council, but the advisory council described in Item 20 periodically provides input on advertising and marketing initiatives. We have the right to form, change or dissolve advertising councils. As of the issuance date of this disclosure document, there are no advertising cooperatives for Sotheby's International Realty® franchisees. We have the right, however, to form, change, dissolve or merge advertising cooperatives, and require franchisees to participate in them at a local or regional level.

In 2025, cash disbursements of our BMF were distributed in the following manner: 53% - internet marketing, 14% - marketing, advertising and public relations, 29% - other marketing and 4% - administration.

## Computers and Electronic Devices

We and our Related Parties have developed technology systems, consisting of proprietary software and non-proprietary operating programs that enable you to transmit required listing information and transaction reporting information and other relevant reporting data via the internet (the reporting system). The reporting system allows a franchisee to access its business data from any computer connected to the internet with no additional software. With the reporting system, a franchisee can maintain listing information and photos, independent agent and manager rosters, office contact information and download and sort this information for its specific needs. We do not have independent access to the data in your office system, except for such data that you, or third parties authorized by you, transmit to us or enter into the reporting system and except for MLS data we receive through third parties. There are no contractual limitations on our right to access this data. We provide the reporting system to you without charge; however, you must obtain the appropriate connectivity and browser software for this application, as well as any platform upgrades that may be necessary. You are responsible for purchasing compatible hardware from a vendor you select.

We have the right to require you to utilize hardware or additional software from a particular provider. Except for the reporting system discussed above, we do not, as of the issuance date of this disclosure document, require you to use any particular provider of hardware or software. You can acquire any computer hardware that meets our minimum memory and other standards as outlined below.

As of the issuance date of this disclosure document, our minimum standards for the reporting system are indicated below. The requirements are divided into two categories, Supported and Recommended. While the reporting system will work with any items in the Supported column, users are encouraged to use the Recommended.

<b>Operating Systems</b>	
<b>Supported</b>	<b>Recommended</b>
Windows 7 and later	Windows 11
Mac OS X 10.10 (Yosemite) and later	Mac OS X 15 (Sequoia)
Android Red Velvet Cake (11) and later	Android 15 (Vanilla Ice Cream)
iOS 14 and later	iOS 18

<b>Windows Browsers</b>	
<b>Supported</b>	<b>Recommended</b>
Chrome (99) and later	Chrome – automatic updates
Edge (99) and later	Edge – automatic updates
Firefox (99) and later	Firefox – automatic updates

<b>Mac Browsers</b>	
<b>Supported</b>	<b>Recommended</b>
Safari (13) and later	Safari – automatic updates
Chrome (99) and later	Chrome – automatic updates

### PC System Requirements

We are constantly evolving and upgrading tools, platforms, systems and websites (collectively our “Tech Resources”) and we expect our franchisees to provide the appropriate hardware, software and internet connectivity that allows the Tech Resources to be fully supported and utilized in your Office(s) over the

term of your Franchise Agreement. We design our Tech Resources to work correctly with technology that is widely available, accessible and in broad use.

We will not provide maintenance for your computer hardware. It is recommended that you obtain a service agreement if repair and support are not covered under the warranty that accompanied the various components of your office infrastructure (“technology,” “hardware” or other “software”). We have the right to periodically change our standards.

While a computer with the technology that is widely available, accessible and in broad use may be able to handle other software applications related to the operation of a Sotheby’s International Realty® office, we do not represent that the above computer specifications or widely available technology for which we base our Tech Resources on will be sufficient to run any additional software. Our standards are simply the minimum requirements to operate a Sotheby’s International Realty® office.

You must reasonably ensure that any technology you use in connection with the Business, has appropriate data security controls, including but not limited to the following: (i) authentication mechanisms designed so that they cannot be bypassed to gain unauthorized access to systems and implementation of multi-factor authentication (MFA) when applicable; (ii) commercially reasonable encryption of data in transit and at-rest; (iii) password protection measures, such as protecting the form in which they are stored with strong and complex character classes and password length; and (iv) adhere to applicable data privacy and information security laws and any other security measures reasonable for our industry, such as system updates/patching.

We and our Related Parties have the right, but not the obligation, to develop enhancements to the technology systems and software packages, some or all of which may result in an access fee or other charges. In addition, based on any enhancements we develop, changes in technology, industry standards or in our reasonable business judgment, we have the right to require you, at your cost, to update, replace or add to your computer equipment (including hardware, software, services and other related components) during the term of the Franchise Agreement, and there are no contractual limitations on the frequency or cost of this obligation. (Franchise Agreement, Section 9.) As of the issuance date of this disclosure document, we have not charged for software upgrades and updates, but we have the right to do so in the future.

The costs of the minimum hardware and software components required above will vary based on the size of the Office and number of independent sales associates. As described in Item 7, we estimate that the costs for a system that meets these minimum requirements for an Office of 30 people (including employees and/or independent sales associates) ranges from \$6,000 to \$12,000.

As of the issuance date of this disclosure document, we have not charged for software upgrades and updates, but we have the right to do so in the future. As described in Item 6, we estimate that those will range between \$1,000 and \$3,000 per year.

Leads Engine is offered to you to manage and service leads you obtain through our website or other sources, and it works in tandem with the Productivity Suite. Franchisees are automatically provided with Leads Engine when they join the System. We do not currently charge a fee for Leads Engine but have the right to do so in the future and estimate the range of this fee to be \$0 to \$5,000 per year, as described in Items 6 and 8.

Individual broker and agent websites are available through the Productivity Suite. These are optional as of issuance date of this disclosure document and not subject to a separate fee, as further described in Items 6 and 8, however, we reserve the right, to make the use of the Productivity Suite, or a future platform we designate, mandatory and/or to require the payment of reasonable fees to us, our Related Parties, or an Approved Supplier.

Any MLS fees associated with individual broker and agent websites will be your responsibility, as described in Item 7. You have the option of purchasing related enhancements or other products and services from us, our Related Parties, or from third parties. If an application programming interface to any portion of the Productivity Suite or Leads Engine applications, is made available to you through a third party, you may be responsible for development, integration, and service fees to that third party for the use of such API.

The Productivity Suite will continue to be offered to certain Real Estate Affiliates; however, Compass currently offers the CIH Platform, which is an end-to-end proprietary technology platform allowing real estate professional to perform their primary workflows, from first contact to close, with a single log-in and without leaving the platform, to Compass Brokerage. The CIH Platform will be offered to real estate brokerage offices under Anywhere Advisors and NRT NY during 2026 and is expected to be offered to franchisees of the Real Estate Affiliates beginning early 2027. The CIH Platform is optional, and we and/or our Related Parties have the right to charge for it in the future. However, marketing elements of the Productivity Suite may be funded in part or entirely by the BMF.

The CIH Platform includes an integrated suite of cloud-based software for customer relations management, marketing, client service, brokerage services and other critical functionalities, all custom-built for the real estate industry. The CIH Platform includes capabilities such as: (i) a CRM; (ii) Business Tracker, which provides real estate professional with a centralized view of their entire business; (iii) marketing content creation and management; (iv) a collaborative workspace for real estate professionals to collaborate with clients in real time; (v) Comparative Market Analysis; (vi) AI-driven client prospecting recommendations; (vii) One-click listing video creation; (viii) AI-driven content; (ix) transaction management, and a variety of other capabilities that assist real estate professionals in the management of their businesses.

As of the date of this disclosure document, we and our Related Parties offer one online service, sothebysrealty.com, a proprietary consumer-facing website. This is a publicly accessible brand website that allows us, our Related Parties, you and your independent sales associates to post listings on the internet (subject to the terms and conditions of the P&P Manual) for consumers worldwide, who can search for listings by geographic regions, price range, number of bedrooms and other pertinent criteria. You are not required to participate in sothebysrealty.com, but failure to do so may result in you company, listings and independent sales associates not being displayed and searchable on the website, and you will not receive other online services offered by the brand or leads generated via our national marketing efforts. We, or our Related Parties, may provide support options to you through message-based support, forums, online chat or phone. We, or our Related Parties also develop, provide, and maintain brand-level websites for certain of the Real Estate Affiliates.

In addition, we maintain a private intranet site, access.sir.com (and/or any successor internet portal and/or application), accessible to you and your independent sales associates who subscribe to the System. This intranet site may include various enhancements as available, including expanded industry news, Sotheby's International Realty® news and systems, broker-to-broker referral capabilities and supplier information. You are free to use any form of electronic media (including the internet) so long as your use is in compliance with the Franchise Agreement and the P&P Manual, including without limitation the Identity Standards Manual contained in the P&P Manual.

Presently, there are no mandatory fees directly associated with participation in sothebysrealty.com, however, IDX search capabilities may also be implemented on sothebysrealty.com to include listings from your MLS or MLS(s), which may be assessed fees based upon local MLS rules. Such fees vary by MLS. Sothebysrealty.com and independent sales associate sites are IDX sites that may require 3-way MLS agreements. While some MLS providers provide listing feeds to their members at no additional cost, other MLS providers may charge a fee for all or incremental feeds provided to their members, including those feeds in connection with your use of the Productivity Suite. Franchisees are responsible for all fees assessed by their MLS or MLS(s) feed provider(s) (as described in Item 7). Further, you must obtain appropriate

connectivity and browser software for this application, and/or our intranet site, as well as any platform upgrades that may be necessary.

Except as described in Item 12 and Item 13, you may advertise your Business and market homes using electronic resources, including the internet, subject to the terms of the Franchise Agreement and any limitations in the P&P Manual. As described above, you may maintain your own website for your Business and use our Marks on the website, provided this use is compliant with the brand standards and the P&P Manual. You cannot use any of the Marks in a uniform resource locator or similar internet or addressing or identification system, except in compliance with our guidelines or as otherwise authorized by us. Real estate brokerage offices (including independent sales associates) of competitive brands controlled by our Related Parties may have used, and have the right to use, other channels of distribution, such as the internet, telemarketing or other direct marketing sales, to make sales within your market area using their principal brand trademarks and/or trademarks different from the ones you will use under the Franchise Agreement. We use, and have the right to use, other channels of distribution, such as the internet, telemarketing or other direct marketing sales, to make sales within your market area using our principal brand trademarks and/or trademarks different from the ones you will use under the Franchise Agreement.

### **Ancillary Services**

We also may offer other ancillary services, directly or through Related Parties, or other companies for a fee, to assist you in enhancing your Franchise. Ancillary services may include certain loan brokerage, escrow services, title searches, insurance and the like, related to a Residential Real Estate brokerage operation. These services may not be available in all markets, and we have the right to add, change or discontinue any ancillary service at any time.

## **ITEM 12. TERRITORY**

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 own or control. You must operate your Franchise only from the Office(s) identified in the Franchise Agreement. You must promote your services within the market served by your Office(s). Except as described below, you and your affiliated agents may solicit clients from anywhere that your real estate license permits, and in accordance with state and local real estate rules and regulations. Additionally, subject to your real estate license limitations, you may solicit clients using alternative channels of distribution, including the internet, catalog sales, telemarketing or other direct marketing sales.

At any time, we and our Related Parties have the right, without compensation to you, to own, operate, franchise or license others to operate real estate brokerage businesses, including without limitation Sotheby's International Realty® offices, and other businesses anywhere within or outside the market area where your Office(s) is located, including locations in immediate proximity to your Office(s). The Real Estate Affiliates operate and grant franchises for the operation of similar real estate brokerage businesses that operate under the Coldwell Banker®, Coldwell Banker Commercial®, CENTURY 21®, Better Homes and Gardens® Real Estate, ERA®, Corcoran®, "@properties," "CHRISTIE'S INTERNATIONAL REAL ESTATE," "COMPASS," "WASHINGTON FINE PROPERTIES," AND "LATTER AND BLUM" service marks. Other than these brands, Compass and its subsidiaries and affiliates do not grant franchises, but its affiliated agents may operate and offer and sell real estate, including soliciting and accepting clients to buy and sell real estate, throughout the United States (subject to state and local real estate licensing laws), and this may include the area in which you operate. We do not resolve conflicts between our franchisees or between our franchisees and franchisees of the Real Estate Affiliates regarding territory, customers and franchisor support.

As disclosed in Item 1, through common ownership, we are affiliated with Christie's and @properties, which are Real Estate Affiliates. Christie's and @properties have a principal place of business located at 806 N. Peoria St., Chicago, IL 60642. In addition, our parent, Compass, directly and through various subsidiaries and affiliates (some of which previously offered franchises), is a residential real estate brokerage firm, operating in over 95 markets in the United States with over 400 offices and over 33,000 agents (referred in this disclosure document as the Compass Brokerage).

Anywhere Advisors currently operates real estate brokerage businesses under the Coldwell Banker<sup>®</sup>, Coldwell Banker Commercial<sup>®</sup> and Sotheby's International Realty<sup>®</sup> service marks. NRT NY currently operates real estate brokerage businesses under the Corcoran<sup>®</sup> and Corcoran Sunshine<sup>®</sup> service marks. There is no restriction under the Franchise Agreement that prevents us, the Real Estate Affiliates, Anywhere Advisors, NRT NY or any other present or future Related Party from owning, operating, franchising or licensing others to operate, real estate brokerages or other businesses under the Sotheby's International Realty<sup>®</sup>, Coldwell Banker<sup>®</sup>, Coldwell Banker Commercial<sup>®</sup>, CENTURY 21<sup>®</sup>, Better Homes and Gardens<sup>®</sup> Real Estate, ERA<sup>®</sup>, Corcoran<sup>®</sup>, "@properties," "CHRISTIE'S INTERNATIONAL REAL ESTATE," "COMPASS," "WASHINGTON FINE PROPERTIES," AND "LATTER AND BLUM" service marks, or any other service marks, anywhere within or outside your market area.

Except for real estate license limitations, there are no restrictions on us or our Related Parties, or our or our Related Parties' franchisees, that would prevent us or our Related Parties, or our or our Related Parties' franchisees from accepting clients or listings within the area in which you operate. You are not entitled to receive any compensation from us or others for any business generated by us or our Related Parties, or our or our Related Parties' franchisees, from clients in any market area, including clients in your market area. Further, we and our Related Parties have the right to use and allow our and our Related Parties' franchisees to use, without any compensation to you, alternative channels of distribution, including the internet, catalog sales, telemarketing or other direct marketing sales, to make sales anywhere within or outside your market area using the Marks or any other service marks.

As further described in Item 1, we and certain Real Estate Affiliates and other Related Parties subcontract with Anywhere Group and its Related Parties for support services and share office facilities with them in Madison, New Jersey. Except as described in Item 2, each Real Estate Affiliate is operated as a separate company with its own management and distinct business strategies and objectives.

The Sotheby's International Realty<sup>®</sup> referral system will be available for you. Using this system, we will facilitate customer referrals to the most qualified broker in the destination market, with the first preference always given to the Sotheby's International Realty<sup>®</sup> franchisee in that market. In some cases, the referral may be made to CENTURY 21<sup>®</sup>, Coldwell Banker<sup>®</sup>, ERA<sup>®</sup>, or Better Homes and Gardens<sup>®</sup> Real Estate or other independent brokers. Participation in these systems is voluntary. Owning a Franchise does not guaranty the receipt of referrals from other Sotheby's International Realty<sup>®</sup> offices or those of our Related Parties or our Related Parties' franchisees. We do not currently charge a fee for referrals sent through our referral system.

You must not operate your Franchise at any site other than the Office(s) identified in your Franchise Agreement without our prior approval. If you want to relocate, close, or consolidate any Office(s), you must request our approval in writing (and submit other relevant information that we request to evaluate your proposal) at least 30 days before the proposed change. If we do not respond to your request within this period, the proposed change will be deemed disapproved. We may impose conditions on a location change and we have the right to condition our approval of any proposed office location change to a different geographic market upon our determination that the proposed market is eligible under our then current evaluation criteria. If we determine that the proposed market is an Eligible Market (as defined in Exhibit C of the Franchise Agreement), we have the right to impose additional conditions, including:

[1] The new Office location must satisfy our then current office appearance standards and must offer you the prospect of enhancing your ability to provide quality real estate services;

[2] The relocation of your Office must not expose us or any of our Related Parties to potential liability (as we have the right to determine in our reasonable business judgment);

[3] The relocation must not be likely to have a material adverse effect on our business, the business of our Related Parties or of other franchisees (as we have the right to determine in our reasonable business judgment);

[4] You must be in compliance with the Franchise Agreement and all other agreements with us and/or our Related Parties; and

[5] You must sign documentation we require to memorialize the approved change in location.

You do not have any options, rights of first refusal or similar rights to acquire additional Franchises. You do not receive the right to acquire additional Offices unless we sign a Location Addendum (or Limited Purpose Office Addendum) to the Franchise Agreement with you for each additional Office. You do not have any standing to object to a new franchise Office based upon proximity of the Limited Purpose Office to the proposed new franchise Office. You should not sign a new lease or incur any other expenses or liabilities for any new Office(s) until we have approved the proposed location. See Sections 5.4 and 5.5 of the Franchise Agreement regarding the opening of additional Offices.

We require no minimum sales quotas in order for you to continue to operate your Main Office.

Generally, we neither grant an area license nor exclusive territorial rights. There is no minimum area of protection or territory granted to franchisees under the Franchise Agreement. However, we have the right to grant franchisees limited protected areas in which no new franchises will be granted for a period of time determined by us if we think that local market conditions or other economic factors merit such a decision. We have the right to enter into Franchise Agreements, which may contain materially different terms than those in your Franchise Agreement and may include favorable modifications to any number of standard provisions (including the Royalty Fees, BMF Fees, the Term of the Franchise Agreement, and the granting of certain limited and conditional protected areas or markets). Any grant of limited protected areas must be in writing and will have a specified term. We have the right to terminate such limited areas of protection if a franchisee fails to maintain a level of annual Gross Revenue or other conditions that we determine are appropriate for the maintenance of the protected area granted or otherwise is in default of the Franchise Agreement.

### ITEM 13. TRADEMARKS

You are required to operate under the name “Sotheby’s International Realty” with a prefix that identifies your Office. According to our P&P Manual and the Trademark License Agreement, your trade name may be displayed in standard text as well as in a logo format. The specific font type, style, proportions and other specific details of the logo formats are described in specific detail in the Identity Standards Manual and may not be altered by you. Anywhere Advisors operates under the trade name “Sotheby’s International Realty” and may use a suffix to identify its offices.

You may also use other current or future Marks that we license to you. By Marks, we mean the Sotheby’s International Realty® service mark and other trademarks, service marks, trade names, designs, logos and other commercial symbols and slogans we periodically designate to use in connection with your Franchise, including the following primary Mark we have licensed, and which is registered on the United States Patent and Trademark Office Principal Register:

Service Mark	Registration No.	Registration Date
SOTHEBY’S INTERNATIONAL REALTY	1248613	August 16, 1983

Under your Franchise Agreement, you also are granted a license to use the Sotheby’s International Realty logo (which appears on the front of this disclosure document) with your trade name on top, separated by a horizontal line, or with your trade name to the left, separated by a vertical line.

All of the Marks and the above registration are owned by SPTC or by the Licensee Entity. The registration has been renewed on a timely basis and all appropriate maintenance affidavits have been filed. The Trademark License Agreement grants to the Licensee Entity exclusive rights to use and to sublicense, the Sotheby’s International Realty trademark and related trademarks in connection with real estate brokerage services. The Licensee Entity has sublicensed to us the right to license real estate brokerage franchisees. The Trademark License Agreement grants an exclusive license for an initial 50-year period and provides the Licensee Entity a unilateral right to extend the exclusive license, in its sole discretion, for an additional 50-year term. We were subsequently granted an exclusive license, for a coterminous period, from the Licensee Entity to sublicense the Marks to franchisees under the Trademark Sublicense Agreement.

We must ensure that all franchisees utilizing the Sotheby’s International Realty Marks meet our standards. The Trademark License Agreement significantly limits our rights to use or license the use of the Sotheby’s International Realty Marks, which are material to the Franchise. In order to protect and uphold our standards (and meet our continuing obligations under the Trademark Sublicense Agreement and the Licensee Entity’s obligations under the Trademark License Agreement) you must follow our rules when you use the Marks. You may only use the Marks in the operation of your Franchise and only in accordance with the Franchise Agreement and the P&P Manual, which contain detailed instructions for use of the Marks. We have incorporated various quality control provisions into the Franchise Agreement. You must fully comply with each and all of the mandatory provisions and standards.

You are not permitted to use the Marks in connection with any Excluded Business (as defined in the Franchise Agreement). These rules will help prevent us from violating the terms of the Trademark License Agreement. You must use the Marks in combination with your trade name, which is the name you must operate the Business solely under. You must identify yourself as the independent owner of the Franchise. You may not use the Marks as part of your legal entity name. You also may not use the Marks on the internet or similar communications network, including your URL, or in connection with any activity other than the operation of your Franchise, except in compliance with our guidelines or as otherwise authorized by us. We have the right to apply for and own trade names, trademarks and service marks relating to “Improvements” (as defined in Section

14.2 of the Franchise Agreement) and such Improvements will be our property. Any Improvements we approve will be deemed licensed to us on a royalty-free, paid-up, perpetual worldwide license, and may be used by us, our affiliates and our franchisees, as applicable, without any liability to you or obligation to pay you royalties or other compensation (Section 14.2 of the Franchise Agreement).

You are not permitted to use any derivative of the Marks or any confusingly similar mark as a mark by itself or with any other name, brand, design, trademark, service mark, trade dress, logo, domain name, or corporate, trade or business name. You are also not permitted to use the Sotheby's International Realty Marks in combination with the word "auction" or any word denoting an "auction," or any derivation of the word "auction" in any corporate or trade name or assumed name or d/b/a or in any Mark under which any aspect of the Franchise is conducted. Moreover, under the Trademark License Agreement, we are only permitted to grant Franchises to brokerage companies in certain Eligible Markets and to companies that meet the certain Guidelines (each as more fully defined and described in Item 1). You must not directly or indirectly contest our rights, SPTC's rights, or the Licensee Entity's rights to any trademarks (including the Marks). Other than the Trademark License Agreement, as of the issuance date of this disclosure document, there are no other agreements currently in effect which could significantly limit our right to use or to sublicense the Marks in a manner material to you.

There are a number of circumstances under which the Trademark License Agreement may be terminated by SPTC, at its option. If the Trademark License Agreement is terminated, the Trademark Sublicense Agreement will also be terminated. SPTC may terminate the Trademark License Agreement if the Licensee Entity or Anywhere Group improperly attempts to assign its rights under the agreement, files for bankruptcy protection, operates an auction business in contravention of the agreement, fails to make the payments due under the agreement, breaches its promise to grant franchises only to brokerage companies in certain Eligible Markets (defined and described in Item 1), acts or fails to act in such a way that materially impairs the value, reputation or goodwill of the Marks, discontinues use of the Marks, or if Anywhere Group disclaims its obligation to guarantee the obligations of the Licensee Entity. However, any termination of the Trademark License Agreement by SPTC before the expiration of the term will not in any way affect your rights to continue to use the Marks. Your license will continue to be valid and in effect until the expiration of your Franchise Agreement.

Subject to the Trademark License Agreement, we have the right to change or discontinue the use of the Marks or any other trademarks, service marks, trade names, designs, logos, or other commercial symbols and slogans that we let you use. If we do so, you must comply with these changes at your expense, although you will always be given at least 90 days to comply.

You must notify us promptly if you learn about any unauthorized or improper use of the Marks or if anyone challenges your right to use them. We will take the action we think appropriate. You cannot commence any investigation, complaint or legal action, or communicate with any other person concerning these matters without our prior written consent. You are required by the Franchise Agreement to cooperate with us and our attorneys in handling any complaint or legal action regarding the Marks. We will not require you to incur any unreasonable costs in connection with your cooperation related to any complaint or legal action regarding the Marks. Except as required by law, neither we nor SPTC are obligated under the Franchise Agreement to protect the Marks or your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. We and SPTC have the right to conduct and control any legal actions or administrative proceedings regarding the Marks. Except as required by state law or state addendum to the Franchise Agreement, neither we nor SPTC are obligated by our Franchise Agreement to participate in or indemnify you for litigation or administrative proceedings in which you are named as a party and that involve the license of the Marks to you, regardless of whether the outcome of the proceeding is resolved unfavorably to you.

You must notify us promptly if you become aware of any complaint to, or investigation by, a governmental authority.

As of the issuance date of this disclosure document there are no currently effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, any state trademark administrator or any court involving the Marks. We have not been notified of any pending infringement, opposition or cancellation action or pending material litigation involving the Marks. We do not know of any superior rights or infringing uses that could materially affect your use of the Marks.

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

There are no patents or pending patent applications that are material to the Franchise. Under the Franchise Agreement you will receive a license to use information that is published in the P&P Manual, educational resources, advertising and promotional materials, and computer software programs. Although formal application(s) for a copyright registration of all materials may not have been filed with the United States Copyright Office, we own all copyright rights and/or have the exclusive right to license the copyright rights in and to the materials.

We regard various proprietary information used in our business and supplied to you as valuable trade secrets. This proprietary information includes the P&P Manual, information concerning our System, our referral system, education and operational materials, business and marketing plans and resources, computer software programs, technology tools, including the proprietary consumer website, Leads Engine and other technology, and other confidential aspects of our business. You must exert reasonably prudent efforts to maintain the confidentiality of this proprietary information during the term of the Franchise Agreement, as well as after its termination or expiration. This includes informing your Responsible Broker, Office manager(s), independent sales associates and other personnel that these materials are proprietary, and supervising their use of the materials.

You may not use any confidential, proprietary or trade secret information that we provide to you other than in the manner authorized. You may not use or input “Confidential Information” (as defined in Exhibit C of the Franchise Agreement) in connection with any machine learning (supervised, unsupervised, and reinforcement learning), generative AI, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities. This prohibition is intended to ensure a comprehensive scope, covering all aspects of AI, to avoid limiting this to specific technologies or implementations. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. You shall not input any Confidential Information into any generative AI platform or disclose such information to any provider or source of generative AI services. You shall opt out of allowing any provider or source of generative AI to utilize Confidential Information for training of any AI model or for other purpose (Section 4.12 of the Franchise Agreement).

You must comply with all mandatory methods, specifications and procedures in the P&P Manual, as it may be modified from time to time. You have no rights under the Franchise Agreement if we modify or discontinue use of the P&P Manual (or a specific version of the P&P Manual), or any other proprietary information we provide to you, including proprietary information covered by our copyrights or trade secrets. We have the right to apply for and own trade secrets and copyrights relating to Improvements, and such Improvements will be our property.

We have the right to change or discontinue the use of any of the copyrights, copyrighted materials and trade secrets that we let you use, and if we do so, you must comply with those changes at your expense, although you will always be given at least 90 days to comply.

You must notify us promptly if you learn about any unauthorized or improper use of the copyrights, copyrighted materials, trade secrets or other proprietary information, or if anyone challenges your right to use them. We will take the action we think appropriate and have the right to control any administrative proceedings or litigation. We and SPTC are not obligated, however, to take any action in response to the unauthorized or improper use of our copyrighted materials, trade secrets or other proprietary information. You cannot commence any investigation, complaint or legal action, or communicate with any other person concerning these matters without our prior written consent. You are required by the Franchise Agreement to cooperate with us and our attorneys in handling any complaint or legal action relating to our copyrights, trade secrets or other proprietary information. Except as required by state law or state addendum to the Franchise Agreement, neither we nor SPTC are obligated by our Franchise Agreement to participate in or indemnify you for litigation or administrative proceedings in which you are named as a party and that involve your use of any proprietary information covered by our copyrights, trade secrets or other proprietary information, regardless of whether the outcome of the proceeding is resolved unfavorably to you.

You must not directly or indirectly contest our rights, SPTC's rights, or the Licensee Entity's rights to any copyrights, copyrighted materials, trade secrets or other proprietary information.

As of the issuance date of this disclosure document, there are no effective material adverse determinations of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding our copyrighted materials or trade secrets. We have not been notified of any infringement that could materially affect your use of our copyrights or trade secrets. Except for the Trademark License Agreement and Trademark Sublicense Agreement described in Item 13, as of the issuance date of this disclosure document, there are no other agreements currently in effect which could significantly limit our right to use or to sublicense our copyrighted materials or trade secrets in a manner material to you.

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

You, if you are an individual and obtaining the Franchise as a sole proprietor, or your Owners, if you are an entity, must participate in the management of the Franchise. You, your Owners (as defined in Exhibit C to the Franchise Agreement), and your office manager (if the Office(s) will be operated by an office manager) will exercise your continuous best efforts to maintain, develop and promote the Franchise to its greatest potential and to enhance the Marks' reputation and goodwill. You must retain a "Responsible Broker" (as defined in the Franchise Agreement) and you, your office manager(s) and your Responsible Broker must comply with all applicable laws, rules and regulations.

The Responsible Broker or an agreed upon individual must complete the Orientation program to our satisfaction (see Section 6.1 of the Franchise Agreement). Any new Responsible Broker must attend the first available Orientation after he or she becomes your Responsible Broker (see Section 6.1.1.5 of the Franchise Agreement). During the term of the Franchise Agreement, you, your Owners, officers, guarantors and Responsible Broker cannot directly or indirectly, through ownership or otherwise, engage in any real estate brokerage business other than the Business or any Excluded Business authorized under the Franchise Agreement. Also, you will require all your management personnel, including your Responsible Broker and manager, to treat as confidential all information obtained by you regarding the System. The Responsible Broker and manager do not need to have an equity interest in the Franchise.

Each equity interest holder in the Franchise must sign a Guaranty of Payment and Performance, agreeing to discharge all obligations of the "Franchisee," including its payment obligations, under the Franchise Agreement. We have the right to require a spouse not party to the Franchise Agreement to sign a personal guaranty. By signing the Guaranty to the Franchise Agreement, a spouse will be jointly and severally liable for all obligations

under the Franchise Agreement whether or not the spouse is involved in the operation of the Franchise. This places the personal assets of the owners and the owner's spouse at risk. See Exhibit C.

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

The Franchise Agreement strictly defines the real estate brokerage services you may provide under the Marks. These defined services may be more limited than the scope of activities permitted under most state real estate licensing laws.

If we grant you a Franchise, you must use the Marks in connection with the performance of real estate brokerage services for Residential Real Estate, the performance of Authorized Commercial Services (as defined below) and the performance of Approved Auction Business (as defined below) For purposes of this disclosure document, "Residential Real Estate" will mean real estate consisting of a residential dwelling (including an apartment within a multi-family building), leaseholds of dwellings (including the rental and management of properties in vacation and resort markets), cooperatives, condominiums, fractional ownership, manufactured homes, panelized or pre-fabricated housing, undeveloped land, building lots, resort, farm and ranch real estate and any other form of real estate for which a real estate brokerage license is required under applicable law, excluding Timeshares, Authorized Commercial Services (as each are defined in the Franchise Agreement), and real estate services defined as Excluded Businesses (see Section 4.2 of the Franchise Agreement).

You may also use the Marks to provide real estate brokerage services for commercial properties, subject to three conditions: (i) the commercial real estate brokerage services are offered as a service ancillary to the provision of real estate brokerage services for Residential Real Estate, (ii) you do not hold yourself out as providing commercial real estate brokerage services as your principal business or as being a stand-alone provider solely of commercial services, and (iii) your aggregate listings (on a unit basis) of commercial properties do not exceed 5% of all your listings (on a unit basis) in any calendar year during the term of your agreement ("Authorized Commercial Services").

You may also use the Marks to perform Approved Auction Business, which means the business of conducting and sponsoring auctions of Residential Real Estate using a real estate auction specialty company that has been approved by us in advance and, among other things, is subject to a license agreement with us that contains guidelines on brand positioning and presentation of materials.

You may be permitted to engage in Real Estate Related Excluded Businesses that do not involve brokerage services for Residential Real Estate or Authorized Commercial Services separate from your Franchise and subject to certain restrictions described in this Item and Section 4.2.1 of the Franchise Agreement with our prior written consent. These other business activities may include commercial real estate brokerage services (other than Authorized Commercial Services), timeshare brokerage services, Residential Real Estate management and management services, other than as specifically included in the definition of "Residential Real Estate" above, real estate development services or products (whether as a developer or as an advisor or consultant or other service provider with respect to real estate developments), other than advice and consultation related to sales of Residential Real Estate within any development and auction business, which includes the sale of real estate in auction format (other than Approved Auction Business). We do not provide the same level of support and marketing for Authorized Commercial Services as we do Residential Real Estate.

Such businesses must be conducted under another trade name and in a manner which avoids confusion to the public about whether the Real Estate Related Excluded Business is operated under the Marks or is related to the Sotheby's International Realty® System in any way (see Section 4.2 of the Franchise Agreement). We further

have the right to establish policies and standards in our P&P Manual to ensure these activities are kept separate and apart from the Business.

To prevent a conflict of interest and to facilitate relationships among franchisees, neither you, your Owners, officers, employees and/or independent sales associates, or any entity in which any of you hold an ownership interest in or receive compensation from, can directly or indirectly participate in the operation or ownership of, or receive any compensation from any business that provides or seeks to provide equipment, supplies, services, or other operating materials to our other franchisees or Related Parties and their respective franchisees, without our advance written consent.

We have the right to limit and/or expand the scope of permissible business activities upon advance written notice. There are no limits on our right to change the types of authorized services and goods you may sell.

## ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

KEY:	● Franchise Agreement:	Exhibit C
	● Location Addendum:	Exhibit C-1
	● Development Office Addendum:	Exhibit C-2
	● Term Extension Addendum:	Exhibit C-3
	● Gallery Office Addendum:	Exhibit C-4
	● Limited Purpose Office Addendum:	Exhibit C-5

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 1.5 of the Franchise Agreement; Section 1 of the Location Addendum; Term Extension Addenda	Commences upon the Opening Date and expires on the date 10 years from the Opening Date, unless we have extended your Franchise Agreement under Section 1.5.  We have the right to allow franchisees with multiple offices to establish concurrent beginning and termination dates for all their offices. Also, we have the right to negotiate a greater or lesser term under your Franchise Agreement.
	Section 2 of the Development Office Addendum	Expires upon expiration of the Franchise Agreement or the “sell-out” date of the development.
	Section 2 of the Gallery Office Addendum	One-year term.
	Section 2 of the Limited Purpose Office Addendum	One-year initial term with a right to extend for additional one-year terms
b. Renewal or extension of the term	Section 16.1 of the Franchise Agreement; Section 1 of the Location Addendum; Term Extension Addenda	No renewal rights. If we grant you an additional term, we may require you to sign our then current Franchise Agreement or a Term Extension Addendum with materially different terms. Additionally, if you apply for and are approved to operate an additional Branch Office, we have the right to extend the Franchise Agreement for 10 years.
	Section 2 of the Gallery Office Addendum	Automatic annual renewal for additional one-year terms, unless terminated.
	Section 2 of the Limited Purpose Office Addendum	Term is automatically extended for additional one-year periods until terminated in accordance with the terms of the Addendum

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
c. Requirements for you to renew or extend	Sections 1.5, 5.4 and 16.1 of the Franchise Agreement; Location Addendum; Term Extension Addendum	<p>No renewal rights. If we grant you an additional term, we may require you to sign our then current Franchise Agreement or a Term Extension Addendum with materially different terms.</p> <p>We have the right to grant additional franchises to you. To be eligible for an additional Branch Office, you must be in compliance with all agreements with us or our Related Parties. Upon approval of a Branch Office, you will sign a Location Addendum to add the Branch Office to the Franchise Agreement and we have the right to extend the term of the Franchise Agreement for 10 years.</p>
d. Termination by you	<p>Section 16.2.5 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum</p> <hr/> <p>Section 2 of the Development Office Addendum</p> <hr/> <p>Section 7 of the Limited Purpose Office Addendum</p>	<p>Subject to state law, if a majority owner dies or becomes disabled, you may elect to terminate the Franchise Agreement if certain conditions are satisfied. The Franchise Agreement can also be mutually terminated.</p> <hr/> <p>You may terminate the Development Office Addendum upon at least 30 days' written notice without penalty.</p> <hr/> <p>Subject to state law, either party may terminate upon 30 days' notice</p>
e. Termination by us without cause	<p>None</p> <hr/> <p>Section 7 of the Limited Purpose Office Addendum</p>	<p>No applicable.</p> <hr/> <p>Either party may terminate upon 30 days' notice</p>

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
f. Termination by us with cause	<p>Section 16.2.2 of the Franchise Agreement</p> <hr/> <p>Section 5 of the Gallery Office Addendum</p> <hr/> <p>Section 7 of the Limited Purpose Addendum</p>	<p>We can terminate if you commit a breach, including any one of several listed violations, or if certain events occur; see “g” below.</p> <hr/> <p>We can terminate for non-compliance with the addendum or if the Franchise Agreement expires or is terminated.</p> <hr/> <p>We can terminate for non-compliance with the addendum or if the Franchise Agreement expires or is terminated.</p>
g. “Cause” defined - defaults which <u>can</u> be cured	Sections 16.2.3 and 16.2.6 of the Franchise Agreement	<p>Cause means any material breach by you of your obligations, including non-payment of fees. You have 30 days to cure financial breaches; failure to assign after your death or incompetency; subfranchising by you; failure to comply with all applicable laws; operating any other business within the franchise location using the Marks; failure to properly display and use the Marks; failure to begin operating the Franchise as required under the Franchise Agreement or any Addenda; creation of a security interest in the Franchise Agreement or assets of the Business without our prior written consent; or any other material breach of the Franchise Agreement.</p> <p>If you are notified that your office fails to meet our Minimum Office Design and Appearance Standards, you have 30 days to correct the deficiencies. If these deficiencies are not corrected timely, we have the right to terminate the Franchise Agreement.</p>
h. “Cause” defined - defaults which <u>cannot</u> be cured	Section 16.2.4 of the Franchise Agreement	<p>Suspension or revocation of your real estate broker’s license; conduct that impairs the goodwill of the Marks or the System; insolvency or bankruptcy; any default for which you have received notice of termination during the prior 12 months; or any material misrepresentation made to us (specifically including any misrepresentation regarding our evaluation of an Eligible Market or your satisfaction of any of the Guidelines); operation of a competing residential brokerage business in violation of the in-term non compete; or abandonment of your Office (which includes failing to commence operation in accordance with the Franchise Agreement).</p>

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
i. Your obligations on termination	Sections 13.2 and 16.4–16.8 of the Franchise Agreement	<p>Pay amounts owed to us or our Related Parties (including “liquidated damages” as required); discontinue use of the Marks, logos, trade names, service marks, our unique style, colors, color patterns and designs, and other indicia of the brand from any websites, web pages, social media sites, social media handles, LinkedIn and other such accounts that you or your independent agent’s control, including domain names and URLs, and source codes or other mechanisms directing consumers to your website, including hashtags and adwords.</p> <p>You must assign any URLs with our Marks to us without any compensation from us and remove all references to the Marks, logos, trade names, service marks, our unique style, colors, color patterns and designs, and other indicia of the brand, whether in signage, print or online, in their social media handles and/or on their social media sites, including but not limited to, Facebook, LinkedIn and other similar such sites. You must also stop using Confidential Information; immediately return all Manuals and other property or programs; and retain records for three years after termination..</p>
j. Assignment of Franchise Agreement by us	Section 15.9 of the Franchise Agreement	We have the right to assign if we have completed our obligations or made arrangements for an assignee to fulfill our obligations; your consent is not required.
k. “Transfer” by you – definition	Sections 15.1, 15.4 and 15.5 of the Franchise Agreement	Includes the voluntary or involuntary, direct or indirect, sale, assignment, transfer, license, sublicense, pledge, creation of a security interest, or testamentary disposition of any rights under the Franchise Agreement, the assets or income of the Franchise or you, or a controlling interest in your ownership.
l. Our approval of transfer by you	Sections 15.1 and 15.8 of the Franchise Agreement	We have the right to approve all transfers of 10% or more interest in the franchise, the franchisee or 10% of the assets comprising the Business.

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
m. Conditions for our approval of transfer	Sections 15.5 and 15.7 of the Franchise Agreement	The following conditions apply to a Transfer of the Franchise (as defined under Section 15.4): Current compliance by you with Franchise Agreement; transferee meets our standards for new franchisees; transferee agrees to abide by current Franchise Agreement or signs new franchise agreement (as we have the right to determine); payment of \$5,000 transfer fee; signing by you of a general release; you pay or transferee assumes any outstanding indebtedness you owe us; an audit of your operations; you purchase tail coverage on your errors and omissions insurance policy naming us as an additional insured.
n. Our right of first refusal to acquire your business	Section 15.8 of the Franchise Agreement	We have the right to match any offer; we have the right to substitute cash for any payment method set out in offer and we have 120 days from option exercise date to complete transaction. Our credit is deemed equal to that of any buyer.
o. Our option to purchase your business	None	Not applicable.
p. Your death or disability	Section 16.2.3.3 and 16.2.5 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum	We have the right to terminate the Franchise Agreement if the estate does not seek approval for Transfer of the Franchise within 180 days after your death or incapacity in accordance with the Franchise Agreement.  If a majority owner dies or becomes disabled, you may elect to terminate the Franchise Agreement if certain conditions are satisfied.
q. Non-competition covenants <u>during</u> the term of the franchise	Sections 20.1 and 20.3 of the Franchise Agreement	No involvement in any other real estate brokerage business other than the Business or any Excluded Business; and no ownership interest in or receive compensation from, and will not directly or indirectly participate in the operation in or ownership of or receive compensation from any business that provides or seeks to provide equipment, supplies, services or other operating materials to other franchisees or our Related Parties and their respective franchisees without our prior written consent.
r. Non-competition covenants <u>after</u> the franchise is terminated or expires	Section 20.4 of the Franchise Agreement	For start-up companies, for a period of one year after the expiration or termination, neither you nor your Owners, officers or your guarantors, or any of the immediate family members of the Owners, officers or guarantors, (collectively, the "Restricted Parties") will, directly or indirectly, through ownership or otherwise, engage in any real estate brokerage business from the Offices.

<b>THE FRANCHISE RELATIONSHIP</b>		
<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
s. Modification of the Agreement	Section 18 of Franchise Agreement	We have the right to change the Sotheby's International Realty® System and the procedures as set out in the P&P Manual, so long as we do not change any material obligation under the Franchise Agreement. Any other change requires both our signatures.
t. Integration/merger clause	Section 22.14 of the Franchise Agreement	Only terms of Franchise Agreement, Exhibits, Addenda, and all agreements signed in connection with it are binding (subject to state law). Any representations or promises made outside this disclosure document and Franchise Agreement, Exhibits, Addenda, and all agreements signed in connection with it may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document.
u. Dispute resolution by arbitration or mediation	None	Not applicable.
v. Choice of forum	Section 22.6 of the Franchise Agreement	Subject to state law, non-exclusive venue in Morris County, New Jersey or U.S. District Court in New Jersey.
w. Choice of law	Section 22.5 of the Franchise Agreement	Subject to state law, New Jersey law applies (except New Jersey Franchise Practices Act does not apply to offices located outside of New Jersey).

### **ITEM 18. PUBLIC FIGURES**

We do not use any public figure to promote the sale of franchises.

### **ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

The Federal Trade Commission'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 any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's

management by contacting Kelly Brown, Vice President, Legal, 175 Park Avenue, Madison, New Jersey 07940, (973) 407-7401, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2023 TO 2025 [1][2][3]  
(Table 1)**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2023	663	674	11
	2024	674	666	(8)
	2025	666	672	6
<b>Company Owned</b>	2023	44	44	0
	2024	44	44	0
	2025	44	37	(7)
<b>Total Outlets</b>	2023	707	718	11
	2024	718	710	(8)
	2025	710	709	(1)

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN THE FRANCHISOR)  
FOR YEARS 2023 TO 2025 [1][2]  
(Table 2)**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>California</b>	2023	0
	2024	1
	2025	6
<b>Florida</b>	2023	2
	2024	8
	2025	0
<b>Georgia</b>	2023	0
	2024	0
	2025	1
<b>Hawaii</b>	2023	0
	2024	5
	2025	0

State	Year	Number of Transfers
Kansas	2023	0
	2024	1
	2025	0
Louisiana	2023	0
	2024	1
	2025	0
Massachusetts	2023	0
	2024	3
	2025	0
New Jersey	2023	1
	2024	0
	2025	0
New York	2023	0
	2024	0
	2025	1
Total Outlets	2023	3
	2024	19
	2025	8

**STATUS OF FRANCHISED OUTLETS  
FOR YEARS 2023 to 2025 [1][2]  
(Table 3)**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations– Other Reasons	Outlets at End of the Year
Alabama	2023	3	4	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	1	0	0	0	0	8
Alaska	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Arizona	2023	12	0	0	0	0	0	12
	2024	12	0	0	0	0	0	12
	2025	12	0	0	0	0	0	12

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations– Other Reasons	Outlets at End of the Year
Arkansas	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
California	2023	87	3	0	0	0	7	83
	2024	83	3	0	0	0	6	80
	2025	80	3	0	0	0	7	76
Colorado	2023	37	0	0	0	0	3	34
	2024	34	0	0	0	0	1	33
	2025	33	0	0	0	0	2	31
Connecticut	2023	20	1	0	0	0	0	21
	2024	21	0	0	0	0	0	21
	2025	21	1	0	0	0	0	22
Delaware	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
District of Columbia	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	1	0	0	0	0	4
Florida	2023	71	7	0	0	0	1	77
	2024	77	0	0	0	0	1	76
	2025	76	2	0	0	0	4	74
Georgia	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	1	7
	2025	7	1	0	0	0	0	8
Hawaii	2023	13	1	0	0	0	0	14
	2024	14	0	0	0	0	1	13
	2025	13	0	0	0	0	0	13
Idaho	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	1	6
	2025	6	0	0	0	0	0	6
Illinois	2023	6	0	0	0	0	1	5
	2024	5	0	0	0	0	1	4
	2025	4	1	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of the Year
Indiana	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	1	5
	2025	5	1	0	0	0	0	6
Kansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Kentucky	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Louisiana	2023	1	3	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	1	0	0	0	1	4
Maine	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Maryland	2023	13	1	0	0	0	0	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	0	14
Massachusetts	2023	50	3	0	0	0	2	51
	2024	51	0	0	0	0	3	48
	2025	48	5	0	0	0	0	53
Michigan	2023	7	0	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	0	1	0	0	0	7
Minnesota	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Mississippi	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Missouri	2023	2	1	0	0	0	1	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	1	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations–Other Reasons	Outlets at End of the Year
Montana	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	1	0	0	0	0	9
Nevada	2023	6	1	0	0	0	1	6
	2024	6	0	0	0	0	0	6
	2025	6	1	0	0	0	0	7
New Hampshire	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
New Jersey	2023	43	2	0	0	0	2	43
	2024	43	2	0	0	0	0	45
	2025	45	1	0	0	0	1	45
New York	2023	54	3	0	0	0	1	56
	2024	56	3	0	0	0	1	58
	2025	58	0	0	0	0	1	57
North Carolina	2023	21	0	0	0	0	0	21
	2024	21	2	0	0	0	1	22
	2025	22	0	0	0	0	1	21
Ohio	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Oklahoma	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Oregon	2023	22	0	0	0	0	1	21
	2024	21	0	0	0	0	3	18
	2025	18	0	0	0	0	0	18
Pennsylvania	2023	13	0	0	0	0	0	13
	2024	13	3	0	0	0	0	16
	2025	16	0	0	0	0	1	15

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations– Other Reasons	Outlets at End of the Year
Rhode Island	2023	9	0	0	0	0	0	9
	2024	9	1	0	0	0	0	10
	2025	10	0	0	0	0	0	10
South Carolina	2023	10	0	0	0	0	0	10
	2024	10	1	0	1	0	0	10
	2025	10	0	0	0	0	0	10
South Dakota	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Tennessee	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	2	0	0	0	0	6
Texas	2023	19	3	0	0	0	1	21
	2024	21	0	0	0	0	2	19
	2025	19	1	0	0	0	0	20
Utah	2023	11	0	0	0	0	0	11
	2024	11	0	0	0	0	0	11
	2025	11	2	0	0	0	0	13
Vermont	2023	13	0	0	0	0	2	11
	2024	11	0	0	0	0	0	11
	2025	11	0	0	0	0	0	11
Virginia	2023	14	0	0	0	0	0	14
	2024	14	0	0	0	0	1	13
	2025	13	0	0	0	0	0	13

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations– Other Reasons	Outlets at End of the Year
Washington	2023	18	2	0	0	0	1	19
	2024	19	1	0	0	0	0	20
	2025	20	0	0	0	0	0	20
Wisconsin	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	1	0	0	0	1	5
Wyoming	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	1	6
	2025	6	0	0	0	0	0	6
Totals	2022	663	36	0	0	0	25	674
	2023	674	18	0	1	0	25	666
	2025	666	27	1	0	0	20	672

**STATUS OF COMPANY-OWNED  
SOTHEBY'S INTERNATIONAL REALTY® OUTLETS  
OPERATED BY ANYWHERE ADVISORS  
FOR YEARS 2023 TO 2025 [1][3]  
(Table 4)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2023	26	1	0	0	1	26
	2024	26	0	0	1	0	25
	2025	25	0	0	7	0	18
Connecticut	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Florida	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Massachusetts	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	0	0	0	0	3

<b>New Mexico</b>	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	0	0	0	0	2
<b>New York</b>	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	0	0	0	0	5
<b>Texas</b>	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
	2025	6	0	0	0	0	6
<b>Total</b>	2023	44	1	0	0	1	44
	2024	44	1	0	1	0	44
	2025	44	0	0	7	0	37

**PROJECTED OPENINGS AS OF DECEMBER 31, 2025 [4][5]  
(Table 5)**

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Open</b>	<b>Projected New Franchised Outlets In the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlets In the Next Fiscal Year</b>
Arizona	0	1	0
California	0	2	0
Florida	0	2	0
Idaho	0	2	0
Maryland	0	1	0
Massachusetts	0	2	0
Minnesota	0	1	0
Montana	1	0	0
Nebraska	0	8	0
New Hampshire	0	1	0
New York	0	2	0
North Dakota	0	1	0
Oregon	1	0	0
Utah	0	1	0
Virginia	0	1	0
Wisconsin	0	2	0
<b>Totals</b>	<b>2</b>	<b>27</b>	<b>0</b>

**Notes to Item 20 tables above:**

[1] All numbers are as of December 31 for each year and include all Offices operated under the System.

[2] The franchised outlets listed in Tables 1, 2 and 3 are Sotheby's International Realty® offices operated by unaffiliated third parties.

[3] We have not owned or operated any Sotheby's International Realty® offices or other real estate brokerage offices during the past three fiscal years. However, as further described in Item 1, during the past three fiscal years, Anywhere Advisors has owned and operated Sotheby's International Realty® offices, and it is these offices that are listed as company-owned real estate brokerage offices in Tables 1 and 4. Anywhere Advisors also owned and operated the following other real estate brokerage offices during the past three fiscal years: Coldwell Banker®, and Coldwell Banker Commercial® brokerage offices and NRT NY has owned and operated real estate brokerage offices doing business as Corcoran®, and Corcoran Sunshine®. It is these other real estate brokerage offices owned and operated by Anywhere Advisors and NRT NY that are listed as company-owned real estate brokerage offices in Tables 4.A to 4.G in Exhibit K.

Compass has owned and operated real estate brokerage offices with affiliated agents operating under the names and marks "COMPASS," "URBAN COMPASS," "WASHINGTON FINE PROPERTIES," and "LATTER AND BLUM" (collectively referred to as "Compass Brokerage").

[4] We do not intend to open any company-owned Sotheby's International Realty® offices or any other real estate brokerage offices in the next fiscal year. Anywhere Advisors projects that it will not open any new offices in the next fiscal year.

[5] The projected openings for 2026 represent estimates only and should not be relied upon in any manner.

The names of all franchisees and the addresses and phone numbers of all existing outlets as of December 31, 2025, are included in Exhibit G. The names and addresses of franchisees whose franchise is not yet in operation, as of December 31, 2025, are included in Exhibit I. The name and last known telephone number of every franchisee who has had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are included in Exhibit H. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the System. During the last three years, some of our franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Sotheby's International Realty® System. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

We sponsor a franchisee advisory council that we confer with in connection with System issues. The members of the advisory council are appointed by us. The franchisee advisory council has no telephone number, physical address, website or email address.

As of the issuance date of this disclosure document, there were no trademark-specific franchise associations required to be disclosed in this Item.

## ITEM 21. FINANCIAL STATEMENTS

Exhibit F includes the consolidated financial statements of our parent companies Anywhere Real Estate Inc. and Anywhere Real Estate Group LLC as follows:

### Audited Consolidated Financial Statements

- Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023;
- Consolidated Statements of Comprehensive Loss for the years ended December 31, 2025, 2024 and 2023;
- Consolidated Balance Sheets as of December 31, 2025 and 2024;
- Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023;
- Consolidated Statements of Equity for the years ended December 31, 2025, 2024 and 2023; and
- Notes to Consolidated Financial Statements

Separate stand-alone financial statements of us (Sotheby's International Realty Affiliates LLC) are not included in this disclosure document. Should we fail to fulfill our obligations to our franchisees, however, Anywhere Real Estate Inc. and Anywhere Real Estate Group LLC, absolutely and unconditionally guarantee to fulfill those obligations. Copies of the Guarantees of Performance are included in Exhibit F. We file state specific guarantees of performance with the appropriate agencies in the states where our licenses are registered to be offered and sold.

**ITEM 22. CONTRACTS**

The following Agreements are included in this disclosure document for your review:

1.	Real Estate Franchise Agreement, including Guaranty of Payment and Performance, Security Agreement and State Addenda	Exhibit C
2.	Location Addendum to Franchise Agreement	Exhibit C-1
3.	Development Office Addendum to Franchise Agreement	Exhibit C-2
4.	Term Extension Addendum to Franchise Agreement	Exhibit C-3
5.	Gallery Office Addendum	Exhibit C-4
6.	Limited Purpose Office Addendum	Exhibit C-5
7.	General Release	Exhibit C-6
8.	Conversion Promissory Note	Exhibit D-1
9.	Expansion Promissory Note	Exhibit D-2
10.	Security Agreement	Exhibit D-3
11.	Confidentiality Agreement	Exhibit E

**ITEM 23. RECEIPTS**

Two copies of the detachable receipt are attached to the end of this Disclosure Document. As indicated, please complete and sign, and return to us our copy of the Receipt (copy for Sotheby’s International Realty Affiliates LLC), and sign and complete and keep for your records your copy of the Receipt (Copy for Prospective Franchisee).

## **EXHIBIT A**

## **STATE SPECIFIC ADDENDA**

Following this page are addenda for the States of California, Hawaii, Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin. If we offer or sell a franchise to you in one of these states, the provisions in the respective addendum may supersede the Disclosure Document and apply to your transaction with us.

The regulatory authorities and registered agents for service of process in each state are listed in Exhibit B.

## CALIFORNIA ADDENDUM

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

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

1. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.
2. California Business and Professions Code Sections 20000 through 20043 provide rights to you 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.
3. Neither we, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.
4. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.
5. 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 PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.
6. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
7. The Franchise Agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.
8. The Franchise Agreement contains a covenant not to compete which extends beyond termination of the franchise. This provision may not be enforceable under California law.

9. The agreements contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
10. The highest interest rate allowed by law in California is 10% annually.
11. The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).
12. The Franchise Agreement contains a waiver of punitive damages and jury trial provisions. These waivers may not be enforceable under California law.
13. California requires you to maintain an active license to provide escrow services, mortgage services, appraisal services and insurance services. If you do not maintain a license for any of these services, you will not be able to provide the service under California law.
14. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a Franchise Agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.
15. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

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

1.
  - A. This registration is on file or will shortly be on file in the States of Hawaii, Michigan, Minnesota, South Dakota, Washington and Wisconsin.
  - B. Franchisor is automatically exempt or has filed for exemptions in the States of California, Illinois, Indiana, Maryland, New York, North Dakota, Rhode Island and Virginia.
  - C. No states have refused, by order or otherwise, to register these franchises.
  - D. No states have revoked or suspended the right to offer these franchises.
  - E. The proposed registration of these franchises has not been withdrawn in any state.
2. 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 in the State of Hawaii.
3. 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.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE  
ILLINOIS FRANCHISE DISCLOSURE ACT**

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

The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Franchisor offers financing agreements with specific terms and conditions and strict penalties if franchisee fails to adhere to the terms. Illinois consumers are urged to seek professional legal advice before entering into such an agreement.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

The provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

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.

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

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

1. Item 5 of this Disclosure Document is modified as follows: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
2. Regardless of any provision in the Disclosure Document to the contrary, a franchisee may bring a lawsuit in Maryland against us for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Item 17 of the Disclosure Document states that the Franchise Agreement will automatically terminate upon the bankruptcy of franchisee. This provision may not be enforceable under current Federal bankruptcy law (11 U.S.C. Section 101 et seq.).
4. Items 17c and 17m of the Disclosure Document regarding ownership changes, transfers of the franchise, and non-renewability of the Franchise Agreement are revised to provide that we cannot, as a condition to renewal or consent to assignment, require you to release any claims under the Maryland Franchise Registration and Disclosure Law.
5. Regardless of any provision in Item 17 of the Disclosure Document to the contrary, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

1. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that the franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.
2. Item 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchise Act as a condition to renewal or assignment.
3. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.
4. We will comply with Minnesota Statute Section 80C.17, Subd. 5 with respect to limitation of claims.
5. A franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.
6. Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.
7. The following language is added to the end of Item 13:

Notwithstanding the above, the Minnesota Department of Commerce requires that we indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of our trademark infringes trademark rights of the third party. We do not indemnify against the consequences of a franchisee's use of our trademark except if used in accordance with the requirements of the franchise agreement, and, as a condition to indemnification, a franchisee must provide notice to us of any such claim within ten (10) days and tender the defense of the claim to us. If we accept the tender of defense, we have 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. No action may be commenced pursuant to Minnesota Statutes, Section 18C.17, for more than three years after the cause of action accrues.

8. The following language will be incorporated in any Franchise Agreement issued in the State of Minnesota:

Minnesota Statutes, Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or the agreement(s) can abrogate or reduce any of your rights as provided for in the Minnesota Statutes 1987, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

9. NSF checks are governed by Minnesota Statute Section 604.113, which puts a limit of \$30 on service charges.

10. 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.

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

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
ARTICLE 33 OF THE NEW YORK GENERAL BUSINESS LAW**

The following provisions supersede the Disclosure Document and apply to all licenses or franchises offered and sold in the State of New York:

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 5 is amended by adding the following new paragraph at the end of the Item:

The Initial Fee or Renewal Fee is not used for any specific purpose.

4. The following language is added to the end of Item 11:

Notwithstanding the above, no change to the Manual will be made which would impose an unreasonable economic burden on you, unreasonably increase your obligations, or alter your status or rights under the Franchise Agreement.

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 Item 17(d), titled “**Termination by franchisee**”:

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

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

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

8. 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.

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

## **ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE DISCLOSURE ACT**

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

1. The North Dakota Securities Commissioner has determined that it is unfair, unjust, or inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota or to arbitration or mediation at a site that is remote from the site of the franchisee's business. Therefore, any references in Item 17(v) of the Disclosure Document and any requirement in Section 19 of the Franchise Agreement that the franchisee consents to the jurisdiction of courts located outside of North Dakota or to arbitration or mediation at a site located outside of North Dakota are deleted.
2. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted from Item 17c. and from any other place it appears in the Disclosure Document or in the Franchise Agreement.
3. The North Dakota addendum to the Franchise Agreement has been amended to provide that franchisees are not required to consent to a waiver of the right to a class action. This provision has also been added to the North Dakota addendum to the Disclosure Document.
4. Any references in the Disclosure Document and in the Franchise Agreement to any requirement to consent to a waiver of trial by jury are deleted.
5. Any references in the Disclosure Document and in the Franchise Agreement and to any requirement to consent to a waiver of exemplary and punitive damages are deleted.
6. Item 17r. is revised to provide that covenants not to compete, such as those mentioned in Item 17r. of the Disclosure Document are generally considered unenforceable in the state of North Dakota.
7. Any claims arising under the North Dakota franchise law will be governed by the laws of the State of North Dakota.
8. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.
9. Any references in the Disclosure Document and in the Franchise Agreement requiring franchisee to consent to termination penalties or liquidated damages are deleted.
10. 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.

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

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.”

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO  
SOUTH DAKOTA CODIFIED LAWS  
(Franchises for Brand-Name Goods and Services)**

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

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 of New Jersey. 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. **REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OF THE FRANCHISE BY THE DIRECTOR.**

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

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

The following provision supersedes the Disclosure Document and applies to all franchises offered and sold in Virginia or if you are a resident of Virginia:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
2. 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.

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

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the

franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

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

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

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

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

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 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 any provisions of the Franchise Agreement to the extent they may be inconsistent with the Act’s requirements.

## **EXHIBIT B**

## **EXHIBIT B**

### **FEDERAL AND STATE REGULATORY AUTHORITIES**

#### CALIFORNIA

Office of the Commissioner  
California Department of Financial Protection and Innovation  
651 Bannon Street, Suite 300  
Sacramento, CA 95811  
(866) 275-2677 (toll free)  
Ask.DFPI@dfpi.ca.gov (email)

#### HAWAII

Commissioner of Securities  
State of Hawaii, Dept. of Commerce & Consumer Affairs  
Business Registration Division – Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(844) 808-3222

#### ILLINOIS

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

#### INDIANA

Franchise Section  
Indiana Securities Commission  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

#### MARYLAND

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

MICHIGAN

Corporate Oversight Division  
Franchise Section  
Michigan Attorney General's Office  
G. Mennen Williams Building, 5<sup>th</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48933  
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101-2198  
(651) 539-1500

NEW YORK

New York State Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, New York 10005  
(212) 416-8222

NORTH DAKOTA

North Dakota Insurance & Securities Department  
600 East Boulevard Avenue, Dept. 401  
Bismarck, North Dakota 58505  
(701) 328-2910

RHODE ISLAND

Rhode Island Department of Business Regulation  
Securities Division  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-2  
Cranston, Rhode Island 02920  
(401) 462-9500

SOUTH DAKOTA

Department of Labor and Regulation  
Division of Insurance-Securities Regulation  
124 S. Euclid Avenue, 2<sup>nd</sup> Floor  
Pierre, SD 57501  
(605) 773-3563

UTAH

Division of Consumer Protection  
Utah Department of Commerce  
Heber M. Wells Building  
160 East 300 South  
SM Box 146701  
Salt Lake City, UT 84114-6704  
(801) 530-6601

VIRGINIA

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

WASHINGTON

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

WISCONSIN

Wisconsin Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, WI 53705  
(608) 266-0448

FEDERAL TRADE COMMISSION

Division of Marketing Practices  
Bureau of Consumer Protection  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580  
(202) 326-2222

**EXHIBIT B**

**REGISTERED AGENTS FOR SERVICE OF PROCESS**

<b>Alabama</b> Agent Address:	Corporation Service Company, Inc. 641 South Lawrence Street Montgomery, AL 36104
<b>Alaska</b> Agent Address:	Corporation Service Company 8585 Old Dairy Road, Suite 208 Juneau, AK 99801
<b>Arizona</b> Agent Address:	Corporation Service Company 7955 S Priest Drive, Suite 102 Tempe, AZ 85284
<b>Arkansas</b> Agent Address:	Corporation Service Company 300 S. Spring Street, Suite 900 Little Rock, AR 72201
<b>California</b> Agent Address:	Corporation Service Company d/b/a CSC-Lawyers Incorporating Service 2710 Gateway Oaks Drive, Suite 150N Sacramento, CA 95833-3505 and Commissioner of the Department of Financial Protection and Innovation 651 Bannon Street, Suite 300 Sacramento, CA 95811
<b>Colorado</b> Agent Address:	Corporation Service Company 1900 W. Littleton Boulevard Littleton, CO 80120
<b>Connecticut</b> Agent Address:	Corporation Service Company Goodwin Square 225 Asylum Street, 20th Floor Hartford, CT 06103
<b>Delaware</b> Agent Address:	Corporation Service Company 251 Little Falls Drive Wilmington, DE 19808

**District of Columbia**  
Agent Address: Corporation Service Company  
1156 15th Street NW, Suite 605  
Washington, DC 20005

**Florida**  
Agent Address: Corporation Service Company  
1201 Hays Street  
Tallahassee, FL 32301

**Georgia**  
Agent Address: Corporation Service Company  
2 Sun Court, Suite 400  
Peachtree Corners, GA 30092

**Hawaii**  
Agent Address: Corporation Service Company  
1003 Bishop Street, Suite 1600  
Pauahi Tower  
Honolulu, HI 96813  
and  
Commissioner of Securities  
State of Hawaii, Dept. of Commerce & Consumer Affairs  
Business Registration Division – Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
Phone: (844) 808-3222

**Idaho**  
Agent Address: Corporation Service Company  
1305 12th Avenue Road  
Nampa, ID 83686

**Illinois**  
Agent Address: Illinois Corporation Service Company  
801 Adlai Stevenson Drive  
Springfield, IL 62703  
and  
Office of Attorney General of Illinois  
500 South Second Street  
Springfield, IL 62706

**Indiana**  
Agent Address: Corporation Service Company  
135 North Pennsylvania Street, Suite 1610  
Indianapolis, IN 46204  
and  
Indiana Securities Commission  
200 West Washington Street, Room 201  
Indianapolis, IN 46204

**Iowa**  
Agent Address: Corporation Service Company  
505 5th Avenue, Suite 729  
Des Moines, IA 50309

**Kansas**  
Agent Address: Corporation Service Company  
1100 Southwest Wanamaker Road, Suite 103  
Topeka, KS 66604

**Kentucky**  
Agent Address: Corporation Service Company  
315 High Street  
Frankfort, KY 40601

**Louisiana**  
Agent Address: Corporation Service Company  
450 Laurel Street, 8th Floor  
Baton Rouge, LA 70801

**Maine**  
Agent Address: Corporation Service Company  
45 Memorial Circle  
Augusta, ME 04330  
*\*Domestic corporations must list:  
Michael S. Smith, Esq. c/o Corporation Service Company*

**Maryland**  
Agent Address: CSC-Lawyers Incorporating Service Company  
7 St. Paul Street, Suite 820  
Baltimore, MD 21202  
and  
Maryland Securities Commissioner  
at the Office of Attorney General – Securities Division  
200 St. Paul Place  
Baltimore, MD 21202-2021

**Massachusetts**  
Agent Address: Corporation Service Company  
84 State Street  
Boston, MA 02109

**Michigan**  
Agent Address: CSC-Lawyers Incorporating Service (Company)  
3410 Belle Chase Way, Suite 600  
Lansing, MI 48911  
and  
Department of Attorney General  
Consumer Protection Division  
Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48933

<b>Minnesota</b> Agent Address:	Corporation Service Company 2780 Snelling Avenue N., Suite 101 Roseville, MN 55113 and Commissioner of Commerce Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101
<b>Mississippi</b> Agent Address:	Corporation Service Company 109 Executive Drive, Suite 3 Madison, MS 39110
<b>Missouri</b> Agent Address:	CSC-Lawyers Incorporating Service Company 221 Bolivar Street Jefferson City, MO 65101
<b>Montana</b> Agent Address:	Corporation Service Company 26 West 6th Avenue Helena, MT 59624-1691
<b>Nebraska</b> Agent Address:	CSC-Lawyers Incorporating Service Company 233 South 13th Street, Suite 1900 Lincoln, NE 68508
<b>Nevada</b> Agent Address:	Corporation Service Company 112 North Curry Street Carson City, NV 89703
<b>New Hampshire</b> Agent Address:	Corporation Service Company 10 Ferry Street, Suite 313 Concord, NH 03301
<b>New Jersey</b> Agent Address:	Corporation Service Company Princeton South Corporate Ctr., Suite 160 100 Charles Ewing Blvd Ewing, NJ 08628
<b>New Mexico</b> Agent Address:	Corporation Service Company 732 E. Michigan Drive, Suite 500 Hobbs, NM 88240
<b>New York</b> Agent Address:	Corporation Service Company 80 State Street Albany, NY 12207-2543

and  
New York Secretary of State  
New York Department of State  
One Commerce Plaza  
99 Washington Ave., 6<sup>th</sup> Floor  
Albany, NY 12231

**North Carolina**  
Agent Address: Corporation Service Company  
2626 Glenwood Avenue, Suite 550  
Raleigh, NC 27608

**North Dakota**  
Agent Address: Corporation Service Company  
418 N 2nd Street  
Bismarck, ND 58501  
and  
Insurance Commissioner  
North Dakota Insurance & Securities Department  
600 East Boulevard Avenue, Dept. 401  
Bismarck, North Dakota 58505

**Ohio**  
Agent Address: Corporation Service Company  
1160 Dublin Road, Suite 400  
Columbus, OH 43215

**Oklahoma**  
Agent Address: Corporation Service Company  
10300 Greenbriar Place  
Oklahoma City, OK 73159-7653

**Oregon**  
Agent Address: Corporation Service Company  
1127 Broadway Street NE, Suite 310  
Salem, OR 97301

**Pennsylvania**  
Agent Address: Corporation Service Company  
5235 North Front Street  
Harrisburg, PA 17110

**Rhode Island**  
Agent Address: Corporation Service Company  
222 Jefferson Boulevard, Suite 200  
Warwick, RI 02888  
and  
Director of Department of Business Regulation  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-2  
Cranston, RI 02920

**South Carolina**  
Agent Address: Corporation Service Company  
100 Coastal Drive, Suite 210  
Charleston, SC 29492

**South Dakota**  
Agent Address: Corporation Service Company  
503 South Pierre Street  
Pierre, SD 57501  
and  
Department of Labor and Regulation  
Division of Insurance-Securities Regulation  
124 S. Euclid Ave., Second Floor  
Pierre, SD 57501

**Tennessee**  
Agent Address: Corporation Service Company  
2908 Poston Avenue  
Nashville, TN 37203

**Texas**  
Agent Address: Corporation Service Company  
d/b/a CSC-Lawyers Incorporating Service Company  
211 East 7th Street, Suite 620  
Austin, TX 78701-3218

**Utah**  
Agent Address: Corporation Service Company  
15 West South Temple, Suite 600  
Salt Lake City, UT 84101

**Vermont**  
Agent Address: Corporation Service Company  
100 North Main Street, Suite 2  
Barre, VT 05641

**Virginia**  
Agent Address: Corporation Service Company  
100 Shockoe Slip, 2nd Floor  
Richmond, VA 23219  
and  
Clerk, Virginia State Corporation Commission  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219

**Washington**  
Agent Address: Corporation Service Company  
MC-CSC1  
300 Deschutes Way SW, Suite 208  
Tumwater, WA 98501  
and

Director, Department of Financial Institutions  
Securities Division – 3<sup>rd</sup> Floor  
150 Israel Road SW  
Tumwater, WA 98501

**West Virginia**

Agent Address:

Corporation Service Company  
808 Greenbrier Street  
Charleston, WV 25311

**Wisconsin**

Agent Address:

Corporation Service Company  
33 East Main Street, Suite 610  
Madison, WI 53703  
and  
Administrator, Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way  
North Tower  
Madison, WI 53705

**Wyoming**

Agent Address:

Corporation Service Company  
1821 Logan Avenue  
Cheyenne, WY 82001

## **EXHIBIT C**

# Sotheby's

## INTERNATIONAL REALTY

**SOTHEBY'S INTERNATIONAL REALTY AFFILIATES LLC  
REAL ESTATE FRANCHISE AGREEMENT**

# Sotheby's

INTERNATIONAL REALTY

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# Sotheby's

INTERNATIONAL REALTY

Office I.D. No. \_\_\_\_\_

## SOTHEBY'S INTERNATIONAL REALTY AFFILIATES LLC REAL ESTATE FRANCHISE AGREEMENT

### 1.0 PARTIES AND TERM:

**1.1 Franchisor.** The words "Franchisor," "we," or "us" mean:  
**Sotheby's International Realty Affiliates LLC**, a limited liability company, its successors and assigns.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_ (the "Effective Date")  
Title: **Authorized Person**

**1.2 Franchisee.** The words "Franchisee," or "you" mean:

\_\_\_\_\_

(State of Organization: \_\_\_\_\_)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: **Authorized Person**

**EACH PERSON SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE OR SHE IS AUTHORIZED TO BIND THE RESPECTIVE PARTY TO THIS AGREEMENT. THIS AGREEMENT IS NOT BINDING OR ENFORCEABLE UNTIL WE SIGN IT.**

**1.3 Owners.** The word "Owner(s)" means a sole proprietor or each Person who has a direct or indirect equity ownership interest in Franchisee (if Franchisee is an entity).

**1.3.1** Exhibit A accurately reflects ownership interests in Franchisee, including all Owners and their ownership shares.

**1.3.2** If any Owner is an entity, information about the Persons owning the entity and their ownership interests appears in Exhibit A.

**1.4 Guaranty.** All Owners (and as applicable, their members, shareholders, partners and spouses) will sign the Guaranty of Payment and Performance attached as Exhibit B.

**1.5 Term of Agreement.** The "Term" starts on the Opening Date and expires ten (10) years after the Opening Date (the "Expiration Date"). The Expiration Date may be extended with our prior written approval. Subject to our approval, you may be granted the right to open additional approved offices following the Effective Date in accordance with Sections 5.4 and 5.5. You will sign a Location Addendum, as described in Section 5.4, to authorize the approved Branch Office and we have the right to extend the Term for ten (10) years from the Branch Office's Opening Date. This Agreement will govern the operation of all Office(s).

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## 1.6 Initial Franchise Fee:

1.6.1 The initial franchise fee for the first *Sotheby's International Realty* office you open is \$25,000.

1.6.2 For additional Branch Offices, you will pay to us an initial franchise fee of \$12,500 for your second office and \$7,500 for each additional office. We may increase this fee for any offices you open after the Effective Date consistent with the fee charged for Branch Offices in our then-current Disclosure Document. The initial franchise fee for any Limited Purpose Office will vary.

1.6.3 YOU WILL PAY THE INITIAL FRANCHISE FEE WHEN YOU SIGN THIS AGREEMENT OR ANY ADDENDUM FOR A FUTURE OFFICE, AS APPLICABLE. THE INITIAL FRANCHISE FEE IS NOT REFUNDABLE; IT IS FULLY EARNED ON THE DATE WE SIGN THIS AGREEMENT OR AN ADDENDUM, AS APPLICABLE.

1.7 **Opening Date.** You will begin operating the Business at the Main Office and any other Offices listed on Exhibit D using the System on \_\_\_\_\_, 20\_\_\_\_ (the "Opening Date"). The Opening Date can be changed only with our prior written approval. You will pay fees due under this Agreement for all closings that occur on and after the Opening Date. If you operate any Office using the Marks before the Opening Date, in addition to our other remedies, you must pay all fees under this Agreement from the date you begin operating the Office(s) using the Marks.

1.8 **Security Agreement.** You will sign the Security Agreement attached as Exhibit F.

## 2.0 FRANCHISEE INFORMATION:

2.1 **Business Name.** You must operate solely under the trade name "       SOTHEBY'S INTERNATIONAL REALTY" ("Trade Name") and must use no other name in connection with any advertising or operation of the Business. You can change the Trade Name only with our prior written approval. According to our current P&P Manual and the trademark license agreement between our Related Party and the operator of the Sotheby's Auction House, your Trade Name may be displayed in standard text as well as in a logo format (the logo format has two (2) variations: horizontal and vertical). The specific font type, style, proportions and other specific details of the logo formats are described in specific detail in the P&P Manual and may not be altered.

In no event will you be permitted to utilize the name "Sotheby's" alone or other than in combination with "International Realty", nor will you abbreviate, in any manner, the Sotheby's International Realty name or your approved trade name. In addition, you will not use the Sotheby's International Realty name or Marks in combination with the word "auction", or any word denoting an auction, or any derivation of the word "auction", in any corporate or trade name or assumed name or d/b/a or in any Mark under which any aspect of the Business is conducted. We reserve the right to review and require corrections and modifications to any display of your Trade Name or our Marks. Except as expressly permitted in this Agreement, you will not use the Marks or any derivative of the Marks or any confusingly similar mark as a mark by itself or with any other name, brand, design, trademark, service mark, trade dress, logo, domain name, corporate, trade or business name without our prior written consent.

2.1.1 You must file and maintain a "Fictitious Name Certificate" or comparable filing with the jurisdiction, county or state where each of your Office(s) is located, as required by law. Before opening an Office, you will provide us evidence that you comply with laws for the use of fictitious or assumed names. You may not change your legal entity or Trade Name without our written consent.

# Sotheby's

INTERNATIONAL REALTY

**2.1.2** You must use your Trade Name and the Marks exclusively for the purpose of promoting and operating the Business, and for such other lawful business activities as we may authorize in writing, but we are not required to authorize any additional business activities.

**2.1.3** In promoting and operating the Business, you will always market, hold out or otherwise position Sotheby's International Realty as a "leading luxury brand" for Residential Real Estate brokerage services.

**2.2 Legal Entity.** If you are an entity, you represent that you were duly formed and are in good standing under applicable laws. You will not include "Sotheby's International Realty" or "Sotheby's" in your legal name. If you are an entity, you represent and warrant that the Authorized Person executing this Agreement in Section 1.2 is duly authorized to execute this Agreement and all other documents attendant hereto on behalf of the entity including, but not limited to, any documents for Future Offices required pursuant to Section 5. You must notify us in writing of any change to the Person(s) authorized to act on your behalf. You are also subject to the restrictions regarding the word "auction" described in Section 2.1.

**2.3 Responsible Broker.** You will not operate without a Responsible Broker, who must have a license in good standing within the state(s) where you operate. You will notify us in writing if you change your Responsible Broker.

**2.4 Notice Address.** All notices required under this Agreement must be in writing at the addresses below and will be deemed given: (i) if personally delivered on the date delivered, (ii) if sent in the United States mail, by certified mail, postage prepaid, three (3) business days after it is sent (iii) if delivered by courier or express delivery service, two (2) days after it is sent, or (iv) if sent electronically, on the date delivered to the authorized email address. You may change your notice address by giving written notice under this Section.

**2.4.1** Notices to you will be sent to the Main Office address and/or to your primary email address listed in our electronic reporting system. Electronic delivery of notices will not include notices sent under Section 16 of this Agreement, unless you request electronic delivery in writing.

**2.4.2** Unless otherwise provided in the P&P Manual, notices to us will be sent to:

Sotheby's International Realty Affiliates LLC  
Attention: Vice President, Contract Administration  
175 Park Avenue  
Madison, New Jersey 07940  
sirlegalnotice@sothebysrealty.com

**2.5** We or our Related Parties may communicate with you, either by telephone or electronic means, about various matters including communications that might otherwise be prohibited by "do not call/text," "do not fax" or similar laws. You consent to these communications, including automated calls, ringless voicemail or prerecorded messages, without the need for any additional consent.

## **3.0 INTERPRETATION:**

**Definitions.** Certain capitalized terms used in this Agreement are defined in Exhibit C, the Glossary of Terms (which is incorporated into this Agreement by reference).

## 4.0 GRANT OF LICENSE:

**4.1 License.** We grant you a nonexclusive license to use the Marks and the System for the Business and for no other reason. You will comply with this Agreement and the P&P Manual in your operation of the Business.

**4.2 Excluded Businesses / Commercial Services.** If you or a Related Party intends to operate a Real Estate Related Excluded Business or an Other Real Estate Related Excluded Business (as these terms are defined below) other than the Business (as defined in Exhibit C) after the Effective Date, it shall be deemed an excluded business (individually and collectively an "Excluded Business"), and the following will apply.

**4.2.1 Authorized Commercial Services.** You may not operate any commercial or industrial real estate business using the Marks other than as provided in this Section. You may provide real estate brokerage services for commercial properties under the Marks, subject to the following conditions: (i) the commercial real estate brokerage services are offered as a service ancillary to the provision of real estate brokerage services for Residential Real Estate, (ii) you do not hold yourself out as providing commercial real estate brokerage services as your principal business or as being a stand-alone provider solely of commercial services, and (iii) your aggregate listings (on a unit basis) of commercial properties do not exceed 5% of all your listings (on a unit basis) in any calendar year during the Term ("Authorized Commercial Services"). You acknowledge that we do not intend to provide the same level of support and marketing for Authorized Commercial Services as we do other services comprising the Business.

**4.2.2 Real Estate Related Businesses.** You must obtain our prior written consent to operate a separate commercial real estate business, Property Management Services, or a separate referral company other than the Business (individually and collectively referred to as a "Real Estate Related Excluded Business"), you or a Related Party intends to operate. If we consent in writing to your operation of the Real Estate Related Excluded Business, you may operate the Real Estate Related Excluded Business, and no fees will be payable on the Real Estate Related Excluded Business's revenue, if you satisfy the following conditions:

(i) You do not use or mention, directly or indirectly, our Marks or System in connection with the Excluded Business.

(ii) You conduct the Excluded Business independently of your Business and our System, and you do not act in any way that could reasonably cause confusion among the public about whether the Excluded Business is operated under our Marks or System.

(iii) You do not use the Trade Name or any name similar to the Trade Name for the Excluded Business. You operate the Excluded Business using separate signage, URL addresses, telephone and facsimile numbers, and different stationery, business cards, and related documents for the Excluded Business.

(iv) You maintain separate books and records for the Excluded Business.

(v) You do not create or publish any cooperative advertising for the Excluded Business and your Office(s). You do not mention our Marks, System or your Office(s) and/or any relationship between the Excluded Business and your Office(s) in any advertising or promotional materials. On your Business website, you will not promote or identify any Excluded Business (except through a

# Sotheby's

INTERNATIONAL REALTY

hyperlink to a separate URL that does not identify the Excluded Business's trade name). Similarly, on the Excluded Business website, you (or your Related Parties) will not promote the Business (other than through a hyperlink to a separate URL with a disclaimer that states the Excluded Business is unrelated to the Marks or the System).

(vi) If you operate the Excluded Business from the Business's location, you take all steps necessary to avoid confusing the public about whether the Excluded Business is operated under the Marks, which steps include installation of separate interior and exterior signage for Excluded Business. We may impose other reasonable requirements on you to advise consumers that the operations and website of the Excluded Business are not related to us or our System.

**4.2.3 Right to Audit.** We have the right to audit or review the Excluded Business's financial records if we have a reasonable belief you are diverting revenues qualifying as Gross Revenue to the Excluded Business or are otherwise in violation of this Section. Notwithstanding the terms of this Section, all revenue, commissions, and referral fees the Excluded Business pays or transfers to you will be considered Gross Revenue and subject to fees under this Agreement.

**4.2.4 Excluded Business Revenue.** If any Excluded Business is conducted using the Marks or System or does not meet any conditions we impose under Section 4.2.2 or as reasonably required in the P&P Manual, in addition to our other rights and remedies, revenue from such products or services will be considered Gross Revenue subject to fees under this Agreement.

**4.2.5 Other Real Estate Related Businesses.** If you or a Related Party intends to operate a title, mortgage and/or escrow business (individually and collectively referred to as an "Other Real Estate Related Business"), our consent is not required; however, a list of such Other Real Estate Related Businesses shall be provided to us for identification of such businesses. All requirements regarding separation of the businesses and non-usage of the Marks described in Section 4.2.1(i) – (vi) and Section 4.2.3 above will apply to all businesses, operated by you or a Related Party. Our right to audit or review financial records described in Section 4.2.2 does not apply to Other Real Estate Related Businesses unless we have reason to believe you or a Related Party are operating the Other Real Estate Related Business in violation of this Agreement.

**4.3 Program Expansion and Modification.** We may modify existing programs and introduce new programs. We reserve the right to offer, add to, qualify, or eliminate programs as we deem necessary in the best interests of the System.

**4.4 Participation in Programs.** We may condition participation in our programs on compliance with this Agreement and certain other requirements, which will be further described in the P&P Manual.

**4.5 Identification and Use of Marks.**

**4.5.1** The Marks, System and other products and items we deliver to you (collectively, the "System Components") are our exclusive property, and your right to use them is contingent on your full and timely performance under this Agreement. You will be responsible for the proper use of the System Components and compliance with this Agreement, including use by your Related Parties, independent sales agents and employees. You acquire no rights in the System Components, except for your right to use them under this Agreement. You will not directly or indirectly contest our sole and exclusive rights in the System Components. You will not claim any interest in the System Components contrary to this Section or at any time dispute the validity of the Marks and/or the System. You will not adopt,

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use, or seek to register any names, marks, insignias, colors, trade dress, or symbols that are confusingly similar to the Marks. You will notify us promptly if you learn about any unauthorized or improper use of the Marks, if anyone challenges your right to use them, and assist us and our attorneys in any legal action regarding the System Components, but you will not be required to incur any unreasonable costs in connection with your cooperation.

**4.5.2** We reserve the right to approve use of the Marks, except for your use of any advertising templates that we may approve and update on a periodic basis. We may determine if you are meeting the Standards for the Marks' usage and you will promptly correct any deficiencies. All use of the Marks and the System inures to our benefit. At our sole option, we or our Related Parties will obtain and maintain the Marks' registrations and exercise rights against unauthorized use of the Marks. You will use the Marks only in connection with the Business.

**4.5.3** All advertising and promotions shall: (i) be presented in a professional and dignified manner; (ii) be completely accurate and truthful; (iii) conform to all applicable laws and regulations relating to consumer advertising; and (iv) give notice that your Business is an independently owned and operated franchise.

**4.6 Office Appearance.** The Office(s) must be physically inspected by our authorized representative and be formally deemed to meet our then-current Office Design and Appearance Standards. Unless otherwise provided, by signing this Agreement we represent that the Offices meet our Office Design and Appearance Standards, provided that we may subsequently require you to make reasonable alterations, modifications or upgrades any office space in which the Business is operated. You must maintain all Office facilities, office sign(s), yard signs, stationery goods and all other items in first-class condition and in compliance with the P&P Manual.

**4.7 Office Sign.** You will install one (1) or more exterior signs displaying your Trade Name. Your sign(s) must conform to the P&P Manual and **MUST BE APPROVED BY US IN WRITING IN ADVANCE, AS TO ARTWORK, LETTERING, COLOR SCHEME, SIZE, AND OVERALL APPEARANCE.** You must purchase any and all exterior signs solely from our designated Approved Supplier, unless you receive prior written approval by us to use an alternative local supplier. You must obtain our prior written approval for any exception to Office sign requirements due to local ordinances or other reasons for any Office, and you must provide written documentation reflecting the reasons for varying the signage.

**4.8 Yard Signs.** You will purchase or lease from our Approved Suppliers or other vendors an adequate quantity of yard signs displaying your Trade Name and such other information as may be required by law and complying with the mandatory Standards in the P&P Manual and Identity Standards Manual. Upon request, you will provide either color photographs of the signs or a copy of the order for the signs.

**4.9 Stationery Goods.** You will purchase adequate supplies of business cards, stationery, promotional materials and related items, which display your trade name and other information, and all of which comply with the standards and specifications of the P&P Manual solely from our Approved Supplier.

**4.10 Business Hours.** You will continuously conduct the Business at the Office, which must be open during regular business hours at least five (5) days per week.

**4.11 Disclaimer.** You will place a conspicuous notice on or near the entrance(s) of the Office(s), that clearly states "EACH OFFICE IS INDEPENDENTLY OWNED AND OPERATED," or any modification of this statement as we may require in the P&P Manual (the "Disclaimer"). You must include the Disclaimer on all

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signage, business cards, stationery, promotional and advertising materials, website and internet communications, social media sites, real estate documents, and all other materials you use.

**4.12 Confidentiality.** You will not disclose and will treat as confidential all of the Confidential Information you have now or in the future. You will not, directly or indirectly, engage or aid in the misappropriation, disclosure, or distribution of any Confidential Information. You will use System Components solely in connection with the Business and will not direct or permit their reproduction. You will require all of your management personnel, brokers and independent sales associates to treat Confidential Information as confidential. You may not use or input Confidential Information in connection with any machine learning (supervised, unsupervised, and reinforcement learning), generative AI, augmented human intelligence development, training any artificial intelligence (“AI”) model, algorithm improvement, or similar data aggregation activities. This prohibition is intended to ensure a comprehensive scope, covering all aspects of AI, to avoid limiting this to specific technologies or implementations. Such uses shall not be deemed related to the performance of this Agreement and are expressly prohibited. You shall not input any Confidential Information into any generative AI platform or disclose such information to any provider or source of generative AI services. You shall opt out of allowing any provider or source of generative AI to utilize Confidential Information for training of any AI model or for other purpose.

**4.13 Internet and Domain Name.** You may use the internet to market your Business as set forth in the Standards. You, your employees, brokers, independent sales associates and representatives, will not use, license or register any domain name or URL (or other internet identification) that uses a Mark, a derivative of a Mark, or a mark, image or words confusingly similar to the Marks or any abbreviation, acronym, or phonetic or visual variation of the Marks without our prior written consent. At our request, you will promptly assign or redirect (or cause to be assigned or redirected) to us any domain name, URL, or other identification that violates this Agreement or the P&P Manual at your expense and without compensation from us. Any consent you may have received from us for the use and/or registration of a domain name will be automatically withdrawn upon expiration, or termination for any reason, of this Agreement, and any such domain names registered by you shall be promptly transferred to us without any compensation from us. Any domains registered by you without our prior consent, that contain any of our Marks, or portions thereof including any abbreviation, acronym, or phonetic or visual variation of the Marks, or that are confusingly similar to any of our Marks, shall be promptly transferred to us upon request and without any compensation from us.

**4.14 Internet Website Look and Feel.** You understand and acknowledge that preserving the integrity and goodwill of the Sotheby's International Realty name, Marks and System is of the utmost importance to us and is predicated on a consistent display of our name and Marks. You agree to modify any existing or future website dedicated to the Business to use web guidelines created by us (and currently provided to you at no cost) that have the same look and feel as our website (currently located at [www.sothebysrealty.com](http://www.sothebysrealty.com)). The process for the review and approval of your website is described in the P&P Manual.

## **5.0 OFFICE LOCATIONS:**

**5.1 Office.** You will conduct the Business only from the Office(s) identified in Exhibit D, or any other Office authorized in a writing signed by you and us. You will not operate any other business or engage in any other activity at or from the Office(s) except in compliance with this Agreement. Unless you receive our written approval, you may not advertise any other location, conduct the Business from any other location, or take any action that leads consumers to believe that you are operating from a location other than an approved Office.

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**5.2 Relocation, Closure or Relocation of Offices.** You will not relocate, close or consolidate any Office or announce any location change without our prior written consent. You must request our consent for any proposed relocation, closure or consolidation under the procedures described in the P&P Manual.

**5.3 No Exclusivity.** The Sotheby's International Realty franchise granted by this Agreement is non-exclusive, covers only the Office(s) in Exhibit D and any other Offices added under a Location Addendum or a Limited Purpose Addendum executed after the Effective Date. This Agreement does not grant any area, market, territorial rights, or protected area. This Agreement does not grant you any right to purchase additional franchises or grant any right or priority for the location of additional franchises. We and our Related Parties retain all rights and discretion with respect to the Marks, the System and other real estate offices, including the rights to:

**5.3.1** Operate and grant others the right to operate real estate offices identified by the Marks, at locations within or outside the area where you operate, on terms we deem appropriate;

**5.3.2** Sell products or services under the Marks, or under any other trademarks, service marks or trade dress, through other channels of distribution; and

**5.3.3** Operate and grant others the right to operate real estate offices identified by trademarks, service marks or trade dress other than the Marks, at locations within or outside the area where you operate, and on terms we or our Related Parties deem appropriate.

**5.4 Future Offices.** If you seek to operate the Business from an additional Branch Office or a Limited Purpose Office (collectively referred to herein as a "Future Office"), after the Effective Date, we must approve such Future Office in a Location Addendum or Limited Purpose Office Addendum, as applicable, in the form and with such terms and conditions in effect at that time, signed by you and us. To be eligible to open a Future Office, you must be in compliance with this Agreement and any agreements with us or our Related Parties. The Future Office must meet our then-current eligibility criteria for evaluating a Geographic Market described in Section 23.9. However, the grant of a license to operate a Future Office, or if the location covered by this Agreement is not your first Office under the System, any additional office locations may be conditioned on the achievement and maintenance of certain annual minimum Gross Revenue production thresholds (as determined by us), which conditions will be described in a Location Addendum or Limited Purpose Office Addendum, as applicable. We have the right to accept or reject your application for any Future Office.

**5.5 Limited Purpose Offices.** We may establish and modify requirements for "Limited Purpose Offices" (e.g., development office, gallery office or satellite office). Conditions and restrictions for opening, operating and closing Limited Purpose Offices, including signage, services, and fees, will be described in the P&P Manual or in a Limited Purpose Office Addendum.

## **6.0. SERVICES AND OBLIGATIONS TO FRANCHISEE:**

**6.1 Our Initial Obligations.** After the Effective Date, we or a Related Party will provide the following services:

**6.1.1 Orientation.** The "Orientation" is our program to introduce the System to the Responsible Broker and other staff. When the Orientation is given, it will consist of our then-current training program. The Orientation will be held at such times and places as we designate. Except as described in this Section, you will be responsible for all travel costs and living expenses incurred in connection with the attendance of your personnel at the Orientation.

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**6.1.1.1** If you are signing this Agreement to acquire a new franchise directly from us, you will register for the next scheduled Orientation. You will make your Responsible Broker or other agreed on individual available for the Orientation at the next scheduled date for Orientation following the Effective Date.

**6.1.1.2** If the Offices covered by this Agreement are your first Offices, and if Orientation is offered in person, we will make arrangements and pay for the registration, reasonable coach class travel and hotel room expenses (as we determine) incurred in connection with attendance at the Orientation of the Responsible Broker or other agreed on individual (“Designee”) provided travel arrangements are made through a travel agent approved by us. If the Responsible Broker or Designee does not attend the next scheduled Orientation after the Effective Date, then we will not pay for the Orientation travel and hotel room expenses. If you fail to attend the first Orientation after the Effective Date you must pay our then-current registration fee and other expenses and will have materially breached this Agreement. We have the right to charge you the cost of attendance at the orientation as a delinquency fee if you fail to attend orientation within twelve (12) months of the Effective Date.

**6.1.1.3** If the Offices covered by this Agreement are not your first Offices, we will pay the Orientation registration fee and reasonable hotel expenses (as we determine) for one (1) Designee for each additional Branch Office. You must use a travel agent approved by us. If your Designee does not attend the first available Orientation after the Effective Date (or the New Office Opening Date) of any additional Branch Office(s), you must pay our then-current registration fee and all travel expenses.

**6.1.1.4** If you acquire your franchise in connection with the Transfer of the Franchise from another Franchisee, attendance at the Orientation is required by the Responsible Broker or Designee, at your expense and we may charge you our then-current registration fee.

**6.1.1.5** If you change the Responsible Broker for your office, your new Responsible Broker must attend the next scheduled Orientation following our acceptance of the new Responsible Broker. You will pay the then-current registration fee for your Responsible Broker to attend Orientation.

**6.1.1.6** The failure of your Responsible Broker or Designee to attend the Orientation is a material breach of this Agreement.

## **6.2 Continuing Obligations.**

**6.2.1 Optional Education Courses.** We may make available to you optional learning programs, courses, seminars or conferences at times and places and for fees as we designate. You must pay all course fees, travel and living expenses incurred to attend optional courses.

**6.2.2 Continuing Assistance.** Franchisor will provide you with guidance on compliance with the System in the P&P Manual, bulletins and other written materials, consultations by telephone or in person at our facilities or an Office, or by other means of communication for a fee. We may, at your request, provide special assistance for which you will be required to pay us our then-current fees and expenses as we then charge. Any guidance or special assistance we provide is not intended to exercise and does not constitute, control over your day-to-day operation of the Business.

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**6.3 Services and Products.** We and our Related Parties have the right, but not the obligation, to introduce and make available real estate related services and products, including, but not limited to, those related to mortgage origination, escrow, property management, insurance, home warranties, agent recruitment and outreach, software, technology, and communications systems for the applicable then-current fee. For the sake of clarity, we and our Related Parties have no obligation to introduce or make any new services or products available.

**6.3.1 Optional Services and Products.** We and/or our Related Parties will give you and/or your affiliated sales associates written notice that a service or product is available for your use. If you voluntarily elect to use an optional service or product, you will pay us, our Related Party or any Approved Supplier any then-current fees and costs associated with such service or product.

**6.3.2 Essential Services and Products.** If we advise you through written notice that a service or product is an essential element of the System, as we may determine, and accordingly must be utilized, you will, at your sole expense, at the then-current fees and costs: (i) obtain all necessary equipment, technology, services or products that we advise you are necessary to use the essential service or product; and (ii) begin using such essential service or product within ninety (90) days after your receipt of the written notice. The then-current fees and costs will be paid to us, our Related Parties or Approved Suppliers

**6.4 Optional Programs.** We and our Related Parties have the right to develop, implement, modify and/or discontinue optional programs to enhance the System.

**6.5 No Implied Duties.** This Section 6 describes our express obligations to you. We assume no implied duties to you under this Agreement. This Section 6.5 does not disclaim the representations of the Disclosure Document.

**6.6 Our Right to Delegate.** We have the right, in our sole discretion, to delegate to our Related Parties some of our obligations under this Agreement to provide support and other services to you.

**6.7 Global Conference.** Your Responsible Broker, Owner or other Designee may attend our international business conference (if held), or at least one national or regional event that we designate in the P&P Manual, each calendar year, and you will encourage your independent sales associates and employees to attend. You and other attendees will be responsible for the then-current registration fee and costs for transportation, lodging and other incidental expenses for attending.

## **7.0 FRANCHISE ROYALTIES:**

### **7.1 Royalty Fee.**

**7.1.1** Except as described in Section 7.1.3, you will pay us a continuing fee equal to 6% of your Gross Revenue during the Term (the "Royalty Fee"). For each real estate transaction that occurs on or after the Opening Date, you must report the transaction and pay a Royalty Fee by ePay (or other method we or our Related Parties designate) on the date of settlement (closing). Royalty Fees are also due for all transactions and sales contracts entered into before the Expiration Date or the date this Agreement is terminated.

**7.1.2 Pending Transactions.** Royalty Fee and Brand Marketing Contributions (as defined in Section 8 below) shall not be due on any "Pending Transactions." Pending Transactions are those that are

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evidenced by a binding agreement between the parties and have been submitted to escrow for closing prior to the Opening Date.

- 7.1.3 Personal Transactions.** In addition to Royalty Fees due on all third-party transactions, you will pay a Royalty Fee on personal real estate transactions involving you, your Owners and your Related Parties (“Personal Transactions”) (whether or not a commission was paid on the transaction), except that we will waive Royalty Fees on three (3) Personal Transactions per calendar year if you (a) did not collect a commission or fee on the Personal Transaction, and (b) submit documentation that we may require to confirm eligibility for the waiver. Except as may be set forth in the P&P Manual, for all other transactions on which you do not charge a commission you will pay a Royalty Fee based on your regularly charged brokerage commission or fee.
- 7.1.4 Minimum Annual Royalty Fee.** We reserve the right to charge a Minimum Annual Royalty Fee for new Branch Offices opened in certain markets, which fee will vary based upon the market and specific circumstances and will be set forth in an addendum to this Agreement. Such fee will be payable by January 10th of the following calendar year, but only if your Royalty Fee payments for the calendar year are less than the Minimum Annual Royalty Fee.
- 7.2 Luxury Premium Award.** “Luxury Premium Award” or “LPA” means a cash award given by us to you based on your achievement of certain levels of Gross Revenue and compliance with the operational criteria described below. Each calendar year in which you operate the Business under the Marks and for which your Gross Revenue is measured for LPA purposes is referred to as a “Calculation Year.”
- 7.2.1** We may establish reasonable conditions to our obligation to pay LPA, including, without limitation, the following:
- 7.2.1.1** You and your Owners and Related Parties will be current with respect to all financial obligations to us and will otherwise be in compliance with this Agreement and all other agreements with us and our Related Parties;
- 7.2.1.2** If during any calendar quarter we send you a default notice and you fail to cure the default before the end of the quarter, all of your Gross Revenue for that quarter may be excluded from the calculation of your LPA for that year, even though you later cure the default. In addition, if you are in default on the day the LPA is paid, the LPA payment will be canceled. Furthermore, if you remain in default as of December 31<sup>st</sup> of the calendar year in which LPA is paid, then the LPA will be forfeited; and
- 7.2.1.3** At the Award Date, you must have at least fifteen (15) months left before the Expiration Date.
- 7.2.2** The “Award Date” means April 15<sup>th</sup> of the year following the Calculation Year for LPA. On or before the Award Date, we will pay you LPA for the Calculation Year in accordance with the LPA table in Exhibit E (subject to the terms in this Section 7.2.)
- 7.2.3** Additional conditions for the LPA and all adjustments to the LPA, will be described in the P&P Manual. We may annually increase or decrease the percentage and/or dollar amounts in the LPA table, provided that such adjustments may not exceed 20% of the percentages and/or dollar amounts then in effect.

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**7.2.4** We have the right to pay in advance of the Award Date any or all of the LPA for any Calculation Year. You must pay us any unearned portion of the advanced LPA immediately upon our request.

**7.2.5** For purposes of this Section, Gross Revenue includes Gross Revenues for all Offices operating under the System by you or a Related Party with identical equity ownership as you; provided that only one LPA will be payable for all Offices.

**7.3 Continuing Obligation.** You will pay us the full amount of Royalty Fees when due regardless of our obligations to pay you LPA.

## **8.0 BRAND MARKETING FUND:**

**8.1 Brand Marketing Fund Contribution.** You will pay us each month during the Term a Brand Marketing Fund ("BMF") contribution equal to 2% of your Gross Revenue, subject to the provisions of this Section. You must pay the BMF contribution for each month within twenty (20) days after being invoiced.

**8.2 Minimum Monthly Contribution.** For each Office, your monthly BMF contribution will be subject to minimum and maximum requirements. As of January 1, 2026, minimum and maximum monthly BMF contributions for each Branch Office are \$723 and \$3,121, respectively. Minimum and maximum monthly BMF contribution levels may be increased under Section 12.1 and may be changed between the Effective Date and the Opening Date. If you open an additional Branch Office, the minimum and maximum monthly contribution for each Branch Office will be set as published in our then-current Disclosure Document and will be identified in the Location Addendum.

**8.2.1** If we determine the current required maximum and minimum BMF contributions are greater than necessary to effectively conduct the advertising, public relations and/or promotional campaigns of the BMF, we have the right to reduce the BMF contributions by the amount and period of time as we deem appropriate. We have the right, with at least thirty (30) days' notice to you, to restore the maximum and minimum BMF contributions.

## **8.3 Use and Management of BMF.**

**8.3.1** The BMF is not held in trust, and we do not manage it in a fiduciary capacity. The BMF is a contractually generated fund. We may deposit BMF contributions with our other monies but will separately and distinctly identify and account for BMF contributions on our books and records. We use the BMF for the development, implementation, production, placement, payment and costs of national and regional marketing (as defined by us) advertising, marketing, promotions, public relations and/or other programs, which may include direct mail (and email), market research, social media, customer surveys and test marketing to promote and further the recognition of the Marks, the System and franchisees generally. The BMF may also be used for other purposes such as website development, the marketing offerings in the Productivity Suite, online marketing products for broker and agent use, hosting and maintenance for the brand consumer website and accompanying consumer websites and blogs and the System intranet site, search engine marketing and search engine optimization, customer service support, real estate listing enhancement costs and subsidies, listing distribution arrangements, regional and national *Sotheby's International Realty*<sup>®</sup> system events and related activities, social media development and education, awards, sponsorships, lead management system development, maintenance and updates, lead generation, customer loyalty programs, marketing related to agent or broker productivity or other learning resources, system communications, identity standards and website compliance, brand extension development and marketing, talent attraction initiatives,

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resources and marketing, software development and distribution, quality control measures related to the use of the Marks in all types of platforms and other related activities in support of the Sotheby's International Realty® brand and the *Sotheby's International Realty*® system.

The BMF compensates us or our Related Parties for out-of-pocket costs on behalf of the BMF, for marketing staff compensation, travel expenses, and a proportionate share of the compensation for our senior management who devote time and render services for advertising, marketing and promotion or the administration of the BMF. It also compensates us and our Related Parties for reasonable expenses incurred for rent, overhead, accounting, collection, reporting, technology system support, marketing product development, legal, human resources, finance, operations, management and other services, which we or our Related Parties provide to, or which relate to the administration of or services provided to, the BMF and its programs (collectively "Corporate Services"). We and our Related Parties may provide certain products and/or services to the BMF, including the Corporate Services outlined above, which would otherwise be provided by unaffiliated third parties. Any products and/or services provided by us or our Related Parties will be provided at a cost comparable to those costs that the BMF would otherwise incur if the products or services were obtained from unaffiliated third parties.

- 8.3.2** We are not required to use or allocate BMF contributions on a proportional basis with the contributions collected from any geographic area or to benefit any particular franchisee or group of franchisees. We are not obligated to use BMF contributions in the year we receive them. We have no obligation to conduct marketing, and we have the sole discretion to determine how, if any, monies in the BMF will be spent.

If we spend less of the BMF in any calendar year than we collect, the excess contributions will be used in future years. The BMF may borrow from us or other lenders to cover its deficits or invest any of its surplus for future use. If BMF contributions made by any of our Related Parties in any calendar year exceed the total amount required to be contributed during such calendar year, such Related Parties will have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the BMF or to use such excess as a credit against future contributions that may become due.

- 8.3.3** On your written request, we will provide you a financial statement of the BMF showing the total BMF contributions collected and disbursed for the previous year, certified to be true and correct by one of our authorized officers. We are not required to cause the BMF to be audited or reviewed by an independent certified public accounting firm. The report is typically available after April of the following year.

- 8.3.4** Except as provided in this Section, we assume no direct or indirect liability or obligation to you with respect to the BMF's maintenance, direction or administration.

- 8.3.5** We will not be liable for any act or omission with respect to the BMF that is consistent with this Agreement or done in good faith.

## **9.0 TECHNOLOGY:**

**9.1 Internet Reporting System.** You must use our or our Related Parties' internet-based reporting system to promptly report all listings, pending and closed transactions for which a Royalty Fee is, or may be, payable. The internet-based reporting system consists of our proprietary software and non-proprietary operating

programs that enable you to transmit required listing information, transaction information and other data. We or our Related Parties will provide the internet-based reporting system to you without charge. You must obtain appropriate connectivity and browser software for this application as well as any platform upgrades that may be necessary. You are responsible for purchasing compatible hardware from a vendor you select.

**9.2 Technology Tools.** We may make available to you technology products or services provided by us, our Related Parties, or Approved Suppliers, including the reporting system set forth in Section 9.1, (“Technology Tools”) as designated and for the purposes set forth in the P&P Manual. We have the right to require you to use a specific Technology Tool as we deem essential for the System as set forth in Section 6.5.2. We, our Related Parties, or Approved Suppliers may (a) charge the applicable then-current fees and costs, and (b) require execution of separate legal terms for access to a Technology Tool. Technology Tools are made available on an “as is” basis, subject to applicable terms. You will use your best efforts to properly use any Technology Tool for its designated purpose and to ensure all employees and independent sales associates properly use such Technology Tool.

**9.3 Access and Use Requirements; Equipment.** You are responsible for and must provide all hardware, software, services and other components necessary to access and use the Technology Tools. The current minimum equipment standards are listed in the P&P Manual. Use of all Technology Tools, including adapting to required changes and upgrades, are solely at your expense, at the applicable then-current fees and costs. We make no representations, warranties, or assurances that any hardware, software, services, and other components will be compatible with any Technology Tool. We may require you to use an Approved Supplier of technology products and services to meet our standards.

**9.4 Multiple Listing Services Technology.** If permitted under law and/or the rules of the applicable Multiple Listing Services, at our request, you will provide us with access to Multiple Listing Services in which you are a member. You will cooperate with us and our Related Parties and promptly execute any documents we determine necessary to provide us access to the listings in Multiple Listing Services. You acknowledge and agree that you are solely responsible for all compliance of your Multiple Listing Service data in connection with an associated Technology Tool.

**9.5 Additional Products and Technology.** You agree, at your sole expense, to purchase or participate in any additional programs that may require special licensing, software, other technology products or upgrades to the Technology Tools which we or our Related Parties may deem necessary from time to time to improve the services and efficiency of operation of the System.

**9.6 Technology Protection.** You are solely responsible for protecting your Business from disruptions, internet access failures, internet connection failures, and attacks by hackers and other unauthorized intruders. For any technology you use in connection with the Business, you will reasonably ensure such technology has adequate data security controls, including but not limited to: (i) authentication mechanisms designed so that they cannot be bypassed to gain unauthorized access to systems, and implementation of multi-factor authentication (MFA) when applicable; (ii) commercially acceptable encryption of data in transit and at-rest; (iii) password protection measures, such as protecting the form in which they are stored and strong and complex character classes and password length; and (iv) adhere to applicable data privacy and information security laws and any other security measure reasonable for our industry, such as system updates/patching. You and your owners waive any and all claims you may have against us arising from or related to the direct or indirect result of such disruptions, failures, or attacks.

## 10.0 MANAGEMENT AND GOODWILL:

**10.1 Management.** You and your Owners will actively manage and supervise the Business's operation in a competent and professional manner. Any education, support, advice or resources we or our Related Parties provide to you in connection with the Business is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Business, and not for the purpose of controlling or in any way exercising or exerting control over your decisions or the day-to-day operation of the Business.

**10.2 P&P Manual.** You will be provided with access to the P&P Manual on our intranet site (and/or any successor internet portal and/or application). The P&P Manual contains various suggestions as well as certain mandatory specifications, standards and operating procedures that we have developed as part of the System. You acknowledge that the mandatory provisions of the P&P Manual are designed to protect our standards and systems, our Marks and the goodwill associated with the System, and not to control the day-to-day operation of the Business. You must comply with all mandatory provisions in the P&P Manual and ensure compliance with such mandatory provisions by your brokers, independent sales associates, employees, Responsible Broker and Related Parties for the protection of the Sotheby's International Realty® brand and System. We reserve the right to make reasonable changes in the P&P Manual that we determine are appropriate in our Reasonable Business Judgment for the continued success and development of the System and its franchisees. We may also modify the P&P Manual at any time to reflect changes in the System and will reflect those in the P&P Manual located on the intranet site. At your own expense, at the applicable then-current fees and costs, you must adopt on a timely basis (but no later than ninety (90) days after notice) any such modifications. If there is any conflict, discrepancy or ambiguity between the terms of this Agreement and the P&P Manual, the terms of this Agreement will control. If a dispute arises over the P&P Manual contents, the master copy that we maintain on our intranet site, will control.

**10.3 Ethical Conduct, Consumer Relations and Protection of Goodwill.** You must give prompt, courteous and efficient service to the public and operate the Business in compliance with the requirements set forth in the P&P Manual and professional standards to preserve and enhance the value and goodwill of the Marks and the System. You will uphold, and take reasonable steps to ensure that your brokers, independent sales associates and employees uphold, high standards of honesty, integrity, fair dealing and ethical conduct in dealing with the public, customers of the Business, other franchisees, us and our Related Parties. You hereby authorize any federal, state or local body regulating or supervising real estate practices to release to us information about complaints and disciplinary actions related to your (or your Related Parties') practices. You will notify us within five (5) business days of any such complaints or disciplinary actions. You must maintain all required permits, certificates and licenses in good standing and in compliance with applicable laws. You must operate the Business, and take reasonable steps to ensure that your brokers, independent sales associates and employees operate the Business, in compliance with all laws, including laws and regulations of the real estate commission or other licensing authority governing your operation, and applicable data protection, advertising, intellectual property, Do Not Call, and fair housing laws and the Real Estate Settlement Practices Act. We and you acknowledge that disputes may arise between you, or your Related Parties or independent sales associates, and a client or other Person involved in a real estate transaction, and that it is in the best interest of all parties, when possible, to quickly resolve disputes. You must promptly respond to all complaints received from your clients or other individuals in an attempt to resolve the dispute in a reasonable business manner. In connection with any consumer complaints that we receive from your clients regarding the Business, you will cooperate and respond to any inquiry from us and provide us with all information reasonably related to any such complaints. You will not make or publish any statement or advertisement which would reasonably be expected to demean the image, value, identity, reputation or goodwill associated with our name or the Marks

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or the name and Marks of our Related Parties. This covenant is independent of and will survive any termination, expiration or Transfer of the Franchise.

## **11.0 OTHER COSTS AND OBLIGATIONS OF FRANCHISEE:**

**11.1 Marketing Materials.** We will make materials available for you to promote your Business and our products, services, and programs. Some materials may have associated costs or fees.

**11.2 Payments and Interest.** Any payments more than ten (10) days past due will bear interest at the lesser of the highest rate allowed by law or 18% per annum (1.5% per month). We will apply your payments (and, at our discretion, any amounts we (or our Related Parties) owe you or your Related Parties) to any of your past due indebtedness for Royalty Fees, BMF contributions, purchases from us or our Related Parties, interest or other indebtedness as we may determine in our Reasonable Business Judgment. No restriction on any check or in any communications accompanying payment will bind us or our Related Parties. Our acceptance of any payment will not constitute an accord or satisfaction and will not be construed as a waiver of any breach of this Agreement. You may not withhold payment of any fee or amount due based on alleged non-performance or breach of our or our Related Parties' obligations under this Agreement or other related agreement, including for the sale of products or services to you.

**11.3 Payment Procedure.** You must pay amounts due to us using ePay, a web-based, self-service application for electronic payments. We may revise the required form of payment from time to time in the P&P Manual and you must comply with any changes.

**11.4 Offsets.** At our discretion, we may offset any amounts we owe you in full or partial satisfaction of any amounts you owe under this Agreement or other agreements between you and us or our Related Parties, whenever your payments are more than thirty (30) days past due.

**11.5 Returned Checks.** You must pay a returned check charge on any checks returned unpaid for any reason. We may charge the highest commercial rate allowed by law. You must replace any such check with a certified or cashier's check, money order or electronic transfer of funds within three (3) days of notification.

**11.6 Net Worth.** You acknowledge that a material consideration for us in granting you rights under this Agreement is your representation that you and your Owner(s) are financially responsible and have both (A) a net worth in tangible assets in excess of \$150,000, not including (i) the value of any interest in this Agreement (or notes provided to you from us or our Related Parties in conjunction with this agreement) or (ii) any of your working capital (defined as total current assets less total current liabilities, all prepared in accordance with generally accepted accounting principles); and (B) liquid assets (cash or securities that can be easily converted into cash) of at least \$75,000. You agree and warrant that you and your Owners will maintain the minimum net worth requirement throughout the Term. You further agree that maintaining these requirements and remaining in financial good standing with us and your third-party creditors is critical to the protection of our goodwill and the Marks. If the net worth requirement is not maintained at any time, you must procure a guarantor acceptable to us to the extent of the deficiency, which guarantor will sign the Guaranty of Payment and Performance attached as Exhibit B to guarantee your performance under this Agreement.

**11.7 Listing and Pending Listing Inventory.** You will provide, within fifteen (15) days of the Effective Date, and thereafter maintain with us, a complete and current inventory of all listings, pending or otherwise, of your Business, in our required format, except as otherwise required by Section 7.1.2 as it relates to Pending Transactions. You will use best efforts to ensure that all listing inventory and transaction information, pictures,

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media and other listing content (collectively "Listing Content") are true and accurate. You will procure the permission of the property's owner(s) to depict the property in Listing Content for Permitted Purposes as defined below. To the extent you own any copyright to any Listing Content you supply to us (including those used in listings on our website), you irrevocably consent to our royalty free use of the Listing Content or any portion thereof for any purpose (including purposes beyond selling the property, such as to promote our brand and our business generally), and in any manner or medium now known or developed in the future, which may include use of your Listing Content or portions thereof on consumer facing websites, and our sublicensing of your Listing Content to Related Parties and third parties, like listing portal aggregators or services, whether web-based or otherwise, as we deem appropriate in our Reasonable Business Judgment (collectively "Permitted Purposes"). You may elect to opt out of us providing your Listing Content to third parties by providing express prior written notice to us. To the extent you provide Listing Content with copyrights owned by third parties (including, but not limited to, agents photographers and videographers), you will procure all necessary rights and licenses to authorize our use for Permitted Purposes, and you will furnish proof of same if requested. You agree that if you do not furnish proof of the foregoing rights and licenses that is satisfactory in our Reasonable Business Judgment, we have the right to refuse to use the Listing Content. You agree to indemnify and hold us harmless against any third-party claims that our use infringes such third party's rights or as to any claims relating to Listing Content.

## **12.0 FEE INCREASES:**

**12.1 Annual Increases.** On January 1<sup>st</sup> each year, we have the right to increase the minimum and maximum BMF contributions. No percentage increase in fee will exceed the greater of (i) the percentage increase of the Consumer Price Index for all Urban Consumers, U.S. City Average (1967=100) ("CPI") during the period between November of the applicable base year of such particular fee and the November immediately preceding the date of the proposed fee increase, plus 3%, (ii) the yield to maturity on United States Treasury Bonds (as listed in The Wall Street Journal or such other source as we deem reliable) maturing approximately ten (10) years after November 1<sup>st</sup> in the year preceding the date of the proposed fee increase, plus 3%, or (iii) the U.S. Average Existing Single Family Home Sales Price annual increase, not seasonally adjusted, yearly percent change (as listed in the July National Association of Realtors<sup>®</sup> Press release or any other nationally recognized source of housing price data), plus 3%. We may round any fee increase to the nearest dollar. The applicable base year for CPI purposes is the calendar year immediately before the year in which we last raised the fee. Any fee increase (e.g., BMF contribution) does not change the applicable base year for any other fee not increased at that time.

**12.2 Other Fee Increases.** Our right to increase other fees is described in the relevant sections of this Agreement.

## **13.0 RECORDKEEPING; AUDIT:**

### **13.1 Recordkeeping, Financial Statements and Audit.**

**13.1.1 Recordkeeping.** During the Term and for three (3) years after the expiration or termination of the Term, you must maintain accurate records in the form we require. You must transmit information to us in the manner and format we require.

**13.1.2 Financial Statements.** Upon our request, you will provide us a detailed balance sheet and profit and loss statement. You will submit any additional information we require in the P&P Manual or otherwise. You will also supply a complete financial statement and a copy of your tax returns, on an annual basis within one hundred twenty (120) days of your fiscal year-end. You, your authorized

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officer, or a general partner, as applicable, or your independent accountant will sign the financial statement certifying its truth and accuracy. Financial statements must be prepared in accordance with generally accepted accounting principles.

**13.1.3 Audit.** You must allow us or our designee(s) to audit your operations, including your financial record retention systems, or to obtain information from other sources, including the local Multiple Listing Service, to verify Royalty Fees, BMF contributions and other fees due to us. You must immediately pay us any fees that the audit reveals were due during the audit period but not paid, plus interest at Prime plus 2%. If you fail to cooperate on a timely basis, fail to keep readily auditable records, cancel or reschedule the audit, or if the audit exposes a deficiency of 5% or more in amounts due for any consecutive three-month period, you must also pay all of our then-current audit costs plus fees past due, interest, late charges and costs, and the deficiency will constitute a material breach of this Agreement. You must dispute any audit findings in writing and identify the basis for any dispute in accordance with the P&P Manual and Section 13.7. Any audit or inspection we conduct is solely for determining your compliance with contractual obligations and does not constitute control over your day-to-day operation of the Business.

**13.2 Access to Records.** We, or our designee, have the right during the Term and for three (3) years following termination of the Agreement, to visit your Office location (or such other place where your records are located) and/or to conduct remotely, during normal business hours, and without hindrance or delay, proceed:

**13.2.1** to inspect, audit, check and make copies of your books, records (including tax returns), journals, orders, receipts, any correspondence and other data relating to your Business or to any transactions, including the books and records of any Related Party or Excluded Business if we have reason to believe that (i) its funds were commingled with the Business; or (ii) it was operated in violation of Section 4.2;

**13.2.2** to verify any portion of your records or your Business or any Excluded Business as we may deem reasonable under the circumstances, including prompt response to any post-audit request for additional information; and

**13.2.3** to discuss your records and the Business or any Excluded Business with any officers, directors and employees responsible for maintaining the records, or with your Responsible Broker.

**13.3 Condition of Transfer of the Franchise.** We may require an audit of the operations of the Business at any time, including as a condition of our approval of any Transfer of the Franchise.

**13.4 Sales Associate Information.** You will provide us information about your independent sales associates and teams and assist us in any survey of your independent sales associates and teams. Independent sales associate and team information will be updated promptly; all independent sales associate and team information will be current as of the end of each calendar quarter. We may require you to report detailed information on teams and team income, from time to time.

**13.5 Other Matters relating to Information.** We expressly agree to keep confidential any financial statements you submit under the Agreement, provided that our confidentiality obligations do not extend to information that (a) is or becomes generally available to the public; (b) was in our possession before it was furnished; or (c) is or becomes available to us from a source that is not prohibited from disclosing such information by any confidentiality obligation; or (d) is independently developed by us. This restriction shall not apply if we (or any of our Related Parties) are required under a court or government agency order or applicable law to disclose any non-public information we received. Other than financial statements, no

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information supplied to us will be considered confidential, including the Client Information (as defined in Section 16.7.3). We have the right to use any information you supply, including Client Information: (i) for our and/or our Related Parties' own business purposes, including displaying franchisee performance awards, (ii) to disclose information as may be required by law and governmental authority, (iii) to disclose information to our Related Parties and third parties in connection with the system and offering products and services, and (iv) to aggregate your information with other franchisee information and disclose aggregated information or anonymized information as we deem appropriate. You will provide us and/or cooperate with us in collecting other information as we may reasonably request, including information for research and development of services, products and programs, identification of demographic information, industry reports and preparation of our Disclosure Document.

**13.6 Cooperation.** You must cooperate in scheduling any required audit and providing access to records, which must be maintained and presented in reasonable order to allow the audit to be conducted in a reasonable time. You acknowledge that all communications regarding the audit including, but not limited to, audit results may be communicated electronically unless you expressly indicate otherwise to the auditor.

**13.7 Waiver.** Your failure, refusal or neglect to dispute fees or contributions that an audit reveals you owe, including any fees, costs and penalties assessed with an audit, constitutes a waiver of any right to challenge such fees, unless you provide us written notice of your dispute, along with an explanation of the basis for your dispute, within thirty (30) days of the date we deliver the audit results to you in writing.

## **14.0 MODIFICATION OF THE SYSTEM; IMPROVEMENTS:**

**14.1 Agreement to Accept Modifications.** We have the right to change or add to the Marks or the System, including the adoption of new or modified trade names, trademarks, trade dress, service marks, copyrighted materials, new products or services, new equipment, new business methods or new techniques from time to time, without your consent. We have the right to modify, suspend or eliminate any new or existing portion of the System or the Marks. Changes related to the Marks or System will be communicated to you and reflected in the P&P Manual. You will accept, use and display changes in the System and will make such expenditures as may be required to implement the changes.

**14.2 Improvements by You.** If you conceive or develop any improvements or additions to the System, new trade names, trademarks, service marks or other commercial symbols related to the System or any advertising or promotion ideas related to the System (collectively, "Improvements"), you will fully disclose the Improvements to us and obtain our written approval prior to use. Any Improvements we approve will be deemed licensed to us on a royalty-free, paid-up, perpetual worldwide license and may be used by us and our franchisees without any liability to you or obligation to pay you royalties or other compensation. We have the right to apply for and own copyrights, trade names, trademarks and service marks relating to Improvements. Improvements will be our property and trade secret. We will authorize you to use Improvements authorized for use by other franchisees.

## **15.0 OWNERSHIP CHANGES AND TRANSFERS OF THE FRANCHISE:**

**15.1 Ownership Changes.** We must first approve in writing any proposed ownership change to transfer 10% or more of the Franchisee ownership rights. If an ownership change results in a Transfer of the Franchise (as defined in Section 15.4), the provisions set forth in this Section 15 apply. You will ensure all new Owners comply with Section 22.11 and any proposed ownership change to potential new Owner who does not comply with Section 22.11 will be automatically void and of no further force and effect.

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**15.2 No Transfer or Assignment.** You acknowledge that your rights and obligations under this Agreement are personal to you, and we have granted this franchise in reliance on many factors, including your (and your Owners') character, skill, knowledge, business and financial capacity. You may not assign your rights or delegate your duties under this Agreement, except as permitted by this Agreement or required by law.

**15.3 Limited Assignment Right for Sole Proprietorships or Partnerships.** If you are a sole proprietorship or partnership, we expressly consent to the assignment of this Agreement, without payment of a fee, to an entity owned and controlled by the same Owners, provided that the Owners execute an assignment agreement and guaranty of the assignee's obligations to us. You must notify us in writing of any proposed assignment under this Section and must provide and/or sign all documents we request including, assignment documents, Articles of Incorporation or Organization and Bylaws.

**15.4 Transfer of the Franchise – Definition.** "Transfer of the Franchise" will mean any transaction or series of transactions that results in: (i) the sale or transfer of substantially all of the Business's assets; (ii) the majority Owner(s) before the transaction(s) holding less than 51% equity interest in you or the Business's assets; (iii) another entity becoming a franchisee; or (iv) the Owner(s) no longer controlling or managing the Business. The Transfer of the Franchise may include transfers resulting from a divorce, death, insolvency, dissolution, declaration of or transfer in trust, or a foreclosure on the Business assets. If any Owners are entities, a Transfer of the Franchise will be deemed to occur if such Owner entity experiences any of these events or transactions.

**15.5 Operational Control – Trust.** In the event a trust is an Owner of Franchisee: (a) Prior to the Opening Date, Owner shall provide Franchisor with copies of all trust instruments and all documents establishing that the trustee(s) have legal authority to enter into this Agreement on behalf of the Owner/trust and bind the Owner/trust to the terms of this Agreement; (b) after the Opening Date, Owner shall provide Franchisor with copies of any amendment(s) to the trust instruments within seven (7) days of the entry of such amendment(s); (c) all beneficiaries of the trust shall be Guarantors and at the time of signing the Agreement, the beneficiaries shall sign the Guaranty of Payment and Performance; and (d) Guarantor(s) shall, at all times, directly (i) control all aspects of Franchisee and the operation of the Business; and (ii) serve as trustee(s) of the trust and retain sole control over the voting of the trust's equity interest in Franchisee. Franchisee acknowledges and agrees that: (x) if the Guarantor(s) do not maintain operational control of the entire Business, Franchisee and the trust, such an event will constitute a transfer as described in Section 15.4 of this Agreement; and (y) Franchisee must comply with all applicable provisions of this Section 15. Franchisee further acknowledges and agrees that if the Guarantor(s) desires to turn over operational control of the Franchisee, the trust or the Franchise to one or more trust beneficiaries, such beneficiaries must satisfy all conditions of approval described in Section 15.7 of this Agreement. Nothing contained herein is or should be deemed to constitute our consent or acquiescence to any transfer as described in Section 15.4 of this Agreement.

**15.6 Prohibited Assignments or Transfers of the Franchise.** You may not complete a Transfer of the Franchise without our prior written approval, which will be subject to our Reasonable Business Judgment. Failure to obtain our approval will be a material breach of this Agreement. Any attempted Transfer of the Franchise not expressly permitted by this Agreement or approved by us will be null and void, and you will remain liable for all obligations under this Agreement. After a Transfer of the Franchise, you will be liable for events that occurred before the Transfer of the Franchise and for all obligations that survive termination of this Agreement, including your indemnification obligations for any claims arising before the Transfer of the Franchise. If you complete a Transfer of the Franchise in violation of this Section, our continued performance and acceptance of payments does not waive our rights.

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**15.7 Approval of Transfer of the Franchise; Prerequisites.** Provided you are not in default under the terms of the Agreement, we will consider your application for the Transfer of the Franchise to a new Owner or franchisee ("Transferee"), if you provide us thirty (30) business days' advance written notice of any proposed Transfer of the Franchise. The Transferee must submit any documents we reasonably require to approve the Transfer of the Franchise. Our approval will be based on our consideration of various factors that include: (i) Transferee is a licensed real estate broker and arranges for adequate management of the Business to our satisfaction, (ii) Transferee's franchise application (and supporting documents), (iii) Transferee's or prospective owner's business experience, character, reputation and financial condition (including credit checks and financial statements), (iv) proposed transfer documents and/or any new entity organizational documents, (v) unless prohibited by law, the Transferee's execution of the then-current form of franchise agreement and new Owners' execution of the then-current form of guaranty, (vi) payment and/or assumption of any outstanding indebtedness you owe us, (vii) payment of a \$5,000 transfer fee, (viii) execution by you and any departing Owners of a release of all claims against us and our Related Parties, (ix) an audit of your operations, and (x) your purchase of tail coverage on your errors and omissions insurance policy naming us as an additional insured. In connection with any proposed Transfer of the Franchise, we may also consider the financial impact that a Transfer of the Franchise to an existing franchisee may have on us, including a potential increase in LPA or decrease in the net effective Royalty Fee rate paid to us. We may require adjustments to the Agreement to account for or eliminate any financial impact to us as a condition of our approval.

**15.8 Right of First Refusal.** If you and/or any of your Owners intend to Transfer the Franchise for valuable consideration, you must obtain a bona fide, signed, written offer from the potential purchaser and deliver a complete and accurate copy of the offer immediately to us. If the offeror proposes to buy any other tangible or intangible assets that do not relate to or are not used by or in the Business, the proposal for such assets or rights must be described in a separate offer that is disclosed to us, but to which this right of first refusal is not applicable. The purchase price and terms for the Transfer of the Franchise will reflect the bona fide offered price and not reflect any value for any other assets.

**15.8.1** Within thirty (30) days after you deliver a complete and accurate copy of the offer to us, we, or a Related Party will have the option exercisable by written notice to you, to purchase the interest that is the subject of the offer, for the price and on the terms in the offer, provided, however, that (a) we may substitute cash for any in-kind payment proposed in the offer, (b) our credit will be deemed equal to the proposed purchaser's credit, and (c) we will have no more than one hundred twenty (120) days from the option exercise date to consummate the transaction. You will promptly respond to all our reasonable due diligence requests. Terms and conditions for the purchase will be as similar as practicable to the offer's terms and conditions, subject to the exceptions above. If we exercise our option within the requisite thirty (30)-day period, you shall be prohibited from offering the Business for sale, or selling the Business, to any potential purchaser other than us until the earlier of (i) our notification to you of our determination, based on our diligence, to not move forward with acquiring the Business or (ii) our failure (due to no fault on your part) to consummate the transaction within one hundred twenty (120) days from the option exercise date.

**15.8.2** Unless expressly limited in the third-party offer, we have the right to purchase the interest subject to all customary representations and warranties, closing documents, releases and indemnities as we reasonably may require, including representations and warranties as to the ownership and condition of, and title to, shares of ownership and/or assets, the validity and status of contracts and leases and the extent of any liabilities, contingent or otherwise. We also will have the option to acquire from you, for nominal consideration, an assignment of your leasehold rights for the Office premises.

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**15.8.3** If we do not exercise our purchase option, you or your Owners may complete the sale to the offeror on the offer's exact terms, subject to our approval of the Transfer of the Franchise, provided that if there is a material change in the offer's terms, we will have an additional option to purchase during the thirty (30) day period after your notice to us of a material change in the offer's terms.

**15.8.4** If the proposed Transfer of the Franchise is not supported by valuable consideration (e.g., gift, testamentary transfer or involves the transfer of ownership to an immediate family member of an Owner, or reorganization of your entity without any change in the Owners), we have no right of first refusal. We have the right to approve the new Owner under Section 15.6.

**15.9 Orientation for Transferee.** The Transferee must attend the Orientation seminar described in Section 6.

**15.10 Assignment by us.** We may assign, transfer, delegate or subcontract all or any part of our rights and duties under this Agreement, including by operation of law, without notice and without your consent. You are not the third-party beneficiary of any of our contracts with third parties, including vendors or other franchisees. We will have no obligations to you after you are notified that a transferee has assumed our obligations under this Agreement except those that arose before we assign this Agreement.

## **16.0 EXPIRATION AND TERMINATION:**

**16.1 Non-Renewability of Agreement.** NEITHER PARTY HAS RENEWAL RIGHTS. The tender or acceptance of your payments after expiration of this Agreement will neither prejudice our rights to enforce the expiration or your obligations on expiration, nor create any additional rights in your favor under this Agreement.

**16.1.1 Transition.** If this Agreement terminates or expires, we have the right to communicate directly with your independent sales associates in order to facilitate an orderly and efficient transition, preserve the goodwill of the System and the Marks, and to determine their interest in affiliating with another franchisee. We can communicate directly with your independent sales associates immediately after notice of termination is delivered, or in the case of expiration, within six (6) months prior to the expiration date and any time thereafter.

**16.1.2 Holding Over.** If you or an Owner uses the Marks after the expiration of this Agreement, you will be deemed to be operating on a month-to-month basis ("Holdover Period"). During any Holdover Period, all of your obligations will remain in full force and effect, as if this Agreement had not expired, and all obligations imposed on you upon expiration of this Agreement will take effect upon termination of the Holdover Period. During any Holdover Period, we may consider you in default of this Agreement and may exercise all remedies available to us, including pre-termination options set forth in Section 16.3, which includes suspension of services, or termination.

**16.2 Termination.** This Agreement may be terminated only on the terms and conditions established in this Section.

**16.2.1 Mutual Consent.** By mutual consent of the parties;

**16.2.2 Termination by us for Good Cause.** By us for good cause, which means your material breach of any obligations under this Agreement as we may determine in our Reasonable Business Judgment or as stated in this Agreement. Good cause includes both curable and non-curable defaults and the failure to meet the Minimum Office Design and Appearance Standards.

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**16.2.3 Curable Defaults; Notice.** After giving you written notice and thirty (30) days to cure identified defaults (except for cure periods established elsewhere in this Agreement and any longer periods required by applicable state law), we may terminate this Agreement for the following uncured defaults:

**16.2.3.1** Your failure to timely and consistently report transactions or to pay when due any financial obligation to us or to the BMF;

**16.2.3.2** Your underreporting and/or underpayment of at least 5% of Royalty Fees and/or BMF contributions within any three (3) month period, or your refusal to permit us to audit your operations and records, or your failure to reasonably cooperate with an audit;

**16.2.3.3** Your Transfer of the Franchise without our prior approval or on the death, judicial determination of incompetence, or the appointment of a conservator or guardian over you or an Owner, the failure to seek our written approval for Transfer of the Franchise within one hundred eighty (180) days after such event;

**16.2.3.4** Your attempt to subfranchise, license or grant to any other person or entity the right to use the Marks or the System licensed to you under this Agreement;

**16.2.3.5** Your or an Owner's failure to comply in all material respects with applicable municipal, county, state or federal laws;

**16.2.3.6** The operation of any other business within the Office(s), except as permitted under this Agreement;

**16.2.3.7** Your failure to properly display and use our Marks as described in the P&P Manual;

**16.2.3.8** Your failure to begin operation using the Marks and System on the Opening Date.

**16.2.3.9** The creation of a security interest in this Agreement or the assets of the Business without our prior written consent; or

**16.2.3.10** Any other material breach of this Agreement not listed above or listed below as a noncurable default.

**16.2.4 Noncurable Defaults; No Notice Required.** We may terminate this Agreement immediately without prior notice or an opportunity to cure, if any of the following defaults occurs:

**16.2.4.1** Suspension or revocation of your Responsible Broker's license; unless you timely appoint a substitute Responsible Broker as permitted under applicable law and such suspension or revocation does not otherwise cause a breach under this Agreement;

**16.2.4.2** Any conduct by you or an Owner that impairs the image, identity, value or goodwill associated with the Marks or the System;

**16.2.4.3** The filing or imposition of any bankruptcy, receivership, composition, assignment, marshaling, insolvency or similar proceeding for the benefit of creditors related to you or your assets, provided that termination on bankruptcy may not be enforceable under the Bankruptcy Code;

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**16.2.4.4** Any default for which we have issued you a notice of default during the last twelve (12) months advising you of our intent to terminate for the same cause, even if the default(s) were cured;

**16.2.4.5** Any material misrepresentation or omission by you an Owner or guarantor to us in the franchise application or otherwise with respect to the Business (or otherwise), including, but not limited to, any such misrepresentations or omissions related to our geographic market evaluation or your full and complete satisfaction of the Guidelines or any breach of Section 23.9;

**16.2.4.6** The operation of a competing residential brokerage business in violation of the in-term non-competition covenant; or

**16.2.4.7** Abandonment of your Office, demonstrated by (i) the failure to commence operation of any Office as required under the Agreement and any related Addenda, (ii) removal of the Marks, or (iii) failure to operate the Business for five (5) consecutive business days or any shorter period when, under the facts and circumstances, it would be reasonable for us to conclude that you do not intend to continue to operate the Business, unless the cause is a force majeure, e.g., flood, earthquake or similar acts of God. If any of the above circumstances apply to some, but not all of your Offices, we may, in our Reasonable Business Judgment, terminate the license to operate the abandoned Offices, rather than terminate the Agreement.

**16.2.5 Termination upon Death/Disability of Majority Owner.** If a majority Owner dies or becomes physically or mentally disabled (corroborated by written evidence from a treating physician) and you elect to wind up the Business and distribute all of the Business's assets to the Owners (as opposed to transferring the assets to a third party), you may terminate the Agreement, without penalty, if the following conditions are satisfied:

- (a) You provide us at least ninety (90) days prior written notice of your intent to terminate;
- (b) At the time of the notice, the deceased or disabled majority Owner owns at least 51% of the equity interest in you or the Business's assets and manages your day-to-day operations;
- (c) You are not in default on the date that the notice is delivered or on the date of termination ("Termination Date");
- (d) You provide any documents we request demonstrating your dissolution;
- (e) Before the Termination Date, you pay any outstanding indebtedness you owe us including, but not limited to, Royalty Fees, BMF contributions and all amounts not previously paid and/or forgiven under any existing promissory notes (or any other instrument of indebtedness);
- (f) You and each remaining Owner agree that they will not own or operate any real estate brokerage within two miles of any authorized Office for a period ending the earlier of (i) the Expiration Date, or (ii) two years after the Termination Date; and
- (g) You enter into a written termination agreement. We will not be entitled to recover any liquidated damages under the Agreement if you comply with this Section and perform the post-termination obligations within ten (10) days after the Termination Date.

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**16.2.6 Failure to Meet Minimum Office Design and Appearance Standards.** You must meet certain required minimum standards of professionalism for size, interior design and decor, exterior attractiveness, general appearance and cleanliness. These standards are contained in the P&P Manual. If your Office(s) fail to meet these standards, we will notify you in writing and describe the deficiencies, and you will be given 30 days to correct them. If such deficiencies are not corrected to our satisfaction within 30 days, we may, at our option, terminate this Agreement.

**16.3 Our Pre-Termination Options.** If you fail to pay any amount owed under this Agreement or fail to comply with any Term of this Agreement or the mandatory provisions of the P&P Manual, in addition to our right to terminate this Agreement (subject to applicable notice and cure periods), or to bring a claim for damages, we have the following pre-termination options as we deem necessary, each of which may be exercised without providing notice or opportunity to cure:

**16.3.1** To suspend all services provided to you under this Agreement or otherwise, including education, marketing assistance, LPA, sale of products and supplies, leads from website, technology tools, intranet portal (including any successor portal sites and/or applications), and award(s) eligibility for you and the independent sales associates affiliated with you;

**16.3.2** To suspend taking or placing referrals, leads, or relocation requests, for or from you from [www.sothebysrealty.com](http://www.sothebysrealty.com) and to direct any inquiries regarding these or other programs or services to other franchisees; and/or

**16.3.3** To eliminate listing you and/or publishing your real estate listings in any advertising, marketing or promotional materials, including on our principal website and third-party websites to which we may direct listing information.

We may continue taking these actions until you comply with our requirements and we acknowledge your compliance in writing. The options in this Section will have no effect on, and will not release you from, any obligation you owe to us, our Related Parties or to the BMF. Your right to cure does not restrict our right to file any legal action or exercise any of our pre-termination options before, during or after the cure period.

**16.4 Effect of Expiration or Termination.** On expiration or termination, you must immediately, at your expense, return to us all of our property, including originals and copies of the P&P Manual, technology products (including copies that your independent sales associates hold or control), and all films, DVDs, CDs, flash drives, materials and instruction manuals, electronic or otherwise, which are part of our programs, or destroy the same and certify the destruction. You must also immediately discontinue all use of the Marks, logos, trade names, service marks, our unique style, colors, color patterns and designs, and other indicia of the brand in your materials, print or online. You must, at your expense, immediately discontinue use of and destroy all signs displaying our unique style, logo, colors, color patterns and designs and/or Marks. If you fail to immediately de-identify your Business, you must pay all expenses we incur to de-identify your Business. Effective on the date of termination or expiration, you must refrain from any representation that you are our franchisee or are or have been affiliated with us and take affirmative action to remove any use of the Marks in connection with your business.

You must de-identify your business from the System in a manner that does not confuse the public about the fact that you are no longer part of the System. You must (i) immediately advise all your then-current Clients that you are no longer associated with us; and (ii) immediately cause any business or telephone directory publisher and internet or agent directories to remove you from their listings as our franchisee. You must immediately cause any web masters or websites to remove the Marks logos, trade names, service marks, our

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unique style, colors, color patterns and designs, and other indicia of the brand from their web pages, including social media websites, social media handles, domain names and URLs. You must remove the Marks logos, trade names, service marks, our unique style, colors, color patterns and designs, and other indicia of the brand from your website(s), social media sites and social media handles, LinkedIn and other such accounts that you or your independent sales associates' control. All social media sites using the Marks in the social media handle or in the content of site must be shut down and terminated so they are no longer accessible to the public. You must remove our Marks from any source code or other mechanism that directs a consumer searching for our Marks to your website, hashtags and adwords.

If your URL contains our Marks, you must cancel such URL registrations for the Business or, at our option, assign your URL(s) to us without any compensation from us. You must cause all sales associates to cancel all URLs containing our Marks that they may have established in violation of this Agreement and remove all references to the Marks, logos, trade names, service marks, our unique style, colors, color patterns and designs, and other indicia of the brand, whether in signage, print or online, in their social media handles and/or on their social media sites, including but not limited to, Facebook, LinkedIn and other similar such sites.

**16.5 Effect of Continued Use of the Marks.** On expiration or termination, any continued use of the Marks by you, the Business or any of your independent sales associates: (i) will constitute willful and knowing infringement, dilution of our trademark rights and unfair competition; and (ii) may constitute trafficking in a counterfeit mark for which both civil remedies and criminal penalties may be imposed.

**16.6 Infringement Damages.** If we bring an action against you or anyone associated with you during or after the Term, seeking to halt infringement of the Marks, you acknowledge that any court of competent jurisdiction may enter temporary restraining orders or preliminary and permanent injunctions (in under applicable law) without requiring a bond or other security and may order the immediate seizure and destruction of any infringing materials. If any court rule requires a bond, you agree that a \$1,000 bond is sufficient. You must pay Royalty Fees and BMF contributions on all Gross Revenues during the period of any infringement, our attorneys' fees, costs and disbursements incurred in enforcing our trademark and contract rights. You agree that if you breach this Agreement and/or continue to utilize the System or Marks after termination or expiration, we will have no adequate remedy at law. You expressly consent and agree that we may, in addition to other available remedies, obtain an injunction and/or temporary restraining order to terminate or prevent the continuation of any existing default or violation, and to prevent any threatened default or violation, by you of this Agreement.

## **16.7 Surviving Obligations.**

**16.7.1** Except as described in this Agreement, on expiration or termination of the Agreement, you will have no further interest or rights in this Agreement. All financial obligations, incurred before termination or expiration, will not be affected by termination or expiration and must be satisfied. You remain obligated to pay Royalty Fees, BMF contributions, and referral fees, on transactions pending at the time of expiration, termination or Transfer of the Franchise. The provisions of this Section survive termination or expiration of this Agreement.

**16.7.2** If an "early termination" of this Agreement occurs (which will mean any termination of the Agreement before the Expiration Date, other than a mutual termination expressly permitted by you under the Agreement), you will immediately pay us liquidated damages. The parties agree that it would be impracticable or extremely difficult to calculate the actual amount you would have been obligated to pay as Royalty Fees, BMF contributions, and other fees due under this Agreement through the Expiration Date and that the following method of calculation represents a fair and reasonable estimate

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of our damages: Liquidated damages will be equal to the combined monthly average of Royalty Fees, BMF contributions, and any other fees under this Agreement (without regard to any fee waivers, LPA or other reductions), paid or payable during the "Calculation Period," multiplied by the lesser of (i) thirty-six (36) or (ii) the number of full months remaining in the Term. The Calculation Period shall be the five (5) year period immediately preceding termination, or, if you have not been operating for a five (5) year period, each full calendar month preceding termination from the Opening Date.

**16.7.3** We have the right to access and use (i) all information you provide to us as required by the P&P Manual, including, without limitation, any reporting items or categories that may later be adopted; (ii) all information you provide to us contained in your sales and transaction reports, and in such other operational reports that we request from you; and (iii) all information you provide to us regarding your customers' enrollment in any client contact program we may adopt. The information in (i), (ii) and (iii) above is referred to collectively as "the Client Information." We or our Related Parties may use the Client Information for business purposes including, without limitation, public relations, advertising, statistical compilations, investigations and resolutions of client complaints, and quality surveys. We have the right, on termination, to use the Client Information and to make the Client Information available to other franchisees or prospective franchisees as we deem appropriate. On termination, you will be deemed to have assigned your client contact program enrollments to us to deal with as we deem appropriate.

**16.8 Other Damages.** Our right to collect reasonable attorneys' fees, costs of investigation, court costs and other litigation expenses incurred in enforcing our rights under this Agreement will survive termination.

## **17.0 INDEMNIFICATION AND INSURANCE:**

**17.1 Your Indemnification.** You will indemnify and hold harmless us, our Related Parties, and all other franchisees from all expenses, claims, losses, damages, liabilities or actions of any kind or nature (including, but not limited to, costs and attorneys' fees) arising out of or related to the operation of the Business or an Excluded Business and any acts and omissions of you, your Owners, employees, brokers or your independent sales associates. If we are made a party to a lawsuit or other legal action or we have a claim asserted against us in connection with your (or your Related Parties') activities, regardless of whether you were named or served in the subject action, we may at our option, (i) tender the defense and/or prosecution of the case to you and you will be responsible for diligently pursuing the case at your expense; or (ii) hire counsel directly to protect our interests and bill you for all costs and attorneys' fees incurred, which you must promptly pay. This indemnity will apply to claims that we were negligent or failed to train, supervise or discipline you, and to claims that you or your Owners, employees, brokers or your independent sales associates are our employees, agents or are part of a common enterprise with us, including claims regarding violations of labor or employment laws or regulations. The obligations under this Section survive the expiration or termination of this Agreement.

## **17.2 Insurance.**

**17.2.1 Required Policies and Coverage.** You will obtain and maintain for the Term the following types of insurance: (1) if you use an automobile in connection with your business operations, automobile liability coverage, including hired and non-owned autos, with limits of at least \$1,000,000 per occurrence; (2) general liability coverage, including contractual liability, Property Management coverage and (if not covered in a separate automobile liability policy) hired and non-owned autos, with limits of at least \$1,000,000 per occurrence, and this coverage shall be provided on a primary and non-contributory basis; (3) professional liability (real estate errors and omissions) coverage, including coverage for Property Management, with limits of at least \$1,000,000 per claim; (4)

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cyber insurance, specifically third-party coverage, including privacy liability and network security coverage in an amount appropriate for the size of your franchise operations, but in no event should limits be less than \$500,000 per claim; and (5) any additional types of policies and coverage as may be required by law, including, without limitation, workers compensation coverage, and other policies generally recommended in the industry, such as Employment Practices Liability Insurance ("EPLI").

You must furnish us with certificates of insurance before the Opening Date. We reserve the right to require specific endorsements, as necessary, or other evidence of insurance as we request. Further, we have the right to require you to obtain additional types of insurance, including EPLI, to increase limits during the Term, or to reduce minimum coverage requirements, but you may carry reduced coverage only if you first receive our written approval. Approval to do so may be revoked at any time. If you fail to maintain required insurance, we may, but are not obligated to, obtain any and all required insurance on your behalf and to charge you for the cost. You will promptly reimburse us for all our costs upon demand. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. You should consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need and desire, including any insurance coverage it may be advisable for you to require your affiliated agents to obtain, in addition to the coverage and limits we require.

**17.2.2 Carriers.** All policies must be in a form and content satisfactory to us and must be issued by an insurer(s) rated A-VIII or better in Class X by Alfred M. Best and Company Inc., or comparably rated by Moody's and/or Standard and Poor's or similarly reliable rating services acceptable to us. Coverage shall be written on a primary and non-contributory basis, and any insurance carried by Franchisor shall be excess. We reserve the right to change the minimum acceptable rating requirement.

**17.2.3 Additional Insureds.** We, Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.), and their subsidiaries, successors and assigns must be named as additional insureds on all insurance policies listed and maintained by you (excluding workers compensation insurance, cyber insurance and EPLI).

**17.2.4 Notice of Policy Changes or Cancellation.** All policies must provide that they may not be canceled except upon thirty (30) days' advance written notice to us.

**17.2.5 Annual Certificates.** You must furnish us with certificates of coverage and endorsements, or other evidence of insurance as we request: (i) on or prior to your Opening Date, (ii) annually, on the anniversary of your policy renewal date, and (iii) upon our request.

## **18.0 AMENDMENT:**

**18.1 Written and Signed.** Any modification of this Agreement must be in writing and signed by the authorized representatives of both parties.

**18.2 Authority to Amend.** NO FIELD REPRESENTATIVE, INCLUDING ANY DIVISIONAL OR REGIONAL OFFICER OR BUSINESS MANAGER OF OURS HAS THE RIGHT OR AUTHORITY TO MAKE ORAL OR WRITTEN MODIFICATIONS TO THIS AGREEMENT. NO UNAUTHORIZED MODIFICATION WILL BE BINDING ON EITHER PARTY.

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## 19.0 WAIVER:

**19.1 Waiver; Severability.** If any provision(s) of this Agreement is or becomes in violation of any local, state or federal law, such provision(s) will be considered immediately amended to conform to the law. If the violative provision cannot be amended to conform to law, each party expressly releases the other from any liability under the violative provision of this Agreement. To the extent any provision of this Agreement is deemed invalid or unenforceable for any reason, the remainder of this Agreement will not be adversely affected, but rather will be enforced to the greatest extent permitted by law. No waiver of any breach of this Agreement will constitute a waiver of any subsequent breach.

**19.2 Disputes with Others.** Each party waives the right to assert that principles of collateral estoppel or issue preclusion prevent raising any claim or defense because either party lost a similar claim or defense in another action. Any ruling by a third-party fact finder or court in any prior proceeding in which either party was involved (such party referred to as a "Litigant") with a third party will not prevent the Litigant from asserting similar arguments or positions in any action between the parties to this Agreement.

## 20.0 NON-COMPETITION COVENANTS:

**20.1 In Term.** During the Term, you, your Owners, officers, guarantors, and Responsible Broker (for so long as each are engaged or employed by you) will not, directly or indirectly, through ownership or otherwise, engage in any real estate brokerage business, other than the Business or any Excluded Business authorized under this Agreement. Moreover, you will not divert any real estate brokerage business from the Business.

**20.2 Transfer of the Franchise.** Any Transferee must be protected against unfair competition by your use of our education programs and resources, assistance and trade secrets in direct competition after a Transfer of the Franchise. For twenty-four (24) months after a Transfer of the Franchise (or the remaining Term, whichever is less), you, your Owners, officers, guarantors, and the spouses of such Persons, will not, directly or indirectly, operate, own, license, franchise, be employed by or consult with any residential real estate brokerage within a two (2) mile radius of any Office operating as of the date of the Transfer of the franchise.

**20.3 Competing Services or Products.** During the Term, you, your Owners, officers, employees and/or independent sales associates, or any entity in which any of you hold an ownership interest in or receive compensation from, will not directly or indirectly participate in the operation in or ownership of or receive compensation from any business that provides or seeks to provide equipment, supplies, services or other operating materials to our other franchisees or Related Parties and their respective franchisees, without our advance written consent.

**20.4 Post Term Restriction on Start-Ups.** If you were a Start-Up Company on the Effective Date, you agree that you, your Owners, officers and guarantors, as well as any of the immediate family members of these Persons (collectively, the "Restricted Parties") will not, directly or indirectly, through ownership or otherwise, engage in any real estate brokerage business from any Office for a period of one (1) year after termination or expiration of the Agreement. A Start-Up Company is a real estate brokerage that operated a stand-alone licensed real estate business for less than twelve (12) months before the Effective Date.

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## 21.0 INDEPENDENT CONTRACTOR:

**21.1** We are not the employer of you, or any of your employees, your brokers or independent sales associates. At all times, you will hold yourself and the Business out to be independently owned and operated. Any education, support, advice or resources we provide to you in connection with the Business is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Business, and not for the purpose of controlling or in any way exercising or exerting control over your decisions or the day-to-day operation of the Business, including your personnel-related decisions.

**21.2** You must conspicuously disclose in the Office, in your real estate sale documents, listing agreements and on all business cards, stationery, websites, social media sites, electronic mail, and in all advertisements and in all other printed or recorded material you, your employees and independent sales associates use, that you are independently owned and operated and are not our agent or owned by us, or our Related Parties. You expressly understand that you will be an independent contractor and must hold yourself out to the general public as such. This Agreement does not make you our agent, legal representative, joint venture, partner, employee or servant for any purpose. You are not authorized to make or promise any contract, agreement, warranty or representation on our (or our Related Parties') behalf, or to create any express or implied obligation, on our behalf. You are not authorized to accept service of process or legal notices directed to us. You acknowledge that this Agreement does not create a fiduciary relationship, and the relationship between the parties is not, and is not intended to be a fiduciary relationship.

**21.3** We have no right or obligation to pay your commissions, taxes, wages or other expenses or, to regulate or participate in the retention, or disaffiliation of your independent sales associates or employees, or to determine or limit the parties from whom you accept listings, or for whom or to whom you may sell property, the commission rates you charge, your commission splits with affiliated sales associates, your working conditions, the manner or details of work performed by you, your brokers, independent sales associates or employees, except as may be necessary to protect the Marks and goodwill associated with the System, and you agree that you are solely responsible for these items (regardless of any advice, education or resources you may receive from us). Further, you agree that you are solely responsible for the day-to-day operation of the Business according to your own judgment, and in accordance with this Agreement and the mandatory provisions of the P&P Manual.

## 22.0 MISCELLANEOUS:

**22.1 Taxes.** You will pay promptly when due all taxes, accounts, liabilities and indebtedness of any kind incurred by you in the conduct of the Business. If any fees (including, without limitation, Royalty Fees and the Initial Franchise Fee) payable by you to us are subject to Value Added Taxes, Gross Receipts Taxes, or similar taxes imposed by taxing authorities within the jurisdiction where you operate, you will, in addition to the fees due us, pay us an additional sum equal to the amount of such tax imposed on fees due us.

**22.2 Successors and Assigns.** Subject to Section 15, this Agreement will be binding on and inure to the benefit of the parties and their respective legal representatives, successors and assigns.

**22.3 Headings; Interpretation.** The headings in this Agreement are for convenience only, do not constitute a part of this Agreement, and will not be deemed to limit or affect any of the provisions of this Agreement. The use of the term "including" in this Agreement shall mean "including without limitation."

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**22.4 Time of the Essence.** Time is of the essence for all of this Agreement's provisions that specify a time for performance.

**22.5 Applicable Law and Waiver.** Subject to our rights under federal trademark laws, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with New Jersey laws (statutory and otherwise), except that the New Jersey Franchise Practices Act will not apply to agreements for Offices located outside New Jersey. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through franchise or business opportunity laws of any state other than the state where the Main Office is located.

**22.6 Venue and Jurisdiction.** You submit to the non-exclusive personal jurisdiction of the New Jersey state and federal courts of New Jersey for any litigation arising out of or related to this Agreement or to any aspect of the business relationship between the parties. Such litigation will have venue in state courts in Morris County, New Jersey, or in the United States District Court for the District of New Jersey.

**22.7 Waiver of Class Action.** You agree that any judicial proceeding will be considered as to its facts and may not be brought as a class action. You and your Owners waive any right to proceed against us by way of class action.

**22.8 WAIVER OF JURY TRIAL.** The parties waive the right to a jury trial in any action arising out of or related to this Agreement or any aspect of the relationship between you, us, any guarantor and their respective successors and assigns.

**22.9 Waiver of Punitive Damages.** We and you (and your Owners and guarantors) fully waive any right to or claim for any punitive or exemplary damages against each other. If any dispute arises between the parties, each party will be limited to recovery of actual damages which, in our case, includes liquidated damages in Section 16 and damages provided in the Lanham Act or its state counterpart.

**22.10 Attorneys' Fees.** We will be entitled to collect, in addition to any award of damages or injunctive relief, our costs in enforcing our rights under this Agreement against you, including reasonable attorneys' fees, court costs, expert fees, costs of investigation, and other litigation expenses. We will also be entitled to collect our attorneys' fees, court costs, expert fees, costs of investigation, and other litigation expenses if we are the prevailing party with respect to any claim or counterclaim or other legal proceeding brought by you against us in connection with this Agreement or our relationship.

**22.11 USA PATRIOT Act and Foreign Assets Control Regulations Compliance.** You will, at all times, operate in compliance with any applicable laws, rules and regulations, including the USA PATRIOT Act (Public Law 107-56) and Foreign Assets Control Regulations (31 CFR Parts 500; 501). You represent and warrant that you, your Owners, directors, and employees: (i) are not included on any U.S. government list (including the Office of Foreign Assets Control ("OFAC")) of Persons with whom financial or similar transactions are prohibited; and (ii) are not subject to embargo or sanctions under OFAC regulations or similar U.S. government laws, regulations, or Executive Orders. Further, you will promptly notify us if any of the covenants and representations in this Section are inaccurate, and you will cooperate with us in any resulting audits or investigations.

**22.12 Variations Among Agreements.** We reserve the right to vary standards for any other franchisee based on a particular area, circumstance, business practice or other condition that we deem important to the other franchisee's successful operation. You have no rights based on our variation from standard practices and will not be entitled to require us to grant you a similar variation under this Agreement.

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**22.13 Opportunity to Investigate.** You acknowledge that you have had the opportunity to investigate independently our operations and be advised of the terms and conditions of this Agreement by counsel of your choice. Unless expressly provided otherwise, this Agreement is exclusively for our and your benefit and may not give rise to liability to any third party unless specifically stated.

**22.14 Integration.**

**22.14.1** This Agreement, any Exhibits, and any Addendum signed by our authorized officer and you represent the entire integrated agreement between us and you and supersede all prior negotiations or agreements, either written or oral, between the parties. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

**22.14.2** You acknowledge that we have fully explained our operations to you, that you understand their uses, benefits and limitations; and that we made no representations to you as to the financial benefit to be gained under this Agreement. You have not relied on any written or oral representations except those specifically made a part of this Agreement in writing. **DO NOT SIGN THIS AGREEMENT IF YOU BELIEVE WE OR ANY OF OUR REPRESENTATIVES HAS PROMISED YOU SOMETHING THAT IS NOT PART OF THIS AGREEMENT, ANY ATTACHED ADDENDUM OR THE DISCLOSURE DOCUMENT.**

**22.15 Consent.** In those instances where our prior consent is required without identifying the method or timing for consent, you will request consent in writing, and we will notify you of our decision within thirty (30) days after receiving your written request and all supporting documents. Whenever our consent or approval is required under this Agreement, it must be in writing. If we do not respond within thirty (30) days, the request is deemed denied. Our consent or approval will be effective only to the extent specifically stated and we will not be deemed to waive our right to consent to or approve any later request.

**22.16 Our Rights.** We have the right to operate, administer, develop, and change the System in any manner that is not specifically precluded by this Agreement. You understand and agree that during the Term, we or our Related Parties may develop internally or be in discussions with third parties for, products, services, concepts, systems, and techniques, including but not limited to, those that may be similar to or competitive with those offered by you, your Owners or your Related Parties and that nothing herein shall limit or restrict our right to develop or have developed, protect (whether by patent, trademark, copyright or other means) or market any such products, services, concepts, systems, or techniques.

**22.17 Our Reasonable Business Judgment.** Whenever we reserve discretion, or are deemed to have reserved discretion, in a particular area or we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations by exercising Reasonable Business Judgment in making our decision or exercising our rights.

**22.18 Counterparts/Facsimiles.** This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which constitute one and the same agreement. Electronic or facsimile copies of this Agreement have the same force and effect as the original and will be fully binding.

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**22.19 Further Assurances.** The parties will execute any documents necessary to consummate and make effective the transactions contemplated by this Agreement as soon as practicable.

**23.0 ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS:** You make the following additional warranties and representations that are an inducement on which we are relying to enter into this Agreement:

**23.1** The information in the franchise application is accurate and complete. Any consents or authorizations in the application are incorporated into this Agreement and are effective for the Term.

**23.2** You are not obtaining this Business for speculative purposes and have no present intention to sell or transfer or attempt to sell or transfer the Business in whole or in part.

**23.3** You acknowledge the importance of the high and uniform standards of quality, appearance and service we impose to maintain the value of our name and the necessity of operating the Business in compliance with our Standards. You represent that you have the ability and intention to meet those Standards.

**23.4** You have procured such certificates, licenses and permits, in addition to appropriate real estate licenses, necessary for you to carry on the Business contemplated by this Agreement.

**23.5** Your signing of this Agreement does not violate or breach any other agreement or commitment to which you are bound.

**23.6** Neither we nor any of our employees or representatives made any representations, promises, guarantees or warranties of any kind to induce you to sign this Agreement, except as specifically described in the Disclosure Document delivered to you. You acknowledge that the success of the Business is dependent on you and your Owners' efforts. Your non-exclusive right to use the System and its programs does not imply or guarantee you any level of business, any specific advertising programs, any number of recruits, or the receipt of referrals from our other franchisees or our Related Parties' franchisees. You and the Owners represent that you each intend to engage in the management or supervision of the Business. You agree to conduct the Business strictly in accordance with this Agreement and to exercise your continuous best efforts to maintain and develop the Business to its greatest potential.

**23.7** You and each of your Owners acknowledge that your Owners, employees, brokers and independent sales associates are not our employees, brokers or independent sales associates and that you are solely responsible for the day-to-day operation of the Business according to your own judgment and in accordance with the Agreement and the mandatory provisions in the P&P Manual.

**23.8** You and each Owner have had the opportunity to read this Agreement, the P&P Manual table of contents and the Disclosure Document and understand their terms. You acknowledge that you have had not less than fourteen (14) calendar days (or 10 business days in Michigan and New York) to review our Disclosure Document before signing this Agreement.

**23.9** As of the Opening Date, the Owners will be and shall, during the entire Term remain in full compliance with all applicable federal, state and local laws and regulations, including without limitation all applicable laws and regulations governing (i) the operation of a real estate brokerage office, (including the Real Estate Settlement Procedures Act ), (ii) labor and employment, including, but not limited to, wage and hour laws and laws prohibiting forced or child labor, and (iii) applicable federal, state and local laws related to privacy, data security, data protection, direct marketing, consumer protection, biometric privacy, and workplace privacy

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laws, along with the rules requirements, and regulations of any applicable jurisdiction, including without limitation the California Consumer Privacy Act of 2018, state data breach notification laws, information security requirements such as 201 Mass. Code Reg. 1.700, and all similar federal, state, and local laws and all applicable industry standards concerning privacy, confidentiality, and data security. You acknowledge that we have no responsibility for ensuring that the Business is developed and operated in compliance with all applicable laws and regulations, and that we shall have no liability in the event the development and operation of the Business violates any law or regulation. Further, Owners will not engage in any human trafficking, nor use any child or forced labor, including indentured labor, bonded labor or prison labor, in connection with the Business.

**23.10 Eligibility Requirements.** You understand and acknowledge that we grant Sotheby's International Realty franchises to Residential Real Estate brokerage offices located in Eligible Markets and which meet our current qualification Guidelines. Accordingly, you represent and warrant that the median sales price ("MSP") of all homes sold in the area described in Schedule 23.10 attached hereto (the "Geographic Market") during the most recent twelve (12) full calendar months for which relevant data is available immediately prior to the Effective Date (the "Measurement Period"), was *at least 1.5 times the MSP for the United States for the Measurement Period*. You understand and acknowledge that the Geographic Market does not, in any way, convey or imply a market, territorial rights or protected area proprietary to Franchisee. Moreover, you represent and warrant that at least one of the following statements is true and accurate (the "Guidelines"):

**23.10.1** The average selling price ("ASP") for homes sold or purchased by your customers in transactions brokered by your office, in the Geographic Market during the Measurement Period, was in the top 40% of selling prices for all homes sold in the Geographic Market; or

**23.10.2** Your real estate brokerage company was, during the Measurement Period, ranked in the top 40% in terms of home purchases or sales brokered in the Geographic Market based on the aggregate sales price of residential real estate transactions actually closed (the "Transaction Value"); or

**23.10.3** Your real estate brokerage company, during the Measurement Period, ranked first, second or third in the Geographic Market in terms of highest ASP for homes sold or purchased during the Measurement Period in the Geographic Market or highest Transaction Value for homes sold or purchased in the Geographic Market during the Measurement Period; or

**23.10.4** You own or operate a newly formed residential brokerage office, which office is or will be composed of agents substantially all of whom, immediately prior to the time you executed this Agreement, were affiliated with a licensed broker that would have satisfied the representations, in one of subsections of Section 23.10 set forth above, with respect to the Measurement Period.

**23.11** You agree not to make or publish any statement or advertisement which would reasonably be expected to demean the image, value, identity, reputation or goodwill associated with our name or trademarks or the Marks described in this Agreement. This covenant is independent of and will survive any termination, expiration or Transfer of the Franchise. You further agree during the Term, to make a good faith effort to create and maintain a good working relationship with the Sotheby's Auction office in your market area or the local Sotheby's Auction representative.

**24.0 STATE LAW ADDENDA.** The state law addenda included in Exhibits G through G-4 are an integral part of this Agreement. If your Office is to be located in California, Georgia, Hawaii, North Dakota, Rhode Island, South Dakota or Wisconsin, or you are a resident of any of these states (except for Virginia)

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the applicable state law addendum included in Exhibit G amends this Agreement. Additionally, if you are a resident of Illinois, Maryland, Minnesota or Washington, the state law addendum included in Exhibits G-1 through G-4 amend this Agreement, and you must sign the Illinois, Maryland, Minnesota or Washington Addendum to Franchise Agreement, as applicable.

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## EXHIBIT A REAL ESTATE FRANCHISE AGREEMENT

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Franchisee's Legal Name: \_\_\_\_\_

Business Name: \_\_\_\_\_ SOTHEBY'S INTERNATIONAL REALTY

This Exhibit is an integral part of the Real Estate Franchise Agreement ("Agreement") between Sotheby's International Realty Affiliates LLC ("we" or "us") and you ("Franchisee" or "you"). This Exhibit will not be modified except by written agreement signed by both you and us.

### OWNERSHIP INTERESTS

**I. Franchisee Ownership.** Franchisee represents and warrants that the following Persons own ownership interests in Franchisee as stated below:

Name	Ownership Interest

**II. Underlying Ownership.** The words "Owner" and "Owners" in the Agreement include each "Person" (as defined in the Agreement) who has a direct ownership interest in Franchisee. If any Owner listed above is a corporation, partnership or other legal entity, you represent and warrant that the Persons named below are the only ones to have an ownership interest in such legal entity and their ownership interests are as stated below:

Name of Legal Entity: \_\_\_\_\_

Name	Ownership Interest

If additional legal entities are Owners of Franchisee or if additional Persons have ownership interests in the legal entity listed above, such information is included on additional pages attached to, and made a part of, this Exhibit A.

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## EXHIBIT B REAL ESTATE FRANCHISE AGREEMENT

### GUARANTY OF PAYMENT AND PERFORMANCE

This Guaranty of Payment and Performance is given by the undersigned, \_\_\_\_\_ (**individually a “Guarantor” and collectively “Guarantors”**), effective as of the Effective Date of the Franchise Agreement to Sotheby's International Realty Affiliates LLC ("Franchisor"), in order to induce Franchisor to accept \_\_\_\_\_ ("Franchisee") as a franchisee of Franchisor.

Each Guarantor, independently of Franchisee's obligations, jointly and severally, guarantees to Franchisor the prompt payment and performance, when due of all of Franchisee's obligations under the Franchise Agreement(s) between Franchisor and Franchisee, including any renewal, extension replacement or modification of the agreement (the "Agreement"), and other agreements or instruments of indebtedness, including, but not limited to, any promissory notes of any kind, now existing or hereafter signed by Franchisee. This Guaranty applies to all obligations in the Agreement, including payment of the initial franchise fee, all Royalty Fees, BMF contributions, charges for manuals, supplies, materials, services and products furnished by Franchisor, audit fees, assignment fees, attorneys' fees, referral fees, obligations to indemnify and other such charges, fees and assessments under the Agreement. This Guaranty incorporates by reference, as if contained fully in this Guaranty, Sections 22.8 (Waiver of Jury Trial) and 22.9 (Waiver of Punitive Damages) of the Agreement, and the Guarantors knowingly and voluntarily waive their right to a jury trial and to seek punitive damages. Guarantors also agree that Section 22.7 (Waiver of Class Action) of the Agreement is incorporated in this Guaranty, as if contained fully in this Guaranty, and Guarantors waive any right to proceed against Franchisor by way of a class action.

This Guaranty will be deemed continuing in nature and will apply to Franchisee's obligations for the Office(s) (as defined in the Agreement) and all Future Office(s) (as defined in the Agreement). This Guaranty will not be discharged by any compromise of any debt and/or the extension of payment deadlines. Guarantors waive defenses based on presentment, demand, protest, notice of protest and dishonor, and diligence in collecting any obligation under the Agreement. Franchisor will not be required to pursue any remedy against Franchisee as a condition of the Guarantors' obligation under this Guaranty.

It will not be a condition to the enforcement of this Guaranty that Guarantors will be given any notice.

The obligation of each Guarantor is an absolute and unconditional obligation and constitutes a guaranty of payment and performance. Separate action(s) may be brought and prosecuted against Guarantors whether action is brought against Franchisee or Franchisee is joined in any such action(s). Guarantors waive to the fullest extent permitted by law, the benefit of any statute of limitations affecting their liability under this agreement or the enforcement of this Guaranty. Any Guarantor who is a married person agrees that recourse may be had against his or her separate property for his or her obligations under the Agreement. Without the prior written consent of Franchisor, Guarantors will not transfer or convey any property described in the Personal Financial Statement (or such other similar document) submitted to Franchisor for review and acceptance of Franchisee to an individual, trust or other legal entity for the purpose of protecting or shielding such assets from the claims or rights that Franchisor may have under this Guaranty.

Each Guarantor expressly waives notice of the acceptance of this Guaranty and agrees that Franchisor's actions or failure to act will not in any way limit or discharge Guarantor's liability under this Guaranty.

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This Guaranty and the Guarantors' liabilities and obligations under this Guaranty are binding on Guarantors and their respective heirs, executors, successors and assigns (and if applicable, successor trusts and trustees), and inure to the benefit of and are enforceable by Franchisor and its successors, transferees, and assigns.

This Guaranty will be governed by the laws of the State of New Jersey in all respects, including matters of construction, validity, and performance, and its terms and provisions may not be waived, altered, modified, or amended except in writing duly signed by an authorized officer of Franchisor and by Guarantors.

Each Guarantor submits to the non-exclusive personal jurisdiction of the state and federal courts of New Jersey with respect to any claims arising out of the Agreement, this Guaranty or the business relationship between Franchisor and Franchisee. Such litigation will have venue in the state courts in Morris County, New Jersey, or in the United States District Court for the District of New Jersey.

If any provision of this Guaranty contravenes or is held invalid under the laws of any jurisdiction, this Guaranty will be construed as if it did not contain that provision, and the rights and liabilities of the parties will be construed and enforced accordingly.

This Guaranty may be executed in counterparts, each of which will be deemed an original, and all of which, when taken together, will constitute one Guaranty. Electronic and facsimile copies of this Guaranty will be deemed to have the same force and effect as the original and will be fully binding on all Guarantors.

**THE GUARANTORS SIGNING THIS GUARANTY REPRESENT AND WARRANT THAT THE PERSON SIGNING THE AGREEMENT IS AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THE AGREEMENT AND ANY FUTURE AGREEMENTS UNLESS THEY PROVIDE NOTICE OTHERWISE TO FRANCHISOR. THE GUARANTORS ACKNOWLEDGE THAT FRANCHISOR IS EXPRESSLY RELYING ON THIS REPRESENTATION IN ENTERING INTO THE AGREEMENT.**

\_\_\_\_\_

Individually and Personally

\_\_\_\_\_

Individually and Personally

\_\_\_\_\_

Individually and Personally

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## EXHIBIT C REAL ESTATE FRANCHISE AGREEMENT

### GLOSSARY OF TERMS

For your reference, the capitalized terms used in the Agreement will have the meaning set forth below.

**"Anywhere Brands"** means Anywhere Brands LLC, an indirect subsidiary of Compass, that provides dedicated teams to render administrative and other services to franchisees.

**"Approved Auction Business"** will mean the business of conducting and sponsoring auctions of Residential Real Estate in accordance with the P&P Manual.

**"Approved Supplier"** means all suppliers we approve in the P&P Manual or other written communication with you.

**"ASP"** has the meaning in Section 23.10.1.

**"Auction Business"** will mean the business of conducting and sponsoring auctions of property, including antiques, fine art, objects d'art, collectibles and Residential Real Estate, and the performance of services and operations relating and incidental thereto, and by way of illustration and not limitation, the auction business and related services and operations of Sotheby's; provided that the term "Auction Business" will be deemed to exclude (i) Approved Auction Business (ii) auctions conducted on the internet for products that are not principally composed of items of property constituting antiques, fine art and objects d'art and are marketed to a broad cross section of consumers.

**"Authorized Commercial Services"** has the meaning in Section 4.2.1.

**"Award Date"** has the meaning in Section 7.2.2.

**"Branch Office"** is any approved Sotheby's International Realty® Office you operate,

other than the Main Office or a Limited Purpose Office.

**"Business"** means the performance of real estate brokerage services for Residential Real Estate (including Concierge Services) and the performance of Authorized Commercial Services and Approved Auction Business and specifically excludes the Excluded Business.

**"Calculation Year"** has the meaning in Section 7.2.

**"Compass"** means Compass, Inc., our parent company, its successors and assigns.

**"Concierge Services"** will mean a service provided by a Residential Real Estate broker to a client home buyer or seller as a service ancillary to such brokerage service and under which the broker provides referrals to or assists in making the logistical arrangements on behalf of the client with, third-party providers of services associated with moving into or out of, or maintaining, a residence.

**"Confidential Information"** means information owned or licensed by us and involving the operation of the Business, including without limitation, the P&P Manual, electronic communications identification numbers, procedures related to our proprietary communications and referral systems, and other methods and information. Confidential Information does not include information that (a) is or becomes generally available to the public; (b) was within the recipient's possession prior to it being furnished; (c) is or becomes available to the recipient from a source that is not, to its knowledge, prohibited from disclosing such information to it by a legal, contractual, or fiduciary obligation of

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confidentiality; or (d) is independently developed by the recipient.

“**CPI**” is defined in Section 12.1.

“**Disclaimer**” is defined in Section 4.11.

“**Disclosure Document**” means our Franchise Disclosure Document used in the offer and sale of franchises in your state in effect at the time you sign the Agreement.

“**Effective Date**” is defined in Section 1.1.

“**Eligible Market**” means a geographic market in which the MSP for homes sold in such area during the Measurement Period is at least 1.5 times the MSP for the United States during the Measurement Period.

“**Excluded Business**” means: (i) commercial real estate brokerage services (other than Authorized Commercial Services); (ii) Timeshare brokerage services; (iii) Residential Real Estate management and management services, other than as specifically included in the definition of “Residential Real Estate” in this Agreement; (iv) real estate development services or products (whether as a developer or as an advisor or consultant or other service provider with respect to real estate developments), other than advice and consultation related to sales of Residential Real Estate within any development; (v) Auction Business; and (vi) any other services related to the foregoing or to any real estate brokerage services, in each case other than the Business.

“**Expiration Date**” is defined in Section 1.5.

“**Franchisee**” is defined in Section 1.2

“**Franchisor**” is defined in Section 1.1.

“**Future Office**” means future Branch Offices and Limited Purpose Offices.

“**Geographic Market**” is defined in Section 23.10.

“**Gross Revenue**” means all money or things of value, calculated at their fair market value in United States currency, received or receivable (earned but not yet received), by you (including, without limitation, all revenues and commissions whether or not other individuals or entities are entitled to retain such revenues or commissions), directly or indirectly, in connection with the Business (earned in compliance with all laws) including transactions and services that require a real estate or auctioneer’s license and/or in which you use the Marks or the System in any manner. “Gross Revenue” will include all such revenue before the deduction of any fees, costs or expenses you incur. Notwithstanding the above, the following referral fees will be deducted from Gross Revenue: (i) referral fees paid to other licensed brokers operating under an Anywhere brand franchise agreement; (ii) referral fees paid to any referral networks owned or operated by Anywhere or its Related Parties; or (iii) referral fees up to 5% of Gross Revenue paid to brokers or referral networks not related to Anywhere. Any amounts deposited in the Business’s bank accounts will be deemed Gross Revenue earned in compliance with all laws unless proven otherwise.

“**Guidelines**” is defined in Section 23.10.

“**Improvements**” is defined in Section 14.2.

“**Limited Purpose Offices**” is defined in Section 5.5.

“**Limited Purpose Office Addendum**” means the Limited Purpose Office Addendum in the form and with such terms and conditions in effect at the time you are granted the right to operate from a particular or new Limited Purpose Office.

“**Location Addendum**” means the Location Addendum in the form and with such terms and conditions in effect, at the time you are granted

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rights to operate from a particular or new Branch Office.

**“Luxury Premium Award”** or **“LPA”** is defined in Section 7.2.

**“LPA Table”** is described in Exhibit E.

**“Main Office”** is the first Office you operate under the System (or such other Office that has been designated as your Main Office in our electronic reporting system).

**“Marks”** means the trademarks, service marks and trade dress that we authorize you to use in the P&P Manual, including all additional or substitute trademarks, service marks and trade dress that we may authorize you to use.

**“Maximum Range Amount”** has the meaning in Exhibit E.

**“Measurement Period”** is defined in Section 23.10.

**“MSP”** is defined in Section 23.10.

**“Office”** means any authorized office location covered by this Agreement as of the Effective Date or later added by a writing signed by both parties.

**“Opening Date”** is defined in Section 1.7.

**“Orientation”** is defined in Section 6.1.1.

**“Owner”** is defined in Section 1.3.

**“Pending Transactions”** is defined in Section 7.1.2.

**“Person”** means an individual, a partnership, a trust, a corporation, a limited liability company, an association and any other incorporated or unincorporated organization or entity.

**“Personal Transaction”** is defined in Section 7.1.3.

**“P&P Manual”** means our published Policy and Procedures Manual, including the Identity Standards Manual.

**“Reasonable Business Judgment”** means any decision we make or action we take that promotes or benefits the System generally, even if the decision or action also promotes our financial or other interest, or if other reasonable or arguably preferable alternatives exist and regardless of whether an individual brokerage may be unfavorably affected. This includes, but is not limited to, our actions to (i) increase the value of the Marks; (ii) increase or enhance the overall franchisee or customer satisfaction; (iii) minimize possible brand inconsistencies or customer confusion; (iv) enhance or encourage modernization; or (v) improve the competitive position of the System.

**“Related Party”** means, with respect to a particular Person, a Person who, directly or indirectly, owns or controls that Person, is owned or controlled by that Person, or is under common control with that Person. Control, in this context, means the possession of executive power to direct or to cause the direction of the management and policies of a Person, whether through voting power, ownership, by contract or otherwise.

**“Residential Real Estate”** means real estate consisting of a residential dwelling (including an apartment within a multi-family building), leaseholds of dwellings (including the rental and management of properties in vacation and resort markets), cooperatives, condominiums, fractional ownership, manufactured homes, panelized or pre-fabricated housing, undeveloped land, building lots, resort, farm and ranch real estate and any other form of real estate for which a real estate brokerage license is required under applicable law, excluding Timeshares, Authorized Commercial

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Services, and real estate services defined as Excluded Businesses.

**“Responsible Broker”** means your licensed real estate broker as required under the laws of the state in which the Office is located.

**“Restricted Parties”** is defined in Section 20.4.

**“Royalty Fee”** is defined in Section 7.1.1.

**“Standards”** means our mandatory specifications, standards, methods and procedures prescribed by us in the P&P Manual, the Identity Standards Manual or this Agreement.

**“Start-Up Company”** is defined in 20.4.

**“System”** means the business format and methods developed or licensed by us for the promotion and assistance of independently owned and operated Residential Real Estate brokerage offices (as updated by us in our sole discretion), including policies, procedures and techniques designed to enable such offices to compete more effectively in the real estate sales market. The System includes common use and promotion of certain Marks, copyrights, trade secrets, centralized advertising programs, talent attraction programs, referral programs and sales and management education programs. We have the right to update the System at any time and expect to continue to do so in our Reasonable Business Judgment. The System does not include any real estate or other investment syndication business of any kind.

**“System Components”** is defined in Section 4.5.1.

**“Term”** is defined in Section 1.5.

**“Timeshare”** means a commercial arrangement under which a purchaser receives an interest in real property or the right to use an accommodation or amenities related to real properties, or both, for a specified period and

on a recurring basis, including in connection with residential and vacation properties.

**“Trade Name”** is defined in Section 2.1.

**“Transaction Value”** is defined in Section 23.10.

**“Transferee”** is defined in Section 15.7.

**“Transfer of the Franchise”** is defined in Section 15.4.

**“URL”** means uniform resource locator (also known as a domain name or web site address).

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## EXHIBIT D REAL ESTATE FRANCHISE AGREEMENT

### AUTHORIZED OFFICES

You are authorized to operate Offices under the terms of this Agreement at the following addresses:

1.	
2.	
3.	
4.	
5.	

This Exhibit is an integral part of the Franchise Agreement (“Agreement”) between Sotheby’s International Realty Affiliates LLC (“we” or “us”) and you (“Franchisee” or “you”). This Exhibit will not be modified except by written agreement signed by both you and us.

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## EXHIBIT E REAL ESTATE FRANCHISE AGREEMENT

### LUXURY PREMIUM AWARD PROGRAM FOR CALENDAR YEAR 2026

Annual Gross Revenue Ranges				Maximum Range Amount	Multiplier Rate	Maximum Award Per Range	Cumulative Maximum Reward
	From		To				
I	\$0	-	\$4,875,161	\$4,875,161	N/A	\$0	\$0
II	\$4,875,162	-	\$8,125,268	\$3,250,106	N/A <sup>(1)</sup>	\$2,500	\$2,500
III	\$8,125,269	-	\$14,625,482	\$6,500,213	1.00%	\$65,002	\$67,502
IV	\$14,625,483	-	\$27,625,911	\$13,000,428	1.50%	\$195,006	\$262,509
V	\$27,625,912	-	\$53,626,768	\$26,000,856	2.00%	\$520,017	\$782,526
VI	\$53,626,769	-	\$105,628,483	\$52,001,713	2.50%	\$1,300,043	\$2,082,569
VII	\$105,628,484	+	*	*	3.00%	*	*

(1) - The maximum award is paid upon Franchisee achieving the Range II minimum amount.

\*No maximum award will be calculated at 3% of Gross Revenues above \$105,628,483.

Within each range over \$8,125,268 the LPA is calculated by multiplying the “Maximum Range Amount” by the “Multiplier Rate” for that range. The total Luxury Premium Award for any year is equal to the sum of the Luxury Premium Awards attributable to all the ranges.

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## EXHIBIT F REAL ESTATE FRANCHISE AGREEMENT

### SECURITY AGREEMENT

This Security Agreement ("Security Agreement") is made effective as of the date signed by Secured Party, between \_\_\_\_\_, ("Debtor"), and Sotheby's International Realty Affiliates LLC ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor grants to Secured Party a security interest in all accounts receivable and payment intangibles; cash proceeds; contract rights; leases; furniture; furnishings; equipment; fixtures; inventory; commissions; real estate listings, listing agreements and related rights which are located at, utilized by or related to the real estate brokerage business conducted by Debtor and including the proceeds therefrom and any and all amendments or replacements thereto and any rebate/award program (or similar incentive programs) to which Debtor and/or any Co-Debtors may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor and Co-Debtors; and all general intangibles (collectively, the "Collateral") as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto). [Add following only for Security Agreements filed in New Jersey - The Collateral described herein falls within the scope of the Uniform Commercial Code enacted in New Jersey, including N.J.S.A. 12A:9-102 and N.J.S.A. 12A:9-109.] The foregoing Collateral is granted to Secured Party as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms (the "Notes"), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the "Franchise Agreements"), and (iii) all other agreements between Debtor and Secured Party.

SECTION 1 -- DEBTOR'S OBLIGATIONS. Debtor agrees to the following:

(a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Offices (as defined in the Franchise Agreements).

(b) Debtor will notify Secured Party in writing prior to any change in Debtor's place of business;

(c) Debtor has not executed and will not execute as Debtor any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;

(d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an "Event of Default"):

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(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) Debtor's breach of any term, provision, warranty or representation set forth in this Security Agreement or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if Debtor does not cure the default within five (5) days of receiving written notice.

## SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) If an Event of Default occurs, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor's guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured by this Security Agreement immediately due and payable;

2) Enforce the security interest given under this Security Agreement and otherwise exercise the rights of a secured creditor provided under the laws of the state in which the Office is located

3) Require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) Enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor's indebtedness, which shall include the reasonable expenses of such sale, in any order of preference that Secured Party, chooses in its sole discretion. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists under this Security Agreement, the proceeds of fire and casualty insurance covering the Collateral may be used by Debtor for the repair and restoration of Debtor's facilities or Offices (as defined in the Franchise Agreements).

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as described in this Security Agreement. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

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## SECTION 6 -- MISCELLANEOUS.

(a) Waiver. Any express or implied waiver of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from later enforcing any such provision.

(b) Governing Law. This Security Agreement shall be governed by and construed according to the laws of the State of New Jersey.

(c) Remedies. All rights and remedies provided in this Security Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude its further exercise or the exercise of any other right or remedy.

(d) Financing Statement. At the same time this Security Agreement is signed, Secured Party shall file a UCC-1 Financing Statement with the Secretary of State in the state of formation (or residence if a sole proprietor) of the Debtor or other appropriate governmental authority to perfect the security interest created by this Security Agreement. Debtor will sign such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(e) Notices. In the event either party desires to give notice to the other with regard to this Security Agreement, the notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Mailed notices as provided under this Security Agreement shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreements, unless a party gives notice of a change of its address.

(f) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto.

(g) Amendments. This Security Agreement may only be amended by a writing signed by both parties.

(h) Entire Agreement. This Security Agreement constitutes the entire agreement between the parties regarding the matters discussed in this Security Agreement, all representations or understandings, whether oral or written, having been incorporated or otherwise superseded by this Security Agreement.

(i) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and shall be fully binding on all parties.

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**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE DEBTOR TO THE TERMS OF THIS SECURITY AGREEMENT.**

WHEREFORE, the parties have signed this Security Agreement effective as of the date set forth below.

## **DEBTOR**

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

Name:

Title: **Authorized Person**

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

## **SECURED PARTY**

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

Natasha Joseph, Vice President, Franchise Enablement

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

("Effective Date")

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## EXHIBIT G REAL ESTATE FRANCHISE AGREEMENT

### STATE LAW ADDENDA

#### CALIFORNIA

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of California:

- A. 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 PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.
- B. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a Franchise Agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.
- C. The highest interest rate allowed by law in California is 10% annually.
- D. The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).
- E. Termination and Non-renewal: Section 16 of this Agreement relates to renewal and termination of the franchise. California Business and Professions Codes Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of the franchise. The Federal Bankruptcy Code also provides rights to you concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If this Agreement contains a provision that is inconsistent with the law, the law will control.
- F. The Franchise Agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.
- G. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.
- H. 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.

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- I. Section 22.13 of the Franchise Agreement is deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED."

Section 22.14.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED."

- J. The first two sentences of Section 23.6 of the Franchise Agreement are hereby deleted in their entirety.
- K. Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".
- L. 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.

## GEORGIA

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Georgia:

- A. Section 20.1 of the Agreement is deleted in its entirety and replaced with the following:

**20.1 In Term.** During the Term, you, your Owners, officers, guarantors, and Responsible Broker (for so long as each are engaged or employed by you) will not, directly or indirectly, through ownership or otherwise, engage in any other real estate brokerage business other than the Business or any Excluded Business authorized under this Agreement, within 15 miles of any Office authorized under this Agreement without our advance written consent. Moreover, your Owners, officers, guarantors, and Responsible Broker will not engage in any other Residential Real Estate brokerage business or divert real estate brokerage business from the Business in the market you serve.

## HAWAII

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Hawaii:

Section 22.14.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED."

The first two sentences of Section 23.6 of the Franchise Agreement are hereby deleted in their entirety.

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Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".

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.

## **ILLINOIS**

The provisions included in Exhibit G-1 supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Illinois. You must sign the Illinois State Addendum to Franchise Agreement provided in Exhibit G-1, if the jurisdictional requirements for the offer and sale of a franchise in the State of Illinois are met.

## **MARYLAND**

The provisions included in Exhibit G-2 supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Maryland. You must sign the Maryland State Addendum to Franchise Agreement provided in Exhibit G-2, if the jurisdictional requirements for the offer and sale of a franchise in the State of Maryland are met.

## **MINNESOTA**

The provisions included in Exhibit G-3 supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Minnesota. You must sign the Minnesota Addendum to Franchise Agreement provided in Exhibit G-3, if the jurisdictional requirements for the offer and sale of a franchise in the State of Minnesota are met.

## **NORTH DAKOTA**

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of North Dakota:

Revisions: The North Dakota Securities Commissioner has held the following to be appropriate and required revisions to franchise agreements for Franchisees in North Dakota:

- A. Covenants not to compete on termination or expiration of the franchise agreement that conflict with Section 9-08-06 of the North Dakota Century Code are generally unenforceable in the State of North Dakota.
- B. North Dakota law provides that any arbitration between Franchisor and Franchisee relating to the franchise be held at a location mutually agreeable to both Franchisor and Franchisee.

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North Dakota law prohibits mandatory arbitration at a site remote from the location of the franchise.

- C. North Dakota Franchisees are not required to consent to the jurisdiction of courts outside of North Dakota. All franchise agreements for North Dakota franchises will be governed by the laws of the state of North Dakota.
- D. Any provision of the franchise agreement requiring the Franchisee to consent to liquidated damages or termination penalties is unfair and inequitable to Franchisees.
- E. North Dakota Franchisees are not required to sign a general release on the renewal of the franchise agreement. Consequently, any provision of a franchise agreement as it applies to the requirement that Franchisee's execute a general release on renewal does not apply to North Dakota Franchises.
- F. North Dakota Franchisees are not required to consent to a waiver of the right to a class action. Consequently, Section 22.7 of the Agreement as it applies to the waiver of the right to a class action does not apply to North Dakota Franchisees.
- G. North Dakota Franchisees are not required to waive their right to a jury trial. Consequently, Section 22.8 does not apply to North Dakota Franchisees.
- H. North Dakota Franchisees are not required to consent to a waiver of exemplary and punitive damages. Consequently, Section 22.9 of the Agreement does not apply to North Dakota Franchisees.
- I. This Agreement will be governed by the laws of the state of North Dakota.

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.

## **RHODE ISLAND**

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Rhode Island:

- A. **Jurisdiction and Venue:** A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

- B. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision of 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.”

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This supersedes Section 22.6 or any other contrary provision of the Agreement.

## **SOUTH DAKOTA**

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of South Dakota:

- A. South Dakota Law: Section 22.5 of this Agreement relates to the laws governing this Agreement. Notwithstanding anything to the contrary in Section 22.5, the law regarding 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. However, as to contractual and all other matters, this Agreement and all of its provisions will be and remain subject to the application, construction, enforcement and interpretation under the governing law set forth in Section 22.5.
- B. South Dakota Cause of Action: Section 22.6 of this Agreement relates to, among other things, judicial proceedings between the parties. Notwithstanding anything to the contrary contained in Section 22.6, under South Dakota law any provision in this Agreement that designates jurisdiction or venue, or that requires Franchisee to agree to jurisdiction or venue, in a judicial forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.
- C. Termination: Section 16 of this Agreement pertains to default and termination of the franchise. Notwithstanding the provisions of Section 16, you will be provided with 30 days' written notice and opportunity to cure any breach of this Agreement, any failure to meet performance and quality standards or any failure to make payments of Royalty Fees required by this Agreement.
- D. Disclaimers: Notwithstanding anything to the contrary contained in this Agreement, under South Dakota Codified Laws, Section 37-5B-21, any acknowledgment provision, disclaimer or integration clause, or other provision having a similar effect, in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this Chapter of the Law or a rule or order under this Chapter.

## **WASHINGTON**

The provisions included in Exhibit G-4 supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Washington. You must sign the Washington Addendum to Franchise Agreement provided in Exhibit G-4, if the jurisdictional requirements for the offer and sale of a franchise in the State of Washington are met.

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## WISCONSIN

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Wisconsin:

- A. Wisconsin Law: The Wisconsin Fair Dealership Law applies to franchising in the State of Wisconsin. This Law prohibits the termination, cancellation, non-renewal or substantial change of the competitive circumstances of a franchise agreement without good cause.
- B. Inconsistent Provisions: The Wisconsin Fair Dealership Law supersedes any provisions contained in this Agreement that are inconsistent with such Law. If a conflict under this Agreement arises, such Law will prevail.
- C. Written Notice: The Wisconsin Fair Dealership Law further provides that 90 days prior written notice of termination, cancellation, non-renewal or substantial change of the competitive circumstances of a franchise agreement must be given to the Franchisee. The Franchisee has 10 days to cure the non-payment of fees to franchisor and 60 days to cure any other deficiency and, if the deficiency is so cured within the applicable cure period, the notice of termination is void.

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## EXHIBIT G-1

### ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Illinois, to the extent 815 ILCS 705/1 et seq. (the Illinois Franchise Disclosure Act, Ill) applies:

- A. Illinois law governs the Franchise Agreement.
- B. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
- C. Section 41 of the Illinois Franchise Disclosure Act provides that 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.
- D. Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**FRANCHISOR:**

**FRANCHISEE:**

**Sotheby's International Realty Affiliates LLC**

\_\_\_\_\_

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## EXHIBIT G-2 MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Maryland:

- A. Franchisee may bring a lawsuit in Maryland against us for claims arising under the Maryland Franchise Registration and Disclosure Law.
- B. The general release required as a condition to renewal, sale and or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- D. The representations of Franchisee in the Franchise Agreement are not intended, nor will they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
- E. Section 22.13 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED."
- F. Section 22.14.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED."
- G. The first two sentences of Section 23.6 of the Franchise Agreement are hereby deleted in their entirety.
- H. Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".
- I. Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

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.

Each provision of this Section will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Section.

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IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**FRANCHISOR:**

**FRANCHISEE:**

**Sotheby's International Realty Affiliates LLC**

\_\_\_\_\_

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

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## EXHIBIT G-3

### MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

The following provisions supersede any provisions in the Agreement to the contrary and apply to all franchises offered and sold in the State of Minnesota:

- A. Termination and Non-renewal: Section 16 of this Agreement relates to renewal and termination of the franchise. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, Subdivisions 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 for non-renewal of the Agreement.
- B. Sections 22.5 through 22.8 of this Agreement relate to judicial proceedings. Judicial proceedings may, take place outside of Minnesota. The provisions of Sections 22.5 through 22.8 will not in any way abrogate or reduce any right of Franchisee, as provided under Minnesota Statutes, Chapter 80C, or Minnesota Rule 2860.4400J, including the right to submit matters to the jurisdiction of Minnesota courts or the right to a jury trial.
- C. Franchisee Indemnification: We agree to indemnify and save you harmless from any loss, costs or expenses arising out of or related to any such claim, suit or demand against you relating to your use of the Marks in accordance with this Agreement.
- D. General Release Not Required: Notwithstanding any terms in this Agreement, you are not required to agree to any general release as a condition for approval of any assignment, transfer or renewal of this Agreement.
- E. No Waiver of Bond: Notwithstanding any terms of this Agreement, Franchisee is not required to consent in advance as to any application by Franchisor for injunctive relief or to waive any bond.
- F. NSF checks are governed by Minnesota Statute Section 604.113, which puts a limit of \$30 on service charges.
- G. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**FRANCHISOR:**

**FRANCHISEE:**

**Sotheby's International Realty Affiliates LLC**

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

## EXHIBIT G-4

### WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19. Section 22.14.2 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: “INTENTIONALLY OMITTED.”

20. The first two sentences of Section 23.6 of the Franchise Agreement are hereby deleted in their entirety.

21. Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: “INTENTIONALLY OMITTED”.

IN WITNESS WHEREOF, the undersigned does hereby acknowledge receipt of this Addendum as of the date Franchisor signs below.

**FRANCHISOR:**

**FRANCHISEE:**

**Sotheby's International Realty Affiliates LLC**

\_\_\_\_\_

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

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## **EXHIBIT G-5**

### **Schedule 23.10**

#### **Covered Geographic Market**

You understand and acknowledge that the Geographic Market does not, in any way, convey or imply a market, territorial rights or protected area proprietary to Franchisee.

*The covered geographic market consists of the following zip codes:*

## **EXHIBIT C-1**

## LOCATION ADDENDUM TO FRANCHISE AGREEMENT

THIS LOCATION ADDENDUM TO THE FRANCHISE AGREEMENT (the “Addendum”) by and between SOTHEBY’S INTERNATIONAL REALTY AFFILIATES LLC (“Franchisor” or “us”) and \_\_\_\_\_ (“Franchisee” or “you”) will be effective as of the date of execution by Franchisor (the “Effective Date”). Franchise # \_\_\_\_\_

### RECITALS

A. Franchisee, or its Related Party, presently operates an approved Sotheby’s International Realty® franchise, the main office of which is located at \_\_\_\_\_ (the “Main Office”). Franchisee and Franchisor have signed a Franchise Agreement governing the operation of the Main Office (as well as any other authorized Offices) with the effective date of \_\_\_\_\_ for Franchise # \_\_\_\_\_ (the “Agreement”).

B. Franchisee seeks to open a Branch Office at \_\_\_\_\_ to be operated under the terms of the Agreement.

C. Franchisor has agreed to grant Franchisee the right to operate another authorized Branch Office under the terms and conditions of the Agreement, as amended by this Addendum.

### AGREEMENT

In consideration of the provisions in the Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are acknowledged, the parties mutually agree as follows:

1. The Agreement is amended by adding Section \_\_ as follows:

#### \_\_. SPECIAL STIPULATIONS

\_\_.1 **Location.** Franchisee has been approved to and may operate a Branch Office (the “New Office”) at \_\_\_\_\_ (Franchise # \_\_\_\_\_). The New Office will commence business under the System on \_\_\_\_\_ (“New Office Opening Date”).

\_\_.2 **Expiration Date.** The scheduled Expiration Date of the Agreement for all Offices will be \_\_\_\_\_.

\_\_.3 **Initial Franchise Fee.** Franchisee will pay Franchisor an initial franchise fee of \$\_\_\_\_\_ for the New Office added by this Addendum.

\_\_.4 **Brand Marketing Fund.** For purposes of this Branch Office, the requirements to pay Brand Marketing Fund (“BMF”) contributions will be governed by the Agreement, except that the minimum and maximum BMF contributions for the New Office will be **\$723** and **\$3,121**, respectively (subject to annual adjustment). In addition to the marketing conducted by Franchisor pursuant to the Agreement in the United States, Franchisor may conduct advertising campaigns and marketing programs that target or reach potential customers located outside the United States. Other than as set forth above, the terms, conditions and restrictions related to the Brand Marketing Fund will remain in full force and effect. Franchisee must pay BMF contributions separately for each Office, unless otherwise set forth in the Agreement. The BMF contribution for each month is due within twenty (20) days after being invoiced.

Franchisee acknowledges that Franchisor will use the BMF for the purposes described in Item 11 in the Franchise Disclosure Document.

**.5 Eligibility Requirements.** In connection with the New Office, the parties agree that the revised Schedule 23. attached to this Addendum (the "New Geographic Market Schedule") accurately describes Franchisee's Geographic Market for purposes of the Eligibility Requirements set forth in Section 23. of the Agreement. The Geographic Market Schedule will replace any previous schedule describing the Franchisee's Geographic Market.

**.6 Eligibility Representation by Franchisee (For Branch Start Ups Only).** In connection with signing this Agreement, Franchisor has relied upon Franchisee's representations regarding the market areas served by Franchisee and in which Franchisee intends to operate through the listing of real estate and representation of buyers, namely: \_\_\_\_\_ Franchisee acknowledges that such representations formed the basis of the good faith determination by Franchisor's Eligibility Committee that the market is an "Eligible Market".

**.7 Auction of Real Estate.** Notwithstanding anything to the contrary contained in the Agreement, Franchisee will not be permitted to engage in auction-format real estate brokerage activities other than in accordance with the terms of the P&P Manual.

**.8 Commercial Business.** Franchisee may not operate any commercial or industrial real estate business using the Marks other than as expressly provided in this Section. Franchisee may provide real estate brokerage services for commercial properties under the Marks, subject to the following conditions: (i) the commercial real estate brokerage services are offered as a service ancillary to the provision of real estate brokerage services for Residential Real Estate, (ii) Franchisee does not hold itself out as providing commercial real estate brokerage services as its principal business or as being a stand-alone provider solely of commercial services, and (iii) Franchisee's aggregate listings (on a unit basis) of commercial properties do not exceed 5% of all of Franchisee's listings (on a unit basis) in any calendar year during the Term.

**.9 Internet.** Franchisee may use the internet to market its Business subject to the terms of the Agreement and the P&P Manual. Franchisee, its employees, brokers, sales associates and representatives, will not use, license or register any domain name, URL, or other like means of identifying Franchisee or its Business on the internet that uses a mark or any image or language confusingly similar to the Marks or any abbreviation, acronym, phonetic variation or visual variation of the same without our prior consent. Franchisee will promptly assign, abandon or redirect (or cause to be assigned, abandoned or redirected) to Franchisor any domain name, URL, or other identification at Franchisor's request at Franchisee's cost and expense and without compensation or consideration from Franchisor. The content Franchisee provides or uses for any internet marketing must be true, correct and accurate. Franchisee will promptly modify at Franchisor's request the content of any internet marketing material Franchisee uses, authorizes, displays or provides to conform to the requirements of the Agreement and the P&P Manual. Any use of the Marks and other elements of the System on the internet inure to our benefit under the terms of the Agreement.

**.10 Internet Web-Site Look And Feel.** Franchisee understands and acknowledges that preserving the integrity and goodwill of the Sotheby's International Realty name, Marks and System is of the utmost importance to Franchisor and is predicated on a consistent display of the name and Marks. Accordingly, Franchisee agrees to use a website that is created by Franchisor, a Related Party or a vendor approved by Franchisor. The process for the review and approval of Franchisee's web site is described in the P&P Manual.

.11 Opportunity to Investigate. You acknowledge that you have had the opportunity to be advised of the terms and conditions of this Addendum by counsel of your choice. Unless expressly provided otherwise, this Addendum is exclusively for our and your benefit and may not give rise to liability to any third party unless specifically stated.

.12 Assistance. We are not the employer of you or any of your employees, your brokers or independent sales associates. Any education, support, advice or resources we provide to you in connection with the Business is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Business, and not for the purpose of controlling in or in any way exercising or exerting control over your decisions or the day-to-day operation of the Business, including your personnel-related decisions.

2. Except as stated in this Addendum, no further additions, modifications or deletions to the Agreement are intended by the parties or made by this Addendum. All capitalized terms not otherwise defined in this Addendum will have the meanings given in the Agreement. The headings in this Addendum are for convenience only, do not constitute a part of this Addendum, and will not be deemed to limit or affect any of the provisions of this Addendum. The stipulations in this Addendum apply to the Agreement and supersede any inconsistent or conflicting provisions in the Agreement. These stipulations apply only to Franchisee and are not transferable or assignable.

3. Franchisee agrees to keep confidential the terms of this Addendum. If the terms in this Addendum become known to any third party resulting from disclosure by or on behalf of Franchisee, except for Franchisee's disclosure to its legal counsel, accountant, or employees with a need to know the information, any provisions of this Addendum that were made for Franchisee's benefit will become immediately null and void and will forever cease to exist. *In addition, if Franchisee is in default under the Surviving Agreement and Franchisee fails to timely cure such default after notice from Franchisor, any provisions of this Addendum that were made for Franchisee's benefit will immediately become null and void, without any further notice from Franchisor, and will forever cease to exist.*

4. This Addendum may be executed in any number of counterparts, each of which will be deemed an original, and all of which will constitute one and the same agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and will be fully binding on all parties.

5. **WAIVER OF CLAIMS.** In consideration of the rights granted in this Addendum, Franchisee and its owners, partners, members and/or shareholders hereby expressly release, remise, acquit and discharge Franchisor and its predecessors, successors, parents, parent's predecessors, subsidiaries, affiliates, assigns, as well as each of their respective officers, directors, employees and agents (collectively "Releasees") from and forever waive and relinquish any and all claims, counterclaims, rights, setoffs, suits, damages (including, but not limited to, compensatory damages, tort damages, contract damages and punitive damages) demands, obligations, warranties, covenants, debts and causes of action of every nature, character and description, known and unknown, vested or contingent (collectively "Claims") that Franchisee or its owners, partners, members and/or shareholders, individually or collectively, have or may have against any and all Releasees including, but not limited to, all Claims relating in any manner to, or otherwise resulting from, or arising out of: (i) the relationship between the parties prior to the execution of this Addendum; (ii) the franchise sales transaction (to the extent permitted by law); (iii) the Agreement and this Addendum; and/or (iv) any other agreements (including other franchise agreements) by and between Franchisee and/or its owners, partners, members and/or shareholders and Franchisor. In providing this release, Franchisee and its owners, partners, members and/or shareholders expressly acknowledge that: (x) to the extent the laws of the State of Washington govern the relationship of the parties hereto, notwithstanding the general release and waiver of claims

herein, consistent with the Franchise Agreement(s) and Washington law, this release and waiver of rights executed by you will not include the release or waiver of rights under the Washington Franchise Investment Protection Act; and (y) to the extent the laws of the State of California govern the relationship of the parties hereto, Franchisee and its owners, partners, members and/or Shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

*“A General Release does not extend to claims which 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.”*

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

**FRANCHISEE**

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

Its: \_\_\_\_\_  
Authorized Person

**FRANCHISOR**

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

**[Authorized Person]**

## **EXHIBIT C-2**

## DEVELOPMENT OFFICE ADDENDUM TO FRANCHISE AGREEMENT

This Development Office Addendum (“Addendum”) is made part of the SOTHEBY’S INTERNATIONAL REALTY Franchise Agreement with an Effective Date of \_\_\_\_\_ (“Franchise Agreement”), by and between SOTHEBY’S INTERNATIONAL REALTY AFFILIATES LLC (“Franchisor”), and \_\_\_\_\_ (“Franchisee”). This Addendum will be effective as of the date set forth in Section 2 but will not be legally binding until signed by both parties. Franchise # \_\_\_\_\_.

### RECITALS

- A. Franchisee operates a SOTHEBY’S INTERNATIONAL REALTY franchise (the “Main Office”) located at \_\_\_\_\_.
- B. Franchisee will operate a development sales office (“Development Office”), at the location at \_\_\_\_\_, which is located physically within or on the property of the development marketed as \_\_\_\_\_ (the “Development”). This Development Office is and will, for all purposes, be a SOTHEBY’S INTERNATIONAL REALTY office, and, except as provided herein, will be operated in the same manner as other franchised SOTHEBY’S INTERNATIONAL REALTY Offices.
- C. Except as modified by this Addendum, the Franchise Agreement and all its terms are affirmed and will apply to the Development Office. All capitalized terms used in this Addendum and not defined will have the meaning set forth in the Franchise Agreement.

### TERMS OF ADDENDUM

In consideration of the provisions set forth in the Franchise Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. **INITIAL FRANCHISE FEE.** There is no initial franchise fee for the Development Office.
2. **TERM AND TERMINATION.** Unless terminated under this Addendum or for any other reason, the term of this Development Office will begin on \_\_\_\_\_, 20\_\_\_\_, and expire on the earlier of (A) the termination or expiration of the franchise agreement for the Main Office, or (B) the “sell-out” date of the development sales (i.e. first sales) of the Development (each of the preceding events creates a “Termination Date”). Franchisee will notify Franchisor of the Termination Date, and the Development Office will be terminated without penalty. Franchisee may terminate this Addendum or request that the Development Office be converted to a full branch office upon at least thirty (30) days’ written notice, without penalty.
3. **SALES ACTIVITIES.** The Development Office will be used only for sales of homes or units within the Development. The Development Office employees will not be used for real property transactions which are not located in the Development unless such properties are marketed and ascribed to the Main Office or another office approved by Franchisor.
4. **REPORTING/ RECOGNITION.** All transactions conducted in the Development Office will be reported through Franchisee’s Main Office and its Gross Revenue will be combined with Franchisee’s Gross Revenue from such location for the purposes of all the terms contained in the Franchise Agreement, including, but not limited to, the computation of Royalty Fees, BMF contributions and any other fees. The Development Office will **NOT** be required to have an exterior sign bearing the SOTHEBY’S INTERNATIONAL REALTY name or Franchisee’s trade name. The Development Office will not be recognized as an office location on Franchisor’s international internet

website or in any directory of offices published by Franchisor. Franchisee will not produce, or permit others to produce, for itself or its sales associates, or employees, any business cards, stationery, advertising or any other material, with the Development Office address or telephone number (except advertising solely for the Development). The Development Office will have the privileges of an office location under the Franchise Agreement and will be subject to all other terms applicable to an office location.

5. **BRAND MARKETING FUND.** The Development Office will pay **\$117** per month as a separate BMF contribution for the Development Office.

6. **FUTURE OFFICES.** Notwithstanding anything to the contrary in the Agreement, the granting of permission to operate this Development Office will not hinder or prevent Franchisor from placing a new franchise location in close proximity to the Development Office and Franchisee will have no standing to object to a new franchise based upon proximity of the Development Office to the proposed new franchise.

7. **CONVERSION TO A BRANCH.** Franchisor may terminate this Addendum and cause the Development Office to automatically convert to a Branch Office if the conditions of this Addendum are not satisfied. In such event, the terms of this Addendum will terminate, and Franchisee will sign a Location Addendum to add the office as a Branch Office and pay the difference between the amount paid and the then-current applicable Initial Franchise Fee for a Branch Office. In addition to the Franchise Agreement termination provisions, Franchisee agrees that the operation of this Development Office is expressly contingent upon the lawful operation of a real estate brokerage business under the System at the Main Office, and that the termination or expiration of the franchise agreement for the Main Office will also result in the termination of this Addendum. In addition, Franchisee's failure to comply with the terms of this Addendum will be grounds for termination of this Addendum and any other franchise agreements between Franchisor and Franchisee.

8. **COUNTERPARTS/FACSIMILES.** This Addendum may be executed in any number of counterparts, each of which will be deemed an original, and all of which will constitute one and the same agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and, as such, will be fully binding.

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be signed by an authorized person.

FRANCHISEE: \_\_\_\_\_

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

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

Dated: \_\_\_\_\_

Authorized Person

FRANCHISOR: **SOTHEBY'S INTERNATIONAL REALTY AFFILIATES LLC**

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

Dated: \_\_\_\_\_

Authorized Person

## **EXHIBIT C-3**

## TERM EXTENSION ADDENDUM TO FRANCHISE AGREEMENT

THIS TERM EXTENSION ADDENDUM TO THE FRANCHISE AGREEMENT (the "Addendum") by and between Sotheby's International Realty Affiliates LLC ("Franchisor" or "us") and [REDACTED] ("Franchisee" or "you") will be effective as of the date of execution by Franchisor (the "Effective Date") Franchise # \_\_\_\_\_.

### RECITALS

A. Franchisee presently operates an approved Sotheby's International Realty® franchise the main office of which is located at \_\_\_\_\_ ("Main Office"). Franchisee and Franchisor have signed a Franchise Agreement governing the operation of the Main Office (as well as any other authorized Offices) with the effective date of \_\_\_\_\_ for Franchise # \_\_\_\_\_ (the "Agreement") with an expiration date of \_\_\_\_\_.

B. Franchisee and Franchisor seek to extend their franchise relationship under the terms and conditions of the Agreement, as amended by this Addendum.

### AGREEMENT

In consideration of the provisions in the Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are acknowledged, the parties mutually agree as follows:

1. The Agreement is amended by adding Section \_\_ as follows:

\_\_.1 **Expiration Date.** The "Expiration Date" will now mean [REDACTED].

\_\_.2 **Brand Marketing Fund.** Beginning on \_\_\_\_\_, Franchisee's minimum and maximum Brand Marketing Fund ("BMF") (contribution will be adjusted to the then-current minimum and maximum BMF contribution (~~\$723~~/~~\$3,121~~ for each office as of January 1, 2026), which will be subject to the annual adjustments provided in the Agreement, as amended by this Addendum. Franchisee must pay BMF contributions separately for each Office, unless otherwise set forth in the Agreement. The BMF contribution for each month is due within twenty (20) days after being invoiced. In addition to the marketing conducted by Franchisor pursuant to the Agreement in the United States, Franchisor may conduct advertising campaigns and marketing programs that target or reach potential customers located outside the United States. Other than as set forth above, the terms, conditions and restrictions related to the Brand Marketing Fund will remain in full force and effect. Franchisee acknowledges that Franchisor will use the BMF for the purposes described in Item 11 of the Disclosure Document.

\_\_.3 **Auction of Real Estate.** Notwithstanding anything to the contrary contained in the Agreement, Franchisee will not be permitted to engage in auction-format real estate brokerage activities other than in accordance with the terms of the P&P Manual.

\_\_.4 **Commercial Business.** Franchisee may not operate any commercial or industrial real estate business using the Marks other than as expressly provided in this Section. Franchisee may provide real estate brokerage services for commercial properties under the Marks, subject to the following conditions: (i) the commercial real estate brokerage services are offered as a service ancillary to the provision of real estate brokerage services for Residential Real Estate, (ii) Franchisee does not hold itself out as providing commercial real estate brokerage services as its principal business or as being a stand-alone provider solely of commercial services, and (iii) Franchisee's aggregate listings (on a unit basis) of

commercial properties do not exceed 5% of all of Franchisee's listings (on a unit basis) in any calendar year during the Term.

**\_\_5 Internet.** Franchisee may use the internet to market its Business subject to the terms of the Agreement and the P&P Manual. Franchisee, its employees, brokers, sales associates and representatives, will not use, license or register any domain name, URL, or other like means of identifying Franchisee or its Business on the internet that uses a mark or any image or language confusingly similar to the Marks or any abbreviation, acronym, phonetic variation or visual variation of the same without our prior consent. Franchisee will promptly assign, abandon or redirect (or cause to be assigned, abandoned, or redirected) to Franchisor any domain name, URL, or other identification at Franchisor's request at Franchisee's cost and expense and without compensation or consideration from Franchisor. The content Franchisee provides or uses for any internet marketing must be true, correct and accurate. Franchisee will promptly modify at Franchisor's request the content of any internet marketing material Franchisee uses authorizes, displays or provides to conform to the requirements of the Agreement and the P&P Manual. Any use of the Marks and other elements of the System on the internet inure to our benefit under the terms of the Agreement.

**\_\_6 Internet Web-Site Look And Feel.** Franchisee understands and acknowledges that preserving the integrity and goodwill of the Sotheby's International Realty name, Marks and System is of the utmost importance to Franchisor and is predicated on a consistent display of the name and Marks. Accordingly, Franchisee agrees to use a website that is created by Franchisor, a Related Party or a vendor approved by Franchisor. The process for the review and approval of Franchisee's web site will be described in the P&P Manual.

**\_\_7 Termination by Franchisee.** Except as provided in this Addendum, any termination right granted to Franchisee under the Agreement for retirement, death, disability or any reason is deleted in its entirety and replaced with the following:

**Termination upon Death/Disability of Majority Owner.** If a majority Owner dies or becomes physically or mentally disabled (corroborated by written evidence from a treating physician) and you elect to wind up the Business and distribute all of the Business's assets to the Owners (as opposed to transferring the assets to a third party), you may terminate the Agreement, without penalty, if the following conditions are satisfied:

- (a) You provide us at least ninety (90) days prior written notice of your intent to terminate;
- (b) At the time of the notice, the deceased or disabled majority Owner owns at least 51% of the equity interest in you or the Business's assets and manages your day-to-day operations;
- (c) You are not in default on the date that the notice is delivered or on the date of termination ("Termination Date");
- (d) You provide any documents we request demonstrating your dissolution;
- (e) Before the Termination Date, you pay any outstanding indebtedness you owe us including, but not limited to, Royalty Fees, advertising fund contributions and all amounts not previously paid and/or forgiven under any existing promissory notes (or any other instrument of indebtedness);

- (f) You and each remaining Owner agree that they will not own or operate any real estate brokerage within two miles of any authorized Office for a period ending the earlier of (i) the Expiration Date, or (ii) two years after the Termination Date; and
- (g) You enter into a written termination agreement. We will not be entitled to recover any liquidated damages under the Agreement if you comply with this Section and perform the post-termination obligations within ten (10) days after the Termination Date.

.8 **Liquidated Damages.** Section 16.7.2 of the Agreement is deleted in its entirety and replaced with the following:

**16.7.2** If an “early termination” of this Agreement occurs (which will mean any termination of the Agreement before the Expiration Date, other than a termination expressly permitted by you under the Agreement), you will immediately pay us “liquidated damages.” The parties agree that it would be impracticable or extremely difficult to calculate the actual amount you would have been obligated to pay as Royalty Fees, Property Management Fees and CMF Contributions and other fees due under this Agreement through the Expiration Date and that the following method of calculation represents a fair and reasonable estimate of our damages: Liquidated damages will be equal to the average monthly Royalty Fees payment, Property Management Fee payment, plus the average monthly, CMF contribution, and any other fees under the Agreement (without regard to any fee waivers or other reductions), paid payable during the “Calculation Period,” multiplied by the lesser of (i) thirty-six (36) or (ii) the number of full months remaining in the Term. The Calculation Period shall be the five (5) year period immediately preceding termination, or, if you have not been operating for a five (5) year period, each full calendar month preceding termination from the Opening Date.

.9 **Opportunity to Investigate.** You acknowledge that you have had the opportunity to be advised of the terms and conditions of this Addendum by counsel of your choice. Unless expressly provided otherwise, this Addendum is exclusively for our and your benefit and may not give rise to liability to any third party unless specifically stated.

.10 **Compliance with Laws.** As of the Effective Date, the Owners will be and shall, during the entire Term remain, in full compliance with all applicable federal, state and local laws and regulations, including without limitation all applicable laws and regulations governing (i) the operation of a real estate brokerage office, (including the Real Estate Settlement Procedures Act), (ii) labor and employment, including, but not limited, to, wage and hour laws and laws prohibiting forced or child labor, and (iii) data privacy, data breach response policies and security. You acknowledge that we have no responsibility to ensure that the Business is developed and operated in compliance with all applicable laws and regulations, and that we shall have no liability in the event the development and operation of the Business violates any law or regulation. Further, Owners will not engage in any human trafficking, nor use any child or forced labor, including indentured labor, bonded labor or prison labor, in connection with the Business.

.11 **Assistance.** We are not the employer of you or any of your employees, your brokers or independent sales associates. Any education, support, advice or resources we provide to you in connection with the Business is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Business, and not for the purpose of controlling in or in any way exercising or exerting control over your decisions or the day-to-day operation of the Business, including your personnel-related decisions.

2. Except as expressly stated in this Addendum, no further additions, modifications or deletions to the Agreement are intended by the parties or made by this Addendum. The Guaranty of Payment and Performance signed by any individual or entity to guarantee your obligations under the Agreement will remain in full force and effect. All capitalized terms not otherwise defined herein will have the respective meanings given such terms in the Agreement. The headings in this Addendum are for convenience only, do not constitute a part of this Addendum, and will not be deemed to limit or affect any of the provisions of this Addendum. The special stipulations in this Addendum apply to the Agreement and supersede any inconsistent or conflicting provisions therein. These stipulations apply only to Franchisee and are not transferable or assignable.

3. Franchisee agrees to keep confidential the terms of this Addendum. If the terms in this Addendum become known to any third party resulting from disclosure by or on behalf of Franchisee, except for Franchisee's disclosure to its legal counsel, accountant, or employees with a need to know the information, any provisions of this Addendum that were made for Franchisee's benefit will become immediately null and void and will forever cease to exist. *In addition, if Franchisee is in default under the Agreement and Franchisee fails to timely cure such default after notice from Franchisor, any provisions of this Addendum that were made for Franchisee's benefit will immediately become null and void, without any further notice from Franchisor, and will forever cease to exist.*

4. This Addendum may be executed in any number of counterparts, each of which will be deemed an original, and all of which will constitute one and the same Surviving Agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and, as such, will be fully binding.

5. **WAIVER OF CLAIMS.** In consideration of the modifications to the Surviving Agreement described above (including, but not limited to, the various rights and/or financing that Franchisor has provided to Franchisee), Franchisee and any and all owners, partners, members and/or shareholders hereby expressly release, remise, acquit and discharge Franchisor and its predecessors, successors, and its predecessors, successors, parents, parent's predecessors, subsidiaries, affiliates, assigns as well as each of their respective officers, directors, employees and agents (collectively "Releasees") from and forever waive and relinquish, any and all claims, counterclaims, rights, setoffs, suits, damages (including, but not limited to, compensatory damages, tort damages, contract damages and punitive damages) demands, obligations, warranties, covenants, debts and causes of action of every nature, character and description, known and unknown, vested or contingent (collectively "Claims") that Franchisee or its owners, partners, members and/or shareholders, individually or collectively, have or may have against any and all Releasees, as applicable, as of the Effective Date of this Addendum, including, but not limited to, all Claims relating in any manner to, or otherwise resulting from, or arising out of: (i) the relationship between the parties prior to signing this Addendum; (ii) the franchise sales transaction (to the extent permitted by law); (iii) the Surviving Agreement and this Addendum; and/or (iv) any other agreements (including other franchise agreements) by and between Franchisee and/or its owners, partners, members and/or shareholders and Franchisor. In providing this release, Franchisee and its owners, partners, members and/or shareholders expressly acknowledge that: (x) to the extent the laws of the State of Washington govern the relationship of the parties hereto, notwithstanding the general release and waiver of claims herein, consistent with the Franchise Agreement(s) and Washington law, this release and waiver of rights executed by you will not include the release or waiver of rights under the Washington Franchise Investment Protection Act; and (y) to the extent the laws of the State of California govern the relationship of the parties hereto, Franchisee and its owners, partners, members and/or shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

*“A General Release does not extend to claims which 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.”*

**EACH PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE PARTIES REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

**FRANCHISEE**

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

Its: Authorized Person

**FRANCHISOR**

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

[Authorized Person]

**EXHIBIT C-4**

## GALLERY OFFICE ADDENDUM TO FRANCHISE AGREEMENT

This Gallery Office Addendum (“Addendum”) is made part of the SOTHEBY’S INTERNATIONAL REALTY Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”), by and between SOTHEBY’S INTERNATIONAL REALTY AFFILIATES LLC (“Franchisor”), and \_\_\_\_\_ (“Franchisee”). Franchise # \_\_\_\_\_. This Addendum will be binding on the parties as of the date of execution by Franchisor (the “Effective Date”).

### RECITALS

A. Franchisee operates a SOTHEBY’S INTERNATIONAL REALTY franchise (the “Main Office), located at \_\_\_\_\_.

B. Franchisee will operate a real estate brokerage office known as a gallery office (the “Gallery Office”), at the location at \_\_\_\_\_. This Gallery Office is, and for all purposes, will be a SOTHEBY’S INTERNATIONAL REALTY brokerage office, and except as provided in this Addendum, will be operated in the same manner as other SOTHEBY’S INTERNATIONAL REALTY Offices.

C. Except as it may be modified by this Addendum, the Franchise Agreement and all its terms are affirmed and will apply to the Gallery Office.

### TERMS OF ADDENDUM

In consideration of the provisions set forth in the Franchise Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. **INITIAL FRANCHISE FEE.** Franchisee will pay Franchisor an initial franchise fee of **\$3,750** for the Gallery Office added by this Addendum.

2. **TERM OF FRANCHISE/FEE.** Unless terminated earlier under this Addendum or for any other reason, the term of the Gallery Office shall begin on \_\_\_\_\_, 20\_\_\_\_, and expire on December 31, 20\_\_ **[December 31 of the subsequent calendar year]** (the “Initial Term”). At the end of the Initial Term, the term of this Gallery Office will be automatically extended for additional one year periods without any further action by either party, until terminated under this Addendum.

3. **ADDITIONAL POLICIES AND PROCEDURES.** Franchisee will comply with the provisions dealing with Gallery Offices, which may from time to time be added to the Policy and Procedure Manual (“P&P Manual”).

4. **CONDITIONS.** The Gallery Office will at all times (A) be located within the real estate market served by a Branch Office (as defined below), as determined by Franchisor, (B) be located two (2) miles or less from a Branch Office (as the crow flies from the corner of the office building), (C) have floor space that does not exceed 2,000 square feet, and (D) be situated on property that is either owned or leased in the name of Franchisee. A “Branch Office” means an Office that has been approved by Franchisor and that makes Brand Marketing Fund (“BMF”) contributions pursuant to the Franchise Agreement. The Gallery Office must have a flat panel monitor situated in the welcoming area of the Gallery Office equipped with Franchisor’s “eGallery” software, and an appropriate compliment of listing brochure racks affixed to the walls, which should at all times contain Sotheby’s International Realty listing brochures from Franchisee’s office or other offices in the System.

5. **TERMINATION / CONVERSION TO A FULL BRANCH OFFICE.** Franchisor may terminate this Addendum and cause the Gallery Office to automatically convert to a Branch Office if the conditions of this Addendum are not satisfied. In such event, the terms of this Addendum will terminate and Franchisee will sign a Location Addendum to add the office as a Branch Office and pay the difference between the amount paid and the then-current applicable Initial Franchise Fee for a Branch Office. In addition to the Franchise Agreement termination provisions, Franchisee agrees that the operation of this Gallery Office is expressly contingent upon the lawful operation of a real estate brokerage business under the System at the Main Office, and that the termination or expiration of the franchise agreement for the Main Office will also result in the termination of this Addendum. In addition, Franchisee's failure to comply with the terms of this Addendum will be grounds for termination of this Addendum and any other franchise agreements between Franchisor and Franchisee.

6. **ROYALTY FEES AND BRAND MARKETING FUND.** Revenues derived from any transactions in the Gallery Office will be subject to Royalty Fees and BMF contributions as set forth in Franchise Agreement, provided that the minimum and maximum BMF contribution shall be **\$117** and **\$3,121** per month, respectively.

7. **COUNTERPARTS/FACSIMILES.** This Addendum may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and, as such, shall be fully binding on all parties.

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

FRANCHISEE: \_\_\_\_\_

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

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

Authorized Person

Dated: \_\_\_\_\_

FRANCHISOR: **Sotheby's International Realty Affiliates LLC**

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

**[Authorized Person]**

Dated: \_\_\_\_\_

**EXHIBIT C-5**

**LIMITED PURPOSE OFFICE ADDENDUM TO  
SOTHEBY'S INTERNATIONAL REALTY  
FRANCHISE AGREEMENT**

This Limited Purpose Office Addendum ("Addendum") is made part of the Sotheby's International Realty Affiliates Franchise Agreement dated \_\_\_\_\_ (the "Agreement"), by and between Sotheby's International Realty Affiliates LLC ("Franchisor"), and \_\_\_\_\_ ("Franchisee"), Franchise No.: # \_\_\_\_\_. This Addendum will be effective as of the date set forth in Section 2 but will not be legally binding upon the parties until signed by both parties.

**WHEREAS**, Franchisee presently owns a Sotheby's International Realty® franchise, the main office of which is located at \_\_\_\_\_ (the "Main Office");

**WHEREAS**, Franchisee has requested to operate a real estate brokerage office known as a Sotheby's International Realty [choose LPO type: Satellite, Seasonal, Administrative] office (hereinafter referred to as the "Limited Purpose Office"), at the following location: \_\_\_\_\_ (the "Location");

**NOW THEREFORE**, in consideration of the provisions in the Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are acknowledged, the parties mutually agree as set forth below. All capitalized terms used in this Addendum and not defined herein will have the meaning in the Agreement.

**1. GRANT OF LIMITED PURPOSE OFFICE.** Franchisor hereby approves a Limited Purpose Office at the Location. This Limited Purpose Office will for all purposes be a Sotheby's International Realty brokerage office, and except as provided this Addendum, will be operated in the same manner as other franchised Sotheby's International Realty brokerage offices.

**2. TERM.** Unless terminated earlier under the provisions of the Agreement or this Addendum, the term of this Limited Purpose Office will begin on \_\_\_\_\_, 20\_\_\_\_, and expire on December 31, 20\_\_ (the "Initial Term") At the end of the Initial Term and on each anniversary date of the expiration date of the Initial Term, the term of this Limited Purpose Office will be automatically extended for an additional one year period without any further action, until terminated under the terms of this Addendum. Notwithstanding anything to the contrary in the Franchise Agreement, the approval of this Limited Purpose Office will in no way hinder or prevent Franchisor from placing a new franchise location in close proximity to the Limited Purpose Office and Franchisee will have no standing to object to a new franchise based upon proximity of the Limited Purpose Office to the proposed new franchise.

**3. INITIAL FRANCHISE FEE.** Franchisee will pay a one-time fee of One Thousand Dollars (\$1,000.00) to Franchisor for this Limited Purpose Office.

**4. OPERATIONS.** Franchisee will operate the Limited Purpose Office in accordance with the terms of the P&P Manual, as it may from time to time be revised and/or supplemented, including, but not limited to, the provisions regarding [choose LPO type] Offices.

**5. REBATE INCENTIVE PROGRAM.** For the purposes of calculating a rebate incentive award, if applicable, the Annual Gross Revenues for the Limited Purpose Office will be combined with the Franchisee's Gross Revenues for the Main Office.

**6. ORIENTATION.** Franchisor will not pay any part of Franchisee's costs of attendance of any delegate representing the Limited Purpose Office at any Orientation, and Franchisee has no obligation to require such a delegate to attend.

**7. TERMINATION.** Either party may terminate this Addendum on at least thirty (30) days' prior written notice to the other party before the end of Initial Term or any renewal term of this Addendum. In addition to the Agreement termination provisions, Franchisee agrees that the operation of this Limited Purpose Office is expressly contingent on the lawful operation of a real estate brokerage business under the System at the Main Office and that the termination or expiration of the Agreement for the Main Office will also result in the termination of this Addendum. In addition, Franchisee's failure to comply with any terms of this Addendum will be grounds for termination of this Addendum, the Agreement, and any other franchise agreements between Franchisor and Franchisee.

**8. ROYALTY FEES AND BRAND MARKETING FUND CONTRIBUTIONS.** Gross Revenues derived from transactions in the Limited Purpose Office will be combined with those generated by Franchisee's Main Office. All Royalty Fees and Brand Marketing Fund contributions from this Limited Purpose Office will be paid through the Main Office.

**9. NO MINIMUMS.** This Limited Purpose Office will not be subject to the minimum Royalty Fees or minimum Brand Marketing Fund contribution requirements, if any, in the Franchise Agreement.

**10. COUNTERPARTS/FACSIMILES.** This Addendum may be executed in any number of counterparts, each of which will be deemed an original, and all of which will constitute one and the same agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and will be fully binding.

Except as modified by this Addendum, the Agreement and all its terms are affirmed and will govern Franchisee's operation of the Limited Purpose Office.

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

IN WITNESS WHEREOF, the parties have caused this Addendum to be signed by an authorized person.

FRANCHISEE: \_\_\_\_\_

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

Dated: \_\_\_\_\_

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

Authorized Person

FRANCHISOR: **Sotheby's International Realty Affiliates LLC**

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

Dated: \_\_\_\_\_

[Authorized Person]

**EXHIBIT C-6**

**GENERAL RELEASE AGREEMENT**

This General Release Agreement (this "Release Agreement") is made as of \_\_\_\_\_, between \_\_\_\_\_ ("Franchisee"), and Sotheby's International Realty Affiliates LLC ("Franchisor").

WAIVER OF CLAIMS. In consideration of the modifications to the Agreement described above (including, but not limited to, the various rights and/or financing that Franchisor has provided to Franchisee) Franchisee and any and all owners, partners, members and/or shareholders expressly release, remise, acquit and discharge Franchisor and its predecessors, successors, parents, subsidiaries, affiliates, assigns as well as each of their respective officers, directors, employees and agents (collectively "Releasees") from and forever waive and relinquish, any and all claims, counterclaims, rights, setoffs, suits, damages (including, but not limited to, compensatory damages, tort damages, contract damages and punitive damages) demands, obligations, warranties, covenants, debts and causes of action of every nature, character and description, known and unknown, vested or contingent (collectively "Claims") that Franchisee or its owners, partners, members and/or shareholders, individually or collectively, have or may have against any and all Releasees as applicable including, but not limited to all Claims relating in any manner to, or otherwise resulting from, or arising out of: (i) the relationship between the Parties prior to the execution of the Agreement and this Addendum; (ii) the franchise sales transaction (to the extent permitted by law); (iii) the Agreement and this Addendum; and/or (iv) any other agreements (including other franchise agreements) by and between Franchisee and/or the Owners and Franchisor. In providing this release, Franchisee and its owners, partners, members and/or shareholders expressly acknowledge that: (x) to the extent the laws of the State of Washington govern the relationship of the parties hereto, notwithstanding the general release and waiver of claims herein, consistent with the Franchise Agreement(s) and Washington law, this release and waiver of rights executed by you will not include the release or waiver of rights under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder; and (y) to the extent the laws of the State of California govern the relationship of the Parties hereto, Franchisee and its owners, partners, members and/or shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

*"A General Release does not extend to claims which 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."*

**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement, effective as of the date first written above.

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

**SOTHEBY'S INTERNATIONAL REALTY AFFILIATES  
LLC**

By: \_\_\_\_\_  
[Authorized Person]

## **EXHIBIT D-1**

Franchise No. \_\_\_\_\_

### CONVERSION PROMISSORY NOTE

\_\_\_\_\_ (the "Note Date")

MAKER:	_____
CO-MAKER(S):	_____
HOLDER:	Choose an item.
PLACE FOR PAYMENT:	175 PARK AVENUE, MADISON, NJ
PRINCIPAL:	\$ _____
ANNUAL INTEREST RATE:	0%, EXCEPT AS DESCRIBED BELOW
MATURITY DATE:	December 31, 20__

**1. TERMS OF PAYMENT.** FOR GOOD AND VALUABLE CONSIDERATION, the undersigned Maker and Co-Maker(s) promise(s) to pay Holder (or its successors or assigns) the Principal set forth above on the Maturity Date and such Principal will be used for the Business (as defined in the Franchise Agreement). Payments are payable to Holder at 175 Park Avenue, Madison, New Jersey, or at such other place as Holder may designate in writing.

**2. FORGIVENESS.** If on December 31 of each full calendar year (each a "Measurement Date") after the Note Date, beginning with calendar year 2027, Maker and Co-Maker(s) satisfy the conditions in this Note, an amount equal to the Principal divided by **nine (9)** (the "Yearly Principal") will be forgiven by Holder. To qualify for forgiveness of the Principal, Maker and Co-Maker(s) must establish that, as of the Measurement Date and for the calendar year concluding on the Measurement Date:

- A. Maker is not in default of its obligations under any franchise agreement(s) with Holder (the "Franchise Agreement"), including payment of royalty fees and marketing fund contributions; **and**
- B. Maker(s) has timely paid Holder all royalty fees and marketing fund contributions owed under the Franchise Agreement on aggregate Gross Revenues (as defined in the Franchise Agreement) of at least \$ \_\_\_\_\_ ("Forgiveness Threshold").
- C. Notwithstanding the above, Maker shall have the right to miss one (1) Forgiveness Threshold and still have its Yearly Principal installment under this Note for that calendar year forgiven (the "One Miss Right"). Accordingly, in the event Maker fails to satisfy the Forgiveness Threshold on any one (1) Measurement Date, the Yearly Principal installment of this Note that would otherwise be due and owing to Holder for that calendar year, shall be forgiven upon Holder's receipt of written

notice from Maker by March 15<sup>th</sup> of the year following the Measurement Date, that it elects to exercise its One Miss Right. Once Maker exercises its One Miss Right, it shall have no further rights to have any Yearly Principal installment under this Note forgiven without satisfying the Forgiveness Threshold.

**3. ANNUAL AMOUNT DUE ON FAILURE TO SATISFY CONDITIONS.** If Maker does not satisfy the above conditions as of any Measurement Date, and elects not to exercise its One Miss right described in Paragraph 2C above, or if the One Miss Right is no longer available, then within thirty (30) days after the Measurement Date, Maker shall pay Holder an amount equal to the *lesser of* (i) royalty fees (calculated after the application of any Incentive Award (as defined below), if applicable) on the shortfall amount which is the difference between the Forgiveness Threshold and annual Gross Revenues reported and paid for the applicable calendar year; **or** (ii) the Yearly Principal installment due on this Note for such year. If Maker or Co-Maker(s) fails to make any payment when due, including any payment due on acceleration of this Note, the entire outstanding Principal shall bear simple interest at a rate equal to the lesser of eighteen percent (18%) per year or the highest rate allowed by law, from its due date until paid in full.

**4. APPLICATIONS OF FUNDS DUE MAKER.** Maker agrees that Holder, at its sole option, without notice, may apply to the outstanding due and payable Principal (and accrued and unpaid interest amount) payments due to Maker(s) from Holder, including without limitation any amounts due under any performance incentive or royalty fee rebate program (“Incentive Award”), if any, that may be provided in the Franchise Agreement, if any payment becomes due or payable to Maker. To the extent necessary, Maker(s) hereby assigns, transfers and/or conveys to Holder all of Maker’s rights, title and interest in and to the Incentive Award, if any, owed to Maker. Any amounts applied against the Principal shall correspondingly reduce amounts owed by Maker(s).

**5. ACCELERATION OF PRINCIPAL.** Upon Holder’s determinations that Maker and Co-Maker(s) are in default, or upon the occurrence of any of the following, Holder may accelerate the unpaid Principal and all accrued interest will become immediately due and payable, without presentment for payment or any notice or demand:

- A. Maker or Co-Maker(s) (i) suspends business; (ii) becomes insolvent or offers settlement to any creditors; (iii) files a petition in bankruptcy, either voluntary or involuntary; (iv) institutes any proceeding under any bankruptcy or insolvency laws relating to the relief of debtors; (v) makes an assignment for the benefit of creditors; or (vi) makes any false statement or representation orally or in writing, fails to furnish information, or fails to permit inspection of any books or records on demand of Holder;
- B. Upon default in payment of any Principal payment due under this Note;
- C. Upon default, in Holder’s sole opinion, of any other agreement or note between Maker and Holder or any of Holder’s related companies, including, but not limited to, the Franchise Agreement; or

D. Upon termination or expiration of the Franchise Agreement.

For the purposes of this Note, a party will be in default of an agreement if the party has been given notice of default under the agreement, and, for defaults for which the party is afforded an opportunity to cure under the applicable agreement, the party failed to cure within the period provided. Maker's and Co-Maker(s)'s obligation to pay the Principal and interest, if accelerated, will be absolute and unconditional, and will not be subject to any rights of offset or recoupment.

**6. ASSIGNMENT.** This Note is not assignable by Maker or any Co-Maker without the prior written consent of Holder.

**7. NO PRE-PAYMENT PENALTY.** Maker and Co-Maker(s) may prepay this Note in whole or in part on any date without premium or penalty. No partial prepayment shall extend or postpone the due date of any subsequent installment payment or change the amount of the installment payment. Prepayments will be applied without notation on this Note.

**8. ATTORNEYS' FEES.** Maker and Co-Maker(s) agree to pay all expenditures made in any attempt to collect any amounts due pursuant to this Note. If Holder takes legal action to enforce or collect this Note, Holder shall be entitled to reasonable attorneys' fees (including in-house attorneys) and court costs and all costs of collection in addition to any other relief to which it may be entitled.

**9. WAIVER OF PRESENTMENT.** Maker and Co-Maker(s) and each of them, waive, to the fullest extent permitted by law, diligence, demand, notice of demand, presentment for payment, notice of non-payment, notice of dishonor, protest and notice of protest and specifically consent to and waive notice of any renewals, extensions, amendments or modifications of this Note, whether made to or in favor of Maker or any other person or persons. Holder reserves the right to modify the terms of this Note, grant extensions, notations, renewals, releases, discharges, compositions and compromises with any party liable under this Note, with or without any notice to or the consent of, and without discharging or affecting the obligations of, any other party liable under this Note. The claiming of any statute of limitations as a defense to any demand against Maker, Co-Maker(s) or any endorser or guarantor is expressly waived by each and all of said parties.

**10. ACQUISITION-RELATED REPRESENTATIONS.** If this Note is being executed in connection with the acquisition or consolidation (by merger, acquisition or otherwise) of a real estate brokerage business from another person or entity, Maker and Co-Makers agree that while Holder and its representatives may have participated in the negotiation of such acquisition and assisted with the preparation of documents (legal or otherwise), Holder and its representatives were acting solely in the capacity of franchisor and were not retained by Maker or any Co-Maker in the capacity of agent, consultant or advisor. Maker and each Co-Maker agree that they have not and will not rely on any financial, legal or accounting advice about the acquisition that may have been provided by Holder or any of its employees, representatives, or affiliates. Maker represents and warrants that it has completed any due diligence and other investigations of the acquired office as Maker deemed appropriate. Additionally, Maker agrees that it has not relied on any representations made by Holder or any of its representatives or affiliates in deciding to complete the acquisition and related

transactions. Maker waives any and all claims against Holder and its officers, directors, shareholders, affiliates, employees and agents arising out of the acquisition or consolidation.

**11. GOVERNING LAW/CONFIDENTIALITY/COUNTERPARTS.** This Note will be construed and enforced in accordance with the laws of the State of New Jersey. The terms of this Note are confidential and will not be disclosed to any third party by Maker without the prior written consent of Holder, unless otherwise required by law. This Note may be executed in counterparts, each of which will be deemed an original, and all of which will constitute one Note. Maker and Co-Maker(s) expressly intend to be bound by authenticated electronic signatures (e.g. by DocuSign).

**12. JOINT AND SEVERAL LIABILITY.** This Note will be the joint and several obligation of Maker, Co-Maker(s), all guarantors and endorsers, if any, and will be binding upon them and their heirs, executors, personal representatives, successors and assigns and will inure to the benefit of Holder and its successors and assigns.

**13. CONFESSION OF JUDGMENT.** Maker and Co-Maker(s) agree that any attorney-at-law may appear in any court of record situated in any County where the Maker and/or Co-Maker(s) then reside or in the County where Maker and/or Co-Maker signed this Note and being in the United States at any time after the debt evidenced will become due, either at its stated maturity or by declaration and will waive the issuing and service of process and confess judgment against the Maker and Co-Maker(s), jointly and severally, in favor of the Holder, for the amount then owing on this Note, together with the costs of suit and thereupon release all errors and waive all right of appeal.

**14. HEADINGS.** The headings in this Note are for convenience only, do not constitute a part of this Note, and will not be deemed to have any legal effect.

[Remainder of page left blank; Signature page follows]

**THIS PROMISSORY NOTE MAY NOT BE ACCEPTED BY HOLDER WITHOUT ALL  
MAKER AND CO-MAKER SIGNATURES AND ALL WITNESS SIGNATURES AND  
ADDRESSES**

IN WITNESS WHEREOF, the undersigned Maker and Co-Maker(s) have executed this  
Note as of the date first set forth above.

MAKER: \_\_\_\_\_

By:

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

Title: **Authorized Person**

CO-MAKER: \_\_\_\_\_

\_\_\_\_\_  
**\_\_\_\_\_ , Individually**

CO-MAKER: \_\_\_\_\_

\_\_\_\_\_  
**\_\_\_\_\_ , Individually**

**EXHIBIT D-2**

Agreement No. \_\_\_\_\_

EXPANSION PROMISSORY NOTE

Dated: \_\_\_\_\_

MAKER:	
CO-MAKER(S):	
HOLDER:	SOTHEBY'S INTERNATIONAL REALTY AFFILIATES LLC
PLACE FOR PAYMENT:	175 PARK AVENUE, MADISON, NJ
PRINCIPAL:	\$ _____
ANNUAL INTEREST RATE:	0%, EXCEPT AS DESCRIBED BELOW
MATURITY DATE:	December 31, 20____

A. **TERMS OF PAYMENT.** FOR GOOD AND VALUABLE CONSIDERATION, the undersigned Maker and Co-Maker promise(s) to pay Holder (or its successors or assigns) the Principal set forth above on the Maturity Date and such Principal will be used for the Business (as defined in the Franchise Agreement). Payments are payable to Holder at 175 Park Avenue, Madison, New Jersey, or at such other place as Holder may designate in writing. The Principal will, except as set forth below, bear no interest.

B. **PRINCIPAL PAYMENTS/INTEREST.** The Principal will be paid in one installment of \$\_\_\_\_\_, payable \_\_\_\_\_. If Maker or Co-Maker(s) fail to make any payment when due, including the payment due upon acceleration of this Note, the entire outstanding Principal will bear simple interest from its due date until paid in full at a rate equal to the lesser of eighteen percent (18%) per year or the highest rate allowed by law.

C. **APPLICATION OF MONIES DUE MAKER.** Notwithstanding the installment payments, Maker agrees that Holder, at its sole option, without notice, may apply to the outstanding due and payable Principal (and any accrued and unpaid interest) payments due to Maker from Holder under the Luxury Premium Award described in any franchise agreement between Maker and Holder, as each may be amended (the "Franchise Agreement(s)"), if any Luxury Premium Award becomes due or payable to Maker. For purposes of this Section, Maker assigns, transfers and conveys to Holder all of Maker's rights, title and interest in and to the Luxury Premium Award. Amounts of Luxury Premium Awards applied against the Principal will correspondingly reduce amounts owed by Maker under this Note.

D. **PAYMENT.** All payments will be made in lawful money of the United States of America without offset, recoupment, deduction or counterclaim of any kind. Payments, when made, will first be applied to accrued and unpaid interest, if any, and then to Principal. Maker and Co-Maker(s) may prepay this Note in whole or in part on any date without premium or penalty. No partial prepayment will extend or postpone the due date of any subsequent installment payment or

change the amount of the installment payment. Prepayments will be applied without notation on this Note.

E. **DEFAULT.** Holder may determine that Maker and Co-Maker(s) are in default and may accelerate the unpaid Principal and all accrued interest to become immediately due and payable, without presentment for payment or any notice or demand, (A) if Maker, Co-Maker(s), endorser, surety or guarantor of this Note: (i) suspends business; (ii) becomes insolvent or offers settlement to any creditors; (iii) files a petition in bankruptcy, either voluntary or involuntary; (iv) institutes any proceeding under any bankruptcy or insolvency laws relating to the relief of debtors; (v) makes an assignment for the benefit of creditors; or (vi) makes any false statement or representation orally or in writing, fails to furnish information, or fails to permit inspection of any books or records on demand of Holder, (B) Upon default in payment of any Principal payment due under this Note, (C) Upon default, in Holder's sole opinion, of any other agreement or note between Maker and Holder or any of Holder's related companies, including, but not limited to, the Franchise Agreement(s), or (D) Upon termination or expiration of any agreement between Maker and Holder or any of Holder's related companies, including, but not limited to, any of the Franchise Agreement(s). For the purposes of this Note, a party will be in default of an agreement if the party has been given notice of default under the agreement, and, for defaults for which the party is afforded an opportunity to cure under the applicable agreement, the party failed to cure within the period provided. Maker's and Co-Maker(s)'s obligation to pay the Principal and interest, if accelerated, will be absolute and unconditional, and will not be subject to any rights of offset or recoupment.

F. **CONFESSION OF JUDGMENT.** Maker and Co-Maker(s) agree that any attorney-at-law may appear in any court of record situated in any County where the Maker and/or Co-Maker(s) then reside or in the County where Maker and/or Co-Maker signed this Note and being in the United States at any time after the debt evidenced will become due, either at its stated maturity or by declaration, and waive the issuing and service of process and confess judgment against the Maker and Co-Maker(s), jointly and severally, in favor of the Holder, for the amount then owing on this Note, together with the costs of suit and thereupon release all errors and waive all right of appeal.

G. **ATTORNEYS' FEES.** Maker and Co-Maker(s) agree to pay all expenditures made in any attempt to collect any amounts due pursuant to this Note. If Holder takes legal action to enforce or collect this Note, Holder will be entitled to reasonable attorneys' fees (including in-house attorneys) and court costs and all costs of collection in addition to any other relief to which it may be entitled.

H. **WAIVER OF PRESENTMENT.** Maker, Co-Maker(s) and all endorsers or guarantors of this Note, and each of them, hereby waive, to the fullest extent permitted by law, diligence, demand, notice of demand, presentment for payment, notice of non-payment, notice of dishonor, protest and notice of protest and specifically consent to and waive notice of any renewals, extensions, amendments or modifications of this Note, whether made to or in favor of Maker or any other person or persons. Holder reserves the right to modify the terms of this Note, grant extensions, notations, renewals, releases, discharges, compositions and compromises with any party liable under this Note, with or without any notice to or the consent of, and without discharging or affecting

the obligations of, any other party liable under this Note. The claiming of any statute of limitations as a defense to any demand against Maker, Co-Maker(s) or any endorser or guarantor is expressly waived by each and all of said parties.

**I. ACQUISITION-RELATED REPRESENTATIONS.** If this Note is being executed in connection with the acquisition or consolidation (by merger, acquisition or otherwise) of a real estate brokerage business from another person or entity, Maker and Co-Makers agree that while Holder and its representatives may have participated in the negotiation of such acquisition and assisted with the preparation of documents (legal or otherwise), Holder and its representatives were acting solely in the capacity of franchisor and were not retained by Maker or any Co-Maker in the capacity of agent, consultant or advisor. Maker and each Co-Maker agree that they have not and will not rely on any financial, legal or accounting advice about the acquisition that may have been provided by Holder or any of its employees, representatives, or affiliates. Maker represents and warrants that it has completed any due diligence and other investigations of the acquired office as Maker deemed appropriate. Additionally, Maker agrees that it has not relied on any representations made by Holder or any of its representatives or affiliates in deciding to complete the acquisition and related transactions. Maker waives any and all claims against Holder and its officers, directors, shareholders, affiliates, employees and agents arising out of the acquisition or consolidation.

**J. GOVERNING LAW/CONFIDENTIALITY/COUNTERPARTS.** This Note will be construed and enforced in accordance with the laws of the State of New Jersey. The terms of this Note are confidential and will not be disclosed to any third party by Maker without the prior written consent of Holder, unless otherwise required by law. This Note may be executed in counterparts, each of which will be deemed an original, and all of which, will constitute one Note. Maker and Co-Maker(s) expressly intend to be bound by authenticated electronic signatures (e.g. by DocuSign).

**K. JOINT AND SEVERAL LIABILITY/ASSIGNABILITY.** This Note will be the joint and several obligation of Maker, Co-Maker(s), all guarantors and endorsers, if any, and will be binding upon them and their heirs, executors, personal representatives, successors and assigns and will inure to the benefit of Holder and its successors and assigns. This Note will not be assignable by Maker or any Co-Maker without the prior written consent of Holder.

**L. HEADINGS.** The headings in this Note are for convenience only, do not constitute a part of this Note, and will not be deemed to have any legal effect.

[Remainder of page left blank; Signature page follows]

**THIS PROMISSORY NOTE MAY NOT BE ACCEPTED BY HOLDER WITHOUT ALL  
MAKER AND CO-MAKER SIGNATURES AND ALL WITNESS SIGNATURES AND  
ADDRESSES**

IN WITNESS WHEREOF, the undersigned Maker and Co-Maker(s) have executed this  
Note as of the date first set forth above.

MAKER: \_\_\_\_\_

By:

\_\_\_\_\_

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

Title: **Authorized Person**

CO-MAKER: \_\_\_\_\_

\_\_\_\_\_

**\_\_\_\_\_, Individually**

CO-MAKER: \_\_\_\_\_

\_\_\_\_\_

**\_\_\_\_\_, Individually**

## **EXHIBIT D-3**

# Sotheby's

INTERNATIONAL REALTY

## SECURITY AGREEMENT

This Security Agreement ("Security Agreement") is made effective as of the date signed by Secured Party, between \_\_\_\_\_, ("Debtor"), and Sotheby's International Realty Affiliates LLC ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor grants to Secured Party a security interest in all accounts receivable and payment intangibles; cash proceeds; contract rights; leases; furniture; furnishings; equipment; fixtures; inventory; commissions; real estate listings, listing agreements and related rights which are located at, utilized by or related to the real estate brokerage business conducted by Debtor and including the proceeds therefrom and any and all amendments or replacements thereto and any rebate/award program (or similar incentive programs) to which Debtor and/or any Co-Debtors may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor and Co-Debtors; and all general intangibles (collectively, the "Collateral") as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto). [Add following only for Security Agreements filed in New Jersey - The Collateral described herein falls within the scope of the Uniform Commercial Code enacted in New Jersey, including N.J.S.A. 12A:9-102 and N.J.S.A. 12A:9-109.] The foregoing Collateral is granted to Secured Party as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms (the "Notes"), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the "Franchise Agreements"), and (iii) all other agreements between Debtor and Secured Party.

SECTION 1 -- DEBTOR'S OBLIGATIONS. Debtor agrees to the following:

(a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Offices (as defined in the Franchise Agreements).

(b) Debtor will notify Secured Party in writing prior to any change in Debtor's place of business;

(c) Debtor has not executed and will not execute as Debtor any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;

(d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an "Event of Default"):

(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

# Sotheby's

INTERNATIONAL REALTY

(b) Debtor's breach of any term, provision, warranty or representation set forth in this Security Agreement or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if Debtor does not cure the default within five (5) days of receiving written notice.

## SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) If an Event of Default occurs, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor's guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured by this Security Agreement immediately due and payable;

2) Enforce the security interest given under this Security Agreement and otherwise exercise the rights of a secured creditor provided under the laws of the state in which the Office is located

3) Require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) Enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor's indebtedness, which shall include the reasonable expenses of such sale, in any order of preference that Secured Party, chooses in its sole discretion. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists under this Security Agreement, the proceeds of fire and casualty insurance covering the Collateral may be used by Debtor for the repair and restoration of Debtor's facilities or Offices (as defined in the Franchise Agreements).

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as described in this Security Agreement. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

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INTERNATIONAL REALTY

## SECTION 6 -- MISCELLANEOUS.

(a) Waiver. Any express or implied waiver of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from later enforcing any such provision.

(b) Governing Law. This Security Agreement shall be governed by and construed according to the laws of the State of New Jersey.

(c) Remedies. All rights and remedies provided in this Security Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude its further exercise or the exercise of any other right or remedy.

(d) Financing Statement. At the same time this Security Agreement is signed, Secured Party shall file a UCC-1 Financing Statement with the Secretary of State in the state of formation (or residence if a sole proprietor) of the Debtor or other appropriate governmental authority to perfect the security interest created by this Security Agreement. Debtor will sign such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(e) Notices. In the event either party desires to give notice to the other with regard to this Security Agreement, the notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Mailed notices as provided under this Security Agreement shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreements, unless a party gives notice of a change of its address.

(f) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto.

(g) Amendments. This Security Agreement may only be amended by a writing signed by both parties.

(h) Entire Agreement. This Security Agreement constitutes the entire agreement between the parties regarding the matters discussed in this Security Agreement, all representations or understandings, whether oral or written, having been incorporated or otherwise superseded by this Security Agreement.

(i) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and shall be fully binding on all parties.

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INTERNATIONAL REALTY

**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE DEBTOR TO THE TERMS OF THIS SECURITY AGREEMENT.**

WHEREFORE, the parties have signed this Security Agreement effective as of the date set forth below.

## **DEBTOR**

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

Name:

Title: **Authorized Person**

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

## **SECURED PARTY**

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

Natasha Joseph, Vice President, Franchise Enablement

Date: \_\_\_\_\_  
("Effective Date")

## **EXHIBIT E**

## CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_, \_\_\_\_\_ between **Sotheby International Realty Affiliates LLC**, a limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ company (“Prospective Franchisee”).

WHEREAS, Prospective Franchisee desires to evaluate the purchase of a franchise from Franchisor on the terms and conditions of Franchisor’s Franchise Agreement; and

WHEREAS, in connection with this evaluation, Prospective Franchisee desires to review Franchisor’s Policy and Procedures Manual, which may consist of several component parts, including but not limited to, the P&P Manual, the Identity Standards Manual (where applicable) and any other Standards as may be amended from time to time at Franchisor’s sole discretion (collectively referred to herein as the “Manual”), and is being maintained as confidential information and trade secrets of Franchisor; and

WHEREAS, Franchisor will permit inspection of its Manual prior to the execution of a Franchise Agreement only on the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of being given access to the Manual, Prospective Franchisee hereby agrees as follows:

1. All information contained in the Manual (the “Confidential Information”) shall be used by Prospective Franchisee solely for the purpose of evaluating whether or not to enter into a Franchise Agreement with Franchisor, and for no other purpose.
2. Prospective Franchisee shall not disclose the Confidential Information to any person or entity, other than Permitted Parties, as defined in Paragraph 6 below. Prospective Franchisee shall cause its officers, directors and employees who receive any part of the Confidential Information to maintain its confidentiality. Prospective Franchisee agrees that it shall be responsible and liable for any breach of this provision by its officers, directors and employees.
3. Confidential Information does not include any item of information, which is either; (a) independently developed by Prospective Franchisee without any breach of this Agreement and which can be shown by documentary evidence; (b) known to the public prior to Prospective Franchisee’s receipt of such information from Franchisor; (c) after such receipt, becomes available to the public generally other than by contravention of this Agreement, any Permitted Party’s Confidential Agreement, or any other duty to or agreement with Franchisor; or (d) is obtained by Prospective Franchisee from a source with the independent right to disclose such information.
4. Upon completion of the evaluation process, Prospective Franchisee shall return to Franchisor all copies of the Manual and all other tangible embodiments containing any Confidential Information, including any notes or analyses regarding Confidential Information made by Prospective Franchisee or any Permitted Party.
5. A breach of any provision of this Agreement will cause Franchisor irreparable injury. Franchisor will be entitled to injunctive relief, without bond, to enjoin any actual or threatened conduct in violation of this Agreement. If Franchisor is successful in obtaining enforcement of this Agreement, Franchisor shall also be entitled to recover from Prospective Franchisee any and all

attorney's fees, court or arbitration costs and other expenses incurred by Franchisor in connection with such enforcement.

6. Permitted Parties shall mean: (a) Officers, directors and employees of Prospective Franchisee; and (b) Attorneys of Franchisee retained to assist Franchisee in evaluating the decision to acquire a franchise, but only if such attorneys have been advised that the disclosure of the Confidential Information is subject to this Confidentiality Agreement.
7. This Agreement is intended to be a contract governed and construed under the laws of the State of New Jersey, without regard to the principles of conflicts of law. Jurisdiction and venue for any dispute arising out of or related to this Agreement shall be in the federal or state courts sitting in New Jersey, and the parties hereto irrevocably waives any objection (on the grounds of lack of jurisdiction, or forum non conveniens or otherwise) to the jurisdiction and venue of such courts.
8. The failure of Franchisor to exercise any right hereunder against Prospective Franchisee or any other party, shall not be construed as a waiver or a novation. If any portion of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a final judgment of any court of competent jurisdiction, the remainder of this Agreement will not be influenced thereby. It is the intention of the parties that if any such portion is so held illegal, invalid, or unenforceable, that such portion be replaced by terms as similar to such portion as is possible to be legal, valid, and enforceable.
9. This Agreement is the entire agreement between the parties as to its subject matter. Any changes to this Agreement must be signed by the Prospective Franchisee and acknowledged in writing by Franchisor. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

[Prospective Franchisee]

\_\_\_\_\_

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

Its: \_\_\_\_\_

Accepted and Acknowledged:

**Sotheby International Realty Affiliates LLC**

\_\_\_\_\_

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

Its: \_\_\_\_\_

## **EXHIBIT F**

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**

**FINANCIAL STATEMENTS**

**For the Years Ended**

**December 31, 2025, 2024 and 2023**

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## INTRODUCTORY NOTE

*Except as otherwise indicated or unless the context otherwise requires, the terms "we," "us," "our," "our company," "Anywhere" and the "Company" refer to Anywhere Real Estate Inc., a Delaware corporation, and its consolidated subsidiaries, including Anywhere Intermediate Holdings LLC, a Delaware limited liability company ("Anywhere Intermediate"), and Anywhere Real Estate Group LLC, a Delaware limited liability company ("Anywhere Group"). Neither Anywhere, the indirect parent of Anywhere Group, nor Anywhere Intermediate, the direct parent company of Anywhere Group, conducts any operations other than with respect to its respective direct or indirect ownership of Anywhere Group. As a result, the consolidated financial positions, results of operations and cash flows of Anywhere, Anywhere Intermediate and Anywhere Group are the same.*

*As used in this report:*

- *"Senior Secured Credit Agreement" refers to the Amended and Restated Credit Agreement dated as of March 5, 2013, as amended, amended and restated, modified or supplemented from time to time, that governs the senior secured credit facility, or "Senior Secured Credit Facility", which includes the "Revolving Credit Facility";*
- *"9.75% Senior Secured Second Lien Notes" and "7.00% Senior Secured Second Lien Notes" refer to our 9.75% Senior Secured Second Lien Notes due 2030 (issued in June 2025) and 7.00% Senior Secured Second Lien Notes due 2030, respectively, and are referred to collectively as the "Senior Secured Second Lien Notes";*
- *"5.75% Senior Notes" and "5.25% Senior Notes" refer to our 5.75% Senior Notes due 2029 and 5.25% Senior Notes due 2030, respectively, and are referred to collectively as the "Unsecured Notes;" and*
- *"Exchangeable Senior Notes" refers to our 0.25% Exchangeable Senior Notes due 2026.*

### ***Merger with Compass***

On January 9, 2026, Compass, Inc. ("Compass") completed its previously announced acquisition of Anywhere pursuant to the Agreement and Plan of Merger, dated as of September 22, 2025 (the "Merger Agreement"), by and among Compass, Anywhere and Velocity Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company ("Merger Sub"). Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Anywhere (the "Merger"), with Anywhere surviving the Merger as a wholly-owned subsidiary of the Compass.

In connection with the Merger, the borrowings under Anywhere's Revolving Credit Facility were repaid along with the termination of the related Senior Secured Credit Agreement and Senior Secured Credit Facility. See Note 20, "Subsequent Events", to the Consolidated Financial Statements for detailed discussion related to Merger.

## **Report of Independent Auditors**

To the Board of Directors of Anywhere Real Estate Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of Anywhere Real Estate Inc and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive loss, of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Luciwatichouseloopus LLP*

Florham Park, New Jersey  
February 25, 2026

## **Report of Independent Auditors**

To the Board of Directors of Anywhere Real Estate Group LLC

### ***Opinion***

We have audited the accompanying consolidated financial statements of Anywhere Real Estate Group LLC and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive loss, and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

Florham Park, New Jersey  
February 25, 2026

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share data)

	Year Ended December 31,		
	2025	2024	2023
<b>Revenues</b>			
Gross commission income	\$ 4,849	\$ 4,629	\$ 4,570
Service revenue	607	574	569
Franchise fees	372	356	351
Other	132	133	146
Net revenues	<u>5,960</u>	<u>5,692</u>	<u>5,636</u>
<b>Expenses</b>			
Commission and other agent-related costs	3,919	3,718	3,664
Operating	1,179	1,125	1,147
Marketing	190	195	215
General and administrative	404	392	422
Former parent legacy (benefit) cost, net	(2)	2	18
Restructuring and merger-related costs, net	54	32	49
Impairments	8	20	65
Depreciation and amortization	192	198	196
Interest expense, net	162	153	151
Gain on the early extinguishment of debt	(1)	(7)	(169)
Other income, net	(6)	—	—
Total expenses	<u>6,099</u>	<u>5,828</u>	<u>5,758</u>
<b>Loss before income taxes, equity in earnings and noncontrolling interests</b>	<u>(139)</u>	<u>(136)</u>	<u>(122)</u>
Income tax benefit	(43)	(2)	(15)
Equity in earnings of unconsolidated entities	(7)	(7)	(9)
<b>Net loss</b>	<u>(89)</u>	<u>(127)</u>	<u>(98)</u>
Less: Net (income) loss attributable to noncontrolling interests	(1)	(1)	1
<b>Net loss attributable to Anywhere and Anywhere Group</b>	<u>\$ (90)</u>	<u>\$ (128)</u>	<u>\$ (97)</u>
<b>Loss per share attributable to Anywhere shareholders:</b>			
Basic loss per share	\$ (0.80)	\$ (1.15)	\$ (0.88)
Diluted loss per share	\$ (0.80)	\$ (1.15)	\$ (0.88)
<b>Weighted average common and common equivalent shares of Anywhere outstanding:</b>			
Basic	111.9	111.1	110.3
Diluted	111.9	111.1	110.3

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(In millions)

	Year Ended December 31,		
	2025	2024	2023
<b>Net loss</b> .....	\$ (89)	\$ (127)	\$ (98)
Currency translation adjustment .....	—	(1)	—
Defined Benefit Plans:			
Actuarial gain for the plans .....	1	3	2
Less: amortization of actuarial gain (loss) to periodic pension cost .....	(2)	(2)	(3)
Defined benefit plans .....	<u>3</u>	<u>5</u>	<u>5</u>
Other comprehensive income, before tax .....	3	4	5
Income tax expense related to items of other comprehensive income .....	—	2	1
<b>Other comprehensive income, net of tax</b> .....	<u>3</u>	<u>2</u>	<u>4</u>
<b>Comprehensive loss</b> .....	(86)	(125)	(94)
Less: comprehensive (income) loss attributable to noncontrolling interests .....	(1)	(1)	1
<b>Comprehensive loss attributable to Anywhere and Anywhere Group</b> .....	<u>\$ (87)</u>	<u>\$ (126)</u>	<u>\$ (93)</u>

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions, except share data)

	December 31,	
	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 132	\$ 118
Restricted cash	7	6
Trade receivables (net of allowance for doubtful accounts of \$22 and \$17)	117	101
Relocation receivables	154	150
Other current assets	198	206
<b>Total current assets</b>	<b>608</b>	<b>581</b>
Property and equipment, net	249	247
Operating lease assets, net	299	331
Goodwill	2,499	2,499
Trademarks	584	584
Franchise agreements, net	754	821
Other intangibles, net	85	106
Other non-current assets	520	467
<b>Total assets</b>	<b>\$ 5,598</b>	<b>\$ 5,636</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 115	\$ 101
Securitization obligations	143	140
Current portion of long-term debt	417	490
Current portion of operating lease liabilities	93	105
Accrued expenses and other current liabilities	578	553
<b>Total current liabilities</b>	<b>1,346</b>	<b>1,389</b>
Long-term debt	2,127	2,031
Long-term operating lease liabilities	255	284
Deferred income taxes	170	207
Other non-current liabilities	210	155
<b>Total liabilities</b>	<b>4,108</b>	<b>4,066</b>
Commitments and contingencies (Note 15)		
Equity:		
Anywhere preferred stock: \$0.01 par value; 50,000,000 shares authorized, none issued and outstanding at December 31, 2025 and December 31, 2024	—	—
Anywhere common stock: \$0.01 par value; 400,000,000 shares authorized, 112,863,522 shares issued and outstanding at December 31, 2025 and 111,261,825 shares issued and outstanding at December 31, 2024	1	1
Additional paid-in capital	4,834	4,827
Accumulated deficit	(3,309)	(3,219)
Accumulated other comprehensive loss	(39)	(42)
<b>Total stockholders' equity</b>	<b>1,487</b>	<b>1,567</b>
Noncontrolling interests	3	3
<b>Total equity</b>	<b>1,490</b>	<b>1,570</b>
<b>Total liabilities and equity</b>	<b>\$ 5,598</b>	<b>\$ 5,636</b>

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)

	Year Ended December 31,		
	2025	2024	2023
<b>Operating Activities</b>			
Net loss	\$ (89)	\$ (127)	\$ (98)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	192	198	196
Deferred income taxes	(37)	(2)	(33)
Impairments	8	20	65
Amortization of deferred financing costs and debt premium	8	8	8
Gain on the early extinguishment of debt	(1)	(7)	(169)
(Gain) loss on the sale of businesses, investments or other assets, net	(5)	3	2
Equity in earnings of unconsolidated entities	(7)	(7)	(9)
Stock-based compensation	19	17	12
Other adjustments to net loss	(2)	(2)	(6)
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:			
Trade receivables	(14)	4	97
Relocation receivables	(3)	(12)	72
Other assets	45	93	105
Accounts payable, accrued expenses and other liabilities	(14)	(65)	(47)
Dividends received from unconsolidated entities	14	3	8
Other, net	(15)	(20)	(16)
<b>Net cash provided by operating activities</b>	<u>99</u>	<u>104</u>	<u>187</u>
<b>Investing Activities</b>			
Property and equipment additions	(101)	(78)	(72)
Payments for acquisitions, net of cash acquired	—	—	(1)
Net proceeds from the sale of businesses	1	—	8
Investment in unconsolidated entities	—	—	(1)
Proceeds from the sale of investments in unconsolidated entities	6	—	6
Other, net	6	1	1
<b>Net cash used in investing activities</b>	<u>(88)</u>	<u>(77)</u>	<u>(59)</u>
<b>Financing Activities</b>			
Net change in Revolving Credit Facility	(75)	205	(65)
Repayment of Term Loan A Facility	—	(194)	—
Proceeds from issuance of Senior Secured Second Lien Notes	500	—	640
Repurchases of Exchangeable Senior Notes	(395)	—	—
Repurchases and redemption of Senior Notes	—	(19)	(688)
Amortization payments on term loan facilities	—	(12)	(16)
Net change in securitization obligations	3	25	(48)
Debt issuance costs	(10)	—	(13)
Cash paid for fees associated with early extinguishment of debt	(2)	—	(2)
Taxes paid related to net share settlement for stock-based compensation	(12)	(3)	(4)
Proceeds from sale of equity interest in certain title and escrow entities	19	—	—
Other, net	(25)	(23)	(31)
<b>Net cash provided by (used in) financing activities</b>	<u>3</u>	<u>(21)</u>	<u>(227)</u>
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	1	(1)	—
Net increase (decrease) in cash, cash equivalents and restricted cash	15	5	(99)
Cash, cash equivalents and restricted cash, beginning of period	124	119	218
<b>Cash, cash equivalents and restricted cash, end of period</b>	<u>\$ 139</u>	<u>\$ 124</u>	<u>\$ 119</u>
<b>Supplemental Disclosure of Cash Flow Information</b>			
Interest payments (including securitization interest of \$10, \$10 and \$12 respectively)	\$ 166	\$ 158	\$ 168
Income tax (refunds) payments, net	(27)	1	14

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(In millions)

	Anywhere Stockholders' Equity						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non- controlling Interests	Total Equity
	Shares	Amount					
<b>Balance at January 1, 2023</b>	109.5	\$ 1	\$ 4,805	\$ (2,994)	\$ (48)	\$ 3	\$ 1,767
<b>Net loss</b>	—	—	—	(97)	—	(1)	(98)
Other comprehensive income	—	—	—	—	4	—	4
Stock-based compensation	—	—	12	—	—	—	12
Issuance of shares for vesting of equity awards	1.6	—	—	—	—	—	—
Shares withheld for taxes on equity awards	(0.6)	—	(4)	—	—	—	(4)
Dividends	—	—	—	—	—	(1)	(1)
Contributions from non-controlling interests	—	—	—	—	—	1	1
<b>Balance at December 31, 2023</b>	110.5	\$ 1	\$ 4,813	\$ (3,091)	\$ (44)	\$ 2	\$ 1,681
<b>Net (loss) income</b>	—	—	—	(128)	—	1	(127)
Other comprehensive income	—	—	—	—	2	—	2
Stock-based compensation	—	—	17	—	—	—	17
Issuance of shares for vesting of equity awards	1.3	—	—	—	—	—	—
Shares withheld for taxes on equity awards	(0.5)	—	(3)	—	—	—	(3)
Dividends	—	—	—	—	—	(1)	(1)
Contributions from non-controlling interests	—	—	—	—	—	1	1
<b>Balance at December 31, 2024</b>	111.3	\$ 1	\$ 4,827	\$ (3,219)	\$ (42)	\$ 3	\$ 1,570
<b>Net (loss) income</b>	—	—	—	(90)	—	1	(89)
Other comprehensive income	—	—	—	—	3	—	3
Settlement of Exchangeable Senior Notes hedges and warrants	—	—	—	—	—	—	—
Stock-based compensation	—	—	19	—	—	—	19
Issuance of shares for vesting of equity awards	2.8	—	—	—	—	—	—
Shares withheld for taxes on equity awards	(1.2)	—	(12)	—	—	—	(12)
Dividends	—	—	—	—	—	(2)	(2)
Contributions from non-controlling interests	—	—	—	—	—	1	1
<b>Balance at December 31, 2025</b>	112.9	\$ 1	\$ 4,834	\$ (3,309)	\$ (39)	\$ 3	\$ 1,490

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unless otherwise noted, all amounts are in millions, except per share amounts)**

**1. BASIS OF PRESENTATION**

Anywhere Real Estate Inc. ("Anywhere" or the "Company") is a holding company for its consolidated subsidiaries including Anywhere Intermediate Holdings LLC ("Anywhere Intermediate") and Anywhere Real Estate Group LLC ("Anywhere Group") and its consolidated subsidiaries. Neither Anywhere, the indirect parent of Anywhere Group, nor Anywhere Intermediate, the direct parent company of Anywhere Group, conducts any operations other than with respect to its respective direct or indirect ownership of Anywhere Group. As a result, the consolidated financial positions, results of operations, comprehensive loss and cash flows of Anywhere, Anywhere Intermediate and Anywhere Group are the same.

The accompanying Consolidated Financial Statements include the financial statements of Anywhere and Anywhere Group. Anywhere's only asset is its investment in the common stock of Anywhere Intermediate, and Anywhere Intermediate's only asset is its investment in Anywhere Group. Anywhere's only obligations are its guarantees of certain borrowings and certain franchise obligations of Anywhere Group. All expenses incurred by Anywhere and Anywhere Intermediate are for the benefit of Anywhere Group and have been reflected in Anywhere Group's Consolidated Financial Statements. The Consolidated Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances and transactions have been eliminated.

***Business Description***

The Company reports its operations in the following three business segments:

- **Anywhere Brands ("Franchise Group")**—franchises a portfolio of well-known, industry-leading franchise brokerage brands, including Better Homes and Gardens<sup>®</sup> Real Estate, Century 21<sup>®</sup>, Coldwell Banker<sup>®</sup>, Coldwell Banker Commercial<sup>®</sup>, Corcoran<sup>®</sup>, ERA<sup>®</sup> and Sotheby's International Realty<sup>®</sup>. This segment also includes the Company's global relocation services operation through Cartus<sup>®</sup> Relocation Services ("Cartus") and lead generation activities through Anywhere Leads Inc. ("Leads Group").
- **Anywhere Advisors ("Owned Brokerage Group")**—operates a full-service real estate brokerage business under the Coldwell Banker<sup>®</sup>, Corcoran<sup>®</sup> and Sotheby's International Realty<sup>®</sup> brand names in many of the largest metropolitan areas in the U.S. This segment also includes the Company's share of equity earnings or losses from the Company's minority-owned real estate auction joint venture.
- **Anywhere Integrated Services ("Title Group")**—provides full-service title, escrow and settlement services to consumers, real estate companies, corporations and financial institutions primarily in support of residential real estate transactions. This segment also includes the Company's share of equity earnings or losses from Guaranteed Rate Affinity, the Company's minority-owned mortgage origination joint venture, and from the Company's minority-owned title insurance underwriter joint venture.

***Merger with Compass***

On January 9, 2026, Compass completed its previously announced acquisition of Anywhere pursuant to the Agreement and Plan of Merger, dated as of September 22, 2025, by and among Compass, Anywhere and Velocity Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Anywhere, with Anywhere surviving the Merger as a wholly-owned subsidiary of Compass. See Note 20, "Subsequent Events", for detailed discussion.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**USE OF ESTIMATES**

In presenting the consolidated financial statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ materially from those estimates.

## **CONSOLIDATION**

The Company consolidates any variable interest entity ("VIE") for which it is the primary beneficiary with a controlling financial interest. Also, the Company consolidates an entity not deemed a VIE if its ownership, direct or indirect, exceeds 50% of the outstanding voting shares of an entity and/or it has the ability to control the financial or operating policies through its voting rights, board representation or other similar rights. For entities where the Company does not have a controlling financial or operating interest, the investments in such entities are accounted for using the equity method or at fair value with changes in fair value recognized in net income, as appropriate. See Note 4, "Equity Method Investments" for discussion.

## **REVENUE RECOGNITION**

See Note 3, "Revenue Recognition", for discussion.

## **CASH AND CASH EQUIVALENTS**

The Company considers highly liquid investments with remaining maturities not exceeding three months at the date of purchase to be cash equivalents.

## **RESTRICTED CASH**

Restricted cash primarily relates to amounts specifically designated as collateral for the repayment of outstanding borrowings under the Company's securitization facilities. Such amounts approximated \$7 million and \$6 million at December 31, 2025 and 2024, respectively.

## **ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The Company estimates the allowance necessary to provide for uncollectible accounts receivable. The estimate is based on historical experience, combined with a review of current conditions and forecasts of future losses, and includes specific accounts for which payment has become unlikely. The process by which the Company calculates the allowance begins in the individual business units where specific problem accounts are identified and reserved primarily based upon the age profile of the receivables and specific payment issues, combined with reasonable and supportable forecasts of future losses.

## **DEBT ISSUANCE COSTS**

Debt issuance costs include costs incurred in connection with obtaining debt and extending existing debt. These financing costs are presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount, with the exception of the debt issuance costs related to the Revolving Credit Facility and securitization obligations which are classified as a deferred financing asset within other assets. The debt issuance costs are amortized via the effective interest method and the amortization period is the life of the related debt.

## **PROPERTY AND EQUIPMENT**

Property and equipment (including leasehold improvements) are initially recorded at cost, net of accumulated depreciation and amortization. Depreciation, recorded as a component of depreciation and amortization on the Consolidated Statements of Operations, is computed utilizing the straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements, also recorded as a component of depreciation and amortization, is computed utilizing the straight-line method over the estimated benefit period of the related assets or the lease term, if shorter. Useful lives are 30 years for buildings, up to 20 years for leasehold improvements, and from 3 to 7 years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use which commences during the development phase of the project. The Company amortizes software developed or obtained for internal use on a straight-line basis, generally from 1 to 5 years, when such software is ready for use. The net carrying value of software developed or obtained for internal use was \$144 million and \$127 million at December 31, 2025 and 2024, respectively.

## **LEASES**

See Note 6, "Leases", for discussion.

## IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND OTHER LONG-LIVED ASSETS

Goodwill represents the excess of acquisition costs over the fair value of the net tangible assets and identifiable intangible assets acquired in a business combination. Other indefinite-lived intangible assets primarily consist of trademarks acquired in business combinations. Goodwill and other indefinite-lived assets are not amortized but are subject to impairment testing. The aggregate carrying values of our goodwill and other indefinite-lived intangible assets were \$2,499 million and \$615 million, respectively, at December 31, 2025 and are subject to an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

In testing goodwill, the fair value of each reporting unit is estimated using the income approach, a discounted cash flow method. For the other indefinite lived intangible assets, fair value is estimated using the relief from royalty method. Management utilizes long-term cash flow forecasts and the Company's annual operating plans adjusted for terminal value assumptions. The fair value of the Company's reporting units and other indefinite lived intangible assets is determined utilizing the best estimate of future revenues, operating expenses including commission expense, market and general economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, trademark royalty rates, and long-term growth rates. The trademark royalty rate was determined by reviewing similar trademark agreements with third parties.

The impairment assessment is performed at the reporting unit level which includes Owned Brokerage Group, franchise services (reported within the Franchise Group reportable segment), Title Group and Cartus (reported within the Franchise Group reportable segment). This assessment compares the carrying value of each reporting unit and the carrying value of each other indefinite lived intangible asset to their respective fair values and, when appropriate the carrying value is reduced to fair value and an impairment charge for the excess is recorded. Impairment charges are recorded on a separate line in the accompanying Consolidated Statements of Operations and are non-cash in nature.

Based upon the impairment analysis performed in the fourth quarter of 2025, there was no impairment of goodwill or other indefinite-lived intangible assets for the year ended December 31, 2025. Management evaluated the effect of lowering the estimated fair value by 10% and determined that no impairment of goodwill would have been recognized under this evaluation for 2025. The fair value of trademarks is determined using the relief from royalty method which exhibits sensitivity to variations in projected revenues.

During the year ended December 31, 2024, there was no impairment of goodwill or other indefinite-lived intangible assets. Management evaluated the effect of lowering the estimated fair value by 10% and determined that, with the exception of the Cartus reporting unit, no impairment of goodwill would have been recognized under this evaluation for 2024. The Cartus reporting unit's fair value exceeded its carrying value by approximately 9%. While the trademarks at Brokerage Group and Title Group have a fair value in excess of 10% of their respective carrying values, trademarks at Franchise Group and Cartus have little to no excess fair value over carrying value. The fair value of trademarks is determined using the relief from royalty method which exhibits sensitivity to variations in projected revenues.

Beginning in the fourth quarter of 2023, the Company reorganized its internal reporting structure integrating the lead generation business within franchise services altering the composition of its reporting units within the Franchise Group reportable segment but not changing its operating or reportable segments. The reorganization resulted in a goodwill impairment of \$25 million at the Cartus reporting unit. In addition, as part of the Company's annual impairment assessment, it was identified that franchise trademarks were impaired by \$25 million. The annual impairment assessment indicated that impairment charges were not necessary for the Company's other reporting units or other indefinite-lived intangibles. In assessing the potential impact of reducing the estimated fair value by 10% for each of the remaining reporting units and other indefinite-lived intangible assets, management concluded that, excluding the Company's trademarks, no impairment of goodwill or indefinite-lived intangibles would have been recognized for 2023. For the remaining trademarks that were not impaired, which included trademarks at Title Group and Cartus, the fair value exceeded the carrying value by approximately 3%. The fair value of trademarks is determined using the relief from royalty method which exhibits sensitivity to variations in projected revenues.

The Company evaluates the recoverability of its other long-lived assets, including amortizable intangible assets, if circumstances indicate an impairment may have occurred. This assessment is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. If such assessment indicates that the carrying value of these assets is not recoverable, then the carrying value of such assets is reduced to fair value through a charge to the Company's Consolidated Statements of Operations.

## ADVERTISING EXPENSES

Advertising costs are generally expensed in the period incurred. Advertising expenses, recorded within the "Marketing" expense line item on the Company's Consolidated Statements of Operations, were approximately \$120 million, \$123 million and \$140 million for the years ended December 31, 2025, 2024 and 2023, respectively.

## INCOME TAXES

The Company's provision for income taxes is determined using the asset and liability method, under which deferred tax assets and liabilities are calculated based upon the differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates. These differences are based upon estimated differences between the book and tax basis of the assets and liabilities for the Company. Certain tax assets and liabilities of the Company may be adjusted in connection with the finalization of income tax audits.

The Company's deferred tax assets are recorded net of a valuation allowance when, based on the weight of available evidence, it is more likely than not that all or some portion of the recorded deferred tax balances will not be realized in future periods. Decreases to the valuation allowance are recorded as reductions to the Company's provision for income taxes and increases to the valuation allowance result in additional provision for income taxes.

## STOCK-BASED COMPENSATION

The Company grants stock-based awards to certain senior management members, employees and directors including restricted stock units and performance share units. The fair value of each award is measured based on the closing price of the Company's common stock on the grant date for restricted stock units and performance share units, and is estimated using the Monte Carlo simulation method for awards with a market condition. Compensation expense is generally recognized over the requisite service period of the award. Compensation expense for awards with a performance condition is adjusted each period based upon a probability assessment of the expected outcome of the performance metric with a final adjustment made at the end of the performance period. Compensation expense for awards with a market condition is not adjusted based on achievement of the market condition. The Company recognizes forfeitures as they occur.

## RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

During the fourth quarter of 2025, the Company adopted Accounting Standards Update ("ASU") 2023-09, *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures"* on a retrospective basis and updated its income tax disclosures accordingly. The new standard enhanced income tax disclosures primarily related to the effective tax rate reconciliation and income taxes paid for annual periods. See Note 12, "Income Taxes", for additional information related to the new disclosures.

## RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Company systematically reviews and evaluates the relevance and implications of all Accounting Standards Updates. While recently issued standards not expressly listed below were scrutinized, they were deemed either inapplicable or anticipated to have minimal impact on the Company's consolidated financial position or results of operations.

The FASB issued ASU 2025-06, *"Targeted Improvements to the Accounting for Internal-Use Software"* which revises Subtopic 350-40 by removing all references to software development project stages and amends the cost capitalization threshold by providing new guidance on how to evaluate whether a probable-to-complete recognition threshold has been met. The new guidance is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The transition method may be prospective, retrospective or modified prospective. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements and disclosures.

The FASB issued ASU 2024-03, *"Disaggregation of Income Statement Expenses"* which aims to enhance the transparency and usefulness of financial statements by requiring public business entities to provide more detailed disclosures about their expenses. The final ASU mandates new tabular disclosures that break down specific natural expense categories within relevant income statement captions, as well as disclosures about selling expenses. These categories include purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion. The new requirements are effective for annual financial statements of public business entities for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on its financial statement disclosures.

### 3. REVENUE RECOGNITION

Revenue is recognized upon the transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services in accordance with the revenue accounting standard. The Company's revenue is disaggregated by major revenue categories on our Consolidated Statements of Operations and further disaggregated by business segment as follows:

	Years Ended December 31, 2025 vs December 31, 2024									
	Franchise Group		Owned Brokerage Group		Title Group		Corporate and Other		Total Company	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Gross commission income (a)	\$ —	\$ —	\$ 4,849	\$ 4,629	\$ —	\$ —	\$ —	\$ —	\$ 4,849	\$ 4,629
Service revenue (b)	209	204	28	24	370	346	—	—	607	574
Franchise fees (c)	690	660	—	—	—	—	(318)	(304)	372	356
Other (d)	90	97	40	35	16	16	(14)	(15)	132	133
Net revenues	<u>\$ 989</u>	<u>\$ 961</u>	<u>\$ 4,917</u>	<u>\$ 4,688</u>	<u>\$ 386</u>	<u>\$ 362</u>	<u>\$ (332)</u>	<u>\$ (319)</u>	<u>\$ 5,960</u>	<u>\$ 5,692</u>

  

	Years Ended December 31, 2024 vs December 31, 2023									
	Franchise Group		Owned Brokerage Group		Title Group		Corporate and Other		Total Company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Gross commission income (a)	\$ —	\$ —	\$ 4,629	\$ 4,570	\$ —	\$ —	\$ —	\$ —	\$ 4,629	\$ 4,570
Service revenue (b)	204	223	24	21	346	325	—	—	574	569
Franchise fees (c)	660	652	—	—	—	—	(304)	(301)	356	351
Other (d)	97	108	35	37	16	15	(15)	(14)	133	146
Net revenues	<u>\$ 961</u>	<u>\$ 983</u>	<u>\$ 4,688</u>	<u>\$ 4,628</u>	<u>\$ 362</u>	<u>\$ 340</u>	<u>\$ (319)</u>	<u>\$ (315)</u>	<u>\$ 5,692</u>	<u>\$ 5,636</u>

- Gross commission income at Owned Brokerage Group is recognized at a point in time at the closing of a homesale transaction.
- Service revenue primarily consists of title and escrow fees at Title Group and are recognized at a point in time at the closing of a homesale transaction. Service revenue at Franchise Group includes relocation fees, which are recognized as revenue when or as the related performance obligation is satisfied dependent on the type of service performed, and fees related to leads and related services, which are recognized at a point in time at the closing of a homesale transaction or at the completion of the related service.
- Franchise fees at Franchise Group primarily include domestic royalties which are recognized at a point in time when the underlying franchisee revenue is earned (upon close of the homesale transaction).
- Other revenue is comprised of brand marketing funds received from franchisees at Franchise Group and other miscellaneous revenues across all of the business segments.

The Company's revenue streams are discussed further below by business segment:

#### **Franchise Group**

##### *Domestic Franchisees*

In the U.S., the Company employs a direct franchising model whereby it franchises its real estate brands to real estate brokerage businesses that are independently owned and operated. Franchise revenue principally consists of royalty and marketing fees from the Company's franchisees. The royalty received is primarily based on a gross percentage of the franchisee's gross commission income. Royalty fees are recorded as the underlying franchisee revenue is earned (upon close of the homesale transaction). Annual volume incentives given to certain franchisees on royalty fees are recorded as a reduction to revenue and are accrued for in relative proportion to the recognition of the underlying gross franchise revenue. Other sales incentives are generally recorded as a reduction to revenue ratably over the related performance period or from the date of issuance through the remaining life of the related franchise agreement. Franchise revenue also includes domestic initial franchise fees which are generally non-refundable and recognized by the Company as revenue upon the execution or opening of a new franchisee office to cover the upfront costs associated with opening the franchisee for business under one of Anywhere's brands.

The Company also earns marketing fees from its franchisees and utilizes such fees to fund marketing campaigns on behalf of its franchisees. As such, brand marketing fund fees are recorded as deferred revenue when received and recognized into revenue as earned when these funds are spent on marketing activities. The balance for deferred brand marketing fund fees decreased from \$15 million at January 1, 2025 to \$11 million at December 31, 2025 primarily due to amounts recognized into revenue matching expenses for marketing activities, offset by additional fees received from franchisees during the year ended December 31, 2025.

### *International Franchisees*

The Company utilizes a direct franchising model outside of the U.S. for Sotheby's International Realty® and Corcoran® and, in some cases, Better Homes and Gardens® Real Estate. For all other brands, the Company generally employs a master franchise model outside of the U.S., whereby it contracts with a qualified third party to build a franchise network in the country or region in which franchising rights have been granted. Under both the direct and master franchise models outside of the U.S., the Company enters into long-term franchise agreements (generally 25 years in duration) and receives an initial area development fee ("ADF") and ongoing royalties. Ongoing royalties are generally a percentage of the royalties received by the master franchisor from its franchisees with which it contracts and are recorded once the funds are received by the master franchisor. Under the direct franchise model, a royalty fee is paid to the Company on transactions conducted by its franchisees in the applicable country or region. The ADFs that the Company collects are recorded as deferred revenue when received and are classified as current or non-current liabilities in the Consolidated Balance Sheets based on the expected timing of revenue recognition. ADFs are recognized into franchise revenue over the average 25 year life of the related franchise agreement as consideration for the right to access and benefit from Anywhere's brands. In the event an ADF agreement is terminated prior to the end of its term, the unamortized deferred revenue balance will be recognized into revenue immediately upon termination. The balance for deferred ADFs decreased from \$37 million at January 1, 2025 to \$34 million at December 31, 2025 due to \$4 million of revenues recognized during the year ended December 31, 2025 that were included in the deferred revenue balance at the beginning of the period, partially offset by \$1 million of ADFs received during the year ended December 31, 2025.

In addition, the Company recognizes a deferred asset for commissions paid to Anywhere franchise sales employees upon the sale of a new franchise as these are considered costs of obtaining a contract with a customer that are expected to provide benefits to the Company for longer than one year. The Company classifies prepaid commissions as current or non-current assets in the Consolidated Balance Sheets based on the expected timing of expense recognition. The amount of commissions is calculated as a percentage of the anticipated gross commission income of the new franchisee or ADF and is amortized over 30 years for domestic franchise agreements or the agreement term for international franchise agreements (generally 25 years). The amount of prepaid commissions was \$30 million and \$28 million at December 31, 2025 and 2024, respectively.

### *Franchise Other*

Through Cartus, the Company offers a broad range of employee relocation services to clients designed to manage all aspects of transferring their employees ("transferees") and provides value through the generation of leads to real estate agent and brokerage participants. These services include, but are not limited to, homesale assistance, relocation policy counseling and group move management services, consulting services, expense processing and relocation-related accounting, compensation support and compliance, and visa and immigration support. The Company also arranges household goods moving services and provides support for all aspects of moving a transferee's household goods. There are a number of different revenue streams associated with relocation services including fees earned from real estate brokers and household goods moving companies that provide services to the transferee which are recognized at a point in time at the completion of services. The Company earns revenues from outsourcing management fees charged to clients that may cover several of the relocation services listed above, according to the clients' specific needs. Outsourcing management fees are recorded as deferred revenue when billed (usually at the start of the relocation) and are recognized as revenue over the average time period required to complete the transferee's move, or a phase of the move that the fee covers, which is typically 3 to 6 months depending on the move type. The balance for deferred outsourcing management fees remained flat at \$3 million at January 1, 2025 and December 31, 2025 due to a \$37 million increase primarily related to additions for management fees billed on new relocation files in advance of the Company satisfying its performance obligation, offset by \$37 million of revenues recognized during the year as performance obligations were satisfied.

Through the Leads Group, the Company provides high-quality leads to independent sales agents, through real estate benefit programs that provide home-buying and selling assistance to customers of lenders, organizations such as credit unions and interest groups that have established members who are buying or selling a home as well as to consumers and corporations who have expressed interest in a certain brand, product or service (such as relocation services), including those offered by Anywhere.

### *Owned Brokerage Group*

As an owner-operator of real estate brokerages, the Company assists home buyers and sellers in listing, marketing, selling and finding homes. Real estate commissions earned by the Company's real estate brokerage business are recorded as revenue at a point in time which is upon the closing of a real estate transaction (i.e., purchase or sale of a home). These revenues are referred to as gross commission income. The commissions the Company pays to real estate agents are

recognized concurrently with associated revenues and presented as the "Commission and other agent-related costs" line item on the accompanying Consolidated Statements of Operations.

The Company has relationships with developers in select major cities (in particular, New York City) to provide marketing and brokerage services in new developments. New development closings generally have a development period of between 18 and 24 months from contracted date to closing. In some cases, the Company receives advanced commissions which are recorded as deferred revenue when received and recognized as revenue when units within the new development close. The balance of advanced commissions related to developments decreased from \$11 million at January 1, 2025 to \$9 million at December 31, 2025 due to a \$10 million decrease as a result of revenues recognized on units closed, offset by an \$8 million increase related to additional commissions received for new developments.

### ***Title Group***

The Company provides title, escrow and settlement services to consumers, real estate companies, corporations and financial institutions with many of these services provided in connection with the Company's real estate brokerage and relocation services businesses. These services relate to the closing of home purchases and refinancing of home loans and therefore, title revenues and title and closing service fees are recorded at a point in time which occurs at the time a homesale transaction or refinancing closes.

### ***Deferred Revenue***

The following table shows the total change in the Company's contract liabilities related to revenue contracts by reportable segment (as discussed in detail above) for the year ended December 31, 2025:

	<b>Year Ended December 31, 2025</b>			
	<b>Beginning Balance at January 1, 2025</b>	<b>Additions during the period</b>	<b>Recognized as Revenue during the period</b>	<b>Ending Balance at December 31, 2025</b>
Franchise Group (a) .....	\$ 60	\$ 129	\$ (138)	\$ 51
Owned Brokerage Group .....	12	10	(13)	9
Total .....	<u>\$ 72</u>	<u>\$ 139</u>	<u>\$ (151)</u>	<u>\$ 60</u>

(a) Revenues recognized include intercompany marketing fees paid by Owned Brokerage Group.

The majority of the Company's contracts are transactional in nature or have a duration of one-year or less. Accordingly, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

## **4. EQUITY METHOD INVESTMENTS**

The Company applies the equity method of accounting for investments in ventures when it possesses significant influence over operational and financial decisions but lacks controlling interests. The Company records its proportionate share of net earnings or losses from these equity method investments under the "Equity in earnings of unconsolidated entities" line in the Consolidated Statements of Operations. Investments not subject to the equity method are valued at fair market value with adjustments recognized in net income. If the fair value is not readily determinable, these investments are measured at cost minus impairment (if any), plus or minus changes reflecting observable price changes in orderly transactions for an identical or similar investment.

The Company has various equity method investments classified within other non-current assets on the Consolidated Balance Sheets. Although the Company holds certain governance rights, it lacks controlling financial or operational interests in these investments. Equity earnings or losses attributable to these investments are included in the financial results of the Title Group and Owned Brokerage Group reportable segments.

The Company's equity method investment balances at December 31, 2025 and 2024 were as follows:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Guaranteed Rate Affinity (a) .....	\$ 55	\$ 65
Title Insurance Underwriter Joint Venture (b) .....	69	73
Other equity method investments (c) .....	41	44
Total equity method investments .....	<u>\$ 165</u>	<u>\$ 182</u>

- (a) Represents the Company's 49.9% minority-owned mortgage origination joint venture with Guaranteed Rate, Inc ("Guaranteed Rate Affinity") at Title Group which originates and markets its mortgage lending services to the Company's real estate brokerage as well as other real estate brokerage companies across the country. The Company received \$11 million in cash dividends from Guaranteed Rate Affinity during the year ended December 31, 2025.
- (b) Represents the Company's 22% equity interest in the Title Insurance Underwriter Joint Venture at Title Group.
- (c) Includes the Company's various other equity method investments at Title Group and Brokerage Group, including the Company's 50% owned unconsolidated real estate auction joint venture with Sotheby's which holds an 80% ownership stake in Sotheby's Concierge Auctions. The Company received \$9 million in cash dividends related to these investments during the year ended December 31, 2025. The Company received \$6 million of proceeds which resulted in a \$2 million gain on the sale of an equity method investment during the year ended December 31, 2025.

The Company recorded equity in (earnings) losses from its equity method investments as follows:

	Year Ended December 31,		
	2025	2024	2023
Guaranteed Rate Affinity	\$ (1)	\$ 2	\$ —
Title Insurance Underwriter Joint Venture	4	1	(4)
Other equity method investments	(10)	(10)	(5)
Equity in earnings of unconsolidated entities	<u>\$ (7)</u>	<u>\$ (7)</u>	<u>\$ (9)</u>

### ***Sale of Equity Interest in Certain Title and Escrow Entities***

In April 2025, the Company sold preferred equity, representing 10% of the equity of entities containing the assets of certain of the Company's title and escrow entities (the "Preferred Equity"), for an aggregate of \$19 million to a subsidiary of the Title Insurance Underwriter Joint Venture. The purchaser also has a right to purchase the remaining 90% of the outstanding equity of those entities at the same valuation until the third anniversary of sale date. The Company will have the right to repurchase the Preferred Equity after the third anniversary and until the fifth anniversary of the sale date for \$19 million plus dividends accruing at the rate of 6% per annum. After the fifth anniversary, if neither party has exercised their purchase right, the Company will be required to repurchase the Preferred Equity, thus creating a mandatorily redeemable financial instrument for the 10% non-controlling interest. The mandatorily redeemable interest for \$19 million is recorded in Other non-current liabilities in the Company's Consolidated Balance Sheets.

## **5. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consisted of:

	December 31,	
	2025	2024
Furniture, fixtures and equipment	\$ 95	\$ 87
Capitalized software	537	488
Finance lease assets	34	72
Building and leasehold improvements	261	268
Land	1	1
Gross property and equipment	<u>928</u>	<u>916</u>
Less: accumulated depreciation	(679)	(669)
Property and equipment, net	<u>\$ 249</u>	<u>\$ 247</u>

The Company recorded depreciation expense related to property and equipment of \$103 million, \$109 million and \$106 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Significant non-cash transactions included contract additions of \$5 million during year ended December 31, 2025 which resulted in non-cash additions to property and equipment, net.

## 6. LEASES

The Company's lease portfolio consists primarily of office space and equipment. The Company has approximately 1,000 real estate leases with lease terms ranging from less than 1 year to 17 years and includes the Company's brokerage sales offices, regional and branch offices for title and relocation operations, corporate headquarters, regional headquarters, and facilities serving as local administration, training and storage. The Company's brokerage sales offices are generally located in shopping centers and small office parks, typically with lease terms of 1 year to 5 years. In addition, the Company has equipment leases which primarily consist of furniture, computers and other office equipment.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. At lease commencement, the Company records a liability for its lease obligation measured at the present value of future lease payments and a right-of-use asset equal to the lease liability adjusted for prepayments and lease incentives. The Company uses its collateralized incremental borrowing rate to calculate the present value of lease liabilities as most of its leases do not provide an implicit rate that is readily determinable. The Company does not recognize a lease obligation and right-of-use asset on its balance sheet for any leases with an initial term of 12 months or less. Some real estate leases include one or more options to renew or terminate a lease. The exercise of a lease renewal or termination option is assessed at commencement of the lease and only reflected in the lease term if the Company is reasonably certain to exercise the option. The Company has lease agreements that contain both lease and non-lease components, such as common area maintenance fees, and has made a policy election to combine both fixed lease and non-lease components in total gross rent for all of its leases. Expense for operating leases is recognized on a straight-line basis over the lease term. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term. Furthermore, the Company recognizes impairment charges related to the exit and sublease of certain real estate operating leases.

Supplemental balance sheet information related to the Company's leases was as follows:

Lease Type	Balance Sheet Classification	December 31,	
		2025	2024
Assets:			
Operating lease assets	Operating lease assets, net	\$ 299	\$ 331
Finance lease assets (a)	Property and equipment, net	11	21
<b>Total lease assets, net</b>		<b>\$ 310</b>	<b>\$ 352</b>
Liabilities:			
Current:			
Operating lease liabilities	Current portion of operating lease liabilities	\$ 93	\$ 105
Finance lease liabilities	Accrued expenses and other current liabilities	5	7
Non-current:			
Operating lease liabilities	Long-term operating lease liabilities	255	284
Finance lease liabilities	Other non-current liabilities	3	8
<b>Total lease liabilities</b>		<b>\$ 356</b>	<b>\$ 404</b>
<b>Weighted Average Lease Term and Discount Rate</b>			
Weighted average remaining lease term (years):			
Operating leases		4.6	4.7
Finance leases		2.2	2.6
Weighted average discount rate:			
Operating leases		5.1 %	4.9 %
Finance leases		5.4 %	5.2 %

(a) Finance lease assets are recorded net of accumulated amortization of \$22 million and \$51 million at December 31, 2025 and 2024, respectively.

As of December 31, 2025, maturities of lease liabilities by fiscal year were as follows:

<b>Maturity of Lease Liabilities</b>	<b>Operating Leases</b>	<b>Finance Leases</b>	<b>Total</b>
2026 .....	\$ 107	\$ 4	\$ 111
2027 .....	94	3	97
2028 .....	68	1	69
2029 .....	50	—	50
2030 .....	26	—	26
Thereafter .....	46	—	46
Total lease payments .....	391	8	399
Less: Interest .....	43	—	43
Present value of lease liabilities .....	<u>\$ 348</u>	<u>\$ 8</u>	<u>\$ 356</u>

Supplemental income statement information related to the Company's leases is as follows:

<b>Lease Costs</b>	<b>Year Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Operating lease costs .....	\$ 116	\$ 122	\$ 132
Finance lease costs:			
Amortization of leased assets .....	8	11	12
Interest on lease liabilities .....	1	1	1
Other lease costs (a) .....	22	23	23
Impairment (b) .....	4	8	11
Less: Sublease income, gross .....	1	2	2
Net lease cost .....	<u>\$ 150</u>	<u>\$ 163</u>	<u>\$ 177</u>

(a) Primarily consists of variable lease costs.

(b) Impairment charges relate to the exit and sublease of certain real estate operating leases.

Supplemental cash flow information related to leases was as follows:

	<b>Year Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>			
Operating cash flows from operating leases .....	\$ 131	\$ 142	\$ 148
Operating cash flows from finance leases .....	1	1	1
Financing cash flows from finance leases .....	9	12	13
<b>Supplemental non-cash information:</b>			
Lease assets obtained in exchange for lease obligations:			
Operating leases .....	\$ 79	\$ 73	\$ 92
Finance leases .....	1	4	7

## 7. GOODWILL AND INTANGIBLE ASSETS

### Goodwill

Changes in the carrying amount of Goodwill and Accumulated impairment losses by reportable segment is as follows:

	Franchise Group	Owned Brokerage Group	Title Group	Total Company
Goodwill (gross) at December 31, 2023	\$ 3,953	\$ 1,089	\$ 455	\$ 5,497
Goodwill acquired	—	—	—	—
Goodwill reduction	—	—	—	—
Goodwill (gross) at December 31, 2024	3,953	1,089	455	5,497
Accumulated impairment losses at December 31, 2023	(1,586)	(1,088)	(324)	(2,998)
Goodwill impairment	—	—	—	—
Accumulated impairment losses at December 31, 2024	(1,586)	(1,088)	(324)	(2,998)
<b>Goodwill (net) at December 31, 2024</b>	<b>\$ 2,367</b>	<b>\$ 1</b>	<b>\$ 131</b>	<b>\$ 2,499</b>
Goodwill (gross) at December 31, 2024	\$ 3,953	\$ 1,089	\$ 455	\$ 5,497
Goodwill acquired	—	—	—	—
Goodwill reduction	—	—	—	—
Goodwill (gross) at December 31, 2025	3,953	1,089	455	5,497
Accumulated impairment losses at December 31, 2024	(1,586)	(1,088)	(324)	(2,998)
Goodwill impairment	—	—	—	—
Accumulated impairment losses at December 31, 2025 (a)	(1,586)	(1,088)	(324)	(2,998)
<b>Goodwill (net) at December 31, 2025</b>	<b>\$ 2,367</b>	<b>\$ 1</b>	<b>\$ 131</b>	<b>\$ 2,499</b>

(a) Includes impairment charges which reduced goodwill by \$25 million during 2023, \$394 million during 2022, \$540 million during 2020, \$253 million during 2019, \$1,279 million during 2008 and \$507 million during 2007.

### Intangible Assets

Intangible assets are as follows:

	As of December 31, 2025			As of December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable—Franchise agreements (a)	\$ 2,010	\$ 1,256	\$ 754	\$ 2,010	\$ 1,189	\$ 821
Indefinite life—Trademarks (b)	\$ 584	—	\$ 584	\$ 584	—	\$ 584
<i>Other Intangibles</i>						
Amortizable—License agreements (c)	\$ 45	\$ 18	\$ 27	\$ 45	\$ 17	\$ 28
Amortizable—Customer relationships (d)	449	422	27	449	401	48
Indefinite life—Title plant shares (e)	31	—	31	30	—	30
Amortizable—Other (f)	4	4	—	4	4	—
Total Other Intangibles	\$ 529	\$ 444	\$ 85	\$ 528	\$ 422	\$ 106

(a) Generally amortized over a period of 30 years.

(b) Primarily related to real estate franchise, title and relocation trademarks which are expected to generate future cash flows for an indefinite period of time.

(c) Relates to the Sotheby's International Realty® and Better Homes and Gardens® Real Estate agreements which are being amortized over 50 years (the contractual term of the license agreements).

(d) Relates to the customer relationships which are being amortized over a period of 10 to 20 years.

(e) Ownership in a title plant is required to transact title insurance in certain states. The Company expects to generate future cash flows for an indefinite period of time.

(f) Consists of covenants not to compete which are amortized over their contract lives and other intangibles which are generally amortized over periods ranging from 3 to 5 years.

Intangible asset amortization expense is as follows:

	For the Year Ended December 31,		
	2025	2024	2023
Franchise agreements	\$ 67	\$ 66	\$ 67
License agreements	1	1	1
Customer relationships	21	21	21
Other	—	1	1
Total	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 90</u>

Based on the Company's amortizable intangible assets as of December 31, 2025, the Company expects related amortization expense to be approximately \$89 million, \$74 million, \$68 million, \$68 million, \$68 million and \$441 million in 2026, 2027, 2028, 2029, 2030 and thereafter, respectively.

#### ***Impairment of Goodwill and Other Indefinite-lived Intangibles***

Based upon the impairment analysis performed in each of the fourth quarters of 2025 and 2024, there was no impairment of goodwill or other indefinite-lived intangible assets for the years ended December 31, 2025 and 2024. See Note 2, "Summary of Significant Accounting Policies—Impairment of Goodwill, Intangible Assets and Other Long-Lived Assets", for additional information.

#### **8. OTHER CURRENT ASSETS AND ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Other current assets consisted of:

	December 31,	
	2025	2024
Prepaid contracts and other prepaid expenses	\$ 92	\$ 75
Prepaid agent incentives	38	37
Franchisee sales incentives	30	29
Income tax receivables	8	35
Other	30	30
Total other current assets	<u>\$ 198</u>	<u>\$ 206</u>

Accrued expenses and other current liabilities consisted of:

	December 31,	
	2025	2024
Accrued payroll and related employee costs	\$ 206	\$ 170
Advances from clients	26	24
Accrued volume incentives	30	27
Accrued commissions	42	41
Restructuring accruals	11	9
Deferred income	37	45
Accrued interest	44	36
Current portion of finance lease liabilities	5	7
Due to former parent	2	40
Other	175	154
Total accrued expenses and other current liabilities	<u>\$ 578</u>	<u>\$ 553</u>

## 9. SHORT AND LONG-TERM DEBT

Total indebtedness is as follows:

	December 31,	
	2025	2024
Revolving Credit Facility	\$ 415	\$ 490
9.75% Senior Secured Second Lien Notes	491	—
7.00% Senior Secured Second Lien Notes	632	630
5.75% Senior Notes	559	558
5.25% Senior Notes	445	444
0.25% Exchangeable Senior Notes	2	399
<b>Total Short-Term &amp; Long-Term Debt</b>	<b>\$ 2,544</b>	<b>\$ 2,521</b>
Securitization Obligations:		
Apple Ridge Funding LLC	\$ 143	\$ 140

### *Indebtedness Table*

As of December 31, 2025, the Company's borrowing arrangements were as follows:

	Interest Rate	Expiration Date	Principal Amount	Unamortized Premium and Debt Issuance Costs	Net Amount
Revolving Credit Facility (a)	(b)	July 2027 (b)	\$ 415	*	\$ 415
Senior Secured Second Lien Notes (c)	9.75%	April 2030	500	9	491
Senior Secured Second Lien Notes (c)	7.00%	April 2030	640	8	632
Senior Notes (d)	5.75%	January 2029	559	—	559
Senior Notes (d)	5.25%	April 2030	449	4	445
Exchangeable Senior Notes (e)	0.25%	June 2026	2	—	2
<b>Total Short-Term &amp; Long-Term Debt</b>			<b>\$ 2,565</b>	<b>\$ 21</b>	<b>\$ 2,544</b>
Securitization obligations: (f)					
Apple Ridge Funding LLC		May 2026	\$ 143	*	\$ 143

\* The debt issuance costs related to our Revolving Credit Facility and securitization obligations are classified as a deferred financing asset within other assets.

- (a) As of December 31, 2025, the Company had \$1,100 million of borrowing capacity under its Revolving Credit Facility. As of December 31, 2025, there were \$415 million outstanding borrowings under the Revolving Credit Facility and \$30 million of outstanding undrawn letters of credit. The Revolving Credit Facility was repaid upon closing of the Merger along with the termination of the related Senior Secured Credit Agreement and Senior Secured Credit Facility, see Note 20, "Subsequent Events", for additional information.
- (b) See below under the header "Senior Secured Credit Agreement" for additional information.
- (c) See below under the header "Senior Secured Second Lien Notes" for additional information.
- (d) See below under the header "Unsecured Notes" for additional detail and repurchases information in the third quarter of 2024.
- (e) See below under the header "Exchangeable Senior Notes" for additional information.
- (f) See below under the header "Securitization Obligations" for additional information.

### ***Maturities Table***

As of December 31, 2025, the combined aggregate amount of maturities for long-term borrowings for each of the next five years is as follows:

<b>Year</b>	<b>Amount</b>
2026 (a) .....	\$ 417
2027 .....	—
2028 .....	—
2029 .....	559
2030 .....	1,589

- (a) The current portion of long-term debt of \$417 million shown on the Consolidated Balance Sheets consists of \$415 million of outstanding borrowings under the Revolving Credit Facility and \$2 million of the Exchangeable Senior Notes due June 2026. Outstanding borrowings under the Revolving Credit Facility expire in July 2027 (subject to earlier springing maturity) but are classified on the balance sheet as current due to the revolving nature of borrowings and terms and conditions of the facility.

### ***Senior Secured Credit Agreement***

On January 9, 2026, the Revolving Credit Facility was repaid upon closing of the Merger along with the termination of the related Senior Secured Credit Agreement and Senior Secured Credit Facility, see Note 20, "Subsequent Events", for additional information.

The Company's Amended and Restated Credit Agreement dated as of March 5, 2013 (as amended, amended and restated, modified or supplemented from time to time, the "Senior Secured Credit Agreement") governs its senior secured credit facility (the "Senior Secured Credit Facility"), which includes the revolving credit facility (the "Revolving Credit Facility").

The maturity date of the Revolving Credit Facility is July 27, 2027; however, it may spring forward to March 16, 2026 if the 0.25% Exchangeable Senior Notes have not been extended, refinanced or replaced to have a maturity date after October 26, 2027 (or are not otherwise discharged, defeased or repaid by March 16, 2026).

The Senior Secured Credit Facility includes a \$1,100 million Revolving Credit Facility which includes a \$150 million letter of credit sub-facility.

The interest rate with respect to revolving loans under the Revolving Credit Facility is based on, at Anywhere Group's option, Term Secured Overnight Financing Rate ("SOFR") plus a 10 basis point credit spread adjustment or JP Morgan Chase Bank, N.A.'s prime rate ("ABR"), plus (in each case) an additional margin subject to the following adjustments based on the Company's then current senior secured leverage ratio:

<b>Senior Secured Leverage Ratio</b>	<b>Applicable SOFR Margin</b>	<b>Applicable ABR Margin</b>
Greater than 3.50 to 1.00 .....	2.50%	1.50%
Less than or equal to 3.50 to 1.00 but greater than or equal to 2.50 to 1.00 .....	2.25%	1.25%
Less than 2.50 to 1.00 but greater than or equal to 2.00 to 1.00 .....	2.00%	1.00%
Less than 2.00 to 1.00 .....	1.75%	0.75%

Based on the previous quarter's senior secured leverage ratio, the SOFR margin was 1.75% and the ABR margin was 0.75% for the three months ended December 31, 2025.

The obligations under the Senior Secured Credit Agreement are secured to the extent legally permissible by substantially all of the assets of Anywhere Group, Anywhere Intermediate and all of their domestic subsidiaries, other than certain excluded subsidiaries and subject to certain exceptions.

The Senior Secured Credit Agreement contains financial, affirmative and negative covenants as well as a financial covenant that Anywhere Group maintain (so long as commitments under the Revolving Credit Facility are outstanding) a maximum permitted senior secured leverage ratio, not to exceed 4.75 to 1.00. The leverage ratio is tested quarterly regardless of the amount of borrowings outstanding and letters of credit issued under the Revolving Credit Facility at the testing date. Total senior secured net debt does not include the Apple Ridge securitization obligations or our unsecured indebtedness, including the Unsecured Notes and the Exchangeable Senior Notes. At December 31, 2025, Anywhere Group was in compliance with the senior secured leverage ratio covenant.

### ***Senior Secured Second Lien Notes***

In June 2025, the Company issued \$500 million of 9.75% Senior Secured Second Lien Notes. The 9.75% Senior Secured Second Lien Notes mature on April 15, 2030 with interest on such notes payable semiannually on April 15 and October 15 of each year commencing on October 15, 2025.

The 7.00% Senior Secured Second Lien Notes mature on April 15, 2030 with interest on such notes payable semiannually on April 15 and October 15 of each year.

The 9.75% and 7.00% Senior Secured Second Lien Notes (referred to collectively as the "Senior Secured Second Lien Notes") are guaranteed on a senior secured second priority basis by Anywhere Intermediate and each domestic direct or indirect restricted subsidiary of Anywhere, other than certain excluded entities, that is a guarantor under its Senior Secured Credit Facility and certain of its outstanding debt securities. The Senior Secured Second Lien Notes are also guaranteed by Anywhere on an unsecured senior subordinated basis. The Senior Secured Second Lien Notes are secured by substantially the same collateral as Anywhere Group's existing first lien obligations under its Senior Secured Credit Facility on a second priority basis.

The indentures governing the Senior Secured Second Lien Notes contain various covenants that limit the ability of Anywhere Intermediate, Anywhere Group and Anywhere Group's restricted subsidiaries to take certain actions, which covenants are subject to a number of important exceptions and qualifications. These covenants are substantially similar to the covenants in the indenture governing the 5.75% Senior Notes due 2029 and 5.25% Senior Notes due 2030, as described below under the header "Unsecured Notes".

### ***Unsecured Notes***

The 5.75% Senior Notes and 5.25% Senior Notes (collectively the "Unsecured Notes") are unsecured senior obligations of Anywhere Group. The 5.75% Senior Notes mature on January 15, 2029 with interest on such notes payable each year semiannually on January 15 and July 15. The 5.25% Senior Notes mature on April 15, 2030 with interest on such notes payable each year semiannually on April 15 and October 15.

The Company may redeem all or a portion of the 5.75% Senior Notes or 5.25% Senior Notes, as applicable, at the redemption price set forth in the applicable indenture governing such notes.

The Unsecured Notes are guaranteed on an unsecured senior basis by each domestic subsidiary of Anywhere Group that is a guarantor under the Senior Secured Credit Facility and Anywhere Group's outstanding debt securities and are guaranteed by Anywhere Holdings on an unsecured senior subordinated basis.

The indentures governing the Unsecured Notes contain various negative covenants that limit Anywhere Group's and its restricted subsidiaries' ability to take certain actions, which covenants are subject to a number of important exceptions and qualifications. These covenants include limitations on Anywhere Group's and its restricted subsidiaries' ability to (a) incur or guarantee additional indebtedness, or issue disqualified stock or preferred stock, (b) pay dividends or make distributions to their stockholders, (c) repurchase or redeem capital stock, (d) make investments or acquisitions, (e) incur restrictions on the ability of certain of their subsidiaries to pay dividends or to make other payments to Anywhere Group, (f) enter into transactions with affiliates, (g) create liens, (h) merge or consolidate with other companies or transfer all or substantially all of their assets, (i) transfer or sell assets, including capital stock of subsidiaries and (j) prepay, redeem or repurchase debt that is subordinated in right of payment to the Unsecured Notes.

In particular, under the Unsecured Notes:

- the cumulative credit basket is not available to repurchase shares to the extent the consolidated leverage ratio is equal to or greater than 4.0 to 1.0 on a pro forma basis giving effect to such repurchase;
- the consolidated leverage ratio must be less than 3.0 to 1.0 to use the unlimited general restricted payment basket; and
- a restricted payment basket is available for up to \$45 million of dividends per calendar year (with any actual dividends deducted from the available cumulative credit basket).

The consolidated leverage ratio is measured by dividing Anywhere Group's total net debt (excluding securitizations) by the trailing twelve-month EBITDA. EBITDA, as defined in the applicable indentures governing the Unsecured Notes, is substantially similar to EBITDA calculated on a Pro Forma Basis, as those terms are defined in the Senior Secured Credit Agreement. Net debt under the indentures governing the Unsecured Notes is Anywhere Group's total indebtedness (excluding securitizations) less (i) its cash and cash equivalents in excess of restricted cash and (ii) a \$200 million seasonality adjustment permitted when measuring the ratio on a date during the period of March 1 to May 31.

### ***Exchangeable Senior Notes***

In June 2021, Anywhere Group issued \$403 million of 0.25% Exchangeable Senior Notes which mature on June 15, 2026 with semiannually interest payments on June 15 and December 15.

During the second quarter of 2025, the Company used net proceeds from the issuance of the 9.75% Senior Secured Second Lien Notes to repurchase \$345 million in aggregate principal amount of the Exchangeable Senior Notes for an aggregate cash payment of \$339 million. The remaining net proceeds were used to repay a portion of outstanding borrowings under the Revolving Credit Facility in July 2025.

The Company used cash on hand to repurchase \$22 million and \$34 million of the Exchangeable Senior Notes for an aggregate cash payments of \$22 million and \$34 million during the third and fourth quarters of 2025, respectively. Following the repurchases, approximately \$2 million in aggregate principal amount of the Exchangeable Senior Notes remains outstanding.

In connection with the repurchases of the Company's Exchangeable Senior Notes during 2025, the Company terminated all of the related exchangeable note hedge and warrant transactions. The exchangeable note hedges and warrants were originally accounted for as equity-classified instruments with no subsequent remeasurement. Upon termination, the derecognition of the corresponding hedge and warrant components was recorded as a reclassification within additional paid-in capital, with no impact to net income or total equity. The Company incurred no cash cost to unwind the terminated portion of the hedges or warrants. This reflects the fact that the instruments were significantly out-of-the-money at the time of termination and held no residual value. The contractual termination was part of the coordinated exchangeable debt repurchase.

The Exchangeable Senior Notes are guaranteed on an unsecured senior basis by each domestic subsidiary of Anywhere Group that is a guarantor under the Senior Secured Credit Facility and Anywhere Group's outstanding debt securities and are guaranteed by Anywhere on an unsecured senior subordinated basis.

Noteholders have the right to exchange their Exchangeable Senior Notes before March 15, 2026 upon the occurrence of certain events (as described in the indenture governing the notes) and on or after March 15, 2026 at their election until the close of business on the second scheduled trading day immediately before the maturity date of the notes. Upon exchange, Anywhere Group will pay cash up to the principal amount being exchanged and pay or deliver cash, shares of the Company's common stock or a combination of both at the Company's election for the portion of the exchange obligation in excess of the aggregate principal amount being exchanged.

The initial exchange rate for Exchangeable Senior Notes is 40.8397 shares of the Company's common stock per \$1,000 principal amount of notes (which represents an initial exchange price of approximately \$24.49 per share). The exchange rate and exchange price are subject to customary adjustments upon the occurrence of certain events and may be increased for a specified period of time if a "Make-Whole Fundamental Change" (as defined in the indenture governing the Exchangeable Senior Notes) occurs. Initially, a maximum of approximately 23,013,139 shares of the Company's common stock may be issued upon the exchange of the Exchangeable Senior Notes, based on the initial maximum exchange rate of 57.1755 shares of the Company's common stock per \$1,000 principal amount of notes, which is subject to customary anti-dilution adjustment provisions.

The Exchangeable Senior Notes are redeemable, in whole or in part, at the Company's option between June 20, 2024 and maturity, if the Company's common stock exceeds 130% of the exchange price for at least 20 trading days, at a cash redemption price equal to the principal amount of the Exchangeable Senior Notes to be redeemed plus accrued and unpaid interest. In addition, calling any Exchangeable Senior Notes for redemption will constitute a Make-Whole Fundamental Change which may increase the exchange rate applicable to the exchange of that note in certain circumstances. In addition, if certain corporate events that constitute a "Fundamental Change" (as defined in the indenture governing the Exchangeable Senior Notes) occurs, then noteholders may require the Company to repurchase their Exchangeable Senior Notes at a cash repurchase price equal to the principal amount of the notes to be repurchased, plus accrued and unpaid interest. The indenture governing the Exchangeable Senior Notes also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Exchangeable Senior Notes to become or to be declared due and payable.

### ***Securitization Obligations***

Anywhere Group has secured obligations through Apple Ridge Funding LLC under a securitization program. As of December 31, 2025, the Company had \$180 million of borrowing capacity under the Apple Ridge Funding LLC

securitization program with \$143 million being utilized leaving \$37 million of available capacity subject to maintaining sufficient relocation related assets to collateralize the securitization obligation.

The Apple Ridge entities are consolidated special purpose entities that are utilized to securitize relocation receivables and related assets. These assets are generated from advancing funds on behalf of clients of Anywhere Group's relocation operations in order to facilitate the relocation of their employees. Assets of these special purpose entities are not available to pay Anywhere Group's general obligations. Under the Apple Ridge securitization program, provided no termination or amortization event has occurred, any new receivables generated under the designated relocation management agreements are sold into the securitization program and as new eligible relocation management agreements are entered into, the new agreements are designated to the program.

The Apple Ridge securitization program has restrictive covenants and trigger events, the occurrence of which could restrict our ability to access new or existing funding under this facility or result in termination of the facility, either of which would adversely affect the operation of the Company's relocation services.

Certain of the funds that Anywhere Group receives from relocation receivables and related assets are required to be utilized to repay securitization obligations. These obligations are collateralized by \$159 million and \$156 million of underlying relocation receivables and other related relocation assets at December 31, 2025 and 2024, respectively. Substantially all relocation related assets are realized in less than twelve months from the transaction date. Accordingly, all of Anywhere Group's securitization obligations are classified as current in the accompanying Consolidated Balance Sheets.

Interest incurred in connection with borrowings under the facility amounted to \$10 million for both years ended December 31, 2025 and 2024. This interest is recorded within net revenues in the accompanying Consolidated Statements of Operations as related borrowings are utilized to fund Anywhere Group's relocation operations where interest is generally earned on such assets. The securitization obligations represent floating rate debt for which the average weighted interest rate was 6.7% and 7.9% for the years ended December 31, 2025 and 2024, respectively.

#### ***Term Loan A Facility Repayment***

The Company's Term Loan A Agreement dated as of October 23, 2015 (as amended, amended and restated, modified or supplemented from time to time, the "Term Loan A Agreement") governed its senior secured term loan A credit facility (the "Term Loan A Facility") until its repayment in full on August 30, 2024. The interest rate on outstanding borrowings under the Term Loan A Facility was based on, at the Company's option, Term SOFR plus a 10 basis point credit spread adjustment or ABR, plus (in each case) an additional margin subject to adjustment based on the then current senior secured leverage ratio.

#### ***Gain on the Early Extinguishment of Debt***

During the year ended December 31, 2025, the Company recorded net gain on the early extinguishment of debt of \$1 million as a result of the issuance of 9.75% Senior Secured Second Lien Notes and repurchases of the Exchangeable Senior Notes.

During the year ended December 31, 2024, the Company recorded gains on the early extinguishment of debt totaling \$7 million as a result of the repurchases of Unsecured Notes occurring in the third quarter of 2024.

During the year ended December 31, 2023, the Company recorded gains on the early extinguishment of debt totaling \$169 million which consisted of \$151 million as a result of the debt exchange transactions and \$18 million as a result of the open market repurchases occurring in the third quarter of 2023.

## **10. FRANCHISING AND MARKETING ACTIVITIES**

Domestic franchisee agreements generally require the franchisee to pay the Company an initial franchise fee for the franchisee's principal office plus a royalty fee that is a percentage of gross commission income, if any, earned by the franchisee. Franchisee fees can be structured in numerous ways. The Company utilizes multiple franchise fee models, including: (i) volume-based incentive (under which royalty fee rate is subject to reduction based on volume incentives); (ii) flat percentage royalty fee (under which the franchisee pays a fixed percentage of their commission income); (iii) capped fee (under which the franchisee pays a royalty fee capped at a set amount per independent sales agents per year); and (iv) tiered royalty fee (under which the franchisee pays a percentage of their gross commission income as a royalty fee). The volume incentives currently in effect vary for each eligible franchisee for which the Company provides a detailed table that describes the gross revenue thresholds required to achieve a volume incentive and the corresponding incentive amounts and are subject to change.

Domestic initial franchise fees and international area development fees were \$5 million for each of the years ended December 31, 2025, 2024 and 2023. Franchise royalty revenue is recorded net of annual volume incentives provided to real estate franchisees of \$48 million, \$46 million and \$43 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company's wholly-owned real estate brokerage services segment, Owned Brokerage Group, pays royalties to the Company's franchise business; however, such amounts are eliminated in consolidation. Owned Brokerage Group paid royalties to Franchise Group of \$318 million, \$304 million and \$301 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Marketing fees are generally paid by the Company's real estate franchisees and are generally calculated based on a specified percentage of gross closed commissions earned on real estate transactions, and may be subject to certain minimum and maximum payments. Brand marketing fund revenue was \$72 million, \$75 million and \$82 million for the years ended December 31, 2025, 2024 and 2023, respectively, which included marketing fees paid to Franchise Group from Owned Brokerage Group of \$14 million, \$15 million and \$14 million for the years ended December 31, 2025, 2024 and 2023, respectively. As provided for in the franchise agreements and generally at the Company's discretion, all of these fees are to be expended for marketing purposes.

The number of franchised and company owned offices in operation are as follows:

	<i>(Unaudited)</i> As of December 31,		
	2025	2024	2023
<i>Franchised (domestic and international):</i>			
Century 21®	10,741	10,986	11,972
ERA®	2,237	2,291	2,395
Coldwell Banker®	2,163	2,145	2,140
Coldwell Banker Commercial®	212	208	189
Sotheby's International Realty®	1,078	1,065	1,071
Better Homes and Gardens® Real Estate	383	386	440
Corcoran®	126	124	96
Total Franchised	<u>16,940</u>	<u>17,205</u>	<u>18,303</u>
<i>Company owned:</i>			
Coldwell Banker®	485	506	551
Sotheby's International Realty®	37	44	44
Corcoran®	25	25	28
Total Company Owned	<u>547</u>	<u>575</u>	<u>623</u>

The number of franchised and company owned offices (in the aggregate) changed as follows:

	<i>(Unaudited)</i> For the Year Ended December 31,		
	2025	2024	2023
<i>Franchised (domestic and international):</i>			
Beginning balance	17,205	18,303	19,824
Additions	375	403	571
Terminations	(640)	(1,501)	(2,092)
Ending balance	<u>16,940</u>	<u>17,205</u>	<u>18,303</u>
<i>Company owned:</i>			
Beginning balance	575	623	679
Additions	7	1	5
Closures	(35)	(49)	(61)
Ending balance	<u>547</u>	<u>575</u>	<u>623</u>

As of December 31, 2025, there were an insignificant number of franchise agreements that were executed for which offices are not yet operating. Additionally, as of December 31, 2025, there were an insignificant number of franchise agreements pending termination.

In order to assist franchisees in converting to one of the Company's brands or as an incentive to renew their franchise agreement, the Company may at its discretion, provide incentives, primarily in the form of conversion notes or other note-backed funding. Provided the franchisee meets certain minimum annual revenue thresholds during the term of the notes and is in compliance with the terms of the franchise agreement, the amount of the note is forgiven annually in equal ratable amounts generally over the life of the franchise agreement. If the revenue performance thresholds are not met or the franchise agreement terminates, franchisees may be required to repay a portion of the outstanding notes. The amount of such franchisee conversion notes or other note-backed funding was \$165 million and \$164 million at December 31, 2025 and 2024, respectively. These notes are principally classified within other non-current assets in the Company's Consolidated Balance Sheets. The Company recorded a contra-revenue in the statement of operations related to the forgiveness and impairment of these notes and other sales incentives of \$32 million, \$35 million and \$34 million for the years ended December 31, 2025, 2024 and 2023, respectively.

## 11. EMPLOYEE BENEFIT PLANS

### DEFINED BENEFIT PENSION PLAN

The Company's defined benefit pension plan was closed to new entrants as of July 1, 1997 and existing participants do not accrue any additional benefits. The net periodic pension cost for 2025 was \$2 million and was comprised of interest cost of approximately \$5 million and the amortization of the actuarial net loss of \$2 million, offset by a benefit of \$5 million for the expected return on assets. The net periodic pension cost for 2024 was \$2 million and was comprised of interest cost of approximately \$5 million and the amortization of the actuarial net loss of \$2 million, offset by a benefit of \$5 million for the expected return on assets.

At December 31, 2025 and 2024, the accumulated benefit obligation of this plan was \$89 million and \$92 million, respectively, and the fair value of the plan assets were \$79 million and \$80 million, respectively, resulting in an unfunded accumulated benefit obligation of \$10 million and \$12 million, respectively, which is recorded in Other current and non-current liabilities in the Consolidated Balance Sheets.

Estimated future benefit payments from the plan as of December 31, 2025 are as follows:

Year	Amount
2026 .....	\$ 9
2027 .....	9
2028 .....	8
2029 .....	8
2030 .....	8
2031 through 2035 .....	35

The minimum funding required during 2026 is estimated to be \$3 million.

The following table presents the fair values of plan assets by category as of December 31, 2025:

Asset Category	Quoted Price in Active Market for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Cash and cash equivalents .....	\$ 1	\$ —	\$ —	\$ 1
Equity securities .....	—	—	—	—
Fixed income securities .....	—	39	—	39
Total .....	\$ 1	\$ 39	\$ —	\$ 40
Plan assets measured at Net Asset Value ("NAV") (a) .....				39
Total plan assets .....				\$ 79

(a) The fair values of these plan assets were determined using the NAV as a practical expedient and therefore have not been classified in the fair value hierarchy.

The following table presents the fair values of plan assets by category as of December 31, 2024:

Asset Category	Quoted Price in Active Market for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Total
Cash and cash equivalents	\$ 2	\$ —	\$ —	\$ 2
Equity securities	—	—	—	—
Fixed income securities	—	39	—	39
Total	\$ 2	\$ 39	\$ —	\$ 41
Plan assets measured at NAV (a)				39
Total plan assets				\$ 80

(a) The fair values of these plan assets were determined using the NAV as a practical expedient and therefore have not been classified in the fair value hierarchy.

## OTHER EMPLOYEE BENEFIT PLANS

The Company also maintains post-retirement health and welfare plans for certain subsidiaries and a non-qualified pension plan for certain individuals. The related projected benefit obligation for these plans accrued on the Company's Consolidated Balance Sheets (primarily within other non-current liabilities) was \$3 million at both December 31, 2025 and 2024.

## DEFINED CONTRIBUTION SAVINGS PLAN

The Company sponsors a defined contribution savings plan that provides certain of its eligible employees an opportunity to accumulate funds for retirement and has a Company match for a portion of the contributions made by participating employees. The Company's cost for contributions to this plan was \$21 million for each of the years ended December 31, 2025, 2024 and 2023.

## 12. INCOME TAXES

During the fourth quarter of 2025, the Company adopted ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" on a retrospective basis and updated its income tax disclosures accordingly. The new standard enhanced income tax disclosures primarily related to the effective tax rate reconciliation and income taxes paid for annual periods.

The components of pretax loss for domestic and foreign operations consisted of the following:

	Year Ended December 31,		
	2025	2024	2023
Domestic	\$ (136)	\$ (133)	\$ (119)
Foreign	4	4	6
Pretax loss	\$ (132)	\$ (129)	\$ (113)

The components of income tax benefit consisted of the following:

	Year Ended December 31,		
	2025	2024	2023
<i>Current:</i>			
Federal .....	\$ (13)	\$ (2)	\$ 9
State .....	3	(1)	5
Foreign .....	4	3	4
<b>Total current</b> .....	<b>(6)</b>	<b>—</b>	<b>18</b>
<i>Deferred:</i>			
Federal .....	(33)	(13)	(31)
State .....	(4)	11	(2)
Foreign .....	—	—	—
<b>Total deferred</b> .....	<b>(37)</b>	<b>(2)</b>	<b>(33)</b>
<b>Income tax benefit</b> .....	<b>\$ (43)</b>	<b>\$ (2)</b>	<b>\$ (15)</b>

The components of income taxes paid (net of refunds received) consisted of the following:

	Year Ended December 31,		
	2025	2024	2023
<b>Domestic Federal</b> .....	<b>\$ (27)</b>	<b>\$ —</b>	<b>\$ 6</b>
<i>Domestic State:</i>			
California .....	(2)	—	—
Florida .....	—	—	1
New Jersey .....	—	(2)	—
New York - NYC .....	—	(1)	—
Other .....	(2)	—	4
<b>Total Domestic State</b> .....	<b>(4)</b>	<b>(3)</b>	<b>5</b>
<i>Foreign:</i>			
Canada .....	—	1	—
India .....	1	1	1
Singapore .....	—	1	—
Other .....	3	1	2
<b>Total Foreign</b> .....	<b>\$ 4</b>	<b>\$ 4</b>	<b>\$ 3</b>
<b>Income tax (refunds) payments, net</b> .....	<b>\$ (27)</b>	<b>\$ 1</b>	<b>\$ 14</b>

A reconciliation of the Company's effective income tax rate at the U.S. federal statutory rate of 21% to the actual expense was as follows:

	Year Ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>U.S. federal statutory tax rate</b> .....	\$ (28)	21 %	\$ (27)	21 %	\$ (24)	21 %
<b>Domestic federal</b>						
Tax credits:						
Foreign tax credits .....	4	(3)	(2)	2	(2)	2
Research and development tax credits .....	(7)	5	(3)	2	(3)	3
Non-taxable or non-deductible items:						
Business divestiture .....	(3)	2	—	—	—	—
Goodwill impairment .....	—	—	—	—	5	(5)
Meals and entertainment .....	—	—	2	(2)	1	(1)
Non-deductible equity compensation .....	—	—	1	(1)	1	(1)
Non-deductible executive compensation .....	6	(4)	5	(4)	5	(4)
Non-deductible transaction costs .....	3	(2)	—	—	—	—
Other .....	—	—	—	—	(1)	1
Changes in valuation allowance .....	(7)	5	11	(8)	—	—
Foreign-derived intangible income .....	(5)	4	(1)	1	(2)	2
<b>State and local income taxes, net of federal income tax effect (a)</b> .....	<b>(2)</b>	<b>2</b>	<b>9</b>	<b>(7)</b>	<b>2</b>	<b>(2)</b>
<b>Changes in unrecognized tax benefits</b> .....	<b>(7)</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Foreign tax effects</b> .....	<b>3</b>	<b>(2)</b>	<b>3</b>	<b>(2)</b>	<b>3</b>	<b>(3)</b>
<b>Total / Effective tax rate</b> .....	<b>\$ (43)</b>	<b>33 %</b>	<b>\$ (2)</b>	<b>2 %</b>	<b>\$ (15)</b>	<b>13 %</b>

(a) In 2025, 2024 and 2023, the state and local jurisdictions that comprise the majority (greater than 50 percent) of the composite state tax rate were California, New York State, New Jersey, and New York City.

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of the deferred income tax assets and liabilities are as follows:

	December 31,	
	2025	2024
<i>Deferred income tax assets:</i>		
Net operating loss carryforwards	\$ 37	\$ 37
Tax credit carryforwards	23	32
Accrued liabilities and deferred income	96	108
Interest expense limitation carryforward	30	20
Operating leases	94	105
Minimum pension obligations	11	12
Provision for doubtful accounts	10	9
Liability for unrecognized tax benefits	2	2
Total deferred tax assets	<u>303</u>	<u>325</u>
Less: valuation allowance	<u>(48)</u>	<u>(51)</u>
Total deferred income tax assets after valuation allowance	255	274
<i>Deferred income tax liabilities:</i>		
Depreciation and amortization	322	367
Operating leases	79	87
Prepaid expenses	9	9
Basis difference in investment in joint ventures	15	18
Total deferred tax liabilities	<u>425</u>	<u>481</u>
Net deferred income tax liabilities	<u>\$ (170)</u>	<u>\$ (207)</u>

As of December 31, 2025, the Company's deferred tax asset for net operating loss carryforwards is primarily related to certain state net operating loss carryforwards which expire between 2026 and 2034. The Company's deferred tax asset for tax credit carryforwards is primarily related to foreign tax credits and federal research and development credits which expire between 2026 and 2034 and state research and development credits, some of which expire between 2029 and 2031 and some of which do not expire. The Company's interest expense limitation carryforward never expires.

#### ***Accounting for Uncertainty in Income Taxes***

The Company utilizes the FASB guidance for accounting for uncertainty in income taxes, which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company reflects changes in its liability for unrecognized tax benefits as income tax expense in the Consolidated Statements of Operations. As of December 31, 2025, the Company's gross liability for unrecognized tax benefits was \$13 million, of which \$11 million would affect the Company's effective tax rate, if recognized.

The Company files U.S., state and foreign income tax returns in jurisdictions with varying statutes of limitations. Tax returns for the 2022 through 2025 tax years remain subject to examination by federal and certain state tax authorities and tax returns for the 2006 through 2025 tax years remain subject to examination by certain other state tax authorities. In significant foreign jurisdictions, tax returns for the 2018 through 2025 tax years generally remain subject to examination by their respective tax authorities.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in interest expense and operating expenses, respectively. The Company recognized a decrease in interest expense of \$2 million in the year ended December 31, 2025 and an increase in interest expense of \$1 million in both years ended December 31, 2024 and 2023.

The rollforward of unrecognized tax benefits are summarized in the table below:

Unrecognized tax benefits—January 1, 2023	\$ 20
Gross decreases - tax positions in prior periods	(1)
Gross increases - tax positions in current period	1
Unrecognized tax benefits—December 31, 2023	<u>20</u>
Gross decreases - tax positions in prior periods	(1)
Gross increases - tax positions in current period	1
Unrecognized tax benefits—December 31, 2024	<u>20</u>
Gross increases - tax positions in prior periods	2
Gross increases - tax positions in current period	1
Reduction due to lapse of statute of limitations	(10)
Unrecognized tax benefits—December 31, 2025	<u><u>\$ 13</u></u>

The Company is subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording related assets and liabilities. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities whereby the outcome of the audits is uncertain. The Company believes there is appropriate support for positions taken on its tax returns. The liabilities that have been recorded represent the best estimates of the probable loss on certain positions and are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. However, the outcomes of tax audits are inherently uncertain.

#### ***Tax Sharing Agreement***

Under the Tax Sharing Agreement with Cendant, Wyndham Worldwide and Travelport, the Company is generally responsible for 62.5% of payments made to settle claims with respect to tax periods ending on or prior to December 31, 2006 that relate to income taxes imposed on Cendant and certain of its subsidiaries, the operations (or former operations) of which were determined by Cendant not to relate specifically to the respective businesses of Anywhere, Wyndham Worldwide, Avis Budget or Travelport. With respect to any remaining residual legacy Cendant tax liabilities, the Company and its former parent believe there is appropriate support for the positions taken on Cendant's tax returns. However, tax audits and any related litigation, including disputes on the allocation of tax liabilities between parties under the Tax Sharing Agreement, could result in outcomes for the Company that are different from those reflected in the Company's historical financial statements.

#### ***One Big Beautiful Bill Act***

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the U.S. The legislation contains certain provisions related to the full expensing of U.S. research and development costs and other depreciable property. The legislation also includes changes to the determination of the amount of U.S. interest expense that is deductible for U.S. tax purposes. The Company evaluated the effects of the legislation and determined that it does not have a material impact on the Company's financial statements.

### **13. STOCK-BASED COMPENSATION**

The Company grants stock-based compensation awards to certain senior management members, employees and directors. These awards include non-qualified stock options, restricted stock unit ("RSU") awards, and performance share unit ("PSU") awards. See Note 20, "Subsequent Events", for more information related to Company's stock-based compensation in connection with the Merger.

#### **Equity Based Awards**

##### ***2018 Long-Term Incentive Plan***

Effective February 28, 2025, the Board approved the Third Amended and Restated Anywhere Real Estate Inc. 2018 Long-Term Incentive Plan (the "2018 Plan") which was approved by stockholders at the May 7, 2025 Annual Meeting, increasing

the number of shares reserved under the plan by 6 million. Under the 2018 Plan, a total of 20 million shares were authorized for issuance and as of December 31, 2025, approximately 1.5 million shares remained available for future grants.

### ***Equity Grant Provisions***

The form of equity award agreements includes a retirement provision for equity grants, allowing for continued vesting of awards once an employee has attained the age of 65 years, or 55 years of age or older plus at least ten years of tenure with the Company, provided the employee has been employed or provided services to the Company for at least one year following the grant date or start of the performance period. Historically, equity awards granted annually generally included a mix of RSU awards, PSU awards and options. However, in 2020 the Company shifted away from granting options, limited equity awards to a small group of executives and granted other key employees cash-based awards.

### ***Restricted Stock Units (RSUs)***

RSU awards vest over three years, with 33.33% vesting on each anniversary of the grant date. The fair value of RSU awards is equal to the closing sale price of the Company's common stock on the grant date. During 2025, the Company granted RSU awards related to 2.7 million shares with a weighted average grant date fair value of \$3.51. These include shares granted to certain executives in February 2025 and directors in May 2025. At December 31, 2025, there were 3 million shares underlying share-settled RSUs outstanding with a weighted average grant date fair value of \$4.52.

### ***Performance Share Units (PSUs)***

PSU awards are incentives tied to the Company's financial performance. PSUs granted in 2023 were based on two metrics over a three-year performance period which began January 1st of the grant year and ends on December 31st of the third year following the grant year. The first metric was based upon the total stockholder return of Anywhere's common stock relative to the total stockholder return of the S&P MidCap 400 index ("RTSR"), and the second metric was based upon the achievement of cumulative free cash flow goals ("CFCF"). The payout under each PSU award is variable and based upon the extent to which the performance goals are achieved over the performance period (with a range of payout from 0% to 175% of target for the RTSR award and 0% to 200% of target for the CFCF award) and will be distributed during the first quarter after the end of the performance period. The fair value of the CFCF awards was based on the Company's stock price at the grant date and the fair value of the RTSR awards was estimated at the grant date using the Monte Carlo Simulation method.

The 2025 and 2024 PSU awards are tied to three equally weighted, annually established free cash flow goals, averaged over a three-year performance period ending December 31st of the third year following the grant year. Final payouts are subject to a potential 15% upward or downward adjustment based on the Company's relative total stockholder return against its compensation peer group (with double weighting for direct real estate competitors). Consistent with FASB ASC Topic 718, the grant date for each third of the 2025 and 2024 PSU award will occur as performance targets are established annually. The fair value for each third of the 2025 and 2024 PSU award is estimated using the Monte Carlo Simulation method on its respective grant date, with compensation expense recorded over the corresponding performance year and adjusted based on actual performance relative to the established free cash flow target. During the first quarter of 2025, the Company granted 0.4 million performance share units with a grant date fair value of \$3.64 per unit under the second segment of the 2024 PSU award to align with the 2025 established free cash flow target. Upon stockholder approval of the 2018 Plan in May 2025, the Company (i) awarded 2.2 million PSUs under the 2025 PSU award and (ii) granted 0.7 million PSUs with a grant date fair value of \$4.02 per unit under the first segment of the 2025 PSU award. As of December 31, 2025, there were 3.1 million performance share units outstanding with a weighted average grant date fair value of \$4.67.

### ***Stock Options***

Stock options have a maximum term of ten years and vest over four years, with 25% vesting on each anniversary of the grant date. The options have an exercise price equal to the closing sale price of the Company's common stock on the grant date. The fair value of options is estimated on the grant date using the Black-Scholes option-pricing model. At December 31, 2025, there were 1.3 million options outstanding with a weighted average exercise price of \$21.30, all of which are exercisable with an intrinsic value of approximately \$1 million and a weighted average remaining contractual life of 2.5 years. The Company has not granted options since 2019, and forfeiture and exercise activity was immaterial for the year ended December 31, 2025.

### ***Equity Based Compensation Expense***

As of December 31, 2025, based on current performance achievement expectations, there was \$14 million of unrecognized compensation cost related to incentive equity awards under the plans which would be recorded in future periods as compensation expense over a remaining weighted average period of approximately 1.6 years. The Company recorded compensation expense related to the incentive equity awards of \$19 million, \$17 million and \$12 million for the years ended December 31, 2025, 2024 and 2023, respectively.

### **Long-term Incentive Cash Awards**

The Company grants cash-settled awards to certain employees which include performance and time-vested awards. Performance awards generally vest based upon achievement against pre-established goals over a performance period and are generally paid in cash during the first quarter of the year after the end of the applicable performance period. Time-vested awards are primarily marked-to-market each period based on the Company's stock price and typically vest over three years with 33.33% vesting on each anniversary of the grant date. Compensation expense related to these awards was \$68 million, \$19 million and \$27 million for the years ended December 31, 2025, 2024 and 2023, respectively.

## **14. RESTRUCTURING AND MERGER-RELATED COSTS**

Restructuring and merger-related costs for the years ended December 31, 2025, 2024 and 2023 were \$54 million, \$32 million and \$49 million, respectively. The components of the restructuring and merger-related costs for the years ended December 31, 2025, 2024 and 2023 were as follows:

	Years Ended December 31,		
	2025	2024	2023
Merger-related costs (a) .....	\$ 13	\$ —	\$ —
Restructuring costs:			
Personnel-related costs (b) .....	\$ 16	\$ 15	\$ 21
Facility-related costs (c) .....	19	15	28
Other (d) .....	6	2	—
Total restructuring costs (e) .....	<u>\$ 41</u>	<u>\$ 32</u>	<u>\$ 49</u>
Total restructuring and merger-related costs .....	<u><u>\$ 54</u></u>	<u><u>\$ 32</u></u>	<u><u>\$ 49</u></u>

- (a) Merger-related expenses incurred in connection with the Merger with Compass are included in the line item "Restructuring and merger-related costs, net" in the Consolidated Statements of Operations. These costs primarily consist of legal, advisory, accounting and other professional service fees and are expensed as incurred. Such costs are considered period expenses and are not included in the purchase consideration under ASC Topic 805.
- (b) Personnel-related costs consist of severance costs provided to employees who have been terminated.
- (c) Facility-related costs consist of costs associated with planned facility closures such as contract termination costs, amortization of lease assets that will continue to be incurred under the contract for its remaining term without economic benefit to the Company, accelerated depreciation on asset disposals and other facility and employee relocation related costs.
- (d) Other restructuring costs consist of costs related to professional fees, consulting fees and other costs associated with restructuring activities which are primarily recorded at Corporate.
- (e) Restructuring costs for the year ended December 31, 2025 include \$32 million of expense related to the Reimagine25 Plan and \$9 million of expense related to prior restructuring plans. Restructuring costs for the year ended December 31, 2024 include \$2 million of expense related to the Reimagine25 Plan and \$30 million of expense related to prior restructuring plans. Restructuring costs for the year ended December 31, 2023 include \$49 million of expense related to prior restructuring plans.

### ***Reimagine25: Strategic Transformation Initiative***

In 2025, the Company launched Reimagine25 to transform how it operates as a Company. The initial phase of this initiative focused on reimagining its branch operating model, improving product and technology infrastructure, optimizing leads management, streamlining finance processes, and enhancing procurement. These efforts were designed to simplify, integrate, and digitize operations, leveraging advanced technologies such as generative artificial intelligence to provide better solutions at a lower cost.

The following is a reconciliation of the beginning and ending reserve balances related to Reimagine25:

	Personnel-related costs	Facility-related costs	Other	Total
Balance at December 31, 2024	\$ —	\$ —	\$ —	\$ —
Restructuring charges (a)	16	10	6	32
Costs paid or otherwise settled	(9)	(7)	(6)	(22)
Balance at December 31, 2025	<u>\$ 7</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ 10</u>

(a) In addition, the Company incurred \$4 million of facility-related costs for lease asset impairments in connection with Reimagine25 during the year ended December 31, 2025.

The following table shows the total costs currently expected to be incurred by type of cost related to Reimagine25:

	Total amount expected to be incurred	Amount incurred to date	Total amount remaining to be incurred
Personnel-related costs	\$ 16	\$ 16	\$ —
Facility-related costs	10	10	—
Other costs	8	8	—
Total	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ —</u>

The following table shows the total costs currently expected to be incurred by reportable segment and Corporate and Other related to Reimagine25:

	Total amount expected to be incurred	Amount incurred to date	Total amount remaining to be incurred
Franchise Group	\$ 3	\$ 3	\$ —
Owned Brokerage Group	15	15	—
Title Group	2	2	—
Corporate and Other	14	14	—
Total	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ —</u>

### ***Prior Restructuring Plans***

The Company has prior restructuring plans related to previous operational efficiency initiatives and transformation of the Company's corporate headquarters. At December 31, 2024, the remaining liability related to prior restructuring plans was \$17 million. During the year ended December 31, 2025, the Company incurred \$9 million of costs and paid or settled \$18 million of costs resulting in a remaining accrual of \$8 million at December 31, 2025.

## **15. COMMITMENTS AND CONTINGENCIES**

### ***Litigation***

The Company is involved in various claims, legal proceedings, alternative dispute resolution and governmental inquiries or regulatory actions, including the matters described below.

Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties. Even cases brought by us can involve counterclaims asserted against us and even in matters in which we are not a named party, regulatory investigations and other litigation can have significant implications for the Company, particularly to the extent that changes in industry rules and practices can directly impact us. In addition, litigation and other legal matters, including class action lawsuits, multi-party litigation and regulatory proceedings challenging practices that have broad impact, can be costly to defend and, depending on the class size and claims, could be costly to settle. Certain types of claims, such as RESPA and antitrust laws, generally provide for joint and several liability and treble damages. Insurance coverage may be unavailable for certain types of claims (including antitrust and Telephone Consumer Protection Act ("TCPA") litigation), insurance carriers may dispute coverage, and even where coverage is provided, it may not cover the full amount of losses the Company incurs.

The Company believes that it has adequately accrued for legal matters as appropriate. The Company records litigation accruals for legal matters when it is both probable that a liability will be incurred, and the amount of the loss can be

reasonably estimated. Where the reasonable estimate of the probable loss is a range, the Company records as an accrual in its financial statements the most likely estimate of the loss, or the low end of the range if there is no "most likely" estimate. For other litigation, management is unable to provide a meaningful estimate of the possible loss or range of possible losses that could potentially result from such litigation.

The captioned matters described herein cover evolving, complex litigation and the Company assesses its accruals on an ongoing basis taking into account the procedural stage and developments in the litigation. The Company could incur charges or judgments or enter into settlements of claims, based upon future events or developments, with liabilities that are materially in excess of amounts accrued and these judgments or settlements could have a material adverse effect on the Company's financial condition, results of operations or cash flows in any particular period. As such, an increase in accruals for one or more of these matters in any reporting period may have a material adverse effect on the Company's results of operations and cash flows for that period.

From time to time, even if the Company believes it has substantial defenses, it may consider litigation settlements based on a variety of circumstances.

The Company expensed \$2 million and \$43 million for the years ended December 31, 2024 and 2023, respectively, in connection with litigation contingencies related to the industry-wide antitrust lawsuits and class action lawsuits.

All of these matters are presented as currently captioned, but Realogy Holdings Corp. has been renamed Anywhere Real Estate Inc.

#### *Antitrust Litigation*

The three bulleted cases directly below are class actions covering sellers of homes utilizing a broker during the class period that challenge residential real estate industry rules and practices that require an offer of compensation and payment of buyer-broker commissions and certain alleged associated practices:

- *Burnett, Hendrickson, Breit, Trupiano, and Keel v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the Western District of Missouri) (formerly captioned as *Sitzer*);
- *Moehrl, Cole, Darnell, Ramey, Umpa and Ruh v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the Northern District of Illinois); and
- *Nosalek, Hirschorn and Hirschorn v. MLS Property Information Network, Inc., Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the District of Massachusetts).

In October 2023, the Company agreed to a settlement, on a nationwide basis, of all claims asserted or that could have been asserted against Anywhere in the Burnett, Moehrl and Nosalek cases, including claims asserted on behalf of home sellers in similar matters (the "Anywhere Settlement") and the court granted final approval of the Anywhere Settlement on May 9, 2024. The final approval has been appealed by several parties, including a plaintiff class member from the Batton buy-side case (described below), specifically claiming that the release in the Anywhere Settlement should not release any buy-side claims that sellers may also have.

The Anywhere Settlement releases the Company, all subsidiaries, brands, affiliated agents, and franchisees from all claims that were or could have been asserted by all persons who sold a home that was listed on a multiple listing service anywhere in the United States where a commission was paid to any brokerage in connection with the sale of the home in the relevant class period. The Anywhere Settlement is not an admission of liability, nor does it concede or validate any of the claims asserted against Anywhere.

Under the terms of the nationwide Anywhere Settlement, Anywhere has agreed to injunctive relief as well as monetary relief of \$83.5 million, of which \$30 million has been paid and the remaining \$53.5 million will be due within 21 business days after all appellate rights are exhausted. While the timing of this payment is uncertain, the Company currently expects the payment to occur in 2026.

The Anywhere Settlement includes injunctive relief for a period of five years, requiring practice changes in the Company owned brokerage operations and that the Company recommend and encourage these same practice changes to its independently owned and operated franchise network. The injunctive relief, includes but is not limited to, reminding Company owned brokerages, franchisees and their respective agents that Anywhere has no rule requiring offers of compensation to buyer brokers; prohibiting Company-owned brokerages (and recommending to franchisees) and agents

from using technology (or manually) to sort listings by offers of compensation, unless requested by the client; eliminating any minimum client commission for Company-owned brokerages; and refraining from adopting any requirement that Company-owned brokerages, franchisees or their respective agents belong to the National Association of Realtors ("NAR") or follow NAR's Code of Ethics or MLS handbook. The practice changes are to take place no later than six months after the Anywhere Settlement receives final court approval and all appellate rights are exhausted.

In addition, since late October 2023, dozens of copycat additional lawsuits with similar or related claims have been filed against various real estate brokerages, NAR, MLSs, and/or state and local Realtor associations, less than a third of which name Anywhere, its subsidiaries or franchisees. In those cases, plaintiffs have generally either agreed to dismiss or stay the actions against Anywhere, its subsidiaries or franchisees pending the conclusion of the appeals of the trial court's grant of final approval of the Anywhere Settlement.

Separately, a putative nationwide class action on behalf of home buyers (instead of sellers) captioned *Batton, Bolton, Brace, Kim, James, Mullis, Bisbicos and Parsons v. 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.* (U.S. District Court for the Northern District of Illinois Eastern Division) was filed on January 25, 2021 (the "Batton Case", formerly captioned as Leeder), in which the plaintiffs take issue with certain NAR policies, including those related to buyer-broker compensation at issue in the Moehrl, Burnett and Nosalek matters, but claim the alleged conspiracy has harmed buyers (instead of sellers), and seek a permanent injunction enjoining NAR from establishing in the future the same or similar rules, policies, or practices as those challenged in the action as well as an award of damages and/or restitution, interest, and reasonable attorneys' fees and expenses. The only claims remaining outstanding are state law claims. The Company's motion to dismiss has been denied. The Company disputes the allegations against it in this case, believes it has substantial defenses to plaintiffs' claims, and is vigorously defending this litigation. In addition to these substantial defenses, the final approval of the Anywhere Settlement has limited the size of the Batton Case because the settling plaintiffs are releasing claims of the type alleged in the Batton Case. As noted above, the named plaintiffs in the Batton Case have filed an appeal of the final approval of the Anywhere Settlement, objecting to the release of buy-side claims in that settlement. On November 13, 2025, the court struck the class certification motion filed by the Batton plaintiffs and stayed all class certification proceedings pending resolution of the appeal of the Anywhere Settlement (though fact discovery may continue). As described in the next paragraph, developments in a separate, related buy-side action, *Tuccori v. At World Properties, et al.*, have implications for resolution of the claims asserted against the Company in the Batton Case.

*Tuccori v. At World Properties, et al.*, United States District Court for the Northern District of Illinois, ("Tuccori Case"), is a case that consolidated several purported class actions filed by home buyers. On October 15, 2025, the court in the Tuccori Case granted preliminary approval of a nationwide settlement entered by several real estate brokerages related to the home buyer claims ("Tuccori Settlement"). The Tuccori Settlement, as preliminarily approved by the court on October 15, 2025, included an opt-in procedure under which other companies subject to home buyer claims could opt into the Tuccori Settlement, subject to preliminary and final court approval of such an opt-in settlement. On February 22, 2026, the Company opted into the Tuccori Settlement via an Opt-In Settlement Agreement ("Anywhere Opt-In Settlement" with the Company being an "Opt-In Settlor"). On February 23, 2026, the Tuccori plaintiffs filed a motion for preliminary approval of the Anywhere Opt-In Settlement and several other opt-in settlements by other real estate brokerages. The Anywhere Opt-In Settlement was properly reserved at December 31, 2025. The Anywhere Opt-In Settlement, if preliminarily and finally approved by the court and sustained on any appeal, will release Anywhere and all of its respective past, present, and future direct and indirect parents (including holding companies), subsidiaries, related entities and affiliates, associates (all as defined in SEC Rule 12b-2 promulgated pursuant to the Securities Exchange Act of 1934), predecessors, and successors, and all of their respective franchisees and sub-franchisors from any and all state and federal claims regardless of the cause of action arising from or related to conduct that was or could have been alleged in the Tuccori Case or against Opt-In Settlor in the Batton Case (as described in the prior paragraph) based on any or all of the same factual predicates as those claims, including but not limited to claims based on antitrust laws, consumer protection or other state laws, and/or anticompetitive conduct relating to the commissions negotiated, offered, obtained, or paid to brokerages, or the impact of the foregoing on the purchase price, in connection with the purchase or sale of residential real estate.

*Homie Technology v. National Association of Realtors, et al.* (U.S. District Court for the District of Utah). On August 22, 2024, Homie Technology filed a complaint against NAR, the Company, several other real estate brokerages and franchisors and an MLS, seeking damages and injunctive relief, alleging that the defendants had conspired to exclude Homie and other new market entrants from the market for real estate brokerage services. The alleged conspiracy includes creating a market structure that facilitates boycotts of new entrants, including through the implementation and enforcement of NAR rules governing the operation of MLSs, which Homie claims to be exclusionary. Homie asserts violations of federal and state antitrust laws along with a common law claim of economic harm. The Company's motion to dismiss was granted and the

action was dismissed with prejudice by the court on July 15, 2025. Homie filed a notice of appeal of the dismissal on August 7, 2025.

*McFall v. Canadian Real Estate Association, et al., Federal Court, Canada, Court File No. T-119-24.* In this putative class action, filed on January 18, 2024, plaintiff alleges that Coldwell Banker Canada, amongst other brokers, franchisors, Regional Real Estate Boards and the Canadian Real Estate Board conspired to fix the price of buyer brokerage services in violation of civil and criminal statutes. On March 14, 2024, the Court entered an order functionally staying the matter pending further order of the court. We believe the court will reexamine this order upon conclusion of the appeal in a previously filed matter involving similar allegations but different parties.

#### *Telephone Consumer Protection Act Litigation*

*Bumpus, et al. v. Realty Holdings Corp., et al.* (U.S. District Court for the Northern District of California, San Francisco Division). In this class action filed on June 11, 2019, plaintiffs allege that independent sales agents affiliated with Anywhere Advisors LLC violated the Telephone Consumer Protection Act of 1991 (TCPA) using dialers provided by Mojo Dialing Solutions, LLC and others. Plaintiffs seek relief on behalf of a National Do Not Call Registry class, an Internal Do Not Call class, and an Artificial or Prerecorded Message class.

In January 2025, the Company entered into a settlement of the case pursuant to which it will pay \$20 million (\$19 million remaining), subject to final approval by the court. The court granted preliminary approval of the settlement on March 10, 2025, subject to the terms and conditions of the court's order. The final approval hearing for the settlement (originally set for August 28, 2025) was argued on January 29, 2026 but the court has not yet issued an opinion.

#### *Other*

Examples of other legal matters involving the Company may include but are not limited to:

- antitrust and anti-competition claims, including claims alleging exclusionary conduct or boycotts, among others;
- TCPA claims;
- claims alleging violations of RESPA, state consumer fraud statutes, federal consumer protection statutes or other state real estate law violations;
- employment law claims, including claims that independent residential real estate sales agents engaged by our company owned brokerages or by affiliated franchisees—under certain state or federal laws—are potentially employees instead of independent contractors, and they or regulators therefore may bring claims against our Owned Brokerage Group for breach of contract, wage and hour classification claims, wrongful discharge, unemployment and workers' compensation and could seek benefits, back wages, overtime, indemnification, penalties related to classification practices and expense reimbursement available to employees or make similar claims against Franchise Group as an alleged joint employer of an affiliated franchisee's independent sales agents;
- other employment law matters, including other types of worker classification claims as well as wage and hour claims and retaliation claims;
- claims alleging violations of consumer protection laws;
- claims regarding non-competition, non-solicitation and restrictive covenants together with claims of tortious interference and other improper recruiting conduct;
- information privacy and security claims, including claims under new and emerging data privacy laws related to the protection of customer, employee or third-party information, claims related to the implementation of various consumer opt-out rights, and claims under biometric data laws such as the Illinois Biometric Information Privacy Act;
- cyber-crime claims, including claims related to the diversion of homesale transaction closing funds;
- vicarious or joint liability claims based upon the conduct of individuals or entities traditionally outside of our control, including franchisees and independent sales agents, under joint employer claims or other theories of actual or apparent agency;
- claims by current or former franchisees that franchise agreements were breached, including improper terminations;
- claims generally against the company owned brokerage operations for negligence, misrepresentation or breach of fiduciary duty in connection with the performance of real estate brokerage or other professional services as well as other brokerage claims associated with listing information and property history;

- claims related to intellectual property or copyright law, including infringement actions alleging improper use of copyrighted photographs on websites or in marketing materials without consent of the copyright holder or claims challenging our trademarks;
- claims concerning breach of obligations to make websites and other services accessible for consumers with disabilities;
- claims against the title agent contending that the agent knew or should have known that a transaction was fraudulent or that the agent was negligent in addressing title defects or conducting the settlement;
- claims related to disclosure or securities law violations as well as derivative suits; and
- fraud, defalcation or misconduct claims.

Other ordinary course legal proceedings that may arise from time to time include those related to commercial arrangements, indemnification (under contract or common law), franchising arrangements, the fiduciary duties of brokers, standard brokerage disputes like the failure to disclose accurate square footage or hidden defects in the property such as mold, claims under the False Claims Act (or similar state laws), consumer lending and debt collection law claims, state auction law, and violations of similar laws in countries where we operate around the world with respect to any of the foregoing. In addition, with the increasing requirements resulting from government laws and regulations concerning data breach notifications and data privacy and protection obligations, claims associated with these laws may become more common. While most litigation involves claims against the Company, from time to time the Company commences litigation, including litigation against former employees, franchisees and competitors when it alleges that such persons or entities have breached agreements or engaged in other wrongful conduct.

\* \* \*

### ***Cendant Corporate Liabilities and Legacy Tax Matter***

Anywhere Group (then Realogy Corporation) separated from Cendant on July 31, 2006 (the "Separation"), pursuant to a plan by Cendant (now known as Avis Budget Group, Inc.) to separate into four independent companies—one for each of Cendant's business units—real estate services (Anywhere Group, formerly referred to as Realogy Group), travel distribution services ("Travelport"), hospitality services, including timeshare resorts ("Wyndham Worldwide"), and vehicle rental ("Avis Budget Group"). Pursuant to the Separation and Distribution Agreement dated as of July 27, 2006 among Cendant, Anywhere Group, Wyndham Worldwide and Travelport (the "Separation and Distribution Agreement"), each of Anywhere Group, Wyndham Worldwide and Travelport have assumed certain contingent and other corporate liabilities (and related costs and expenses), which are primarily related to each of their respective businesses. In addition, Anywhere Group has assumed 62.5% and Wyndham Worldwide has assumed 37.5% of certain contingent and other corporate liabilities (and related costs and expenses) of Cendant. The due to former parent balance was \$2 million and \$40 million at December 31, 2025 and 2024, respectively. The due to former parent balance was comprised of the Company's portion of the following: (i) Cendant's remaining contingent tax liabilities, (ii) potential liabilities related to Cendant's terminated or divested businesses, and (iii) potential liabilities related to the residual portion of accruals for Cendant operations.

In December 2022, a hearing was held with the California Office of Tax Appeals ("OTA") on a Cendant legacy tax matter involving Avis Budget Group that related to a 1999 transaction. The case presented two issues: (i) whether the notices of proposed assessment issued by the California Franchise Tax Board were barred by the statute of limitations; and (ii) whether a transaction undertaken by Avis Budget Group in tax year 1999 constituted a tax-free reorganization under the Internal Revenue Code. In March 2023, the OTA decided in favor of the California Franchise Tax Board on both issues. On April 10, 2024, the Company's petition for rehearing was denied by the OTA. In May 2025, the Company paid \$41 million, representing its portion of this legacy tax matter, which it intends to appeal.

### ***Tax Matters***

The Company is subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording related assets and liabilities. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities whereby the outcome of the audits is uncertain. The Company believes there is appropriate support for positions taken on its tax returns. The liabilities that have been recorded represent the best estimates of the probable loss on certain positions and are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. However, the outcomes of tax audits are inherently uncertain.

### ***Escrow and Trust Deposits***

As a service to its customers, the Company administers escrow and trust deposits which represent undisbursed amounts received for the settlement of real estate transactions. Deposits at FDIC-insured institutions are insured up to \$250,000. These escrow and trust deposits totaled approximately \$490 million at December 31, 2025 and while these deposits are not assets of the Company (and, therefore, are excluded from the accompanying Consolidated Balance Sheets), the Company remains contingently liable for the disposition of these deposits.

### ***Purchase Commitments and Minimum Licensing Fees***

In the normal course of business, the Company makes various commitments to purchase goods or services from specific suppliers, including those related to capital expenditures. The purchase commitments made by the Company as of December 31, 2025 are approximately \$80 million.

The Company is required to pay a minimum licensing fee to Sotheby's which began in 2009 and continues through 2054. The annual minimum licensing fee is approximately \$2 million per year. The Company is also required to pay a minimum licensing fee to Meredith Operations Corporation from 2009 through 2058 for the licensing of the Better Homes and Gardens® Real Estate brand. The annual minimum fee was approximately \$4 million in 2025 and will generally remain the same thereafter.

Future minimum payments for these purchase commitments and minimum licensing fees as of December 31, 2025 are as follows:

<b>Year</b>	<b>Amount</b>
2026 .....	\$ 47
2027 .....	23
2028 .....	16
2029 .....	13
2030 .....	11
Thereafter .....	181
Total .....	<u>\$ 291</u>

### ***Standard Guarantees/Indemnifications***

In the ordinary course of business, the Company enters into numerous agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for breaches of representations and warranties. In addition, many of these parties are also indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. Such guarantees or indemnifications are granted under various agreements, including those governing: (i) purchases, sales or outsourcing of assets or businesses, (ii) leases and sales of real estate, (iii) licensing of trademarks, (iv) use of derivatives, and (v) issuances of debt securities. The guarantees or indemnifications issued are for the benefit of the: (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) franchisees in licensing agreements, (iv) financial institutions in derivative contracts, and (v) underwriters in issuances of securities. While some of these guarantees extend only for the duration of the underlying agreement, many survive the expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that the Company could be required to make under these guarantees, nor is the Company able to develop an estimate of the maximum potential amount of future payments to be made under these guarantees as the triggering events are not subject to predictability. With respect to certain of the aforementioned guarantees, such as indemnifications of landlords against third-party claims for the use of real estate property leased by the Company, the Company maintains insurance coverage that mitigates any potential payments to be made.

### ***Other Guarantees/Indemnifications***

In the normal course of business, the Company coordinates numerous events for its franchisees and thus reserves a number of venues with certain minimum guarantees, such as room rentals at hotels local to the conference center. However, such room rentals are paid by each individual franchisee. If the franchisees do not meet the minimum guarantees, the Company is obligated to fulfill the minimum guaranteed fees. The maximum potential amount of future payments that the Company would be required to make under such guarantees is approximately \$6 million. The Company would only be required to pay

this maximum amount if none of the franchisees attended the planned events at the reserved venues. Historically, the Company has not been required to make material payments under these guarantees.

### ***Insurance and Self-Insurance***

The Consolidated Balance Sheets include liabilities relating to: (i) self-insured risks for errors and omissions and other legal matters incurred in the ordinary course of business within Owned Brokerage Group and (ii) premium and claim reserves for the Company's title underwriting business. The Company may also be subject to legal claims arising from the handling of escrow transactions and closings. Owned Brokerage Group carries errors and omissions insurance for errors made during the real estate settlement process of \$15 million in the aggregate, subject to a deductible of \$1.5 million per occurrence. In addition, the Company carries an additional errors and omissions insurance policy for Anywhere Real Estate Inc. and its subsidiaries for errors made for real estate related services up to \$45 million in the aggregate, subject to a deductible of \$2.5 million per occurrence. This policy also provides excess coverage to Owned Brokerage Group creating an aggregate limit of \$60 million, subject to Owned Brokerage Group's deductible of \$1.5 million per occurrence.

The Company, through its appropriately licensed subsidiaries within Title Group, acts as a title agent in real estate transactions and helps to provide coverage for real property to mortgage lenders and buyers of real property. When a subsidiary within Title Group is acting as a title agent issuing a policy on behalf of an underwriter, assuming no negligence on the part of the title agent, such subsidiary is not liable for losses under those policies but rather the title insurer is typically liable for such losses.

Fraud, defalcation and misconduct by employees are also risks inherent in the business. The Company is the custodian of cash deposited by customers with specific instructions as to its disbursement from escrow, trust and account servicing files. The Company maintains fidelity insurance covering the loss or theft of funds of up to \$30 million per occurrence, subject to a deductible of \$1 million per occurrence.

The Company also maintains self-insurance arrangements relating to health and welfare, workers' compensation, auto and general liability in addition to other benefits provided to the Company's employees. The accruals for these self-insurance arrangements totaled approximately \$15 million and \$13 million for December 31, 2025 and 2024, respectively.

## **16. EQUITY**

### ***Changes in Accumulated Other Comprehensive Loss***

The components of accumulated other comprehensive losses are as follows:

	Currency Translation Adjustments (a)	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Loss (b)
Balance at January 1, 2023	\$ (9)	\$ (39)	\$ (48)
Other comprehensive income before reclassifications	—	2	2
Amounts reclassified from accumulated other comprehensive loss	—	3 (c)	3
Income tax expense	—	(1)	(1)
Current period change	—	4	4
Balance at December 31, 2023	(9)	(35)	(44)
Other comprehensive (loss) income before reclassifications	(1)	3	2
Amounts reclassified from accumulated other comprehensive loss	—	2 (c)	2
Income tax expense	—	(2)	(2)
Current period change	(1)	3	2
Balance at December 31, 2024	(10)	(32)	(42)
Other comprehensive income before reclassifications	—	1	1
Amounts reclassified from accumulated other comprehensive loss	—	2 (c)	2
Income tax expense	—	—	—
Current period change	—	3	3
Balance at December 31, 2025	<u>\$ (10)</u>	<u>\$ (29)</u>	<u>\$ (39)</u>

- (a) Assets and liabilities of foreign subsidiaries having non-U.S. dollar functional currencies are translated at exchange rates at the balance sheet dates and equity accounts are translated at historical spot rates. Revenues and expenses are translated at average exchange rates during the periods presented. The gains or losses resulting from translating foreign currency financial statements into U.S. dollars are included in accumulated other comprehensive income (loss). Gains or losses resulting from foreign currency transactions are included in the Consolidated Statements of Operations.
- (b) As of December 31, 2025, the Company does not have any after-tax components of accumulated other comprehensive loss attributable to noncontrolling interests.
- (c) These amounts represent the amortization of actuarial gain (loss) to periodic pension cost and were reclassified from accumulated other comprehensive loss to the general and administrative expenses line on the Consolidated Statement of Operations.

***Anywhere Group Statements of Equity for the years ended December 31, 2025, 2024 and 2023***

Total equity for Anywhere Group equals that of Anywhere, but the components, common stock and additional paid-in capital are different. The table below presents information regarding the balances and changes in common stock and additional paid-in capital of Anywhere Group for each of the three years ended December 31, 2025, 2024 and 2023.

	Anywhere Group Stockholder's Equity						Total Equity
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interests	
	Shares	Amount					
<b>Balance at January 1, 2023</b>	—	\$ —	\$ 4,806	\$ (2,994)	\$ (48)	\$ 3	\$ 1,767
Net loss	—	—	—	(97)	—	(1)	(98)
Other comprehensive income	—	—	—	—	4	—	4
Stock-based compensation	—	—	8	—	—	—	8
Dividends	—	—	—	—	—	(1)	(1)
Contributions from non-controlling interests	—	—	—	—	—	1	1
<b>Balance at December 31, 2023</b>	—	\$ —	\$ 4,814	\$ (3,091)	\$ (44)	\$ 2	\$ 1,681
Net (loss) income	—	—	—	(128)	—	1	(127)
Other comprehensive income	—	—	—	—	2	—	2
Stock-based compensation	—	—	14	—	—	—	14
Dividends	—	—	—	—	—	(1)	(1)
Contributions from non-controlling interests	—	—	—	—	—	1	1
<b>Balance at December 31, 2024</b>	—	\$ —	\$ 4,828	\$ (3,219)	\$ (42)	\$ 3	\$ 1,570
Net (loss) income	—	—	—	(90)	—	1	(89)
Other comprehensive income	—	—	—	—	3	—	3
Stock-based compensation	—	—	7	—	—	—	7
Dividends	—	—	—	—	—	(2)	(2)
Contributions from non-controlling interests	—	—	—	—	—	1	1
<b>Balance at December 31, 2025</b>	—	\$ —	\$ 4,835	\$ (3,309)	\$ (39)	\$ 3	\$ 1,490

**17. EARNINGS (LOSS) PER SHARE**

***Earnings (loss) per share attributable to Anywhere***

Basic earnings (loss) per common share is computed based on net income (loss) attributable to Anywhere stockholders divided by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed consistently with the basic computation plus the effect of dilutive potential common shares outstanding during the period. Dilutive potential common shares include shares that the Company could be obligated to issue from its outstanding stock-based compensation awards (see Note 13, "Stock-Based Compensation", for further discussion). For purposes of computing diluted earnings (loss) per common share, weighted average common shares do not include potentially dilutive common shares if their effect is anti-dilutive. As such, the shares that the Company could be obligated to issue from its stock options are excluded from the earnings (loss) per share calculation if the exercise price

exceeds the average market price of common shares. The Company uses the treasury stock method to calculate the dilutive effect of outstanding stock-based compensation.

The Company was in a net loss position for the years ended December 31, 2025, 2024 and 2023. Therefore, the impact of incentive equity awards was excluded from the computation of dilutive loss per share as the inclusion of such amounts would be anti-dilutive.

## **18. RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

### **RISK MANAGEMENT**

The following is a description of the Company's risk management policies.

#### ***Interest Rate Risk***

The Company is exposed to market risk from changes in interest rates primarily through senior secured debt. At December 31, 2025, the Company's primary interest rate exposure was to interest rate fluctuations, specifically SOFR, due to its impact on our borrowings under the Revolving Credit Facility.

As of December 31, 2025, the Company had variable interest rate debt from outstanding amounts under Revolving Credit Facility of \$415 million, which was based on Term SOFR, excluding \$143 million of securitization obligations.

#### ***Credit Risk and Exposure***

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

As of December 31, 2025, there were no significant concentrations of credit risk with any individual counterparty or a group of counterparties. The Company actively monitors the credit risk associated with the Company's receivables.

#### ***Market Risk Exposure***

Owned Brokerage Group operates real estate brokerage offices located in and around large metropolitan areas in the U.S. Owned Brokerage Group has more offices and realizes more of its revenues in California, Florida and the New York metropolitan area than any other regions of the country. For the year ended December 31, 2025, Owned Brokerage Group generated approximately 23% of its revenues from California, 21% from the New York metropolitan area and 13% from Florida. For the year ended December 31, 2024, Owned Brokerage Group generated approximately 23% of its revenues from California, 21% from the New York metropolitan area and 13% from Florida. For the year ended December 31, 2023, Owned Brokerage Group generated approximately 22% of its revenues from California, 21% from the New York metropolitan area and 14% from Florida.

#### ***Fair Value Measurements***

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

<b>Level Input:</b>	<b>Input Definitions:</b>
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The availability of observable inputs can vary from asset to asset and is affected by a wide variety of factors including, for example, the type of asset, whether the asset is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level III. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of financial instruments is generally determined by reference to quoted market values. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The fair value of interest rate swaps is determined based upon a discounted cash flow approach.

The Company measures financial instruments at fair value on a recurring basis and recognizes transfers within the fair value hierarchy at the end of the fiscal quarter in which the change in circumstances that caused the transfer occurred.

The following table summarizes fair value measurements by level at December 31, 2025 for assets and liabilities measured at fair value on a recurring basis:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Deferred compensation plan assets (included in other non-current assets) ..	\$ 1	\$ —	\$ —	\$ 1
Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and other non-current liabilities) .....	—	—	2	2

The following table summarizes fair value measurements by level at December 31, 2024 for assets and liabilities measured at fair value on a recurring basis:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Deferred compensation plan assets (included in other non-current assets) ..	\$ 1	\$ —	\$ —	\$ 1
Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and other non-current liabilities) .....	—	—	2	2

The fair value of the Company's contingent consideration for acquisitions is measured using a probability weighted-average discount rate to estimate future cash flows based upon the likelihood of achieving future operating results for individual acquisitions. These assumptions are deemed to be unobservable inputs and as such the Company's contingent consideration is classified within Level III of the valuation hierarchy. The Company reassesses the fair value of the contingent consideration liabilities on a quarterly basis.

The following table presents changes in Level III financial liabilities measured at fair value on a recurring basis:

	<u>Level III</u>
Fair value of contingent consideration at December 31, 2024 .....	\$ 2
Additions: contingent consideration related to acquisitions completed during the period .....	—
Reductions: payments of contingent consideration .....	—
Changes in fair value (reflected in general and administrative expenses) .....	—
Fair value of contingent consideration at December 31, 2025 .....	<u>\$ 2</u>

The following table summarizes the principal amount of the Company's indebtedness compared to the estimated fair value, primarily determined by quoted market values, at:

Debt	December 31, 2025		December 31, 2024	
	Principal Amount	Estimated Fair Value (a)	Principal Amount	Estimated Fair Value (a)
Revolving Credit Facility	\$ 415	\$ 415	\$ 490	\$ 490
9.75% Senior Secured Second Lien Notes	500	539	—	—
7.00% Senior Secured Second Lien Notes	640	637	640	564
5.75% Senior Notes	559	539	558	442
5.25% Senior Notes	449	415	449	337
0.25% Exchangeable Senior Notes	2	2	403	359

(a) The fair value of the Company's indebtedness is categorized as Level II.

## 19. SEGMENT INFORMATION

The reportable segments presented represent those for which the Company maintains separate financial information regularly provided to and reviewed by its chief operating decision maker ("CODM") for performance assessment and resource allocation. The Company's CODM is the Company's Chief Executive Officer and President. The classification of reportable segments also considers the distinctive nature of services offered by each segment as follows:

- Franchise Group is comprised of the Company's franchise business which franchises a portfolio of well-known, industry-leading franchise brokerage brands and also includes the Company's global relocation services operation and lead generation activities.
- Owned Brokerage Group operates a full-service real estate brokerage business and also includes the Company's share of equity earnings or losses from its minority-owned real estate auction joint venture.
- Title Group provides full-service title, escrow and settlement services to consumers, real estate companies, corporations and financial institutions primarily in support of residential real estate transactions. This segment also includes the Company's share of equity earnings or losses from Guaranteed Rate Affinity, its minority-owned mortgage origination joint venture, and from its minority-owned title insurance underwriter joint venture.

The CODM evaluates the performance of the Company's reportable segments primarily through two measures: revenue and operating EBITDA. The CODM focuses on revenue and operating EBITDA by reportable segment in evaluating period over period performance, including budget-to-actual variances, while also taking into consideration current market conditions. This approach provides greater transparency into the operating results of each reportable segment and facilitates effective resource allocation.

Operating EBITDA is defined as net income (loss) adjusted for depreciation and amortization, interest expense, net (excluding relocation services interest for securitization assets and securitization obligations), income taxes, and certain non-core items. Non-core items include non-cash stock-based compensation, restructuring and merger-related costs, impairments, former parent legacy items, legal contingencies unrelated to normal operations which currently includes industry-wide antitrust lawsuits and class action lawsuits, gains or losses on the early extinguishment of debt, impairments, and gains or losses on discontinued operations or the sale of businesses, investments, or other assets.

Set forth in the tables below are Segment net revenues and a reconciliation to Total consolidated net revenues and Segment operating EBITDA and a reconciliation to Net loss attributable to Anywhere and Anywhere Group before income taxes for the years ended December 31, 2025, 2024 and 2023.

	Year Ended December 31, 2025			
	Franchise Group	Owned Brokerage Group	Title Group	Totals
Net revenues from external customers	\$ 657	\$ 4,917	\$ 386	\$ 5,960
Intersegment revenues (a)	332	—	—	332
<b>Segment net revenues</b>	<b>989</b>	<b>4,917</b>	<b>386</b>	<b>6,292</b>
<i>Reconciliation of Segment net revenues to Total consolidated net revenues</i>				
Elimination of intersegment revenues (a)				(332)
<b>Total consolidated net revenues</b>				<b>5,960</b>
Less (b):				
Commission and other agent-related costs	—	3,919	—	3,919
Operating	246	919	329	1,494
Marketing	87	103	14	204
General and administrative (c)	110	62	60	232
Equity in earnings	—	(6)	(1)	(7)
Other segment items (d)	(1)	(2)	3	—
<b>Segment operating EBITDA</b>	<b>547</b>	<b>(78)</b>	<b>(19)</b>	<b>450</b>
<i>Reconciliation of Segment operating EBITDA to Net loss attributable to Anywhere and Anywhere Group before income taxes</i>				
Unallocated amounts:				
Former parent legacy benefit, net				(2)
Gain on the early extinguishment of debt				(1)
Other corporate expenses				156
Depreciation and amortization				192
Interest expense, net				162
Stock-based compensation				19
Restructuring and merger-related costs, net (e)				54
Impairments				8
Gain on the sale of businesses, investments or other assets, net				(5)
<b>Net loss attributable to Anywhere and Anywhere Group before income taxes</b>				<b>\$ (133)</b>

- (a) Intersegment revenues include intercompany royalties and marketing fees paid by Owned Brokerage Group to Franchise Group and are eliminated in consolidation.
- (b) The significant expense categories and amounts align with the segment-level information that is regularly provided to the chief operating decision maker. Intersegment expenses are included within the amounts shown.
- (c) General and administrative expenses exclude non-cash stock-based compensation.
- (d) Other segment items include Net income (loss) attributable to noncontrolling interests and other non-operating items. Amounts are immaterial to each segment.
- (e) Merger-related costs include \$13 million of transaction-related expenses incurred in connection with the Merger with Compass which primarily consist of legal, advisory, accounting and other professional service fees.

	Year Ended December 31, 2024			
	Franchise Group	Owned Brokerage Group	Title Group	Totals
Net revenues from external customers	\$ 642	\$ 4,688	\$ 362	\$ 5,692
Intersegment revenues (a)	319	—	—	319
<b>Segment net revenues</b>	<b>961</b>	<b>4,688</b>	<b>362</b>	<b>6,011</b>

*Reconciliation of Segment net revenues to Total consolidated net revenues*

Elimination of intersegment revenues (a)				(319)
Total consolidated net revenues				5,692

Less (b):

Commission and other agent-related costs	—	3,718	—	3,718
Operating	248	882	299	1,429
Marketing	89	102	18	209
General and administrative (c)	103	85	59	247
Equity in earnings	—	(5)	(2)	(7)
Other segment items (d)	—	(1)	1	—
<b>Segment operating EBITDA</b>	<b>521</b>	<b>(93)</b>	<b>(13)</b>	<b>415</b>

*Reconciliation of Segment operating EBITDA to Net loss attributable to Anywhere and Anywhere Group before income taxes*

Unallocated amounts:

Former parent legacy cost, net				2
Gain on the early extinguishment of debt				(7)
Other corporate expenses				125
Depreciation and amortization				198
Interest expense, net				153
Stock-based compensation				17
Restructuring costs, net				32
Impairments				20
Legal contingencies				2
Loss on the sale of businesses, investments or other assets, net				3
<b>Net loss attributable to Anywhere and Anywhere Group before income taxes</b>				<b>\$ (130)</b>

- (a) Intersegment revenues include intercompany royalties and marketing fees paid by Owned Brokerage Group to Franchise Group and are eliminated in consolidation.
- (b) The significant expense categories and amounts align with the segment-level information that is regularly provided to the chief operating decision maker. Intersegment expenses are included within the amounts shown.
- (c) General and administrative expenses exclude non-cash stock-based compensation and legal contingencies unrelated to normal operations which currently includes industry-wide antitrust lawsuits and class action lawsuits.
- (d) Other segment items include Net income (loss) attributable to noncontrolling interests and other non-operating items. Amounts are immaterial to each segment.

	Year Ended December 31, 2023			
	Franchise Group	Owned Brokerage Group	Title Group	Totals
Net revenues from external customers	\$ 668	\$ 4,628	\$ 340	\$ 5,636
Intersegment revenues (a)	315	—	—	315
<b>Segment net revenues</b>	<b>983</b>	<b>4,628</b>	<b>340</b>	<b>5,951</b>
<i>Reconciliation of Segment net revenues to Total consolidated net revenues</i>				
Elimination of intersegment revenues (a)				(315)
Total consolidated net revenues				5,636
Less (b):				
Commission and other agent-related costs	—	3,664	—	3,664
Operating	259	893	294	1,446
Marketing	95	114	19	228
General and administrative (c)	102	93	52	247
Equity in earnings	—	(2)	(7)	(9)
Other segment items (d)	—	1	(2)	(1)
<b>Segment operating EBITDA</b>	<b>527</b>	<b>(135)</b>	<b>(16)</b>	<b>376</b>
<i>Reconciliation of Segment operating EBITDA to Net loss attributable to Anywhere and Anywhere Group before income taxes</i>				
Unallocated amounts:				
Former parent legacy cost, net				18
Gain on the early extinguishment of debt				(169)
Other corporate expenses				121
Depreciation and amortization				196
Interest expense, net				151
Stock-based compensation				12
Restructuring costs, net				49
Impairments				65
Legal contingencies				43
Loss on the sale of businesses, investments or other assets, net				2
<b>Net loss attributable to Anywhere and Anywhere Group before income taxes</b>				<b>\$ (112)</b>

- (a) Intersegment revenues include intercompany royalties and marketing fees paid by Owned Brokerage Group to Franchise Group and are eliminated in consolidation.
- (b) The significant expense categories and amounts align with the segment-level information that is regularly provided to the chief operating decision maker. Intersegment expenses are included within the amounts shown.
- (c) General and administrative expenses exclude non-cash stock-based compensation and legal contingencies unrelated to normal operations which currently includes industry-wide antitrust lawsuits and class action lawsuits.
- (d) Other segment items include Net income (loss) attributable to noncontrolling interests and other non-operating items. Amounts are immaterial to each segment.

Reconciliations of reportable segment assets and other significant items to consolidated totals:

	Franchise Group	Owned Brokerage Group	Title Group	Segment Total	Unallocated Corporate Amounts	Consolidated Total
<b>On or for the year ended December 31, 2025</b>						
Total assets .....	\$ 4,264	\$ 552	\$ 491	\$ 5,307	\$ 291	\$ 5,598
Investment in equity method investees .....	—	34	131	165	—	165
Capital expenditures .....	40	34	9	83	18	101
Depreciation and amortization .....	121	41	11	173	19	192
<b>On or for the year ended December 31, 2024</b>						
Total assets .....	4,326	561	509	\$ 5,396	240	\$ 5,636
Investment in equity method investees .....	—	31	151	182	—	182
Capital expenditures .....	26	28	7	61	17	78
Depreciation and amortization .....	117	46	18	181	17	198
<b>On or for the year ended December 31, 2023</b>						
Capital expenditures .....	28	24	7	\$ 59	13	72
Depreciation and amortization .....	114	52	12	\$ 178	18	196

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

	United States	All Other Countries	Total
<b>On or for the year ended December 31, 2025</b>			
Net revenues .....	\$ 5,890	\$ 70	\$ 5,960
Total assets .....	5,541	57	5,598
Net property and equipment .....	248	1	249
<b>On or for the year ended December 31, 2024</b>			
Net revenues .....	\$ 5,626	\$ 66	\$ 5,692
Total assets .....	5,589	47	5,636
Net property and equipment .....	246	1	247
<b>On or for the year ended December 31, 2023</b>			
Net revenues .....	\$ 5,562	\$ 74	\$ 5,636
Total assets .....	5,784	55	5,839
Net property and equipment .....	279	1	280

## 20. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for recognition and disclosure through February 25, 2026, the date the financial statements were issued.

On January 9, 2026, Compass completed its previously announced acquisition of Anywhere Real Estate Inc. pursuant to the Agreement and Plan of Merger, dated as of September 22, 2025, by and among Compass, Anywhere and Velocity Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company. Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into Anywhere, with Anywhere surviving the Merger as a wholly-owned subsidiary of Compass.

In January 2026, Anywhere Group entered into an agreement to, among other things, (i) extend the Apple Ridge securitization program from January 2026 to May 29, 2026 and (ii) provide that events arising solely from the Merger (as defined in this Note 20) will not trigger an amortization event before May 29, 2026 as long as a performance guaranty with Compass as performance guarantor is in full force and effect prior to such time. On January 8, 2026, Compass executed such

a performance guaranty to be effective upon the Merger. On January 9, 2026, Compass issued and sold \$1,000 million in aggregate principal amount of the Company's 0.25% Convertible Senior Notes due 2031 which the net proceeds of were used to repay certain existing indebtedness of Anywhere and its subsidiaries at closing of the Merger, including borrowings under Anywhere's Revolving Credit Facility along with the termination of the related Senior Secured Credit Agreement and Senior Secured Credit Facility, and payment of fees, costs and expenses related to the Merger.

In connection with supplemental indentures entered into in connection with the Anywhere Merger, (1) the Secured Notes are also (i) guaranteed on a senior secured, second priority basis by Compass' material domestic subsidiaries that are guarantors under Compass' revolving credit facility, (ii) guaranteed by Compass on a voluntary and unsecured senior subordinated basis, and (iii) secured by substantially the same collateral as Compass' existing first lien obligations under its revolving credit facility, but on a second priority basis; (2) the Unsecured Notes are also (i) guaranteed on a general senior unsecured basis by Compass' material domestic subsidiaries that are guarantors under Compass' revolving credit facility and Secured Notes and (ii) a general voluntary unsecured subordinated obligation of Compass; and (3) the Exchangeable Senior Notes are also guaranteed on a general senior unsecured basis by Compass and its material domestic subsidiaries that are guarantors under Compass' revolving credit facility and Secured Notes.

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of common stock, par value \$0.01 per share, of Anywhere (the "Anywhere Common Stock") issued and outstanding as of immediately prior to the Effective Time (other than any shares of Anywhere Common Stock owned (i) directly or indirectly, by Anywhere or by Compass or Merger Sub, or (ii) by any direct or indirect subsidiary of either the Anywhere or Compass, other than Merger Sub) were converted into the right to receive 1.436 fully paid and nonassessable shares of Compass common stock and, if applicable, cash in lieu of fractional shares (collectively, the "Merger Consideration").

In connection with the Merger, the Realogy Holdings Corp. Amended and Restated 2012 Long-Term Incentive Plan (the "Former Anywhere Plan") and the Anywhere Real Estate Inc. Third Amended and Restated 2018 Long-Term Incentive Plan (the "Anywhere Plan") as well as certain equity awards that were granted and outstanding under the Former Anywhere Plan and the Anywhere Plan were assumed by Compass and converted into equity awards in respect of shares of Compass Class A Common Stock. In addition, shares remaining available for future issuance under the Anywhere Plan were assumed by Compass and added to the number of shares available for issuance under the Compass, Inc. 2021 Equity Incentive Plan pursuant to an amendment, effective as of January 9, 2026.

## GUARANTEE OF PERFORMANCE

For value received, Anywhere Real Estate Inc., a Delaware corporation (the “Guarantor”), located at 175 Park Avenue, Madison New Jersey 07940, absolutely and unconditionally guarantees to assume the duties and obligations of Sotheby’s International Realty Affiliates LLC, located at 175 Park Avenue, Madison New Jersey 07940 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Madison, New Jersey, and deems it effective on the 26<sup>th</sup> day of March 2026.

Guarantor:

Anywhere Real Estate Inc.

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

Name: Scott Wahlers

Title: Chief Financial Officer

## GUARANTEE OF PERFORMANCE

For value received, Anywhere Real Estate Group LLC, a Delaware limited liability company (the "Guarantor"), located at 175 Park Avenue, Madison New Jersey 07940, absolutely and unconditionally guarantees to assume the duties and obligations of Sotheby's International Realty Affiliates LLC, located at 175 Park Avenue, Madison New Jersey 07940 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Madison, New Jersey, and deems it effective on the 26<sup>th</sup> day of March 2026.

Guarantor:

ANYWHERE REAL ESTATE GROUP LLC

By: Ethan Glass  
Name: Ethan Glass  
Title: Chief Financial Officer

## **EXHIBIT G**

**Sotheby's International Realty Affiliates LLC - Active Offices**  
**As of December 31, 2025**

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

Franchisee	Address	City	State	Zip	Phone
Somers	11432 Business Blvd. Suite 22	Eagle River	AK	99577	(907) 622-2400
Somers	711 Gaffney Road	Fairbanks	AK	99701	(907) 456-7653
LAH	2850 Cahaba Rd Ste 200	Birmingham	AL	35223	(205) 870-8580
LAH	10 Dexter Avenue	Birmingham	AL	35213	(205) 588-8474
LAH	1969 Braddock Drive	Birmingham	AL	35226	(205) 440-4740
LAH	7674 Highway 49 South	Dadeville	AL	36853	(256) 827-5253
Kaiser	10 S. Church Street	Fairhope	AL	36532	(251) 929-4777
Kaiser	1550 W. 2nd Street Suite 4A	Gulf Shores	AL	36542	(251) 968-6869
LAH	1760 Oxmoor Rd	Homewood	AL	35209	(205) 879-8580
Amanda Howard	315-A Franklin Street	Huntsville	AL	35801	(256) 799-9333
Capital	1408 Rebsamen Park Road	Little Rock	AR	72202	(501) 551-0207
Portfolio	3712 S. Pinnacle Hills Parkway Suite 101	Rogers	AR	72758	(479) 273-6697
Russ Lyon	317 N. Humphreys St. Suite A	Flagstaff	AZ	86001	(928) 779-5966
Russ Lyon	219 N Humphreys St	Flagstaff	AZ	86001	(928) 779-5966
Russ Lyon	275 E. Rivulon Blvd. Suite 100	Gilbert	AZ	85297	(480) 750-7424
Russ Lyon	8715 W Union Hills Dr Suite 104	Peoria	AZ	85382	(623) 583-7704
Russ Lyon	2971 Willow Creek Road	Prescott	AZ	86301	(928) 227-2435
Russ Lyon	6900 E. Camelback Rd. Suite 110	Scottsdale	AZ	85251	(480) 287-5200
Russ Lyon	34305 N Scottsdale Rd	Scottsdale	AZ	85266	(480) 488-2400
Russ Lyon	7669 E. Pinnacle Peak Road Suite 110	Scottsdale	AZ	85255	(480) 585-7070
Russ Lyon	37700 North Desert Mountain Parkway	Scottsdale	AZ	85262	(480) 488-2998
Russ Lyon	20 Roadrunner Drive Suite A	Sedona	AZ	86336	(928) 282-5966
Russ Lyon	Two Tubac Road	Tubac	AZ	85646	(520) 398-2506
Russ Lyon	3450 E. Sunrise Dr. Suite 150	Tucson	AZ	85718	(520) 742-1335
Golden Gate	2 Tunnel Road	Berkeley	CA	94705	(510) 542-2600
Golden Gate	2961 College Ave	Berkeley	CA	94705	(510) 883-7000
Golden Gate	1559 Solano Ave	Berkeley	CA	94707	(510) 883-7000
Vista	596 Pine Knot Avenue, P.O. Box 1586	Big Bear Lake	CA	92315	(909) 878-5500
Vista	27201 Highway 189	Blue Jay	CA	92317	(909) 366-6940
Healdsburg	913 Hwy 1	Bodega Bay	CA	94923	(707) 433-6555
Golden Gate	360 Primrose Rd.	Burlingame	CA	94010	(650) 348-0222

**Sotheby's International Realty Affiliates LLC - Active Offices**  
**As of December 31, 2025**

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

Franchisee	Address	City	State	Zip	Phone
LIV	734 Main Street Suite C	Cambria	CA	93428	(805) 927-1200
Pacific	2742 State Street Suite 101	Carlsbad	CA	92008	(760) 448-5499
Vista	500 W. Foothill Blvd.	Claremont	CA	91711	(909) 624-1617
Pacific	1200 Orange Avenue	Coronado	CA	92118	(619) 987-9797
Golden Gate	390 Railroad Avenue	Danville	CA	94526	(925) 838-9700
Vista	1004 White Rock Rd. Suite 400	El Dorado Hills	CA	95762	(916) 939-7253
Vista	4357 Town Center Blvd #220	El Dorado Hills	CA	95762	(916) 760-4545
Pacific	687 South Coast Hwy #102	Encinitas	CA	92024	(760) 942-7479
Mendo	703 North Main St.	Fort Bragg	CA	95437	(707) 964-3610
Golden Gate	43513 Mission Blvd.	Fremont	CA	94539	(510) 542-2600
Golden Gate	189 Sir Francis Drake Boulevard	Greenbrae	CA	94904	(415) 461-7200
Golden Gate	500 Drakes Landing Road	Greenbrae	CA	94904	(415) 464-9300
Healdsburg	709 Healdsburg Avenue	Healdsburg	CA	95448	(707) 433-6555
Healdsburg	409 Healdsburg Ave	Healdsburg	CA	95448	(707) 433-6555
Healdsburg	226 Healdsburg Ave	Healdsburg	CA	95448	(707) 395-0436
Vista	200 Pier Avenue Suites 305 & 306	Hermosa Beach	CA	90254	(310) 546-7611
Pacific	300 Pacific Coast Hwy #405	Huntington Beach	CA	92648	(714) 587-2400
Desert	74-890 Hwy 111	Indian Wells	CA	92210	(760) 797-8000
Pacific	1111 Prospect St Suite 100	La Jolla	CA	92037	(858) 926-3060
Desert	78065 Main Street, Suite 101	La Quinta	CA	92253	(760) 565-5127
Golden Gate	3725 Mt Diablo Boulevard	Lafayette	CA	94549	(925) 283-7866
Pacific	32356 South Coast Highway	Laguna Beach	CA	92651	(949) 494-3600
Vista	5536 E. Second Street	Long Beach	CA	90803	(310) 546-7611
Golden Gate	195 S. San Antonio Road	Los Altos	CA	94022	(650) 941-4300
Golden Gate	663 Blossom Hill Road Suite 200	Los Gatos	CA	95032	(408) 358-2800
Vista	2501 N. Sepulveda Boulevard 2nd Floor	Manhattan Beach	CA	90266	(310) 546-7611
Vista	1144 Highland Avenue	Manhattan Beach	CA	90266	(310) 546-7611
Vista	916 Manhattan Avenue	Manhattan Beach	CA	90266	(310) 546-7611
Mendo	44761 Main Street P.O. Box 14	Mendocino	CA	95460	(707) 937-5822
Golden Gate	1010 El Camino Real Suite 360	Menlo Park	CA	94025	(650) 847-1141
Golden Gate	100 Tiburon Boulevard	Mill Valley	CA	94941	(415) 381-7300

**Sotheby's International Realty Affiliates LLC - Active Offices**  
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Franchisee	Address	City	State	Zip	Phone
Valley	1600 G Street Suite 104	Modesto	CA	95354	(209) 488-0222
Golden Gate	780 Trancas Street	Napa	CA	94558	(707) 255-0845
Golden Gate	1485 1st Street	Napa	CA	94559	(707) 690-9500
Pacific	1200 Newport Center Drive Suite 100	Newport Beach	CA	92660	(949) 554-1200
Golden Gate	2070 Mountain Boulevard	Oakland	CA	94611	(510) 339-4000
LIV	727 W. Ojai Avenue	Ojai	CA	93023	(805) 646-7288
LIV	621 W. Ojai Avenue Units A & F	Ojai	CA	93023	(805) 646-7288
Desert	111 South Palm Canyon Drive	Palm Springs	CA	92262	(760) 537-2900
Vista	16 Malaga Cove Plaza	Palos Verdes Estates	CA	90274	(310) 375-0583
LIV	1225 Park Street	Paso Robles	CA	93446	(805) 781-6040
Vista	516 Main St	Placerville	CA	95667	(530) 303-4080
Pacific	16915 Avenida de Acacias PO Box 1023	Rancho Santa Fe	CA	92067	(858) 756-2800
Pacific	16077 San Dieguito Rd P.O. BOX 9728	Rancho Santa Fe	CA	92067	(858) 832-7030
Shasta	3645 Eureka Way	Redding	CA	96001	(530) 247-0700
Vista	1801 S. Catalina Ave.	Redondo Beach	CA	90277	(310) 541-8271
Vista	6780 Magnolia Ave.	Riverside	CA	92506	(951) 684-1300
Vista	35 Peninsula Center	Rolling Hills Estates	CA	90274	(310) 541-8271
Nick Sadek	9217 Sierra College Blvd Suite 120	Roseville	CA	95661	(916) 784-7444
Nick Sadek	2601 Fair Oaks Boulevard #200	Sacramento	CA	95864	(916) 570-2113
Golden Gate	1168 El Camino Real	San Carlos	CA	94070	(650) 597-1800
Pacific	810 West Washington Street	San Diego	CA	92103	(619) 269-2277
Pacific	888 West Ash Street	San Diego	CA	92101	(619) 481-6300
LIV	711 Tank Farm Road Suite 100	San Luis Obispo	CA	93401	(805) 781-6040
Golden Gate	902 Irwin Street	San Rafael	CA	94901	(415) 456-1200
Healdsburg	1200 College Avenue	Santa Rosa	CA	95404	(707) 284-1111
Golden Gate	209 2nd Street	Sausalito	CA	94965	(415) 331-9000
Healdsburg	6984 McKinley St.	Sebastopol	CA	95472	(707) 824-0200
Sierra	2247 Lake Tahoe Blvd.	South Lake Tahoe	CA	96150	(530) 494-7600
Golden Gate	3605 Shoreline Highway PO Box 66	Stinson Beach	CA	94970	(415) 868-9200
Vista	54 Main Street	Sutter Creek	CA	95685	(209) 267-8233
Sierra	970 North Lake Blvd. PO Box 5127	Tahoe City	CA	96145	(530) 583-4004

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Franchisee	Address	City	State	Zip	Phone
Home & Ranch	412 S. Main Street	Templeton	CA	93465	(805) 434-9700
Golden Gate	10 Beach Road	Tiburon	CA	94920	(415) 435-0700
Sierra	11177 Brockway Rd	Truckee	CA	96161	(530) 587-3505
LIV	554 E Main Street	Ventura	CA	93001	(805) 641-0125
Nick Sadek	435 College St	Woodland	CA	95695	(530) 661-0360
Golden Gate	2989 Woodside Road	Woodside	CA	94062	(650) 851-6600
Vintage	6550 Washington St	Yountville	CA	94599	(707) 944-0888
Aspen Snowmass	415 E. Hyman Avenue	Aspen	CO	81611	(970) 925-6060
Aspen Snowmass	300 S. Spring Street	Aspen	CO	81611	(970) 925-6060
Aspen Snowmass	730 East Durant Avenue	Aspen	CO	81611	(970) 925-1100
Aspen Snowmass	201 Midland Avenue, P.O. Box 650	Basalt	CO	81621	(970) 927-8080
LIV	26 Avondale Lane Suite #119	Beaver Creek	CO	81620	(970) 845-0400
LIV	1050 Walnut Street Suite 100	Boulder	CO	80302	(303) 443-6161
LIV	101 South Main Street P.O. Box 2619	Breckenridge	CO	80424	(970) 453-0550
Aspen Snowmass	333 River Valley Ranch Drive	Carbondale	CO	81623	(970) 963-0400
LIV	413 Wilcox Street	Castle Rock	CO	80104	(303) 660-0801
LIV	482 W. Happy Canyon Road	Castle Rock	CO	80108	(303) 688-6100
LIV	102 N. Cascade Ave. Suite 110	Colorado Springs	CO	80903	(719) 578-8800
LIV	401 Elk Avenue PO Box 210	Crested Butte	CO	81224	(970) 349-6653
LIV	100 St. Paul Street Suite 200	Denver	CO	80206	(303) 893-3200
LIV	707 E. Anemone Trail Suite 4	Dillon	CO	80435	(970) 453-0550
Legacy Properties West	743 Main Avenue	Durango	CO	81301	(970) 624-0444
Legacy Properties West	89 Trimble Crossing Dr. Building C Suite A	Durango	CO	81301	(970) 624-0444
LIV	34253 Highway 6 Suite 2A	Edwards	CO	81632	(970) 845-0400
LIV	1240 Bergen Pkwy Suite A-200	Evergreen	CO	80439	(303) 674-3200
Aspen Snowmass	150 West Meadows Drive	Glenwood Springs	CO	81601	(970) 366-3511
LIV	8000 East Belleview Avenue Suite 200	Greenwood Village	CO	80111	(303) 893-3200
Aspen Snowmass	50 Snowmass Village Mall	Snowmass Village	CO	81615	(970) 923-2006
Aspen Snowmass	110 Carriage Way Building A, Suite 3102	Snowmass Village	CO	81615	(970) 923-2006
Steamboat	610 Marketplace Plaza	Steamboat Springs	CO	80487	(970) 879-8100
Steamboat	1855 Ski Time Square Drive	Steamboat Springs	CO	80487	(970) 879-7800

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Franchisee	Address	City	State	Zip	Phone
LIV	137 W. Colorado Avenue	Telluride	CO	81435	(970) 728-1404
LIV	565 Mountain Village Blvd. Suite 101	Telluride	CO	81435	(970) 728-1404
LIV	215 San Juan Ave.	Telluride	CO	81435	(970) 728-1404
LIV	225 S Oak Street	Telluride	CO	81435	(970) 728-3086
LIV	228 Bridge Street Suite 100	Vail	CO	81657	(970) 476-7944
LIV	292 E. Meadow Drive, Suite 101	Vail	CO	81657	(970) 476-7944
LIV	78977 US Highway 40	Winter Park	CO	80482	(970) 509-1740
William Pitt	45 East Main St	Avon	CT	06001	(860) 777-1800
William Pitt	112 Federal Road	Danbury	CT	06811	(203) 796-7700
William Pitt	1057 Post Road	Darien	CT	06820	(203) 655-8234
William Pitt	13 Main Street	Essex	CT	06426	(860) 767-7488
William Pitt	931 Main Street, Second Floor	Glastonbury	CT	06073	(860) 682-9991
William Pitt	102 B Broad Street	Guilford	CT	06437	(203) 453-2533
William Pitt	9 Maple Street	Kent	CT	06757	(860) 927-1141
William Pitt	10 South Street PO Box 275	Litchfield	CT	06759	(860) 567-0806
William Pitt	696 Boston Post Road	Madison	CT	06443	(203) 245-6700
William Pitt	41 Williams Ave.	Mystic	CT	06355	(860) 536-5900
William Pitt	28 Cottrell Street	Mystic	CT	06355	(860) 536-5900
William Pitt	26 Cherry Street	New Canaan	CT	06840	(203) 966-2633
William Pitt	24 Pennsylvania Ave	Niantic	CT	06357	(860) 739-4440
William Pitt	147 Rowayton Avenue	Norwalk	CT	06853	(203) 838-2190
William Pitt	103 Halls Road P.O. Box 489	Old Lyme	CT	06371	(860) 434-2400
William Pitt	470 Main Street	Ridgefield	CT	06877	(203) 438-9531
William Pitt	19 Main Street	Salisbury	CT	06068	(860) 435-2400
William Pitt	132 Old Post Road	Southport	CT	06890	(203) 255-9900
William Pitt	2200 Atlantic Street Suite 210	Stamford	CT	06902	(877) 772-5081
William Pitt	3 Roxbury Road	Stamford	CT	06902	(203) 968-1500
William Pitt	6 Green Hill Road	Washington	CT	06793	(860) 868-6600
William Pitt	199 Post Road East	Westport	CT	06880	(203) 227-1246
TTR	1206 30th Street NW	Washington	DC	20007	(202) 333-1212
TTR	5101 Wisconsin Ave NW Suite 100	Washington	DC	20016	(301) 967-3344

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Franchisee	Address	City	State	Zip	Phone
TTR	1515 14th Street NW	Washington	DC	20005	(202) 234-3344
TTR	14 Ridge Square, NW #450	Washington	DC	20016	(202) 975-0873
Monument	26 N. Pennsylvania Avenue	Bethany Beach	DE	19930	(302) 539-1033
Monument	102 Savannah Road Suite A	Lewes	DE	19958	(302) 827-2821
Monument	18949 Coastal Highway Suite 304	Rehoboth Beach	DE	19971	(302) 227-6767
Monument	49 Baltimore Ave	Rehoboth Beach	DE	19971	(302) 227-6767
Monument	5701 Kennett Pike	Wilmington	DE	19807	(302) 654-6500
ONE	961687 Gateway Blvd Suite 101 E/F	Amelia Island	FL	32034	(904) 277-6522
ONE	2980 NE 207th St. Suite 801	Aventura	FL	33180	(305) 935-0300
Premier	2933 West Bay Drive	Belleair Bluffs	FL	33770	(727) 585-9600
Gulf to Bay	P.O. Box 812 336 Park Avenue	Boca Grande	FL	33921	(941) 964-0115
Gulf to Bay	5000 Gasparilla Road	Boca Grande	FL	33921	(941) 964-0115
ONE	200 E. Palmetto Park Road, Suite 104	Boca Raton	FL	33432	(561) 997-7227
Premier	23421 Walden Center Drive Suites 110 & 200	Bonita Springs	FL	34134	(239) 948-4000
Premier	5001 Coconut Rd.	Bonita Springs	FL	34134	(239) 301-5300
Premier	11509 Andy Rosse Lane Suite 1B	Captiva	FL	33924	(239) 395-5847
ONE	1505 Sunset Drive	Coral Gables	FL	33143	(305) 666-0562
ONE	2054 South University Dr Shop #48	Davie	FL	33324	(954) 800-3119
ONE	900 East Atlantic Avenue, Suite 18	Delray Beach	FL	33483	(561) 381-9090
Scenic	4495 Furling Lane Suite 110	Destin	FL	32541	(850) 231-6052
ONE	401 East Las Olas Boulevard	Fort Lauderdale	FL	33301	(954) 522-2831
ONE	2780 E Oakland Park Blvd	Fort Lauderdale	FL	33306	(954) 372-0332
Premier	19139 Gulf Blvd.	Indian Shores	FL	33785	(727) 595-1604
Premier	19455 Gulf Blvd. Suite 1, 2 & 6	Indian Shores	FL	33785	(727) 595-1604
Ocean	81888 Overseas Highway	Islamorada	FL	33036	(305) 712-8888
ONE	2950 Halcyon Lane Suite 303	Jacksonville	FL	32223	(904) 316-2576
ONE	5233 San Jose Blvd.	Jacksonville	FL	32207	(904) 731-9770
The Bear's Club	103 Bear's Club Drive	Jupiter	FL	33477	(561) 514-6948
ONE	2159 S. US Highway 1	Jupiter	FL	33477	(561) 932-1832
ONE	260 Crandon Boulevard, C-42	Key Biscayne	FL	33149	(305) 365-2811
Ocean Reef Club	35 Ocean Reef Drive Suite 120	Key Largo	FL	33037	(305) 367-2027

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Franchisee	Address	City	State	Zip	Phone
Ocean	1075 Duval Street Suite 15C	Key West	FL	33040	(305) 294-1117
Premier	1117 International Parkway	Lake Mary	FL	32746	(407) 333-1900
Premier	8141 Lakewood Main Street, Suite 101	Lakewood Ranch	FL	34202	(941) 907-9541
Premier	517 Bay Isles Parkway #7	Longboat Key	FL	34228	(941) 383-2500
Ocean	12420 Overseas Highway	Marathon	FL	33050	(305) 735-4095
Premier	760 North Collier Boulevard, Suite 101	Marco Island	FL	34145	(239) 642-2222
ONE	7025 North Wickham Road Suite 100	Melbourne	FL	32940	(321) 259-2993
ONE	301 Ocean Avenue	Melbourne Beach	FL	32951	(321) 984-3135
ONE	800 Brickell Ave Suite 525	Miami	FL	33131	(305) 859-3824
ONE	3560 Main Highway	Miami	FL	33133	(305) 503-5275
ONE	119 Washington Ave. Suite 102	Miami Beach	FL	33139	(305) 538-9711
ONE	9588 Harding Ave.	Miami Beach	FL	33154	(305) 865-9811
Premier	390 Broad Avenue South	Naples	FL	34102	(239) 434-2424
Premier	500 Fifth Avenue South	Naples	FL	34102	(239) 643-3445
Premier	325 Vanderbilt Beach Road	Naples	FL	34108	(239) 594-9494
Premier	4300 Gulf Shore Blvd. North, Suite 100	Naples	FL	34103	(239) 261-6161
Premier	4001 Tamiami Trail North, Suite 102	Naples	FL	34103	(239) 659-0099
Premier	5020 Tamiami Trail N. Suite 120	Naples	FL	34103	(239) 262-4242
Premier	2640 Golden Gate Parkway Suite 112	Naples	FL	34105	(239) 261-3148
Premier	9123 Strada Place, Suite 7125	Naples	FL	34108	(239) 594-9400
Premier	4001 Tamiami Trail North Suite 350-C	Naples	FL	34103	(239) 495-1105
Premier	790 Harbour Drive Suite 2C	Naples	FL	34103	(239) 213-7373
Premier	7711 Collier Blvd. #105	Naples	FL	34114	(239) 449-3400
Premier	114 Canal Street	New Smyrna Beach	FL	32168	(407) 644-3295
Premier	3024 SW 27th Avenue	Ocala	FL	34471	(352) 509-6455
Premier	7600 Dr. Phillips Blvd. Suite 32	Orlando	FL	32819	(407) 581-7888
Premier	13555 Narcoossee Road	Orlando	FL	32832	(407) 480-5014
ONE	11601 Kew Gardens Ave., Ste 101	Palm Beach Gardens	FL	33410	(561) 694-0058
ONE	5055 N. Oceanshore Blvd.	Palm Coast	FL	32137	(386) 276-9200
Scenic	12805 E US Highway 98 Suite D201	Panama City Beach	FL	32461	(850) 231-6052
ONE	820 Highway A1A North Suite E-15	Ponte Vedra Beach	FL	32082	(904) 285-7700

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Franchisee	Address	City	State	Zip	Phone
Premier	201 Cessna Blvd. Suite 6	Port Orange	FL	32128	(386) 761-2172
ONE	301 A1A Beach Boulevard	Saint Augustine	FL	32080	(904) 474-4189
ONE	81 King Street Suite B	Saint Augustine	FL	32084	(904) 829-2002
Premier	2341 Palm Ridge Road	Sanibel	FL	33957	(239) 472-2735
Scenic	3305 West County Highway 30A	Santa Rosa Beach	FL	32459	(850) 231-6052
Scenic	4130 East County Highway 30A	Santa Rosa Beach	FL	32459	(850) 231-6052
Premier	50 Central Ave, Suite 110	Sarasota	FL	34236	(941) 364-4000
Premier	120 2nd Ave. NE Suite 102A	St. Petersburg	FL	33701	(727) 898-6800
ONE	3718 SE Ocean Blvd	Stuart	FL	34996	(772) 337-8250
ONE	2 N Sewall's Point Road	Stuart	FL	34996	(772) 287-1777
ONE	28 SE Ocean Boulevard	Stuart	FL	34994	(772) 287-1019
Premier	744 S. Village Circle	Tampa	FL	33606	(813) 217-5288
Premier	400 Barcelona Avenue	Venice	FL	34285	(941) 412-3323
Premier	215 W. Venice Ave	Venice	FL	34285	(941) 488-2600
ONE	1006 Beachland Blvd.	Vero Beach	FL	32963	(772) 222-5215
ONE	1401 Highway A1A Suite # 100	Vero Beach	FL	32963	(772) 492-1002
ONE	9300 Highway A1A	Vero Beach	FL	32963	(772) 492-1002
ONE	4509 Weston Road	Weston	FL	33331	(954) 660-8860
Premier	233 West Park Ave	Winter Park	FL	32789	(407) 644-3295
Atlanta Fine Homes	8000 Avalon Boulevard, Suite 800	Alpharetta	GA	30009	(770) 442-7300
Atlanta Fine Homes	3290 Northside Parkway NW, Suite 200	Atlanta	GA	30327	(404) 237-5000
Atlanta Fine Homes	1555 Peachtree Street NE, Suite 100	Atlanta	GA	30309	(404) 874-0300
Mountain	588 East Main St Suite B	Blue Ridge	GA	30513	(706) 222-5588
Mountain	141 South Main Street	Clayton	GA	30525	(706) 212-0228
Atlanta Fine Homes	1000 Johnson Ferry Road, Building 400 Suite 408	Marietta	GA	30068	(770) 604-1000
DeLoach	2901 Frederica Road	Saint Simons Island	GA	31522	(912) 638-0406
Daniel Ravenel	300 Bull Street Suite 101	Savannah	GA	31401	(912) 234-3323
Aloha	525 Kilauea Avenue Suite 220	Hilo	HI	96720	(808) 466-8747
List	4211 Waiialae Ave. Suite 8060	Honolulu	HI	96816	(808) 735-2411
List	677 Ala Moana Blvd Suite 111	Honolulu	HI	96813	(808) 439-8510
Carvill	970 N Kalaheo Ave Suite A100	Kailua	HI	96734	(808) 263-5900

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Franchisee	Address	City	State	Zip	Phone
Aloha	78-6831 Alii Drive, Suite 163	Kailua Kona	HI	96740	(808) 331-3131
Aloha	65-1279 Kawaihae Rd Suite 104	Kamuela	HI	96743	(808) 885-8885
Aloha	62-100 Kauna'oa Drive	Kamuela	HI	96743	(808) 880-3322
Island	1300 N. Holopono St. Suite 212	Kihei	HI	96753	(808) 572-8600
Aloha	2641 Poipu Rd.	Koloa	HI	96756	(808) 240-6633
Aloha	2817 Poipu Road	Koloa	HI	96756	(808) 245-8831
Island	5095 Napilihau Street Suite 113 A	Lahaina	HI	96761	(808) 665-1166
Island	3628 Baldwin Avenue	Makawao	HI	96768	(808) 572-8600
Aloha	5-4280 Kuhio Hwy, G-104 P.O. Box 223700	Princeville	HI	96722	(808) 826-7211
Group One	913 W. River Street Suite 300	Boise	ID	83702	(208) 287-5000
Tomlinson	223 E. Sherman Ave.	Coeur d'Alene	ID	83814	(208) 667-1551
Jackson Hole	10 North Main Street	Driggs	ID	83422	(208) 354-9090
Group One	2025 E Riverside Dr #260	Eagle	ID	83616	(208) 939-8000
Sun Valley	291 North Main Street PO Box 186	Ketchum	ID	83340	(208) 726-5300
Tomlinson	503 Cedar Street #7	Sandpoint	ID	83864	(208) 263-5101
Jameson	425 W North Avenue	Chicago	IL	60610	(312) 751-0300
Jameson	2060 N Damen Ave	Chicago	IL	60647	(312) 927-0334
Jameson	2934 Central Street	Evanston	IL	60201	(847) 869-7300
Jameson	330 W. Chestnut Street	Hinsdale	IL	60521	(630) 320-2829
Jameson	2000 Center Drive B215 East	Hoffman Estates	IL	60192	(847) 381-7100
Encore	12411 North Pennsylvania Street Suite 110	Carmel	IN	46032	(317) 660-4444
Encore	12710 Meeting House Road Suite 100	Carmel	IN	46032	(317) 660-4444
Encore	1690 Broadway Street Building 19, Suite 10	Fort Wayne	IN	46802	(260) 854-1212
Encore	726 East 65th Street	Indianapolis	IN	46220	(317) 660-4444
Encore	801 N. Huntington Street Suite 1	Syracuse	IN	46567	(260) 854-1212
Encore	76 South Main Street	Zionsville	IN	46077	(317) 660-4444
Sage	2001 Shawnee Mission Parkway Suite 210	Mission	KS	66205	(913) 744-4700
Bluegrass	1999 Richmond Road Suite 400	Lexington	KY	40502	(859) 268-0099
Lenihan	3827 Shelbyville Road Suite 201	Louisville	KY	40207	(502) 899-2129
Crescent	215 N. Columbia Street	Covington	LA	70433	(985) 200-4802
Crescent	123 South Oak Street	Hammond	LA	70403	(985) 345-6802

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Franchisee	Address	City	State	Zip	Phone
Crescent	617 Julia Street	New Orleans	LA	70130	(504) 944-3605
Crescent	425 Harrison Ave. Suite 1200	New Orleans	LA	70124	(504) 944-3605
Barrett	525 Massachusetts Ave #105	Acton	MA	01720	(978) 263-1166
Gibson	68 Main Street Suite 5	Andover	MA	01810	(978) 475-4002
Gibson	1010 Massachusetts Ave.	Arlington	MA	02476	(781) 648-3500
Barrett	51 Great Road	Bedford	MA	01730	(781) 275-1990
Gibson	556 Tremont Street	Boston	MA	02118	(617) 426-6900
Gibson	548 Tremont Street Unit 1	Boston	MA	02118	(617) 426-6901
Gibson	277 Dartmouth Street 3rd Floor	Boston	MA	02116	(617) 375-6900
Gibson	2 Baldwin Place	Boston	MA	02113	(617) 227-1000
Gibson	66 Beacon St.	Boston	MA	02108	(857) 310-5632
Gibson	2404 Main Street	Brewster	MA	02631	(508) 896-5000
Gibson	1334 Beacon Street	Brookline	MA	02446	(617) 264-7900
Gibson	1008 Massachusetts Avenue	Cambridge	MA	02138	(617) 945-9161
Gibson	548 Washington Street	Canton	MA	02021	(781) 469-0168
Gibson	20 City Square	Charlestown	MA	02129	(617) 242-4222
Gibson	409 Main Street	Chatham	MA	02633	(508) 945-0000
Wallace & Co.	9 State Road	Chilmark	MA	02535	(508) 645-5044
Gibson	1 South Main Street	Cohasset	MA	02025	(781) 383-8835
Barrett	33 Walden Street	Concord	MA	01742	(978) 369-6453
Gibson	384 Elm Street	Dartmouth	MA	02748	(774) 202-7603
Gibson	563 Route 6A	Dennis	MA	02638	(508) 385-4944
South Shore	459 Washington Street P.O. Box 621	Duxbury	MA	02332	(781) 934-2000
Wallace & Co.	1 North Water Street P.O. Box 2005	Edgartown	MA	02539	(508) 627-3313
Gibson	208 Main Street	Gloucester	MA	01930	(978) 281-1002
William Pitt	306 Main Street	Great Barrington	MA	01230	(413) 528-4192
Gibson	587 Route 28	Harwich Port	MA	02646	(508) 432-6100
Gibson	15 Shipyard Drive Suite 1A	Hingham	MA	02043	(781) 749-8833
Gibson	673 Centre Street	Jamaica Plain	MA	02130	(617) 522-2200
William Pitt	26 Church Street	Lenox	MA	01240	(413) 881-2100
Barrett	1688 Massachusetts Avenue	Lexington	MA	02420	(781) 862-1700

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Franchisee	Address	City	State	Zip	Phone
Gibson	21 Central Street	Manchester	MA	01944	(978) 526-0243
Sagan Harborside	1 Essex Street	Marblehead	MA	01945	(781) 631-8800
New Seabury	12 Mallway	Mashpee	MA	02649	(508) 477-8300
New Seabury	540 Falmouth Road	Mashpee	MA	02649	(508) 477-6688
New Seabury	333 Rock Landing Rd.	Mashpee	MA	02649	(508) 477-8300
Maury People	37 Main Street	Nantucket	MA	02554	(508) 228-1881
Gibson	936 Great Plain Ave.	Needham	MA	02492	(781) 444-8383
Gibson	11 Market Square Suites 9 and 11	Newburyport	MA	01950	(978) 255-3569
Gibson	767 Beacon Street	Newton	MA	02459	(617) 332-1400
Gibson	6 Route 6A	Orleans	MA	02653	(508) 255-6000
Barrett	111 Main Street 1st Floor	Pepperell	MA	01463	(978) 371-3110
Gibson	34 Main Street Ext Suite 101	Plymouth	MA	02360	(781) 819-4401
Gibson	168 Commercial Street	Provincetown	MA	02657	(508) 487-2430
Gibson	526B Boston Post Road	Sudbury	MA	01776	(978) 443-8484
Sagan Harborside	300 Salem Street	Swampscott	MA	01907	(781) 593-6111
Gibson	725 Main Street	Tewksbury	MA	01876	(978) 851-3022
Gibson	54 Central Street	Wellesley	MA	02482	(781) 237-8181
Mathieu Newton	10 West Main Street	Westborough	MA	01581	(508) 366-9608
Barrett	174 Littleton Road	Westford	MA	01886	(978) 692-6141
Gibson	544 Boston Post Road	Weston	MA	02493	(781) 894-8282
Mott & Chace	865 Main Road	Westport	MA	02790	(508) 938-9701
Gibson	680 High Street	Westwood	MA	02090	(781) 329-8008
Barrett	48 Mount Vernon Street Suite One	Winchester	MA	01890	(781) 729-7900
Gibson	64 Kings Circuit	Yarmouth Port	MA	02675	(508) 744-7139
TTR	209 Main Street	Annapolis	MD	21401	(410) 280-5600
Monument	1617 Eastern Avenue	Baltimore	MD	21230	(410) 528-1146
Monument	801 Key Highway #831	Baltimore	MD	21230	(410) 525-5435
Monument	Village of Cross Keys 42 Village Square	Baltimore	MD	21210	(443) 708-7074
Atlantic Shores	6 South Main Street	Berlin	MD	21811	(410) 524-0919
TTR	4809 Bethesda Ave.	Bethesda	MD	20814	(301) 516-1212
Monument	12143 Clarksville Pike Suite 101	Clarksville	MD	21029	(443) 746-2090

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Franchisee	Address	City	State	Zip	Phone
TTR	17 Goldsborough Street	Easton	MD	21601	(410) 673-3344
TTR	345 Main Street	Gaithersburg	MD	20878	(301) 355-0215
Monument	1231 N. Main Street	Hampstead	MD	21074	(443) 291-6939
Atlantic Shores	7510 Coastal Highway	Ocean City	MD	21842	(410) 524-0919
TTR	400 S Talbot Street	Saint Michaels	MD	21663	(410) 745-2596
Monument	537 Baltimore Annapolis Blvd. Suite A	Severna Park	MD	21146	(443) 906-3848
Monument	7707 Bellona Avenue	Towson	MD	21204	(443) 906-3840
Legacy Properties	141 Maine Street	Brunswick	ME	04011	(207) 729-2820
Legacy Properties	46 Bay View St.	Camden	ME	04843	(207) 230-1003
Legacy Properties	40 Main Street	Damariscotta	ME	04543	(207) 563-2775
Legacy Properties	150 Port Road	Kennebunk	ME	04043	(207) 967-0934
Legacy Properties	6 Neighborhood Road	Northeast Harbor	ME	04662	(207) 780-8900
Anne Erwin	19 Beach Street	Ogunquit	ME	03907	(207) 646-8802
Legacy Properties	2 City Center	Portland	ME	04101	(207) 780-8900
Anne Erwin	31 Long Sands Road	York	ME	03909	(207) 363-6640
Harbor	4000 Main Street	Bay Harbor	MI	49770	(231) 439-2000
Signature	415 S. Old Woodward Ave.	Birmingham	MI	48009	(248) 644-7000
Signature	96 Kercheval Avenue	Grosse Pointe Farms	MI	48236	(313) 888-8800
Harbor	257 E. Main Street	Harbor Springs	MI	49740	(231) 526-9889
Signature	311 E. Main Street	Northville	MI	48167	(248) 378-1000
White Pine	2421 W Grand River Ave	Okemos	MI	48864	(517) 777-8224
Beacon	233 Butler Street	Saugatuck	MI	49453	(269) 673-7133
Northland	14299 Gould Street	Crosslake	MN	56442	(218) 692-1222
Lakes	3946 W. 50th Street	Edina	MN	55424	(952) 230-3101
Lakes	221 1st Street North Suite 100	Minneapolis	MN	55401	(612) 361-6000
Lakes	124 N Main St	Stillwater	MN	55082	(651) 419-6300
Lakes	202 Superior Boulevard	Wayzata	MN	55391	(952) 230-3101
Dielmann	8301 Maryland Avenue Suite 100	Saint Louis	MO	63105	(314) 725-0009
Crescent	8933 Lorraine Rd	Gulfport	MS	39501	(228) 400-0029
Big Sky	33 Lone Peak Drive Unit 105	Big Sky	MT	59716	(406) 995-2211
Glacier	480 Electric Ave.	Bigfork	MT	59911	(406) 837-6100

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Franchisee	Address	City	State	Zip	Phone
Big Sky	424 E Main Street Suite 1	Bozeman	MT	59715	(406) 586-6688
Glacier	204 Main St #4	Darby	MT	59829	(406) 552-1910
Glacier	127 W. Main Street #1	Hamilton	MT	59840	(406) 363-1643
Glacier	7235 US Highway 93 South	Lakeside	MT	59922	(406) 709-2111
Glacier	434 N. Higgins Ave.	Missoula	MT	59802	(406) 541-7020
Glacier	204 Central Avenue	Whitefish	MT	59937	(406) 863-3060
Glacier	3889 Big Mountain Road Suite 137	Whitefish	MT	59937	(406) 862-1750
Premier	10 Brook St. Suite 130	Asheville	NC	28803	(828) 277-3238
Premier	3990 NC Highway 105 Suite 3	Banner Elk	NC	28604	(828) 898-5022
Premier	1127 Main Street Suite A	Blowing Rock	NC	28605	(828) 295-0776
Hodge & Kittrell	169 East Chatham Street	Cary	NC	27511	(919) 377-9799
Highlands	619 Highway 107 South	Cashiers	NC	28717	(828) 743-3411
Hodge & Kittrell	140 W. Franklin St. Suite 130	Chapel Hill	NC	27516	(919) 800-0799
Premier	532 Governor Morrison Street Suite C110	Charlotte	NC	28211	(704) 248-0243
Premier	19825 N Cove Road	Cornelius	NC	28031	(704) 727-4170
Perry & Co.	102 South Broad Street	Edenton	NC	27932	(252) 482-4785
Highlands	1371 Cullasaja Club Drive	Highlands	NC	28741	(828) 526-4104
Highlands	114 N. 4th Street	Highlands	NC	28741	(828) 526-4104
Landmark	1176 Duck Road	Kitty Hawk	NC	27949	(252) 565-0091
Pinnacle	1334 Buffalo Creek Rd	Lake Lure	NC	28746	(888) 625-9600
Premier	2245 Highway 105 Post Office Box 704	Linville	NC	28646	(828) 742-4140
Premier	138 Village View Drive Ste 101	Mooreville	NC	28117	(704) 230-4836
Landmark	4747 Arendell Street	Morehead City	NC	28557	(252) 499-9465
Landmark	120 Causeway Dr. Unit 2	Ocean Isle Beach	NC	28469	(910) 477-8100
Hodge & Kittrell	3200 Wake Forest Road Suite 101	Raleigh	NC	27609	(919) 876-7411
Pines	177 W. Pennsylvania Ave.	Southern Pines	NC	28387	(910) 725-2550
Landmark	126 N. Topsail Dr.	Surf City	NC	28445	(910) 328-2276
Landmark	7205 Wrightsville Avenue Suite K	Wilmington	NC	28403	(910) 679-8047
Four Seasons	170 South River Road Bld. 1, Suite 102	Bedford	NH	03110	(603) 413-7600
Four Seasons	17 1/2 Lebanon Street	Hanover	NH	03755	(603) 643-6070
Four Seasons	273 Daniel Webster Highway	Meredith	NH	03253	(603) 677-7012

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Franchisee	Address	City	State	Zip	Phone
Four Seasons	259 Main Street PO Box 97	New London	NH	03257	(603) 526-4050
Four Seasons	42 Grove Street	Peterborough	NH	03458	(603) 924-3321
Tate & Foss	566 Washington Road	Rye	NH	03870	(603) 964-8028
Prominent Properties	1022 Closter Dock Road	Alpine	NJ	07620	(201) 768-9300
Ward Wight	521 Cookman Ave. Unit 101-B	Asbury Park	NJ	07712	(732) 775-8500
Tim Kerr	2821 Dune Drive	Avalon	NJ	08202	(609) 967-7950
Kienlen Lattmann	68 North Finley Avenue	Basking Ridge	NJ	07920	(908) 696-8600
Childers	532 Lake Avenue	Bay Head	NJ	08742	(732) 295-2008
Kienlen Lattmann	454 Main Street	Bedminster	NJ	07921	(908) 719-2500
Soleil	3119 Atlantic Brigantine Blvd. #2	Brigantine	NJ	08203	(609) 264-5543
Tim Kerr	1159 Washington St	Cape May	NJ	08204	(609) 884-3332
Prominent Properties	2 Main Street Suite F	Edgewater	NJ	07020	(201) 840-8898
Prominent Properties	457 Sylvan Avenue 2nd Floor	Englewood Cliffs	NJ	07632	(201) 585-8080
Prominent Properties	834 Franklin Lakes Road	Franklin Lakes	NJ	07417	(201) 848-4002
Prominent Properties	90 Tanner Street	Haddonfield	NJ	08033	(856) 428-5150
Prominent Properties	306 Washington Street	Hoboken	NJ	07030	(201) 795-5200
Heritage House	38 Main Street	Holmdel	NJ	07733	(732) 946-9200
Prominent Properties	77 Hudson Street	Jersey City	NJ	07302	(201) 333-7717
Callaway Henderson	49 Bridge Street	Lambertville	NJ	08530	(609) 397-1974
Childers	701 Grand Central Avenue	Lavallette	NJ	08735	(732) 830-2700
Kienlen Lattmann	223 Main Street	Madison	NJ	07940	(973) 377-7785
Ward Wight	206 East Main Street	Manasquan	NJ	08736	(732) 223-2266
Soleil	8502 Ventnor Ave	Margate City	NJ	08402	(609) 487-8000
Kienlen Lattmann	20 East Main Street	Mendham	NJ	07945	(973) 543-3500
Heritage House	1020 Highway 35	Middletown	NJ	07748	(732) 615-9898
Prominent Properties	32 Valley Road	Montclair	NJ	07042	(973) 783-6900
Kienlen Lattmann	55 South Street	Morristown	NJ	07960	(973) 952-6200
Childers	554 Route 35N P.O. Box 485	Normandy Beach	NJ	08739	(732) 793-5500
Goldcoast	200 34th Street	Ocean City	NJ	08226	(609) 399-2500
Childers	504-A Sea Avenue Route 35	Point Pleasant Beach	NJ	08742	(732) 714-7900
Callaway Henderson	4 Nassau Street	Princeton	NJ	08542	(609) 921-1050

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Franchisee	Address	City	State	Zip	Phone
Prominent Properties	55 North Maple Avenue	Ridgewood	NJ	07450	(201) 639-5555
Heritage House	1 West River Road	Rumson	NJ	07760	(732) 842-8100
Prominent Properties	152 West Saddle River Road	Saddle River	NJ	07458	(201) 825-3600
Ward Wight	522 Washington Boulevard	Sea Girt	NJ	08750	(732) 449-5959
Tim Kerr	33 42nd Street	Sea Isle City	NJ	08243	(609) 478-0138
Childers	1505 NW Central Ave	Seaside Park	NJ	08752	(732) 793-4663
Prominent Properties	555 Millburn Ave.	Short Hills	NJ	07078	(973) 376-8188
Prominent Properties	6 Sloan Street	South Orange	NJ	07079	(973) 846-9220
Ward Wight	1117 Third Ave	Spring Lake	NJ	07762	(732) 449-3322
Ward Wight	309 Morris Ave Suite A	Spring Lake	NJ	07762	(732) 449-3322
Tim Kerr	231 96th Street	Stone Harbor	NJ	08247	(609) 830-2181
Prominent Properties	309 Springfield Ave.	Summit	NJ	07901	(908) 273-8808
Prominent Properties	90 County Road	Tenafly	NJ	07670	(201) 568-5668
Childers	236 Washington Street	Toms River	NJ	08753	(732) 341-2525
Prominent Properties	670 Main Road	Towaco	NJ	07082	(973) 335-5700
Prominent Properties	500 Avenue at Port Imperial Blvd. Suite 100	Weehawken	NJ	07086	(201) 223-4207
Prominent Properties	200 North Avenue East	Westfield	NJ	07090	(908) 654-6666
Las Vegas	2030 Lake Las Vegas Pkwy	Henderson	NV	89011	(702) 360-1414
Las Vegas	20 Via Bel Canto #120	Henderson	NV	89011	(702) 360-1414
Sierra	570 Lakeshore Blvd.	Incline Village	NV	89451	(775) 832-4900
Las Vegas	8548 Rozita Lee Ave. Suite 100	Las Vegas	NV	89113	(702) 360-1414
Sierra	13945 S. Virginia St. #606	Reno	NV	89511	(775) 384-6900
Sierra	5301 Kietzke Ln #200	Reno	NV	89511	(775) 384-6900
Sierra	195 Highway 50 Suite 200 0	Zephyr Cove	NV	89448	(775) 209-9580
Daniel Gale	32-07 30th Avenue Suite 201	Astoria	NY	11102	(718) 650-5855
Daniel Gale	249 West Main Street	Bay Shore	NY	11706	(631) 647-7013
Daniel Gale	36-35 Bell Boulevard Suite 204	Bayside	NY	11361	(718) 762-2268
William Pitt	4 Court Rd PO Box 286	Bedford	NY	10506	(914) 234-0200
Timm Associates	8825 Route 30 0	Blue Mountain Lake	NY	12812	(518) 352-7395
William Pitt	2 Park Place	Bronxville	NY	10708	(914) 620-8682
Daniel Gale	78 7th Avenue	Brooklyn	NY	11217	(718) 638-6500

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Franchisee	Address	City	State	Zip	Phone
Daniel Gale	299 Bedford Avenue	Brooklyn	NY	11211	(718) 689-8400
Daniel Gale	207 Court Street	Brooklyn	NY	11201	(718) 689-6400
Madison Estates	2922 Avenue R	Brooklyn	NY	11229	(718) 645-1665
Madison Estates	1524 86th Street	Brooklyn	NY	11228	(718) 645-1665
Daniel Gale	356 Westbury Ave	Carle Place	NY	11514	(516) 334-3606
William Pitt	2 Park Row, Suite 1	Chatham	NY	12037	(518) 392-0244
Daniel Gale	5 Main Street	Cold Spring Harbor	NY	11724	(631) 692-6770
Daniel Gale	36 Main Street	Cold Spring Harbor	NY	11724	(631) 423-1180
North Country	2 Croton Point Avenue	Croton-on-Hudson	NY	10520	(914) 271-5115
Daniel Gale	28080 Main Road PO Box 922	Cutchogue	NY	11935	(631) 734-5439
Terrace	16 Station Square	Forest Hills	NY	11375	(718) 268-1045
Terrace	19 Station Square	Forest Hills	NY	11375	(718) 268-1045
Daniel Gale	102 Seventh Street	Garden City	NY	11530	(516) 248-6655
Daniel Gale	100 Hilton Avenue	Garden City	NY	11530	(516) 626-2230
Daniel Gale	42-B Middle Neck Road	Great Neck	NY	11021	(516) 466-4036
Daniel Gale	114 Main Street	Greenport	NY	11944	(631) 477-0013
Daniel Gale	342 Wheatley Plaza	Greenvale	NY	11548	(516) 626-7600
Four Seasons	423 Warren Street	Hudson	NY	12534	(518) 822-0800
Daniel Gale	263 Main Street	Huntington	NY	11743	(631) 427-6600
William Pitt	46 Main Street	Irvington	NY	10533	(914) 295-3500
Four Seasons	89 Broadway	Kingston	NY	12401	(845) 331-3100
Four Seasons	1496 US Route 9	Lake George	NY	12845	(518) 644-9500
Four Seasons	2527 Main Street Suite 7	Lake Placid	NY	12946	(518) 523-2550
William Pitt	1910 Palmer Avenue	Larchmont	NY	10538	(914) 834-0270
Daniel Gale	1 Buckram Road	Locust Valley	NY	11560	(516) 759-4800
Daniel Gale	58 W. Park Avenue	Long Beach	NY	11561	(516) 670-1700
Daniel Gale	364 Plandome Road	Manhasset	NY	11030	(516) 627-4440
Daniel Gale	10095 Main Road	Mattituck	NY	11952	(631) 298-0300
Daniel Gale	70 Love Lane	Mattituck	NY	11952	(631) 298-4130
William Pitt	346 Fowler Road P.O. Box 226	Millbrook	NY	12545	(845) 677-9822
Daniel Gale	77 Main Street	Northport	NY	11768	(631) 754-3400

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Franchisee	Address	City	State	Zip	Phone
Ellis	76 North Broadway	Nyack	NY	10960	(845) 353-4250
Timm Associates	2972 Route-28	Old Forge	NY	13420	(315) 369-3951
Daniel Gale	350 Main Street	Port Washington	NY	11050	(516) 883-2900
Four Seasons	41 E. Market Street Suite 6	Rhinebeck	NY	12572	(845) 876-5100
High Falls	1655 Monroe Ave.	Rochester	NY	14618	(585) 623-1500
Daniel Gale	36 South Park Avenue	Rockville Centre	NY	11570	(516) 678-1510
William Pitt	49 Purchase Street	Rye	NY	10580	(914) 967-4600
Four Seasons	270 Broadway	Saratoga Springs	NY	12866	(518) 580-8500
William Pitt	28 Chase Road	Scarsdale	NY	10583	(914) 725-3305
Daniel Gale	329 Glen Cove Avenue	Sea Cliff	NY	11579	(516) 759-6822
Daniel Gale	11 Grand Ave.	Shelter Island Heights	NY	11965	(631) 749-1155
Finger Lakes	44 East Genesee Street	Skaneateles	NY	13152	(315) 685-9755
Daniel Gale	81-83 Route 111	Smithtown	NY	11787	(631) 584-6600
Daniel Gale	1067 North Country Road	Stony Brook	NY	11790	(631) 689-6980
Four Seasons	58 Broadway	Tivoli	NY	12583	(845) 757-5000
Daniel Gale	100 Main Street	Westhampton Beach	NY	11978	(631) 288-1050
Chapin	2902 State Route 55	White Lake	NY	12786	(845) 583-4900
Daniel Gale	7951 Jericho Turnpike	Woodbury	NY	11797	(516) 677-0030
Four Seasons	31 Mill Hill Rd	Woodstock	NY	12498	(845) 684-0084
Street	2372 East Main Street, Suite 100	Bexley	OH	43209	(614) 235-1100
Elite	89 N Main Street 2nd Floor	Chagrin Falls	OH	44022	(216) 352-4700
Robinson	2724 Observatory Avenue	Cincinnati	OH	45208	(513) 321-6000
Robinson	9429 Montgomery Road	Cincinnati	OH	45242	(513) 321-6000
Street	162 Walnut Avenue	Lakeside	OH	43440	(419) 798-1123
Elite	29525 Chagrin Blvd. Suite 100	Pepper Pike	OH	44122	(440) 290-4800
Street	116 Madison Street	Port Clinton	OH	43452	(419) 797-4400
Street	2126 Tremont Center	Upper Arlington	OH	43221	(614) 538-8895
Sage	1047 NW 68th Street	Oklahoma City	OK	73116	(405) 748-0405
Cascade Hasson	467 Laneda Avenue PO Box 820	0	OR	97130	(503) 368-6609
Coastal	100 Seabird Drive, SW	Bandon	OR	97411	(541) 347-5500
Cascade Hasson	650 SW Bond Street Suite 100	Bend	OR	97702	(541) 383-7600

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Cascade Hasson	821 NW Wall Street	Bend	OR	97703	(541) 318-8803
Cascade Hasson	57100 Beaver Drive Building #23, Suite 140	Bend	OR	97707	(541) 593-2122
Cascade Hasson	130 N. Hemlock Suite 1, PO Box 1425	Cannon Beach	OR	97110	(503) 436-9000
Coastal	196 S. 2nd Street	Coos Bay	OR	97420	(541) 516-1850
Cascade Hasson	7755 US-101 Suite F-200	Gleneden Beach	OR	97388	(541) 994-5221
Cascade Hasson	118 3rd Street	Hood River	OR	97031	(541) 716-0701
Cascade Hasson	175 E. California St.	Jacksonville	OR	97530	(541) 323-4818
Cascade Hasson	310 N. State Street Suite 102	Lake Oswego	OR	97034	(503) 420-8650
Cascade Hasson	1575 E. McAndrews Rd Suite 200	Medford	OR	97504	(541) 312-4057
Cascade Hasson	1302 NW Hoyt St.	Portland	OR	97209	(503) 802-6401
Cascade Hasson	1500 NE Irving Street #110	Portland	OR	97232	(503) 420-8600
Cascade Hasson	535 SW 6th St. Suite 101	Redmond	OR	97756	(541) 512-4106
Cascade Hasson	291 W. Cascade Ave	Sisters	OR	97759	(541) 588-6614
Cascade Hasson	1969 Willamette Falls Dr #100	West Linn	OR	97068	(503) 635-9801
Cascade Hasson	31840 SW Charbonneau Drive #B	Wilsonville	OR	97070	(503) 694-6700
Piatt	659 Third Street Suite 2	Beaver	PA	15009	(412) 471-4900
Kurfiss	25 Morris Avenue Suite 223	Bryn Mawr	PA	19010	(610) 229-9011
Piatt	3402 Harts Run Road	Glenshaw	PA	15116	(412) 850-5404
Monument	674 Unionville Rd. Suite 104	Kennett Square	PA	19348	(610) 474-6520
Lusk & Associates	100 Foxshire Drive	Lancaster	PA	17601	(717) 291-9101
Kurfiss	6038 Lower York Road	New Hope	PA	18938	(215) 794-3227
Kurfiss	6029 Lower York Road	New Hope	PA	18938	(215) 794-3227
Kurfiss	1631 Locust Street 3rd Floor	Philadelphia	PA	19103	(215) 735-2225
Kurfiss	8429-31 Germantown Ave.	Philadelphia	PA	19118	(215) 298-9415
Piatt	260 Forbes Avenue Suite 1300	Pittsburgh	PA	15222	(412) 471-4900
Piatt	100 Siena Drive Suite 240	Pittsburgh	PA	15241	(412) 822-6700
Piatt	5513 Walnut Street	Pittsburgh	PA	15232	(412) 822-6800
Piatt	519 Broad Street	Sewickley	PA	15143	(412) 939-7000
Lusk & Associates	314 S Burrowes Street	State College	PA	16801	(814) 808-7588
Piatt	100 Fowler Road Suite 30	Warrendale	PA	15086	(724) 765-7000
Mott & Chace	210 County Road	Barrington	RI	02806	(401) 245-3050

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Franchisee	Address	City	State	Zip	Phone
Sullivan	PO Box 144 Water Street	Block Island	RI	02807	(401) 466-5521
Mott & Chace	317 Hope Street	Bristol	RI	02809	(401) 250-0095
Mott & Chace	5280 Post Road	Charlestown	RI	02813	(401) 364-6700
Mott & Chace	572 Main Street	East Greenwich	RI	02818	(401) 884-5522
Mott & Chace	20 Narragansett Avenue	Narragansett	RI	02882	(401) 789-8899
Gustave White	37 Bellevue Avenue	Newport	RI	02840	(401) 849-3000
Mott & Chace	100 Exchange Street	Providence	RI	02903	(401) 314-3000
Gustave White	1793 Main Road	Tiverton	RI	02878	(401) 816-4060
Mott & Chace	1 Bay Street Suite E	Westerly	RI	02891	(401) 315-0808
Daniel Ravenel	1011 Bay Street Suite 109	Beaufort	SC	29902	(843) 379-3322
Daniel Ravenel	6 Promenade Street	Bluffton	SC	29910	(843) 836-3900
Daniel Ravenel	33 Broad Street	Charleston	SC	29401	(843) 723-7150
Herlong	148 Thomas Green Boulevard	Clemson	SC	29631	(864) 382-3800
Peace	129 Luvan Boulevard	Georgetown	SC	29440	(843) 546-4176
Herlong	1 McDaniel Greene	Greenville	SC	29601	(864) 382-3800
Daniel Ravenel	23-A Shelter Cove Lane	Hilton Head Island	SC	29928	(843) 341-2623
Peace	677 Main Street	North Myrtle Beach	SC	29582	(843) 663-0420
Peace	35 Capers Way	Pawleys Island	SC	29585	(843) 237-7711
Peace	6500 Ocean Highway	Pawleys Island	SC	29585	(843) 237-7711
Grand	6140 S Lyncrest Ave	Sioux Falls	SD	57108	(605) 799-3700
Horizon	1307 East Main Street #130	Chattanooga	TN	37404	(423) 756-9999
Horizon	7522 East Brainerd Road	Chattanooga	TN	37421	(423) 756-9999
Zeitlin	580 Franklin Road Suite 300	Franklin	TN	37069	(615) 794-0833
Alliance	8862 Cedar Springs Lane Suite 100	Knoxville	TN	37923	(865) 357-3232
Alliance	4514 Old Kingston Pike	Knoxville	TN	37919	(865) 357-3232
Zeitlin	4301 Hillsboro Pike Suite 100	Nashville	TN	37215	(615) 383-0183
Kuper	2700 Barton Creek Boulevard	Austin	TX	78735	(512) 328-0058
Kuper	8300 N. MOPAC Expressway Suite 100	Austin	TX	78759	(512) 345-2100
Kuper	13420 Galleria Circle Suite A-105	Austin	TX	78738	(512) 261-0008
Kuper	524 N. Lamar Blvd. Suite #204	Austin	TX	78703	(512) 831-6577
Southern District	18 W Main St	Bellville	TX	77418	(979) 530-2714

**Sotheby's International Realty Affiliates LLC - Active Offices**  
**As of December 31, 2025**

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

Franchisee	Address	City	State	Zip	Phone
Kuper	1002 River Road Suite 300	Boerne	TX	78006	(830) 816-5260
Southern District	1108 S Bluebell Road	Brenham	TX	77833	(979) 530-2714
Southern District	1645 Greens Prairie Rd. Suite 3B	College Station	TX	77845	(979) 446-7235
Briggs Freeman	3131 Turtle Creek Blvd. 4th & 5th Floor	Dallas	TX	75219	(214) 350-0400
Briggs Freeman	6130 La Vista Suite 150	Dallas	TX	75214	(214) 351-7100
Briggs Freeman	4828 Camp Bowie Blvd	Fort Worth	TX	76107	(817) 731-8466
Staples	7500 State Hwy 155	Frankston	TX	75763	(903) 876-1051
Kuper	764 West San Antonio Street	New Braunfels	TX	78130	(830) 358-7989
Briggs Freeman	7301 Lone Star Drive Suite A-115	Plano	TX	75024	(972) 202-5900
Kuper	104 Mustang Blvd.	Port Aransas	TX	78373	(361) 749-4000
Kuper	6606 N. New Braunfels	San Antonio	TX	78209	(210) 822-8602
Kuper	4 Dominion Drive, Building 2	San Antonio	TX	78257	(210) 698-3100
Kuper	5000 Broadway Street	San Antonio	TX	78209	(210) 822-8602
Briggs Freeman	2101 E. Southlake Blvd. Suite 220	Southlake	TX	76092	(817) 801-3030
Staples	2344 Dueling Oaks	Tyler	TX	75703	(903) 630-4321
Summit	13693 South 200 West Suite 100	Draper	UT	84020	(801) 467-2100
Summit	362 N Main Street	Heber City	UT	84032	(435) 649-1884
Summit	1500 E Black Desert Dr	Ivins	UT	84738	(435) 649-1884
Summit	59 E. Center Street	Moab	UT	84532	(435) 649-1884
Summit	1750 Park Avenue PO Box 2370	Park City	UT	84060	(435) 649-1884
Summit	7580 Royal Street, Mont Cervin Plaza 105 PO Box 2370	Park City	UT	84060	(435) 649-1884
Summit	545 Main Street, PO Box 2370	Park City	UT	84060	(435) 649-1884
Summit	625 Main Street PO Box 2370	Park City	UT	84060	(435) 649-1884
Summit	7085 Glenwild Drive	Park City	UT	84098	(435) 649-1884
Summit	1835 Three Kings Drive Unit 70	Park City	UT	84060	(435) 649-1884
Summit	151 N Main Street	Saint George	UT	84770	(435) 649-1884
Summit	1333 So Auto Mall Dr. #102	Saint George	UT	84770	(435) 649-1884
Summit	1260 E. Stringham Ave. Suite 100	Salt Lake City	UT	84106	(801) 467-2100
TTR	400 South Washington Street	Alexandria	VA	22314	(703) 310-6800
TTR	2300 Clarendon Blvd. Suite 200	Arlington	VA	22201	(703) 745-1212
Frank Hardy	417 Park Street	Charlottesville	VA	22902	(434) 296-0134

**Sotheby's International Realty Affiliates LLC - Active Offices**  
**As of December 31, 2025**

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

Franchisee	Address	City	State	Zip	Phone
Atlantic	134 N. Battlefield Blvd.	Chesapeake	VA	23320	(757) 777-9870
Hunt Country	22 West Market Street	Leesburg	VA	20176	(703) 443-1757
TTR	6723 Whittier Ave Suite 101	Mc Lean	VA	22101	(703) 319-3344
Hunt Country	2 West Washington Street	Middleburg	VA	20117	(703) 443-1757
Atlantic	2160 William Styron Square S.	Newport News	VA	23606	(757) 777-9870
The Steele Group	6726 Patterson Avenue	Richmond	VA	23226	(804) 282-3136
The Steele Group	1531 West Main Street	Richmond	VA	23220	(804) 249-7670
TTR	6474 Main Street	The Plains	VA	20198	(540) 212-9993
Atlantic	4416 Expressway Drive	Virginia Beach	VA	23452	(757) 777-9870
The Steele Group	240 McLaws Cir Suite 136	Williamsburg	VA	23185	(757) 378-9090
Four Seasons	Route 30 P.O. Box 8	Bondville	VT	05340	(802) 297-8000
Four Seasons	103 US Route 5 North	Fairlee	VT	05045	(802) 333-4701
Four Seasons	133 East Mountain Rd. Unit 17	Killington	VT	05751	(802) 746-4203
Four Seasons	57 Pond Street Okemo Marketplace	Ludlow	VT	05149	(802) 228-4537
Four Seasons	203 Depot Street	Manchester	VT	05255	(802) 362-4551
Four Seasons	116 West St. Suite 5	Rutland	VT	05701	(802) 774-7007
Four Seasons	1184 Main Street First Floor	Saint Johnsbury	VT	05819	(802) 751-7582
Four Seasons	550 Hinesburg Road	South Burlington	VT	05403	(802) 864-0541
Four Seasons	580 Mountain Road P.O. Box 1404	Stowe	VT	05672	(802) 253-7267
Four Seasons	148H VT Route 100 P. O. Box 1761	West Dover	VT	05356	(802) 464-1200
Williamson Group	24 Elm Street	Woodstock	VT	05091	(802) 457-2000
Realogics	240 Winslow Way E.	Bainbridge Island	WA	98110	(206) 842-0842
Realogics	10237 Main Street	Bellevue	WA	98004	(425) 800-0310
Marketplace	19122 Beardslee Blvd Suite 204	Bothell	WA	98011	(425) 243-9000
Cascade Hasson	418 NE 4th Ave Suite 101	Camas	WA	98607	(360) 816-2606
Olympic	403 N Market Blvd	Chehalis	WA	98532	(360) 345-6937
Island Group	1 Spring Street P.O. Box 777	Friday Harbor	WA	98250	(360) 378-2151
Morrison House	3004 Harborview Drive	Gig Harbor	WA	98335	(253) 581-5100
Retter & Company	329 North Kellogg St.	Kennewick	WA	99336	(509) 783-8811
Realogics	15 Lake Street Suite 101	Kirkland	WA	98033	(206) 448-5752
Realogics	15 Lake Street Suite 200	Kirkland	WA	98033	(425) 658-5300

**Sotheby's International Realty Affiliates LLC - Active Offices**  
**As of December 31, 2025**

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

Franchisee	Address	City	State	Zip	Phone
Realogics	7605 SE 27th Street	Mercer Island	WA	98040	(206) 922-3846
Olympic	1722 Harrison Ave NW	Olympia	WA	98502	(360) 528-4160
Marketplace	8299 161st Ave NE #201	Redmond	WA	98052	(425) 243-9000
Realogics	4031 E. Madison Street	Seattle	WA	98112	(206) 466-2409
Realogics	2715 1st Avenue	Seattle	WA	98121	(206) 538-0730
Morrison House	2622 N. Proctor St.	Tacoma	WA	98407	(253) 292-9290
Cascade Hasson	900 Washington Street Suite 150	Vancouver	WA	98660	(360) 419-5600
Vashon Island	17635 Vashon Highway SW	Vashon	WA	98070	(206) 408-7539
Walla Walla	3 E. Main Street	Walla Walla	WA	99362	(509) 876-8646
Marketplace	16812 140th Ave NE	Woodinville	WA	98072	(425) 243-9000
Mahler	645 Wells Street	Delafield	WI	53018	(414) 964-2000
Mahler	223 Cook Street	Lake Geneva	WI	53147	(414) 964-2000
Mahler	250 E. Wisconsin Ave. Suite 1610	Milwaukee	WI	53202	(414) 964-2000
Mahler	424 E. Wisconsin Ave.	Milwaukee	WI	53202	(414) 964-2000
Mahler	10668 N. Bay Shore Drive Suite A	Sister Bay	WI	54234	(920) 785-4663
Jackson Hole	185 West Broadway P.O. Box 3281	Jackson	WY	83001	(307) 733-9009
Jackson Hole	110 E. Broadway	Jackson	WY	83001	(307) 739-1234
Jackson Hole	7680 Granite Loop Road Four Seasons	Teton Village	WY	83025	(307) 733-9009
Jackson Hole	3335 Village Drive	Teton Village	WY	83025	(307) 733-9009
Jackson Hole	3385 Cody Lane	Teton Village	WY	83025	(307) 733-9009
Jackson Hole	3415 North Pines Way Suite 102-104	Wilson	WY	83014	(307) 733-9009

## **EXHIBIT H**

**Sotheby's International Realty Affiliates LLC - Outlets that Left the System  
As of December 31, 2025**

**Terminated Outlets and Outlets that have Ceased Operations**

<b>Franchisee</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
Pacific	32932 Pacific Coast Highway, #10	Dana Point	CA	92629	(949) 545-2820
Pacific	1555 Camino Del Mar #317	Del Mar	CA	92014	(858) 334-3577
Venture	152 Anza Street	Fremont	CA	94539	(510) 438-0700
Venture	509 Main Street	Pleasanton	CA	94566	(925) 359-9600
Pacific	407 N. El Camino Real	San Clemente	CA	92672	(949) 346-5470
Pacific	16745 W. Bernardo Drive, Suite 200	San Diego	CA	92127	(858) 705-6041
Healdsburg	403 Chinn St.	Santa Rosa	CA	95404	(707) 508-4161
Aspen Snowmass	780 East Valley Road	Basalt	CO	81621	(970) 927-8080
LIV	858 West Happy Canyon Road, Suite 100	Castle Rock	CO	80108	(303) 893-3200
ONE	600 N. Miramar Avenue	Indialantic	FL	32903	(321) 724-2300
ONE	1331 S Harbor City Blvd.	Melbourne	FL	32901	(321) 723-1400
ONE	18288 Collins Ave, Suite 1	North Miami Beach	FL	33160	(305) 887-2291
ONE	1401 Highway A1A, Suite 300	Vero Beach	FL	32963	(772) 492-1002
Crescent	131 Del Norte	Denham Springs	LA	70726	(225) 271-8845
Great Lakes	215 River Street, #A-1	Elk Rapids	MI	49629	(231) 631-8380
Dielmann	8301 Maryland Ave., Suite #301	St Louis	MO	63105	(314) 469-2220
Landmark	701 N. Howe Street, #3	Southport	NC	28461	(910) 457-6388
Heritage House	848 Broad Street	Shrewsbury	NJ	07702	(732) 842-3434
Daniel Gale	329 Glen Cove Avenue	Sea Cliff	NY	11579	(516) 674-2000
Piatt	200 5th Ave, Suite 200	Pittsburgh	PA	15222	(412) 471-4900
Mahler	1025 Lombardi Ave., Suite 200	Green Bay	WI	54304	(414) 964-2000

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Sotheby's International Realty® System.

**Sotheby's International Realty Affiliates LLC - Outlets that Left the System  
As of December 31, 2025**

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

**Transferred Outlets**

<b>Franchisee</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
Wheeler Steffen	596 Pine Knot Avenue, P.O. Box 1586	Big Bear Lake	CA	92315	(909) 878-5500
Wheeler Steffen	27201 Highway 189	Blue Jay	CA	92317	(909) 366-6940
Central Coast	734 Main Street, Suite C	Cambria	CA	93428	(805) 927-1200
Wheeler Steffen	500 W. Foothill Blvd.	Claremont	CA	91711	(909) 624-1617
Gateway	1004 White Rock Rd., Suite 400	El Dorado Hills	CA	95762	(916) 939-7253
Gateway	54 Main Street	Sutter Creek	CA	95685	(209) 267-8233
Atlanta Fine Homes	588 East Main St, Suite B	Blue Ridge	GA	30513	(706) 222-5588
Heather Croner Real Estate	346 Fowler Road, PO Box 226	Millbrook	NY	12545	(845) 677-9822

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Sotheby's International Realty® System.

# **EXHIBIT I**

**Sotheby's International Realty Affiliates LLC - Offices Awaiting Opening  
As of December 31, 2025**

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

<b>Company</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>
Big Sky	211 Town Center Ave.	Big Sky	MT	59716	(406) 995-2211
Town & Country	455 NW Tyler Ave	Corvallis	OR	97330	(541) 757-1781

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Sotheby's International Realty® System.

## **EXHIBIT J**

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# POLICIES AND PROCEDURES

**Confidential and Proprietary**

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## **EXHIBIT K**

**COMPANY-OWNED AFFILIATE OUTLETS  
(Other than Sotheby's International Realty® Outlets)**

**COLDWELL BANKER® OUTLETS  
STATUS OF COMPANY-OWNED  
COLDWELL BANKER® OUTLETS  
OPERATED BY ANYWHERE ADVISORS  
FOR YEARS 2023 TO 2025 [1][2]  
(Table 4.A)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2023	19	0	0	2	1	16
	2024	16	0	0	4	0	12
	2025	12	0	0	1	0	11
California	2023	102	1	0	8	0	95
	2024	95	0	0	6	0	89
	2025	89	0	0	3	0	86
Colorado	2023	14	0	0	3	0	11
	2024	11	0	0	0	0	11
	2025	11	0	0	0	0	11
Connecticut*	2023	32	0	0	1	0	31
	2024	31	0	0	4	0	27
	2025	27	2	0	2	0	27
Delaware	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
District of Columbia	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Florida	2023	62	0	0	1	1	60
	2024	60	0	0	5	0	55
	2025	55	0	0	1	0	54
Georgia*	2023	12	0	0	2	0	10
	2024	10	0	0	1	0	9
	2025	9	1	0	2	0	8
Hawaii	2023	6	0	0	1	0	5
	2024	5	0	0	0	0	5
	2025	5	0	0	1	0	4

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Illinois	2023	29	0	0	7	0	22
	2024	22	0	0	0	0	22
	2025	22	0	0	0	0	22
Indiana	2023	2	0	0	0	1	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Kentucky	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Maine	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	0	0	0	0	3
Maryland	2023	17	1	0	2	0	16
	2024	16	0	0	2	0	14
	2025	14	0	0	1	0	13
Massachusetts	2023	48	0	0	4	0	44
	2024	44	0	0	4	0	40
	2025	40	1	0	3	0	38
Michigan	2023	18	0	0	4	0	14
	2024	14	0	0	4	9	1
	2025	1	0	0	0	0	1
Minnesota	2023	18	0	0	1	0	17
	2024	17	0	0	0	0	17
	2025	17	0	0	0	0	17
Missouri	2023	13	0	0	3	0	10
	2024	10	0	0	0	0	10
	2025	10	0	0	0	0	10
Nevada	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
New Hampshire	2023	6	0	0	0	0	6
	2024	6	0	0	1	0	5
	2025	5	0	0	0	0	5

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New Jersey	2023	47	0	0	3	0	44
	2024	44	0	0	1	0	43
	2025	43	3	0	5	0	41
New York	2023	10	0	0	0	0	10
	2024	10	0	0	0	0	10
	2025	10	0	0	0	0	10
North Carolina	2023	5	0	0	1	0	4
	2024	4	0	0	0	0	4
	2025	4	0	0	0	0	4
Ohio	2023	17	0	0	0	0	17
	2024	17	0	0	0	0	17
	2025	17	0	0	2	0	15
Oregon	2023	4	1	0	1	0	4
	2024	4	0	0	1	0	3
	2025	3	0	0	0	0	3
Pennsylvania	2023	27	0	0	2	0	25
	2024	25	0	0	0	0	25
	2025	25	0	0	2	0	23
Rhode Island	2023	5	0	0	0	0	5
	2024	5	0	0	1	0	4
	2025	4	0	0	0	0	4
South Carolina	2023	13	0	0	1	1	11
	2024	11	0	0	1	0	10
	2025	10	0	0	1	0	9
Texas	2023	29	0	0	3	0	26
	2024	26	0	0	0	0	26
	2025	26	0	0	2	0	24
Utah	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
	2025	7	0	0	1	0	6
Virginia	2023	6	0	0	0	0	6
	2024	6	0	0	1	0	5
	2025	5	0	0	0	0	5

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Washington	2023	20	1	0	2	1	18
	2024	18	0	0	0	0	18
	2025	18	0	0	1	0	17
Wisconsin	2023	7	0	0	1	0	6
	2024	6	0	0	0	0	6
	2025	6	0	0	0	0	6
Total	2023	604	4	0	54	5	549
	2024	549	0	0	35	9	505
	2025	505	7	0	28	0	484

\*We inadvertently reported 2 Coldwell Banker Commercial® offices (1 in Connecticut and 1 in Georgia) in Table 4 in 2023; these totals have been adjusted above.

**COLDWELL BANKER COMMERCIAL® OUTLETS**  
**STATUS OF COMPANY-OWNED**  
**COLDWELL BANKER COMMERCIAL® OUTLETS**  
**OPERATED BY ANYWHERE ADVISORS**  
**FOR YEARS 2023 TO 2025 [1][2]**  
**(Table 4.B)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Connecticut	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Georgia	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0
	2025	0	0	0	0	0	0
Total	2023	2	0	0	0	0	2
	2024	2	0	0	1	0	1
	2025	1	0	0	0	0	1

**CORCORAN® OUTLETS**  
**STATUS OF COMPANY-OWNED**  
**CORCORAN® OUTLETS OWNED AND OPERATED BY NRT NY**  
**AND DOING BUSINESS AS THE CORCORAN GROUP**  
**FOR YEARS 2023 TO 2025 [1][3]**  
**(Table 4.D)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
	2025	7	0	0	0	0	7
New York	2023	22	0	0	1	0	21
	2024	21	0	0	3	0	18
	2025	18	0	0	0	0	18
Total	2023	29	0	0	1	0	28
	2024	28	0	0	3	0	25
	2025	25	0	0	0	0	25

**CORCORAN SUNSHINE®**  
**STATUS OF COMPANY-OWNED OUTLETS**  
**OWNED AND OPERATED BY NRT NY AND DOING BUSINESS AS**  
**CORCORAN SUNSHINE MARKETING GROUP**  
**FOR YEARS 2023 TO 2025 [1][2]**  
**(Table 4.E)**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New York	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

**Notes to Item 20 tables above:**

- [1] All numbers are as of December 31 for each year.
- [2] As described in Item 1, during the past three fiscal years, Anywhere Advisors has owned and operated Sotheby's International Realty® offices, and it is these offices that are listed as company-owned real estate brokerage offices in Tables 1 and 4. Anywhere Advisors also owned and operated the following other real estate brokerage offices during the past three fiscal years: Coldwell Banker®, and Coldwell Banker Commercial® real estate brokerage offices. Anywhere Advisors' subsidiary, NRT NY d/b/a The Corcoran Group has owned and operated Corcoran® offices and NRT NY also owned and operated real estate brokerage offices doing business as Corcoran Sunshine®. It is these other real estate brokerage offices owned and operated by Anywhere Advisors and NRT NY that are listed as company-owned real estate brokerage offices in Tables 4.A to 4.E in this Exhibit K.

Compass has owned and operated real estate brokerage offices with affiliated agents operating under the names and marks "COMPASS," "URBAN COMPASS," "WASHINGTON FINE PROPERTIES," and "LATTER AND BLUM" (collectively referred to as "Compass Brokerage").

### **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:

<b>State</b>	<b>Effective Date</b>
California	03/30/26
Hawaii	Pending
Illinois	03/30/26
Indiana	03/30/26
Maryland	Pending
Michigan	03/30/26
Minnesota	Pending
New York	03/30/26
North Dakota	03/30/26
Rhode Island	03/30/26
South Dakota	03/30/26
Virginia	Pending
Washington	See Separate FDD
Wisconsin	03/30/26

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

## RECEIPT

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

If Sotheby's International Realty Affiliates LLC ("we" or "us") offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Iowa and New York Island require that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days (or 10 business days in New York) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we 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 we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed in Exhibit B.

The franchisor is Sotheby's International Realty Affiliates LLC and is located at 175 Park Avenue, Madison, New Jersey 07940. Our telephone number is (973) 407-7401.

### Date of Issuance: March 30, 2026

The franchise sellers involved in offering and selling the franchise to you are listed below with a principal business address of 175 Park Ave., Madison, NJ 07940, and telephone number of (973) 407-7401; or will be provided to you separately before you sign the Franchise Agreement:

Name	
Joseph Bernardo	Philip White

We list our registered agents authorized to receive service of process in Exhibit B.

I have received a disclosure document with a date of issuance of **March 30, 2026** that included the following Exhibits:

- |   |   |
|---|---|
| A. State Addenda to the Franchise Disclosure Document;  | D-1. Conversion Promissory Note;  |
| B. Federal and State Regulatory Authorities; Registered Agents for Service of Process;  | D-2. Expansion Promissory Note;   |
| C. Real Estate Franchise Agreement, including Guaranty of Payment and Performance, Security Agreement and State Addenda to the Franchise Agreement; | D-3. Security Agreement;  |
| C-1. Location Addendum to Franchise Agreement;  | E. Confidentiality Agreement;   |
| C-2. Development Office Addendum to Franchise Agreement;  | F. Financial Statements of Anywhere Real Estate Inc. and Anywhere Real Estate Group LLC; Guarantee of Performance of Anywhere Real Estate Inc.; Guarantee of Performance of Anywhere Real Estate Group LLC; |
| C-3. Term Extension Addendum to Franchise Agreement;  | G. List of Franchisees as of December 31, 2025;   |
| C-4. Gallery Office Addendum;   | H. List of Outlets that left the Sotheby's International Realty® System (including transfers) from January 1, 2025 through December 31, 2025;   |
| C-5. Limited Purpose Office Addendum;   | I. List of Franchise Offices Awaiting Opening as of December 31, 2025;  |
| C-6. General Release Agreement;   | J. Table of Contents to Policy and Procedures Manual; and   |
|   | K. Company-Owned Affiliate Outlets (Other than Sotheby's International Realty® Outlets).  |

### Date of disclosure document receipt

(Do not leave blank)

\_\_\_\_\_  
Signature of Authorized Representative on behalf of  
Prospective Franchisee (if known)

\_\_\_\_\_  
Print Name/Title for Prospective Franchisee

By signing this Receipt, the Authorized Representative is verifying that they are authorized to sign on behalf of the Prospective Franchisee (Legal Entity) (if known).

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Name		
	Joseph Bernardo	Philip White

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- D-1. Conversion Promissory Note;
- D-2. Expansion Promissory Note;
- D-3. Security Agreement;
- E. Confidentiality Agreement;
- F. Financial Statements of Anywhere Real Estate Inc. and Anywhere Real Estate Group LLC; Guarantee of Performance of Anywhere Real Estate Inc.; Guarantee of Performance of Anywhere Real Estate Group LLC;
- G. List of Franchisees as of December 31, 2025;
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- J. Table of Contents to Policy and Procedures Manual; and
- K. Company-Owned Affiliate Outlets (Other than Sotheby's International Realty® Outlets).

### Date of disclosure document receipt

(Do not leave blank)

\_\_\_\_\_  
Signature of Authorized Representative on behalf of  
Prospective Franchisee (if known)

\_\_\_\_\_  
Print Name/Title for Prospective Franchisee

By signing this Receipt, the Authorized Representative is verifying that they are authorized to sign on behalf of the Prospective Franchisee (Legal Entity) (if known). Please complete, sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or email it to our Franchise Administrator at [sirlegalnotice@sothebysrealty.com](mailto:sirlegalnotice@sothebysrealty.com).